

**CLARK COUNTY
PLANNING COMMISSION MINUTES
Thursday, June 6, 2013**

**Public Services Center
1300 Franklin Street
BOCC Hearing Room, 6th Floor
Vancouver, WA**

6:30 p.m.

I. CALL TO ORDER/APPROVAL OF AGENDA FOR JUNE 6, 2013

BARCA: We're going to go ahead and call the meeting of the Clark County Planning Commission to order. And I would like to start off with the hearing agenda for this evening, June 6th, are there any additions or changes to the agenda? Seeing no additions or changes, I would like to get a motion to approve the agenda.

USKOSKI: Motion to approve.

GIZZI: Second.

BARCA: There's been a motion and seconded. All those in favor.

EVERYBODY: AYE

II. COMMUNICATIONS FROM THE PUBLIC

BARCA: We're going to go ahead, then, and ask for communication from the public concerning any item that is not on this evening's agenda. This is an opportunity to come forward and speak about matters unrelated to tonight's agenda. Anybody wants to come forward? So seeing none, we're going to go ahead then and we're going to move into tonight's agenda which should include the passage of the minutes from our May 16th meeting.

MCCALL: No. It's not done yet.

BARCA: Pardon?

MCCALL: You'll do that at your next meeting.

BARCA: I do that at the next meeting. So we don't have the minutes from the May 16th.

III. ROLL CALL

BARCA: Then I guess we should just do roll call.

QUTUB: PRESENT

USKOSKI: HERE

BARCA: HERE

GIZZI: HERE

JOHNSON: HERE

MORASCH: HERE

BARCA: So then we will move into the body of tonight's agenda. The public hearing items, Capital Facilities Plan, and we'll start with a staff report.

IV. PUBLIC HEARING ITEMS & PLANNING COMMISSION ACTION

A. CAPITAL FACILITIES PLAN

SNELL: Good evening, Chair Barca, members of the Planning Commission. This is Marty Snell, Director of Community Development. I have a staff report for the Planning Commission and --

BARCA: Marty, your microphone a little closer to you, please.

SNELL: I know. I got it. Before the Planning Commission is a staff report and an attached Job Creation Resolution that's part and parcel of this consideration tonight. Consideration for anybody watching at home, I'll read the staff report here.

The BACKGROUND is that the recession in Clark County has resulted in a significant loss of private sector jobs. The Washington Department of Employment Security has reported unemployment in the county as high as 15 percent which occurred in August of 2010, and the unemployment rate has been above 10 percent since December of 2008. Against this backdrop the Board of County Commissioners is considering a new Job Creation Resolution.

The Job Creation Resolution would do two things. The first is to waive all application and service fees for non-residential projects. The second is to waive the collection of traffic impact fees or TIFs. The proposal is for these waivers to remain in place until the unemployment rate in Clark County is at or below the statewide average. The County currently has a fee holiday in place for projects that create 10 or more jobs in certain zones in Clark County.

The TIF waiver will change the funding sources for projects identified in the Capital Facilities Plan, or CFP, and is a comprehensive plan amendment. It can be considered an out-of-cycle amendment because the change in funding can be accomplished through a budget action. However, because it is technically a comprehensive plan amendment, a hearing before the Clark County Planning Commission is required.

Under BUDGET AND POLICY IMPLICATIONS. Pursuant to RCW 36.70A.070, Subsection (3), the sources of funding over the next 6-year term for needed capital facilities must be clearly identified in the capital facilities plan of the Clark County Comprehensive Growth Management Plan. Funding for capital facilities projects is identified in the Clark County Capital Facilities Financial Plan, which states that traffic impact fees are a source of funding, and the table is on the next page. Traffic impact fees are assessed against a particular development according to the County -- or excuse me -- according to the number of daily available trips expected to be generated by the development.

For trips caused by development projects eligible for waiver pursuant to the Job Creation Resolution, the proposed amendment to the Capital Facilities Financial Plan will indicate that the funds expected to be collected as traffic impact fees will instead be paid from the county, Clark County Road Fund.

For informational purposes, the transportation improvement programs for 2007 through 2012 and from 2013 to 2018 are presented in the table below. And you'll see a break out of the expenditures for the total capital improvement projects at \$176,232,000 in the years 2007 to 2012 are amended to for the years 2013 to 2018 to \$174,081,000. The resources are broken out from traffic impact fees, grants and loans, county road fund and other sources, and you'll see the changes noted.

PUBLIC OUTREACH on May 7, just a month ago, the Board of County Commissioners held a public hearing on the Job Creation Resolution. The hearing was continued to May 28 at which time the Board would adopt the waiver of application and service fees. The waiver of traffic impact fees requires a Planning Commission public hearing, so a Board hearing to adopt the traffic impact waiver must be held sometime in June, June 11 precisely.

The Development and Engineering Advisory Board has reviewed and commented on the fee waiver. Although a majority of the DEAB supports the resolution, there are several concerns and questions DEAB wishes to share with the Commissioners, and I believe there's been their formal, their recommendation and their comments submitted to you.

Again, attached to this staff report is the Job Creation Resolution, it's a four-page document. There are other correspondence received by the Board's office from County Treasurer, from City of Washougal, from I believe Cathy Steiger, from Gretchen Starke, from the Columbia River Economic Development Council and again the DEAB. There's also been correspondence received by the Board's office via e-mail from John Karpinski, Temple Lentz, Deborah Nelson and a few others, I'll not go through all of them so, the last one was from George Vartanian, the last bit of correspondence there, so...

If you have any questions, Mr. Horne and I are available for those. Mike Mabrey's here also for some of the capital facilities plan questions.

MORASCH: Yeah. I was just wondering if you could elaborate on what part of this is within our jurisdiction to look at, and what are the criteria that the Growth Management Act or the County comp plan sets out for us to kind of apply when we're looking at this?

HORNE: Let me start out, since there's multiple questions you've asked, let me see if I can take these in order. The issue that's within your jurisdiction is specifically elements that implicate the comprehensive plan, under 35.63 those have to come before the Planning Commission based on a recommendation before they're considered by the Board of County Commissioners.

So the fee, the actual resolution that would waive fees is not a comprehensive plan issue, and therefore under 35.63 does not have to come to the Planning Commission first. But to the extent we're waiving or exempting traffic impact fees, those fees, traffic impact fees, those do implicate or do bring into play the capital facilities plan which is a part of our comprehensive plan, and that does have to come before you.

So the standard generally is that we can only look at our comprehensive plan once a year. This is an out-of-cycle amendment or out-of-cycle consideration, and that's authorized by State law if it's accompanied by or done concurrently with an amendment to our budget or a supplemental appropriation, both of those are brought into play for the same reason.

