

CALL TO ORDER:

Mayor Shannon McKay called the workshop to order at 7:00 p.m.

Present: Mayor Shannon McKay; Councilmembers Eleanor Brodahl, Kenneth Caylor, Dan Dever, Kenneth Johnson, Mark Snyder, Marc Spohr, and Tim Wilson.

Also Present: Department Heads: Curt Andrews, Police Chief Steve Dunnagan, Debbie Kudrna; Jay Van Ness, and City Administrator Ehman Sheldon.

IDENTIFY THE HOUSING NEEDS OF THE COMMUNITY AND INDUSTRY

Mayor McKay asked for citizen comments. Vivian Gama stated that she lives in a nice rental duplex, which will be sold. She's been looking for other rental housing and is concerned that there are very few rentals available and noted there is a need for mid-range, affordable rentals. Tommy Tindell advised that there is no difference in the housing situation in Othello, as there was in 1951 through 1954. There was a lack of housing then for the military people and many of them had to live in adjacent communities. He noted that we still have professional people living outside of Othello. Mr. Tindell stated that we need affordable housing and apartment housing to encourage people to stay in the area. He stated that unless we get more housing and apartments, the community will remain stagnant. Don Gentry, co-owner of First Choice Realty and Gentry Quality Homes said they are building homes in Othello and the problem they have is finding land to build upon. He said he had received a letter from the Mayor, which clarified the City's position on the recent Port District funding request. He agrees there is a shortage for mid and high end housing in Othello. He stated that the Housing Authority has purchased the available apartment complexes in Othello. The Mayor's letter advised there is 170 acres designated for residential use and he feels a majority of the land is not for sale or the price is too expensive. Mr. Gentry encouraged the agencies to work together to solve the housing shortage. He believes the Port District will have the property available, properly zoned with infrastructure, and then will sell the property for development. Dave Sperl is aware that teachers and other professionals come to Othello and there aren't apartments available for them. Many of them live in Moses Lake and we loose other income that the community would gain if they lived here and many of those eventually will get jobs elsewhere. He believes there is a strong need for well managed apartments. John Reneau, explained that he moved from Spokane County and now works at McCain Foods Inc. He enjoys the community and there was not a lot of available, affordable housing when he moved to Othello. The housing shortage affects management, as well as the hourly wage employees at McCains and the other industrial plants. There are a lot of workers that live in Moses Lake, and expectations are that we will continue to loose good citizens moving out of our community. Having moved from Spokane, he is surprised how many good paying jobs are in the community. Bill Briggs stated that he can't understand why Council representatives of the City and Port District can't sit down and work this out. Marvin Blochick relocated from Nebraska and now works at McCain Foods. He is a former Councilmember and Mayor and understands the City's role. He believes there is enough Housing Authority housing in Othello but there is a shortage of decent rental units for professionals and teachers. He heard a Council statement that the schools are full, over capacity, and we don't need more families moving into the community. He believes the schools being full is positive because they can consolidate or build, and communities can thrive. He encouraged the City to implement the Uniformed Building Code to bring the older buildings up to code and encouraged the Council to work with the Port District. Eric Morgan explained that he works with employees that have to live in adjacent communities. He agreed there is a need for affordable housing. Adams County Commissioner Roger Hartwig stated there is a great need for mid to upper class homes. He advised there are two developers that are ready to build in the community but they are reliant upon City water. He asked that the City help supply water to the proposed developments. Alan Hanks, manager of the Othello Housing Authority stated they have developed 115 housing units in the last fifteen years. They have purchased several housing units and all but one was already affordable housing. He advised that the Council explore a housing needs assessment. The Housing Authority owns 225 housing units, manage an additional 25, and they 150 families on a waiting list. He explained that when they purchased the Oasis Apartments it had been for sale for years. The Housing Authority hasn't built new since 1999 and they have been

City of Othello
City Council Workshop
June 2, 2008

purchasing older rental units. Mr. Hanks estimated that the Housing Authority may own/manage 70-75% of the affordable rental housing. He explained that a housing needs assessment will include whatever scope of information is needed. Othello Port District Commissioner Kenny Schutte advised their short term vision of the Port District's new development, which is to get utilities to the property, and it's going to take cooperation to have their project be a success. They are still focused on industrial development. He agrees there is a housing shortage. Mike Beardsley, Othello Port District Director stated they are trying to get something going. He agreed that the third party housing needs assessment would be helpful. He has asked for formal statements from the industries and businesses regarding the housing shortage. Affordable housing would assist the school district employees. He explained we need to make the community attractive to get businesses to locate in the area. He is researching funding packages to entice growth. Eric Morgan mentioned that that \$800 is too much for monthly rent for many of the plant's employees. Mayor McKay advised that it seems we have always been short on housing and we need to capitalize on the water to keep our available water in reserve. Dale Wyman, 848 E Juniper, complimented the Housing Authority for cleaning up the housing units that they purchased. He feels the costs for residential lots are affordable. He supports the housing needs assessment in order to clarify the community needs. Mr. Wyman stated that RCW 53.08.040 is specific that the Port District has authority to develop land for commercial and industrial use. He's concerned that the Port District does not have authority to be in housing. The Council will have a retreat next month and the housing situation will be a discussion. The City has an obligation to develop the area in south Broadway, and within that project there may be water brought up to the Port District's land. Mr. Schutte advised they have an attorney who will advise them of their authority for housing developments. Mayor McKay advised the City will work cooperatively with the Port District and Adams County to address the housing issue and make Othello a town people will want to move to. Mr. Gentry stated that they have more than 20 rental applications pending at their business. There are approximately 60 single-family housings available in the Othello area. There is a real need for decent apartments for mid to upper income families. Mayor McKay instructed Mr. Sheldon to research an affordable housing needs assessment. Councilmember Spohr agreed there has continued to be a shortage of affordable rentals and if a consultant can summarize the housing issue, he would support it. Councilmember Caylor supported the housing study be conducted and encouraged that a committee be selected to work together on the issue.

