



COMMUNITY DEVELOPMENT COMMITTEE

MINUTES

4:00 PM April 21, 2021
2nd Floor Conference Room, City Hall

1. ROLL CALL

Council: Brent Lenssen, Kyle Strengholt, Gary Bode, Mayor Scott Korthuis
Staff: Heidi Gudde, Steve Banham
Chamber: Gary Vis
Guests (present for Item 3a): Tim Keiper, Ron Hanson

2. APPROVAL OF MINUTES

- a. Community Development Committee Meeting 2-17-21 Minutes were approved.

3. DISCUSSION ITEMS

a. Mural revisions to 610 Front Street.

Ron Hanson and Tim Keiper presented the mural revisions at 610 Front Street – a building they own and have added on 2 floors. The first floor exterior west wall has had a mural painted on it that was funded by the Lions Club. An agreement that the City has with the building owners requires that the existing mural be preserved or, if it is replaced, that the design be approved by the City of Lynden.

Building owners Keiper and Hanson related to the Committee that they had looked into options for repainting the portion of the mural that had to be removed for construction of the building addition. They spoke to the artist of the existing mural, Bill Swinburnson, to see if he was interested in repainting the mural and he declined. Artists were contacted about replacing the missing portion of the mural but matching the style of the existing mural was not realistic.

They brought with them the painted canvas prototype that the artist had created. Artist, Harry Engstrum from Arlington has been contracted to paint the new mural. The mural shows a blended scene of the Dutch countryside, street scenes from years past, and finally a view looking east down Front Street itself. Hanson clarified that the prototype did not include all of the details that would be included in the final mural. He also showed the Committee some of this artist's previous murals.

Swinburnson was also contacted regarding the new mural design. Hanson related that the artist expressed understanding in the need for the mural changes and seemed honored to know that elements from the previous mural will be included in the new mural. Swinburnson will also be spotlighted in an upcoming newspaper article.

The Committee expressed support of the mural design as well as the artists previous work.

Property owners Hanson and Keiper have requested that the artist not be questioned or pestered during the painting of the mural after this painter experienced a lot of public interruption at a recent project.

The cost of the mural is about \$20,000. Possible sources of funding were discussed.

Conclusions: The CDC was supportive of the mural design as proposed. Gudde to add the mural approval to the City Council agenda along with a photo of the canvas prototype.

b. Proposed Revision to Outdated Code

The Committee discussed the proposed changes to sections of the City's code that have been identified as outdated. Since the draft of the ordinance was created a number of discussions have occurred as to the origin of these codes and their usefulness.

The Committee concluded that some of the code identified for deletion still has value in specific situations.

Conclusions: Delete revisions related to alcohol and horse taxi changes Planning staff to revise the ordinance and bring to Council.

c. Revision to the West Lynden Transportation Impact Fee Discount

Lenssen and Bode introduced the item giving some history of Reso 709 and what became the 50% discount of transportation and park impact fees.

Lenssen began the discussion by noting that if the fee is revised that the City should do that with notice to the developer.

Asked the Committee if the fee should be discontinued, if it should continue and how it might be revised.

Bode noted that every time a fee increases it always catching the people who are in-process and expressed support for language that would allow those who have started to develop to be exempt from the increase.

Vis recalled the initial implementation of the fee discount as a means of getting development into the area with the thought that the long-term revenue of the City would increase because of the economic development.

The Committee discussed the use of the City's portion of Real Estate Excise Tax (REET) from the sale of industrial properties being directly funneled into streets for the area from which the REET comes from.

Also discussed the sales tax bump that new development brings to the City as a whole and whether this same amount could be allocated to benefit industrial / commercial areas that are responsible for this bump.

Strengholt asked if the streets fund needed assistance and Banham confirmed that after recent street projects that the fund was in need of additional revenue.

Vis asked that the TIF be added to a fee schedule and subject to regular review. Mayor Korhuis confirmed that the Finance Dept is planning to include a unified fee schedule in the next budget and periodic or annual reviews / increases could be built into the fee schedule so that impact fees like TIF don't fall behind.

Banham noted that currently we are far under collecting for the actual cost of road construction. Banham confirmed that the City has contracted with consultant, Transpo, to analyze transportation fees across the City.

Lenssen requested that if the fee is modified that the ordinance go to the Council relatively soon so that the development community will be aware of the upcoming fee increase.

The Committee generally discussed the desire / need for economic incentives for industrial development within the City. And, what role stormwater expenses play in this development progress.

Residential demand is high and offering low fees isn't needed in order to stimulate this market. However, offering incentives to increase economic development could be boon for the West Side of Lynden. However, to date, it has not been enough to see significant industrial development outside of the growth of Lynden Door and the establishment of Preferred Freezer.

Gudde noted that the intensity of roads per acre are much higher for residential development as compared to the industrial. Roads needing

improvement in the industrial area of the City are generally limited to the arterials of Front, Main, Berthusan, and Tromp.

Banham noted that heavy truck traffic takes a toll on streets – much more so than residential streets and do need to be built to a high standard and maintained regularly.

The committee discussed the methodology for collecting fees and asked if an alternate fee could be used for residential vs. other commercial or industrial uses. Staff noted that the fee is based on trips not on type of use.

Banham noted that if the City wanted industrial investment to benefit from its TIF that it could be useful for separate Transportation analysis zones (TAZ) to be established. Impact fees collected within each TAZ would be used for projects with that respective TAZ. Banham noted that the City of Lynden only has one TAZ – that is, that all funds collected go into one pot of money. Bellingham has 14 different TAZs. It may be useful for the City to create one TAZ west of the Guide one TAZ for east of the Guide.

Mayor Korthuis and the Committee discussed a timeline for altering the fees and possibility a gradual transition to full TIF in all areas of the City. Some at the meeting thought that a year to 18 month delay may allow prospective buyers to complete transactions and development under the currently fee. Mayor Korthuis noted that stormwater solutions in this area will take more than 18 months to develop and thought that any development of significant size would not be able to develop in 18 months anyway. Proposed that full fees take effect at the start of 2022 and the Committee agreed.

Conclusion: Ordinance to eliminate the West Lynden Impact Fee discount and increase fees January 1, 2022 up to 100% of the full TIF fee.

Committee also requested that staff review the financial implications of creating TAZ areas so that industrial impact fees go toward industrial road capital improvements. This might divide the City into 2 different zones. The area West of the Guide into one TAZ and East of the Guide into another TAZ.

4. INFORMATIONAL ITEMS

a. Update on the Pepin Creek Financial Mitigation Strategy

Gudde noted that many of the items on the Pepin schedule are on track with the goal of lifting the moratorium at the start of July. However, the latest addition to the schedule is a revision to the Comprehensive Plan

that would include an update to the Pepin Creek Sub-area plan, the Capital Facilities Plan, and the Transportation Element.

Legal Counsel advised the alignment of all documents. Transpo has been contracted to work with City staff on these updates.

Committee confirmed that the preference would be to get the project all aligned before the moratorium is lifted. If the Council needs to extend the moratorium for another 3 months then it can be always be lifted early.

Next Meeting Date: May 19, 2021