To the extent we're moving money in our budget to account for the fee waivers and to the extent we are moving money to account for the waiver of traffic impact fees, they'll bring into play budget changes that we will undertake over the future either from the road fund or the general fund. The general fund for county fees; the road fund for traffic impact fees. And those we will be bringing before the Board of County Commissioners next Tuesday a resolution to amend the county budget.

At the same time, we will be seeking to amend the capital facilities plan to show that to the extent eligible developments come forward and are completed in compliance with that resolution and their fees waived, those fees that are waived will become part of the public share. And so to the extent future improvements need to be built in certain traffic impact fee districts, those fees will be paid for by the County.

And that whole issue, the substitution of public share for private funding and the amendment of our capital facilities plan, are exactly the kinds of issues that have to come for you for recommendation for approval or denial before they're considered by the Board of County Commissioners.

MORASCH: But is there any standard in the Growth Management Act or our comp plan for us to make, you know, this kind of determination about where those funding sources should come from?

HORNE: No. In fact, what the -- because the -- first of all, the County is given a great deal of

deference in terms of how it sets its standards. You as representatives of members of the public and the community as a whole are given the right and the obligation to represent the public in weighing in on whether that policy is a good policy or a bad one. But ultimately under RCW 35.63 what your approval or denial is really based on the facts and based on your recommendation as to whether or not you think it's a good or bad policy for the Board to follow.

Growth management does not require that the County achieve a particular goal or avoid a particular harm when it amends its capital facilities plan as long as it's a balanced plan in the six-year period, and we will continue to be balanced, it's just a change of funding sources from public share for private share.

MORASCH: One final question, and this is one the DEAB raised, Number 3, what are the impacts to existing and future TIF credits, if any, or have we looked at that?

HORNE: Yes. TIF credits, there are some different things the Board is considering. I'm not sure that I can tell you that's a final, that any final determinations have been made, they obviously haven't, they haven't gone to hearing on this yet. But at a minimum, even if no particular changes are made, number one, this ordinance is not, or this resolution is not in ordinance form, it will be a resolution, it's intended to be temporary.

Number two, TIFs that are waived are only going to apply to commercial and industrial projects that create permanent jobs. Residential development will still be subject to TIFs. So to the extent there are TIF credits, they're still able to be purchased and sold for residential development, so all of that will continue to be an ongoing market.

MORASCH: If I have a TIF credit that was generated from a commercial project, can I use that on a residential project?

HORNE: Yes, as long as it's located in the same district.

MORASCH: All right. Thank you.

HORNE: Sure.

BARCA: Any other questions?

GIZZI: Well, so when I look at the budget, the proposed budget, 2013 to 2018, there's a 50 percent increase. Well, maybe even more, 55 percent increase in grants and loans or reduction in the county road fund, and yet we're talking about proposing a further use of county road funds to offset traffic impact fees; correct?

HORNE: Okay. I'm a little bit out of my element because I didn't do the budget work on this quite frankly. So it is my understanding that -- well, I don't think I can answer your question and so I'm not going to try.

GIZZI: Well, but --

HORNE: Yes.

GIZZI: -- given the numbers here, certainly grants and loans are going to increase by 55, maybe somehow about 24 million. The county road fund is already reduced by 35 million and we're going to use that to offset the traffic impact fees that's already been reduced. And I'm also guessing that some of the grants and loans are tied to traffic impact fees.

HORNE: Yes, they will be.

GIZZI: So if we give up the traffic impact fees, we then also give up potentially grants or loans or preferential interest rates on those loans.

HORNE: Yes, that's true.

GIZZI: So further costs to the county budget. And then when you said the County will pay, that's the taxpayers; is that correct?

HORNE: Well, it will come out of the county road fund. So there are a couple of different sources that can be utilized, but the source most likely planned for this will be the road fund. So it's a combination of -- well, again, the county road fund comes up, but, yeah, ultimately paid for by users of the road whether they be county taxpayers or people passing through the state, it will come from gas taxes and other road fund sources, some share of property taxes.

GIZZI: And then not to put you on the spot, Chris, I realize you didn't write any of this, but you had said that it would be commercial and industrial developments that created jobs, and yet if I understand correctly, the jobs creation piece is no longer in here; correct?

HORNE: There is not a mandatory requirement. We'll be tracking it, but it will be -- what the Board is looking for is not just the jobs that are created in the construction of the buildings, but jobs that are created after the buildings are constructed.

GIZZI: Yeah. But that's not in here?

SNELL: Correct.

HORNE: But there is not a mandatory requirement, that's correct. And by the way, that was a concern of DEAB's.

GIZZI: Yeah, I saw that.

BARCA: And what method are we going to use to track the job creation?

HORNE: The job application or the application forms that the County uses will include language requesting -- it's going to be voluntary. We're going to request -- because at this point -- let me see if I can say that in two sentences.

Number one, when you take away a requirement for jobs, there won't be an incentive to fluff numbers, at least we're hoping to remove the incentive. And, number two, the form that they apply for land use permits will include questions about how much, what kind of building, how big it will be and how many jobs they anticipate creating. We anticipate the information we'll get in response to those questions will be accurate because there's nothing to gain or lose by not telling us the truth because you don't pay more or less.

BARCA: And so we'll be establishing a baseline as of the moment the ordinance is passed --

HORNE: We will --

BARCA: -- and go forward from that point?

HORNE: Yes. We will begin collecting numbers. We don't know what the baseline is other than the level of unemployment and the number of people that based on statistics that we currently have of people employed in Clark County.

BARCA: So we're going to monitor applications, but that's not the exclusive baseline we're going to use to make the determination, we're going to be looking at jobs based on employment figures? I mean, I'm looking at --

SNELL: Yes. But I think we can --

BARCA: -- resolution --

SNELL: You know, there's maybe kind of two baselines. One is a macro level baseline, what is

the -- how many people work in Clark County today, how many people are unemployed today, and then that's a snapshot in time at the macro level and we'll track that quarterly, monthly, whatever is appropriate.

And then on the micro level when applications come into the County for commercial development, for office development, we will ask the applicant to share with us what they anticipate for for jobs, what do they anticipate for permanent jobs.

We have had some business development earlier -- the earlier fee waiver program that did not have a ten-jobs requirement, there was no jobs requirement. One particular business they disclosed that they would add somewhere between 30 and 40 jobs, it was a manufacturing facility. And so we will ask them to share that information with us and track it application-by-application.

BARCA: And how will we determine whether they chose to get that permit and whether it's based on the fee waiver or whether it's just the right time in the economy to -- so we're going to take credit for every job that's created during that period of time?