LARCH STREET WATER LINE REPLACEMENT

Municipal Services Coordinator Jay Van Ness explained that a portion of Larch Street, from 1st to 4th Avenue, was over laid in 2007 and radial cracking of the asbestos concrete water line has occurred. Sections of the water line have been repaired and he's received estimates to replace the water line and repave half of the street (\$170,000 - \$190,000.) Councilmember Caylor explained that the condition of infrastructure needs to be considered when we're overlaying the streets. Mr. Van Ness advised that they now schedule overlay projects in sections and replace the infrastructure prior to the road projects. Councilmember Wilson stated that costs for plastics and oil is continuing to grow and is concerned that the estimated cost for the street project will increase. He asked if there is funding available to do the project this year. Staff will review options.

LOCAL IMPROVEMENT FINANCING TOOL (LIFT)

City Administrator Ehman Sheldon explained a new state funding program available for infrastructure, known as Local Infrastructure Financing Tool (LIFT). Othello is among the first to apply for funding and staff is reviewing the process. The funding is based upon bond sales. Funding is available to only one entity per County and Othello is the only community in Adams County applying. The pre-application form was sent several months ago. The application process includes public notification and information has been sent to each business and land owner in the area south of the SR 26 overpass, in the industrial area. Mr. Sheldon reviewed the proposed area, which currently does not have city sewer infrastructure or improved roads in the area. The City met with the property owners several years ago to advise them that the city was going to review options to benefit the area. The City had 10 monitoring stations drilled to assess where the surface water comes from. The next step is to define the infrastructure improvements and

City of Othello
City Council Workshop
June 2, 2008

preliminary plans to bring sewer south on Broadway to the industrial area and bring water and sewer up to the Port District boundaries. The Council will consider an ordinance to define the Revenue Development District (RDA) at the next meeting. If awarded, the City could authorize up to \$1 million per year for 25 years through revenue or councilmatic bonds to fund the project. Mr. Sheldon explained how they could authorize councilmatic bonds if the area will support that amount with the sales and excise taxes generated in the area. The City would sell bonds and the State pays the bonds from tax revenues; the tax rate will not increase; and tax revenue will increase as more businesses move in due to the improved infrastructure. RCW 82.14.475 provides for State sales and use tax credit to be used for public improvements. He explained the process of the LIFT Financing. The funding application will be done by June 30th and staff will facilitate a public hearing on June 27th to receive public comments. If the findings indicate that the sales tax process does not generate sufficient bonding capacity, or if the State does not authorize funding, staff will need to find other funding sources. Gray & Osborne is working on the project with staff and has developed the preliminary engineering costs for the infrastructure. Mayor McKay advised if we complete the project it would bring infrastructure up to the Port District's property.

COMMITTEE REPORTS – COUNCIL COMMITTEE MEMBERS SHARE INFORMATION

Councilmember Spohr advised the pool hours were changed for Sundays 1 p.m. – 5 p.m. The pool committee will consider whether the day rate should be reduced. Sunday's attendance will be analyzed to consider whether it should be open or closed. Lessons will be conducted the entire pool season. The pool is expected to be open on June 9th. Mr. Sheldon advised that all of the schools have been sent invitations for parties and tours.

Councilmember Dever noted that he was appointed to the Centennial Committee and asked for public involvement. Councilmember Caylor advised that the May 12th minutes reflected that Well #6 was 1996 feet deep and the minutes need to be corrected to state that the bottom of the well is 966 feet.

NEW BUSINESS

Mr. Sheldon stated that Well #3 is back on line and Public Works is looking into a preventive maintenance schedule. Councilmember Johnson announced that the next ACDC meeting is scheduled for June 12th in Ritzville.

The Mayor made the following announcements:

- The Othello High School graduation is this Friday at 7:00 p.m.
- The Governor will award Adams County and participating cities in the Adams County Development Council the Smart Communities Award on June 5th at the Bellevue City Hall.

ADJOURNMENT

With no further items to discuss, Mayor McKay adjourned the workshop at 8:30 p.m.

By: _____
SHANNON MCKAY, Mayor

ATTEST:

By: _____
DEBBIE L. KUDRNA, City Clerk