

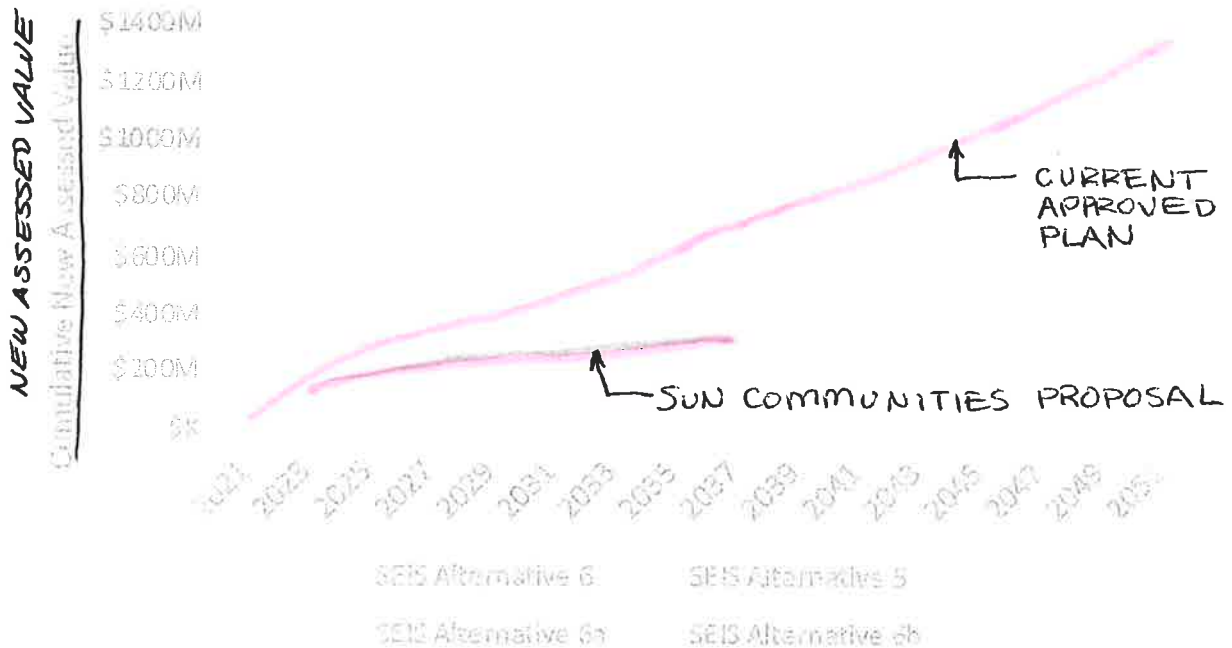
ECONOMIC VALUE OF IMPROVEMENTS ON LAND

Exhibit 19 shows increases in cumulative assessed valuation (AV) over time. State law affirms that property is to be assessed at market value (true and fair value), which County assessors determine using various statistical methods. A property with greater AV (i.e., properties with more market value) would be less affordable than a property with lower amounts of AV (i.e., lower market value).

Exhibit 19 shows that SEIS Alternative 5 is expected to produce more cumulative assessed value than SEIS Alternative 6. Further, the exhibit shows that SEIS Alternative 6a (47° North) is the primary contributor of cumulative AV in SEIS Alternative 6, given the size of the residential uses and the recreation center and adventure center that is part of the RV resort.

To further delve into this analysis, Exhibit 20 compares the residential component of SEIS Alternative 5 with SEIS Alternative 6a (47° North). The residential component of SEIS Alternative 5 still generates more AV than SEIS Alternative 6a (47° North). This is due to the type and number of residential units in each alternative. For instance, single family development in SEIS Alternative 5 comprises stick-built construction while single family development in SEIS Alternative 6 will be manufactured housing.

Exhibit 19. Cumulative New Construction Assessed Value, SEIS Alternative 5, SEIS Alternative 6, SEIS Alternative 6a (47° North), and SEIS Alternative 6b (the commercial parcel)



Source: ECONorthwest.
 Note: Year of Expenditure Dollars.