HORNE: We don't have -- I mean, the honest answer to your question is we don't have a way to distinguish between those people who would come in anyway from the people who are only coming in because this is an incentive, at least none that I'm aware of.

BARCA: So is that a true statement, then, that we will take credit for every job that's created during that period of time?

HORNE: We will count every job.

BARCA: On the unemployment numbers, as our employment increases and unemployment decreases we won't have a distinction of understanding how many more jobs are actually being created in Multnomah or Washington, Clackamas County that our residents are driving over for, but they will show up in the ranks as employed then; is that also correct?

HORNE: Certainly.

SNELL: Yeah. Well, there's certain, you know -- we can work with the employment security folks and the regional economist Scott Bailey to get some information on people who take a job here and reside here rather than take a job here and reside elsewhere, so we can get some of that information. I know some of it becomes sensitive and confidential, so...

We have done some very high level work on an earlier - a different work session with the Board - for say a medical facility where we have geocoded data with the employment data and we can get some rough numbers, but again, you get into some confidentiality. We can ask a number of ways through employment security to give us some data to better track.

JOHNSON: Marty, I think you talked about this before, \$63 million, and I don't know if this is yours to deal with, grants and loans, do we have \$63 million in grants and loans locked?

SNELL: I'm going to have Mike take this.

JOHNSON: I mean, just probably educate me again here.

MABREY: Right. Commissioner, Mike Mabrey, Community Planning. These are the numbers that you would find in the six-year TIF. So they're estimates of what the next six years is going to look like and how each project is expected to be funded, each project that's on the list.

So these are summaries of what it looked like in 2007 and for that six-year cycle and what it looks like in the 2013 six-year cycle. Clearly grants and loans have gone up or are expected to go up and traffic impact fees are expected to go down, but the traffic impact fee numbers were prior to any of this discussion. Does that make sense?

JOHNSON: Yes. Yes, it does.

MABREY: So all we expected to gather or to collect in traffic impact fees to fund this next six-year cycle is \$6 million.

GIZZI: And then we got a letter also to the Planning Commission from Doug Lasher and we're increasing our reliance on loans through the use of this program, and yet Doug is concerned that we're going to possibly hurt our credit rating which would then further increase our cost of doing business I would think.

HORNE: Certainly it's true, we are rated for bonds. This building was built with bonds that we have issued. And to the extent our credit rating, like any credit or any debtor is viewed as less positive, that the interest rate that is charged for that loan increases or for the bonds is increased, there are a number of factors and it's difficult to say.

But his comments were based on the concern of how much -- I mean, to some extent when you borrow money, how much money you have in the bank is a factor the bank looks at. His concern is that to the extent the general fund or the general financial -- if the general fund or the general financial condition of the county looks more bleak or less positive, that that will influence our bond rating, and that's certainly true. But it also doesn't take into consideration the extent to which it may improve if more people go to work and you begin collecting more money either because they're buying more homes or because they're paying more in sales tax.

So it's a very difficult area to try and make any prediction in other than I think the Board is taking a bold move. I think they know it's difficult, but in light of the number of people who aren't working they felt compelled to do it, and, yes, there is a potential downside.

SNELL: And just one note, too, is Mr. Lasher's letter really speaks more to the impact of the general fund which is not something that we're considering this evening.

QUTUB: And that was kind of my point, it was the big if. The whole letter that Mr. Lasher wrote is about if and what may come about, it's not what is. And as you said, you know, it doesn't take into account that we may have more jobs.

But, Mr. Chair, you had a question about taking credit for jobs. And then in the discussion was it your concern that the jobs may not be in Clark County and that they would be in other counties and we'd, you know, say that there was an increase because was that your concern?

BARCA: I think establishing a baseline and being able to say that our return on investment for putting these funds forward - in light of trying to generate jobs as the region becomes healthier and the economy improves in the entire metro area - we will see in my opinion jobs returning in the entire region and therefore jobs will be created.

QUTUB: And we could be a catalyst for that. Wow. We could actually be a catalyst for that.

BARCA: It's possible.

QUTUB: Yeah.

BARCA: Or we could risk nothing and still make jobs. There's a wide variety of choices in that regard. So I want to just make sure when we say that we're returning value to the citizenry, that we're able to show direct correlation to the money spent and jobs created.

QUTUB: And I would think that that's taken into account. By the Commissioners having done this resolution, they're also taking a risk --

BARCA: Yeah.

QUTUB: -- to actually have a good outcome.

BARCA: Right.

QUTUB: So I would think that, you know, it's acting for the benefit of Clark County and for it to flourish, otherwise it's a failure and nobody wants to necessarily fail.

BARCA: And those are definitely two options. Other comments? Questions? Let's go through the public sign-up sheet then. David McDonald. For the record, please state your name and address.

MCDONALD: Be happy to. I don't see a little number here. Do I have a limitation, three minutes?

GIZZI: No.

BARCA: We'll try and be as generous as we possibly can, David.

MCDONALD: I'll try not to take too much more. My name is David McDonald. I live at 2212 NW 209th Street in Ridgefield, have since 1990. I attended the May 7th hearing, and afterwards I filed a public records request with the County so I could seek more data so that I would have more information to be able to analyze this particular resolution, and I saw a number of documents that were provided to me by Marty as well as other parts of the Commissioners' office.

I have previous drafts of this resolution. I have all of the information that was combined about the prior fee waivers that are in place from the two prior ordinances that were passed, approved by this Commission and also the Board of County Commissioners. And one of the things that I wanted was just some information that showed we were doing a little bit of our due diligence for the public in deciding why there was an economic benefit to doing this particular fee waiver because we're giving up the public's money.

Because as Mr. Horne points out, you are going from private share, you know, private people investing in businesses pay for their own way for the public benefit and their own benefit versus the public subsidizing a private entity for making a business. So, for instance, we give hundreds of millions of dollars in Oregon as tax write-offs to Nike because they bring in hundreds of millions of jobs that they promised in income.

So I got finally to the Budget Office on Tuesday and this was their response. There is no information in the public record or in the county that says what impact these fee waivers will have on our budget. Except they know that if there will be a certain amount of fee waivers, they will have to create a certain amount of jobs in order to cover those waivers because at most we want to make sure that there's an even balance.

But what they said is there is no analysis anywhere in the County Budget Office, staff, nobody has any documents, nobody's done any studies that says that the goals sought to be achieved by this resolution is supported at all by the analysis. And there is no support for the belief that the ordinance as drafted will create the number of jobs and thus the revenue necessary to pay for the waivers. Why not?

Well, one of the things you may have heard of and people talk about - and it was a new word for me - but it's called sideboards and it's basically restrictions on the waiver. And in my business - I'm a lawyer - we call it negotiations. I'm a criminal lawyer. So when I go to the Prosecutor, I don't say I'll plead guilty and you make up what the sentence is that you want to recommend, I just don't do it that way. That's not negotiation. That leaves it 100 percent on the other side to make the determination, and that's exactly what this ordinance does.

It says to any business that wants to come in we will give you complete and total waiver on the public dime, my tax dollars, your tax dollars, in exchange for nothing. Nothing. Except you have

to have your first inspection of your building within six months if it's a tenant improvement, or nine months if it's commercial. That's it. We have very, very strong grandfather rules in this county, I'm sure you know that, that once you make your application you can keep that application in play for a long time.

There is a little due diligence portion in this particular resolution, but that due diligence is then up to the County to determine whether or not it should be in play. So what we've done is we've created a resolution which skims off the sideboards that were on the two earlier resolutions in exchange for nothing.

Now, I have the April and May summaries of all of the fee waivers that we've done and the jobs that have been created by those ordinances - at least that's what they gave me - and there's several businesses names, Tenmax, Shearer & Associates, medical center at 139th, that big Chuck's Produce which is going in up by Salmon Creek. Some of these people are going to get full waivers; some are going to get partial waivers. But of these you're still looking at \$2.3 million potentially there that's going to have to come from somewhere, and that's on top of what this particular ordinance says it's going to do which is waive everything. These people have to work for their waivers. There are sideboards on those ordinances, you know them because you've seen them.

So the resolution in terms of getting actual change and getting rid of it, let's say we put this into place and it's a resolution, as Mr. Horne says, it's not an ordinance, so it means that it can go at the discretion of Commissioners and the County. So what does that do? Well, in the earlier versions of the ordinance that have been scratched it said this resolution could be reviewed in three months -- or excuse me -- in six months at which time it could be rescinded or re-affirmed by you and the County Commissioners, but that's gone now.

Well, what's wrong with a six-month review? At least by that time you'd have the applications and maybe the numbers that Mr. Snell says would show you the number of employers. And I agreed with Ms. Qutub that this could be a catalyst, but this could be a catalyst for you going to the bottom or the top. This isn't Vegas where we get to bet the public's money on something that we don't have any studies to show, and it's also not a private business where we can say if we're a manager or an owner that we're willing to take that shot and risk our personal future on it, because you have a public trust which is a bit different.

So when you look at it overall, you're not just giving up the waiver, you're actually having money that's taken out of the public funds, the road funds, and subsidizing a private employer who may or may not give you a job. And even if they do, is it going to be a minimum wage job or a family wage job? There's no requirement.

These impact fees came into place over a long period of time in this county and worked up until the great recession hit everyone. They decided to help the county recover they were going to make temporary partial waivers with certain restrictions, and the county is recovering. But now what we want to do is say, okay, all of that work over all of that time that worked for all of that time is out the window and we'll take credit for the full recovery.

So I would caution you about looking at something that looks like it's potentially going to create thousands of jobs, but there's no tag or leash that you have on any of those people who put those applications in and they get the fees waived and you may get nothing. You may get everything, you may, but if you don't, then the public here is out of money. Thank you. Questions for me?

BARCA: Questions for Mr. McDonald?

QUTUB: Well, I'd like to know what public money is being spent up front?

MCDONALD: Well, when you waive the fees --

QUTUB: There's no public money being spent --

MCDONALD: The road fund is public money.

QUTUB: -- that's the answer.

MCDONALD: No. The road fund is public.

QUTUB: It's not being spent yet. It's not being spent yet, so there's no public money going out at this point in time. And do you staff people know when Chuck's Produce, for instance, asked for a permit to be where they're being located now?

SNELL: Oh, yes. There are multiple permits, and we actually do expend money and staff time for reviewing site plans and construction plans and making inspections, so I'm much more attended on the application fees than the traffic impact fees. But when we waive application fees, development fees, the 2010/11 fee waiver program, we waived about \$430,000 and that general fund made that difference up.

QUTUB: Okay. To the question about Chuck's Produce, how long ago did they first apply?

SNELL: They applied the last Summer, Fall for site plan review, and then they've been building since, you know, early Spring, so...

QUTUB: Right.

SNELL: We started waiving fees last May.

MCDONALD: And according to this it's 178,000 in traffic impact fees waived; is that correct?

QUTUB: And so what I'm getting to actually is the six-month review since Chuck's Produce would have no possible way of providing anything but construction jobs right now.

SNELL: Correct.

QUTUB: So a six-month review of something that takes a year and a half to actually get up and running is that would be my thought that six months is not enough time.

BARCA: I'm sorry. Eileen, would you explain not enough time for what?

QUTUB: Well, this gentleman just said that the six-month review was waived to look at the resolution or the ordinance and that that should be -- that should again be a requirement that we look at this or that the County Commission looks at this in six months.

GIZZI: Or some period of time I thought was his point. I don't think it was necessarily the six months.

QUTUB: Yes. But I was commenting on the six month because that was what the testimony was that he believed it should be six months.

MCDONALD: What I was suggesting, Ms. Commissioner was that I've reviewed earlier portions of the drafts of the ordinance, and initially there was a position that there should be reviews and those reviews included a period of time for six months.

I also suggested - because there was statements by staff - that you could have a period of time where you could see the applications coming in - possibly promises of jobs - if those applications had come in and people were working, breaking ground, doing work, that would tell you something.

If I was in private business and I started a project and I said I'm not going to review it for a year, I think that I would probably be doing a disservice. So the six-month period which was in there was just so that you would have a chance to see the numbers as they're coming in and you could review them and take them as they came in. I wasn't suggesting that --

QUTUB: Not reviewing the jobs that were created?

MCDONALD: Well, it would give you an indicator as to the applications and who was doing something.

HORNE: It's actually still in there.

MCDONALD: The six-month period?

HORNE: Yeah. It's every six months. In Section 7, if you take a look at Section 7 it says "To monitor the effectiveness of the job creation program, staff will report to the Board every six months, the number of job creation permits, the economic health, the unemployment status of Clark County, and the cost and revenue attributed to the projects that have received fee reductions or waivers."

MCDONALD: Well, it's not in the Section 7 that's part of the staff report that it was in of which I have in my hand and I just took it from there --

HORNE: From the back?

MCDONALD: -- and this is the same one I got from the public record.

BARCA: What's the title of your Section 7?

MCDONALD: It says staff will report to the Board the six months, and then there was the portion that says that they could take action to terminate.

SNELL: Oh, yeah, that latter part.