**TABLE 1
CITY OF CLE ELUM CUMULATIVE REVENUE AND COST SUMMARY (2020\$ IN THOUSANDS), SEIS
ALTERNATIVE 5, SEIS ALTERNATIVE 6, SEIS ALTERNATIVE 6A (47° NORTH), AND SEIS
ALTERNATIVE 6B (THE COMMERCIAL PARCEL)**

	2025	2031	2037	2051
SEIS Alternative 5				
Total Revenues	\$3,950	\$8,890	\$14,700	\$28,200
Property Taxes	\$1,580	\$4,930	\$8,980	\$18,920
Sales Tax on Construction	\$1,870	\$2,570	\$3,290	\$4,330
Ongoing Sales Tax	\$80	\$260	\$480	\$1,040
Utility Taxes	\$420	\$1,130	\$1,950	\$3,910
Total Costs	\$2,184	\$6,030	\$10,312	\$21,595
Police	\$1,565	\$4,452	\$7,719	\$16,525
Fire	\$261	\$778	\$1,357	\$2,845
Parks	\$26	\$79	\$138	\$289
Public Works	\$332	\$721	\$1,098	\$1,936
Net Fiscal Impact	\$1,766	\$2,860	\$4,388	\$6,605
SEIS Alternative 6				
Total Revenues	\$2,976	\$7,306	\$11,576	-
Property Taxes	\$960	\$2,930	\$4,900	-
Sales Tax on Construction	\$1,176	\$1,416	\$1,486	-
Ongoing Sales Tax	\$200	\$1,210	\$2,370	-
Utility Taxes	\$640	\$1,750	\$2,820	-
Total Costs	\$2,237	\$6,333	\$10,670	-
Police	\$1,757	\$5,076	\$8,624	-
Fire	\$163	\$550	\$958	-
Parks	\$15	\$52	\$91	-
Public Works	\$302	\$655	\$997	-
Net Fiscal Impact	\$739	\$973	\$906	-
SEIS Alternative 6a (47° North)				

CURRENT APPROVAL

NO SHORTFALL

SUN COMMUNITIES

	2025	2031	2037	2051
Total Revenues	\$2,686	\$5,756	\$8,506	-
Property Taxes	\$920	\$2,690	\$4,310	-
Sales Tax on Construction	\$1,096	\$1,226	\$1,226	-
Ongoing Sales Tax	\$40	\$130	\$220	-
Utility Taxes	\$630	\$1,710	\$2,750	-
Total Costs	\$1,942	\$5,480	\$9,225	-
Police	\$1,502	\$4,338	\$7,371	-
Fire	\$139	\$470	\$818	-
Parks	\$15	\$52	\$91	-
Public Works	\$286	\$620	\$945	-
Net Fiscal Impact	\$744	\$276	(\$719)	-
SEIS Alternative 6b (the commercial parcel)				
Total Revenues	\$290	\$1,540	\$3,070	-
Property Taxes	\$40	\$240	\$580	-
Sales Tax on Construction	\$80	\$190	\$270	-
Ongoing Sales Tax	\$160	\$1,080	\$2,150	-
Utility Taxes	\$10	\$30	\$70	-
Total Costs	\$295	\$852	\$1,444	-
Police	\$255	\$738	\$1,253	-
Fire	\$24	\$80	\$139	-
Parks	\$0	\$0	\$0	-
Public Works	\$16	\$34	\$52	-
Net Fiscal Impact	(\$5)	\$688	\$1,626	-

SHORTFALL

KITTITAS HOSPITAL DISTRICT NO. 2

Reoccurring revenues received by Kittitas Hospital District No. 2 predominately include patient service fees and property taxes. Exhibit 27 presents a summary of the District’s cumulative revenues received through their operating property tax levy. It shows that at full buildout, SEIS Alternative 5 generates more property tax revenue than SEIS Alternative 6. It also shows that the primary contributor of property tax revenue in SEIS Alternative 6 derives from its residential/RV resort component (i.e., SEIS Alternative 6a - 47° North).

Exhibit 28 presents a summary of the Hospital District’s cumulative costs. New costs derive from increased FTE of the following positions: Emergency Medical Technicians (EMTs), Paramedic, Physician, and Advanced Practice Clinicians (APCs). Refer to Section 3.12 of the SEIS for calculations of additional staff needs. The analysis shows that SEIS Alternative 5 generates slightly less cumulative staffing costs than SEIS Alternative 6 due to timing variations (i.e., when new FTE are needed). For example, based on the analysis in the Public Services section of the SEIS, Alternative 5 requires 3.5 EMT and 4.3 paramedics by 2025 whereas Alternative 6 requires 4.0 EMT and 4.9 paramedics by 2025. These slight variations affect lifecycle costs.