MCDONALD: Right. Correct?

SNELL: There was an earlier version with that. The Board would monitor and reconsider, rescind.

HORNE: I know. But the version that should be in the back of the room --

SNELL: Yeah, it should be consistent.

HORNE: -- should be the same as the one I just read because I'm using our book.

MCDONALD: This one says six months as you said. But as I said before, the portion was that they could rescind or terminate their --

HORNE: Oh, okay. Now I understand.

SNELL: The earlier version.

MCDONALD: The earlier version.

HORNE: Now I understand what you're saying. The earlier version, just so that we're speaking -- we're talking to each other and we should be talking to you. The earlier version had language that said that or that would terminate, it would actually have termination provisions there rather than just monitoring. So it was monitoring and effective monitoring, this version just provides for monitoring.

And then actually in Section 8 is the language regarding what happens next. And it talks about within 60 days of the Board attaining its certain achievement goals or certain goals of unemployment reduced levels that meet those of the State as an average, that the Board could re-evaluate the program. But it's, again, not a termination, it's just a re-evaluation. So it is different than slightly our earlier versions, but the version that we're all looking at today should be the same.

MCDONALD: Yes.

SNELL: And then the earlier version did have something to the effect that the Board would consider this for amendment, extension, or rescission to which in the conversation all along is this is a resolution. The Board can do these, you know, the Board can amend a resolution at any time for any reason.

MCDONALD: So the language was superfluous?

SNELL: Yes.

BARCA: Okay then. Other questions for Mr. McDonald? Thank you, Mr. McDonald.

MCDONALD: Thank you.

BARCA: Sydney Reisbick.

REISBICK: I kind of have a question.

BARCA: Sydney, would you please start with your name and address for the record, please.

REISBICK: Sydney Reisbick, P.O. Box 339, Ridgefield, Washington.

BARCA: Thank you.

REISBICK: I'm speaking for myself.

BARCA: That's fine.

REISBICK: I have a question that feels like sort of an elephant in the room. In order for all of this to happen when we pull back the fees, I think there is going to be a demand on land all over the county. And when opening up the urban holdings, are you involved in that or is that simply -- is there a process for that and are you involved in that? And if we're assuming that we're going to just open up the urban holdings and go, is there still a step left out?

BARCA: So I think we will let staff answer that question. In general, of course land use issues are ones that the Planning commission does hear, but please give us --

SNELL: If there are areas still in urban holding and you're not able to -- a developer is not able to exercise the underlying zone because of that urban holding overlay, they wouldn't be applying for these kinds of permit applications, so they would not be getting any fee waivers or reductions.

The Planning Commission has considered one area to remove urban holding near the Washington State University campus and they made a recommendation on that last month or the month before. So that's the only area that I am aware of that we are considering removing urban holding at this point.

BARCA: So if other applicants came forward in other urban holding areas, would we not hear their request to open those urban holding areas up?

HORNE: Yes.

SNELL: You would. You would. And you've only seen the one so far; correct?

BARCA: Correct.

HORNE: But the answer to your question is it could happen. Somebody could in an attempt to take advantage of this ordinance seek to have that lifted and they have to show it's justified. Usually urban holding is in place because some piece of infrastructure is not ready yet, and we put it on hold either because we have a broader goal for the property in terms of industrial or some commercial use or because infrastructure is lacking. But somebody could always - if they want to take advantage of this - file an application and then it would have to go through the process. And on that, I guess I'll lead in or provide my lead in to Chris Cook.

COOK: Thanks. Chris Cook, Deputy Prosecuting Attorney. The issue regarding lifting of urban holding that the Planning Commission has reviewed this year is one of the annual reviews. These happen once a year because they're comprehensive plan changes. So the Planning Commission might get them over a period of time, but eventually they're bundled and they go to the Board of Commissioners somewhere around the end of the year and then they're all effective on January 1 of the following year.

So there aren't going to be, you know, dribs and drabs and bunches of applications for urban holding removal coming in, you know, some this month, some next month. Those are things that are tend to be considered together with other comprehensive plan amendments so that their cumulative effect can be reviewed, GMA requires that. And I don't know if that helps, but...

BARCA: So perhaps you can clarify this for me, then, just for my understanding. If we have property in urban holding because it lacks facility or upgrade and it would take impact fees of some significance to be able to spring that property loose and we're in our waiver period - and perhaps it's with Section 8 saying that as long as our unemployment rate needs to be lower than the Washington State average, we would still be in effect - is there anything that we would put into consideration that says we're not going to allow it because it would be an infrastructure impact?

HORNE: Well, I guess the way to answer that question is to really state the question slightly differently, and I'm not ducking it, but I think it will make it easier to follow. You can't lift urban holding until you make provisions.

So in that example with somebody wants to lift urban holding and the issue is a transportation infrastructure, you need a streetlight or, I mean, yeah, traffic light, you need improvements to the intersection, left turns, right-turn lanes, those kinds of infrastructure improvements, either the County would have to commit money from the road fund and make those improvements or you couldn't lift the urban holding, you'd have to do something.

Sometimes there are minor changes. It's not always you get the whole thing, you may only get parts of it. But you have to do some mitigation that removes the infrastructure failure or deficiency to enable you to lift urban holding, so you would have to address it before you could lift urban holding.

SNELL: And let me just put a practical spin on this. In say the northern portion of the Vancouver UGA we've got, you know, light industrial and business park and those kinds of uses north of 179th Street, we wouldn't be taking in applications for site plan review of a commercial development in that area because currently it has the urban holding overlay on it, and until that overlay is removed we don't entertain site plan review on that underlying commercial zone. So practically speaking we wouldn't be seeing applications unless urban holding is removed. Does that make sense?

BARCA: Other than the fact that we just did that with Smith-Root.

SNELL: If that is removed ultimately and Smith-Root applies for something, they would be eligible for a waiver.

GIZZI: Well, and we did it knowing that the transportation system was not up-to-snuff and there wasn't sewer and yet we approved it, so...

USKOSKI: Well, I think on that one the transportation barely squeaked by or met the qualifications, and they did have a temporary sewer system in place with plans for a long-term. So that's how they were able to meet it and lift the urban holding if that goes through.

GIZZI: It didn't squeak by, but it was close. So it was over this fuzzy gray line and we approved it anyway. It wasn't below the limit, it was above the limit and that was stated in the engineering review and we approved it anyway. And that was before they're even -- the impact of their

development was taken into consideration, and that was -- we're off topic, I mean, we already approved it.

But the point is that there is a process, but to me the process doesn't seem to mitigate this. As he said, any concern that people have on the infrastructure we seem to be able to develop a property without meeting infrastructure requirements or, well, I mean, I'd stop there. We seem to be able to approve developments without meeting infrastructure requirements.

QUTUB: Mr. Chair, we are a little bit off subject, but in case people who were watching the last hearing or watching this hearing and didn't see the last hearing and hear the testimony from Smith-Root, they are moving one-half mile, it doesn't really change the traffic that much, that was part of the testimony. So it just needs to be said. It isn't like somebody came in from, you know, a totally different part of town and, you know, changed the traffic pattern there.

USKOSKI: Well, and I think even more important on that part is all we did was lift the urban holding. They haven't come in for a site plan application --

SNELL: Exactly.

USKOSKI: -- to where they would address any additional impacts or infrastructure needs.

BARCA: And that's kind of back to my question. We lifted the urban holding, so now if they came back, regardless of the impact - as I read this - they would not be supplying any fees for traffic impact or for engineering in that regard towards their development there?

HORNE: That's correct. But they --

BARCA: And anybody else that comes in after them and asks now that that urban holding has been lifted, they too would be allowed to develop without fee for those same items. But the impacts would cumulate to the point that - as I think I understand it - we would either be adding it to our capital facilities plan when it currently isn't on it, or we would be degrading the level-of-service of that area to some extent, whatever is allowable.

HORNE: Well, the presumption is we don't know what the Board's going to do in terms of lifting urban holding for that area whether it's going to do a single parcel or more than a single parcel, so it's a little bit speculative to answer that.

But you are correct, to the extent they come forward, they'll be subject to frontage improvements, every property owner is. So right-of-way dedications and frontage improvements on their own land, and they will be subject to any safety improvements. If there's a road that's failing and they materially aggravate it or they make it failing, their project is subject to denial under 82.02.020, State law, and then in addition to that, they're required to do improvements to it to deal with the health and the safety issues.

Septic, advanced septic or advanced systems to ensure that their treatment of wastewater is approved by the Health Department. So there will not be monies collected from the county for impact fees or for applications, that's true, but there will be other improvements required for any property owner.

BARCA: And as I hear you state that - just so everybody's clear on it - you're talking about them taking care of the impacts that are directly adjacent to their property that they're developing?

HORNE: Correct.

BARCA: But it doesn't have anything to do with signaled intersections that are a half a mile down the road --

SNELL: Correct.

BARCA: -- or significant intersections that are perpendicular to the thoroughfares?

HORNE: You're exactly correct.

BARCA: And I guess that's the part where normally the transportation impact fee money would have gone towards trying to mitigate that as to keep any of those out from failure or --

MORASCH: Well, not any of them, only the ones that are on the capital facility plan. So in your example where development occurs, and because you have a bunch of development, now you have a new capacity problem that's not on the capital facilities plan, impact fees are not going to solve that capacity problem, not until we amend our capital facility plan and add it to the capital facility plan.

HORNE: Yeah. Only certain roads are on the capital facilities plan and so it wouldn't affect those, but to the extent it is on there, there is an issue. But the Board has chosen the route of job creation as a risk worth taking and recognize that those will come from the road fund. I mean, that is the balance that's being taken or made by the Board.

BARCA: Right. Thank you. And I'm really putting a lot of this out just so everybody understands the description of what the risk is and the choices that we're making. So, Sydney, did you --

REISBICK: Yes.

BARCA: -- have other testimony?

REISBICK: No. Just that this could affect the taxpayers.

BARCA: Are there any questions for Ms. Reisbick?

GIZZI: It must have been quite an interesting question if you noticed all the talk and --

REISBICK: Well, it's been worrying me.

GIZZI: -- the comments it spurred.

REISBICK: Being in Ridgefield at 179th is interesting. Thank you.

BARCA: And now I will have to say that I don't think we have ever had a Commissioner, County Commissioner, come forward as far as public testimony. Is this your intent, Commissioner Madore, to come forward and testify before the Planning Commission?

COMMISSIONER MADORE: Sure.

BARCA: Is that okay?

QUTUB: Well, why wouldn't it be?

BARCA: Well, I guess because he appointed us so I thought I better check.

QUTUB: I would say in that case it would be even more important that we allow him to speak.

COMMISSIONER MADORE: Does that represent a conflict of interest?

BARCA: Well, I can read an org chart, but that in corporate speak also says that, you know, the boss is going to talk to us, so...

COMMISSIONER MADORE: Well, first of all, thanks for the invitation. It's nice that I can still participate in this conversation, and I thoroughly enjoy attending these Planning Commission meetings. It works so well, you do a great job, and I'm just so thankful for each of you in your position.

The reason that I am very interested in this is because this is my passion, and this is really I'm the architect of this, along with much help from the staff and the collaboration with the other two

Commissioners, so I want to make sure that credit is due to a team.

Let me just address some of the points that I heard this evening, and very good points. One is, Mr. Barca, you indicated, you said that we will take credit for every job, and I'm glad you said that because that wrong impression or misunderstanding can perhaps be perceived by many people, and so it's good that we address it.

That's really in response to our need to gather metrics. Greg Kimsey, our Auditor in particular, is very interested in metrics, what kind of information can we gather that would enable us to be able to make informed decisions. The fact that we're gathering that particular parameter doesn't indicate necessarily - and it doesn't conclude - that we're going to use that as the measure of success and say, look at all of these jobs and so therefore it must be working.

It really is just simply a metric, a parameter, that would allow us to be able to use that along with other parameters. To then at a later step - and as we evaluate this periodically - to compare that in contrast let's say, for instance, to other counties and to our own projections that what would have been potentially -- because I guess we do forecast that and I guess we are already gathering that information now; right? -- with the permits that are for business.

So don't want to take credit for credit where credit is not due, but it is an important parameter that would help us to compare where we've come because we are gathering that now and where the rest of the counties are in contrast. So if it takes off like a rocket, that's a pretty good indicator; if it ends up being more of the same, it's not just a good indicator. So don't want to conclude what that means yet, it's just simply gathering the data.

There will be other metrics that we want to gather as well. For instance, the size of the project, the costs of the project, there will be a number of different things that whatever we can come up with - and Marty's team can help to brainstorm on that - so we want to be able to get whatever metrics we can. And I'm thankful that our Auditor wants that kind of information because they do really good things with numbers.

Let's see. A couple other points. The Doug Lasher's, our Treasurer's concerns about our credit rating. His concern had to do with our general fund; is that right?

SNELL: General fund.

COMMISSIONER MADORE: And is the general fund one of those parameters that is being considered by the Planning Commission this evening?

SNELL: No.

COMMISSIONER MADORE: So that's really a different issue?