Although costs are higher than property tax revenues in each SEIS alternative, the District would also receive patient service fees. In 2017, patient service fees accounted for about 44 percent of the District’s total revenues. The analysis assumes that service fees would scale to meet additional costs beyond revenues provided by property tax revenues. For example, if new hires are required to accommodate increased service needs, then revenues from services fees would theoretically increase too. Patient service fees, however, are not forecast.

Exhibit 27. Hospital District Cumulative Operating Levy Revenue Summary (2020\$ in thousands), SEIS Alternative 5, SEIS Alternative 6, SEIS Alternative 6a (47° North), and SEIS Alternative 6b (the commercial parcel)

	2025	2031	2037	2051
SEIS Alternative 5				
Total Revenues	\$340	\$1,150	\$2,260	\$5,550
SEIS Alternative 6				
Total Revenues	\$200	\$690	\$1,220	--
SEIS Alternative 6a (47° North)				
Total Revenues	\$200	\$620	\$1,070	--
SEIS Alternative 6b				
Total Revenues	\$10	\$60	\$150	--

← CURRENT PROPOSAL

← SUN COI PROPOSAL

Source: ECONorthwest.

Note: Values shown in 2020 dollars. SEIS Alternative 6a (47° North) and 6b (the commercial parcel) may not sum to SEIS Alternative 6 due to rounding.

Exhibit 28. Hospital District Cumulative Cost Summary²¹ (2020\$ in thousands), SEIS Alternative 5, SEIS Alternative 6, SEIS Alternative 6a (47° North), and SEIS Alternative 6b (the commercial parcel)

	2025	2031	2037	2051
SEIS Alternative 5				
Total Costs	\$4,194	\$13,789	\$24,666	\$54,054
SEIS Alternative 6				
Total Costs	\$4,891	\$16,198	\$28,654	--
SEIS Alternative 6a (47° North)				
Total Costs	\$4,181	\$13,844	\$24,490	--
SEIS Alternative 6b (the commercial parcel)				
Total Costs	\$711	\$2,354	\$4,163	--

Source: ECONorthwest.

Note: Values shown in 2020 dollars. SEIS Alternative 6a (47° North) and 6b (the commercial parcel) may not sum to SEIS Alternative 6 due to rounding.

KITTITAS COUNTY 9-1-1

Reoccurring revenues received by Kittitas County 9-1-1 predominately include intergovernmental revenues, fees paid by emergency service subscribers, and a monthly tax applied on telephone lines. Exhibit 29 presents Kittitas County 9-1-1's summary of revenues received through its monthly phone tax. It shows that SEIS Alternative 5 generates slightly higher tax revenues than SEIS Alternative 6 because SEIS Alternative 5 generates more households and employees. The majority of revenues received in SEIS Alternative 6 derives from the residential component (i.e., SEIS Alternative 6a – 47° North). The analysis uses the following phone tax assumptions:

- Telephone tax rate remains unchanged at \$0.70 per line
- Lines per household is 2.0 and lines per employee is 0.2
- Household estimates are based on timing of residential units (assuming a 90 percent occupancy rate)

Employee estimates are based on timing of new development (assuming 500 employees per square feet of employment / commercial space)Source: ECONorthwest.

Note: Values shown in 2020 dollars. SEIS Alternative 6a (47° North) and 6b (the commercial parcel) may not sum to SEIS Alternative 6 due to rounding.

Exhibit 30 shows a summary of cumulative costs derived from increased dispatcher FTE. It shows that SEIS Alternative 5 generates less costs than SEIS Alternative 6 due to variations in

²¹ FTE cost assumptions are based on population growth. See the Public Service Impact chapter of this SEIS for more information.

CLE ELUM-ROSLYN SCHOOL DISTRICT

Exhibit 31 presents reoccurring operating levy revenues received by the Cle Elum-Roslyn School District. It shows that SEIS Alternative 5 generates higher revenues than SEIS Alternative 6 (including SEIS Alternative 6a - 47° North and 6b - the commercial parcel), due to greater amounts of built square footage in SEIS Alternative 5.

Exhibit 32 shows a summary of cumulative costs derived from increased FTE of teachers. Because SEIS Alternative 5 requires 6.9 more FTE than SEIS Alternative 6 (and SEIS Alternative 6a - 47° North), SEIS Alternative 5 also generates higher relative costs. SEIS Alternative 6b (the commercial parcel) was not included in the cost analysis as this commercial component will not directly increase student enrollment. Assumptions for increased teacher FTE derive from the Public Service section, 3.12 of this SEIS. That analysis is based on population (an assumed teacher to student ratio).²²

While costs exceed revenues, the School District will also receive intergovernmental revenues, the majority through state school funding support. This source accounted for 79% of total District revenues in the 2018-2019 fiscal year. These revenues will be used to fund future expansions in service.