SNELL: Right.

COMMISSIONER MADORE: So basically this has to do with TIFs which have to do with the road fund. But still I'm so thankful that our Treasurer and our Auditor are both financially conservative because they pull on the right hand of the rope to make sure that we are prudent and we definitely want to listen to them and respect what they have to say.

And even though this is not considered one of those issues before this board this evening, general fund issues, we will as Commissioners we'll be looking into that and keeping our fingers on that pulse. And that Section 7 that described our evaluation every six months is something that we will keep our fingers on the pulse. In fact, it's my intent to keep my finger on this pulse a lot just simply on a regular basis because this is -- that would be the minimum time and we really want to pay attention.

Let's see. One of the -- I just want to make sure that you understand the reason, the intent behind

this resolution. One is that the economic environment that is present in Clark County is not healthy. When we compare ourselves to the rest of the state, we're not doing very well. Even though we have so many more resources than many other areas of the state, we are uniquely positioned along the West Coast in a way that should give us great advantages over other areas.

We certainly ought to have many advantages over Portland, and yet each day the 205 and I-5 freeways are jam-packed with commuters who are leaving our community, finding work outside of Clark County. Each day I drive that I see that as a disaster for Clark County. Because not only do they work there, but they're eating lunch there and they're doing their business there and they're coming back and using Clark County as a bedroom community. The intent behind this is for Clark County to become self-sufficient so that no longer will we remain a bedroom community, but this is particularly focusing on removing the disincentives for and potential employers for Clark County.

So that as those thousands of businesses that are leaving California - mainly for one reason, the economic environment there, they're being taxed to death down there - they are fleeing and they're going somewhere and they're looking for relief, they're looking for where is it economically a smarter decision. And we have one huge advantage that many other states don't have, and that is we do not have a State income tax here, so along the three states on the West Coast we have a very unique advantage. But we are -- I believe that we're missing the opportunity for them to be able to consider Clark County because it costs so much to start a business here and we can change that.

So, yes, the traffic impact fees - and just from the bigger picture the development and the building fees - yes, we're asking them, those customers to consider us and pay our high prices here. In reality, the customers can shop somewhere else. And if our prices are too high, they'll go elsewhere because they are fleeing somewhere else, that's for businesses who are considering moving here.

But we also have businesses that are here now and they want to grow. And I represent one of those businesses that has been here for 30 some years and I know the first-hand experiences that I had and how the burden that was placed in front of us caused us twice to decide not to expand. And it is -- I do represent at least a little sampling of the private community here and the jobs that are taxing our community in the way of unemployment is a very significant drain on our economy. This removes all of those disincentives to the degree that is within our reach, so that those that are draining our unemployment or draining our treasury with unemployment can become actually sources of revenue.

One of those concerns was expressed by our small cities, our incorporated areas. They look at this and think, why would they build in the small cities and the incorporated areas if they can build at no cost in the county? They're afraid that it will succeed. And if it succeeds, then they lose. In reality, if the fear is that it succeeds to the point where now they're building here, that's actually not a bad thing. That's a good thing because all those people that are building here and growing here and working here, they are also now drawing a paycheck. That means they become a customer and they'll shop in the cities and they'll shop where the businesses are in those incorporated areas, that's a good thing, that puts customers on the road and that ends up making what would be a negative into a positive.

Consider the significance of the traffic impact fees. You look at the road fund - I just did a quick calculation - and look at the total revenue into the road fund, and that percentage of the traffic impact fees represent both residential and business - add them both together - ends up being about 3.4 percent which is a very -- in other words, about 97 percent of the road fund is provided from public sources. And so what we're -- yet the significance of this, the potential of this of -- so if you take just even that 3.4 percent -- much of the activity that's going on in our Clark County right now is residential. There's a lot of residential construction going on, not a whole lot in the way of

business construction.

So we take a fraction of the 3 percent or 3.4 percent and say that represents a significant breakthrough for those that are waiting to build in this area, to employ people, that's a pretty good return on investment or a small price for us to pay. There is I believe a return on investment, and as a private business guy, I do look at return on investment.

And the significance here is that we are currently living on the revenue that businesses create in this county. The sales tax all comes from businesses. And if these businesses do build here instead of driving across the bridge, if we have employees here paying our sales tax, and if we have valuations that are increased over time because we have new infrastructure built here, and we got new, good commercial and industrial buildings here and we got even the almost the immediate benefit of the construction jobs, those are temporary, but that will help to bring a stimulus to our area, that's the theory behind this.

And are there studies that show this work? I haven't found any because I haven't found anybody that has actually considered such a dramatic move as removing the disincentives to the degree that we are considering here. We won't know until we try it. But if we try it, we will keep our finger on the pulse and we will all be wiser in the near future here. And, yes, six months, a year, two years from now, hopefully this will be dramatic but we don't know. If it ends up being a failure, we will stop it because it only makes sense.

But the one other point is that there's no jobs requirement. It's like, well, we're not going to create jobs. Well, consider who is going to be building. These are only nonresidential which is businesses. Businesses by nature, by definition, employ people. So by nature even though you don't say that you have to employ a certain amount of people, they do because they're business. So the fact that we don't put the number in there just simply lets the definition speak for itself. It's inherently true that every job counts and every business employs people.

We have a fee waiver program now, and if it was a failure, I don't think we'd be considering improving it and expanding it. So this is an expansion and improvement on something that's already intended to do exactly what this is intended to do. It's kind of -- what we have right now, it's not the results are not dramatic because most businesses don't start up with ten or more employees for two years, a commitment. Most businesses start up with one or two employees and this allows each of them to spawn, to form here the way natural businesses do.

I didn't mean for this to be a speech. I want to take a break here. I've got a few more things to say, but I'll give you an opportunity to, if you want to, be able to address anything I've said so far.

USKOSKI: I actually do have a question for you. When you're talking about collecting metrics, will you also be collecting metrics on staff time spent on reviewing these site plan applications and that would normally come from the development fees?

COMMISSIONER MADORE: Well, here's actually -- I'm glad you asked the question because, one, there's actually two things being -- there's a root behind the removal of these fees. And to answer, the quick answer is I don't know. Marty can know. And this answer may change it. And so, Marty, I'll let you -- well, first, answer that the best you can because you're the one that knows.

SNELL: We do have staff that has reporting categories on their timesheet when they're reviewing site plans. We don't have the most robust system because it's going on 20 years old. We're actually reviewing proposals and having vendors come on-site next week and the following for replacing that system. So we can look at what a staff person has spent on reviewing a site plan.

USKOSKI: So are you just tracking it based on --

SNELL: We just track it.