Exhibit 31. Cle Elum-Roslyn School District Cumulative Revenue Summary (2020\$ in thousands), SEIS Alternative 5, SEIS Alternative 6, SEIS Alternative 6a (47° North), and SEIS Alternative 6b (the commercial parcel)

	2025	2031	2037	2051
SEIS Alternative 5				
Total Revenues	\$510	\$1,580	\$2,890	\$6,090
SEIS Alternative 6				
Total Revenues	\$310	\$940	\$1,580	--
SEIS Alternative 6a (47° North)				
Total Revenues	\$300	\$870	\$1,390	--
SEIS Alternative 6b (the commercial parcel)				
Total Revenues	\$10	\$80	\$190	--

← CURRI PROPOSAL

← SUN CO PROPOSAL

Source: ECONorthwest.

Note: Values shown in 2020 dollars. SEIS Alternative 6a (47° North) and 6b (the commercial parcel) may not sum to SEIS Alternative 6 due to rounding.

²² Note: the ratio could change over time with changes to state policy or state/local funding.

Exhibit 32. Cle Elum-Roslyn School District Cumulative Cost Summary (2020\$ in thousands), SEIS Alternative 5, SEIS Alternative 6, SEIS Alternative 6a (47° North), and SEIS Alternative 6b (the commercial parcel)

	2025	2031	2037	2051
SEIS Alternative 5				
Total Costs	\$4,291	\$12,539	\$21,522	\$43,506
SEIS Alternative 6 and SEIS Alternative 6a (47° North)				
Total Costs	\$2,580	\$8,659	\$14,957	--

Source: ECONorthwest.

Note: Values shown in 2020 dollars.

to raise taxes on existing taxpayers in order to balance city budgets in a world where new development was not taking place.

* INCREASED TAXES

Given the distinct findings for SEIS Alternative 6a (47° North) and 6b (the commercial parcel), should future mitigation become necessary—consistent with typical municipal budgeting practices, the City could impose new taxes or fees to balance its budget or seek to change levels of public services to meet available revenues, or a combination of both approaches. For instance, the City of Cle Elum does not currently impose all of the funding mechanisms that cities may rely on to fund services. As an example, the City could consider implementing local option taxes (such as a levy lid lift with the consent of voters) or expanded business and occupation taxes. The City could also increase tax rates (such as their utility tax rates). These are all tools that the State of Washington has made available to city governments to tax a more diverse set of tax bases stemming from more intense use of the land within its boundaries.

Implementation of a periodic fiscal monitoring program (e.g., in two to five-year increments) may also be appropriate following buildout. Fiscal monitoring could reasonably occur during buildout as well, however, parties should be mindful that revenues may lag behind costs resulting in an incomplete picture of the impact. Fiscal monitoring may be particularly helpful as costs and revenues unassociated with SEIS Alternative 6a will impact the City's overall fiscal situation along with other development within the study area. Additionally, the SEIS assumes the city's Fire Department will move to full time employment and away from its current model of service; this may or may not occur within the time periods studied. Furthermore, future negotiations could reconsider the fiscal measures proposed in the previous development agreement of the UGA/Bullfrog Flats Master Site Plan (FEIS Alternative 5). That agreement identified several conditions to mitigate fiscal shortfalls and to ensure existing citizens and ratepayers would not suffer negative financial impacts as a result of the development. Conditions of approval stated that Trendwest (now New Suncadia) would: allow a Municipal Facilities and Services Expansion Plan to guide capital expansions; make fiscal shortfall mitigation payments; pay for the development's share of planning, water/wastewater treatment plant construction, and permit fees; and coordinate security forces with police and fire services. As stated previously, however, the analysis does not identify a fiscal shortfall associated with the 47° North proposal; therefore, the comparison with the prior Master Site Plan and fiscal conditions in 2002 may not be appropriate.

Kittitas Hospital District No. 2

Fiscal analysis for the hospital district found that projected costs were greater than projected property tax revenues for SEIS Alternative 6 (and in particular, SEIS Alternative 6a (47° North)). However, the District would also receive patient service fees which, in 2017, which accounted for about 44 percent of the District's total revenues and were not forecast in the analysis. It is therefore difficult to assess the underlying fiscal situation of the district over time. This analysis assumes that new FTE would be added to meet service needs, and therefore, as service needs grow so too would patient service fees.