USKOSKI: -- if it's a short plat versus a subdivision --

SNELL: Correct.

USKOSKI: -- versus commercial? You don't --

SNELL: We can do that, yes.

USKOSKI: You don't look at necessarily size?

SNELL: No.

USKOSKI: I guess one of my pet peeves as a consultant is coming in with a project and we end up paying more in development review fees than we do to put the application together. And that for us doesn't make a whole lot of sense telling a client, well, you have to pay the jurisdiction now more than it took for us to prepare all the information. So I guess where I'm going with that is if we're tracking this a little bit more accurately than we have in the past, maybe we can pull back and take a second look at what's reasonable in our development review piece.

COMMISSIONER MADORE: Good point. But let me share one of the root behind, I guess, the reason that we're not just simply trying to reduce the fees, and it has to do with the change of the focus in the job description of the staff that serves our community.

If you're to go into a store and all of the people, all the staff in the store are commission based, then and they get rewarded by making you do this and this and this and everything they require you to do they get paid more, that incentive tends to make work and incentive tends to drive your cost up.

However small that -- right now those fees are very high. Every hurdle that the customers are jumping through are very substantial. If we reduce those hurdles, let's say a half or a fourth, you still end up with the same root problem, you're commission based and it's a make work rewarding system.

The focus that I'd like to be able to -- or the change of focus that I would like to be able to that we're trying to reward here is one that rewards. I guess redefines the job definition, and that is our focus is to make our customers successful. Our focus is to make life easy for our customers. And I've talked with Chuck Crider down there and -- is it Crider? -- good, great new leader down there.

And the idea of putting metrics, actually lighten up the plasma screen there on the wall and putting those metrics open out there, how many permits have we processed this month? How many jobs are being reported? Not necessarily that we're taking credit, but at least you can see what the results are. How many days does it take to process? All of those metrics, it's kind of like we're playing football now, we got a scoreboard and that just naturally helps to build incentive and it rewards the performance because we all want to make a difference, we all want to be able to do a good job.

Instead of paying the team based on fees and how many hurdles we can get the customers to go through, really what we're looking for instead is a different base. That is we provide the salary to the staff down there, and whether they process 1 permit or 100 permits in a day or as many as they can do, they get paid and it's not a fee based, and it's not a -- this comes really in two main -- there are two main corrections we're trying to make. One, is we're trying to make this, Clark County, as competitive, the most competitive business-friendly community on the West Coast, we can do that. But we're also trying to make it so that it's as easy as possible, as quick, as simple, as streamlined as we can. And so Marty's team has all of the support of the Commissioners in order to do this.

There's a false assumption that can come from this process, and that would be, one, we're not going to build infrastructures because we're taking away TIFs. Nothing could be further from the truth. This does not change our commitment to build infrastructure. This re-enforces that commitment

because we say we are business-friendly and we will responsibly grow. That Growth Management Act is to help us move in the right direction and to build that infrastructure. So I'll take a break and make sure if anybody has any questions.

USKOSKI: So I applaud where you're going with that. My concern is that when this program is over - that while you're building that, I guess, personality within the permit services and whatnot - that when this program goes away and we're now back to the original development fee schedule that we had, what's to say we're not going to revert back to that commission-based idea. Whereas now we would have that opportunity to collect some interesting data where there is no rewards in place to be able to when we re-implement or take this away say, okay, now what does it really take when we didn't have all these rewards or hurdles put in place?

COMMISSIONER MADORE: In other words, your concern is at sometime in the future - our unemployment rate or for some other reason - we may terminate this program and then revert back to the way it is now, is that it?

USKOSKI: Precisely.

COMMISSIONER MADORE: And I would say that that is an evaluation that we will make when we are wiser in the future, when we can contrast the before and the after. Because in a way we can say, now we strive to be mediocre, we've made it to be average, good job, and go back to becoming back to the way we are now which is basically to decline and stagnate. So we're not making a commitment to terminate the program. We're making a commitment to re-evaluate that and say how much sense does it make for us to continue to improve it or modify it in some way or to terminate it. So that insight will only be offered by evaluating the track record that develops here.

GIZZI: So when I talk and hear from people - developers and some of the corporations - their main concern on the corporate side is speed. I mean, we heard it quite often that it takes 18 months to get a permit in Clark County and it needs to be 6 if we want to be competitive. And then when I talk to the general public and the citizens that we all do, they're friends, they're neighbors, they're people we talk to, when they find out we're Planning Commissioners and they're not in the development industry, they're worried about the money, and it seems to me that with this we're actually doing the opposite.

We're giving those that already have the impact fees built into their funding calculations and methodologies a break, and we're putting the burden on those that already feel that a \$1700 permit to put a greenhouse on the side of their garage is ludicrous and they don't understand it. And it seems that we're at risk of losing the public trust as a result of trying to maybe smooth away just a bit too much for the business side.

COMMISSIONER MADORE: Well, I think what that really comes down to is are we cost shifting from employers to residential, and that would be a concern if this process did two things. One, it removed or reduced the fees for the business developers and it increased the fees or the costs for the residential. We are not doing anything, any changes, we're not making any changes for the residential. But let me extend that further which is the other concern that, well, over time maybe this won't pay for itself. Maybe over time all it will do is just simply drain our public resources and the job creation won't happen, there won't be more people put to work, instead we'll be just simply be poorer for it.

I can tell you that when we keep our finger on the pulse and we see that kind of thing happening, if we do, and it could, then we will evaluate that and say that's not working, let's stop it. But if it does work, then that will be what will define success is that people will be back to work. And when people are back to work, you have more sales tax, you have more revenue coming in, you have more appraisals coming in or higher appraisal values coming in, you know, higher property taxes,

you basically have more customers on the road, you have economic benefits that will define that success.

So when that happens, not only do the people who are unemployed now or underemployed now, not only do they benefit and not only do the other businesses benefit because they become customers now and they can spend that income on the other businesses in the area - hopefully some business in the area - but also the public benefits because they become taxpayers. And that economic activity, the sales taxes, the property taxes that are just simply higher because of the increased new construction that's out there, will have more than paid for this. So that will define success and we will evaluate that success or the failure as we go.

So growth, the idea is that growth should pay for growth. And you can say, well, I want it all up front, and therefore you got your prices in your store ten times higher or multiple higher than people are willing to pay so you don't have any business, or you end up saying growth will pay for growth because we'll end up with more businesses, more tax revenue, more customers, more employment and more revenue as a result.

BARCA: I guess I'm a little confused on the analogy. I'm working off of what Valerie started and then Jim jumped into. But it kind of sounds like our product is being offered to the corporate customers at a discount, and their residential customers are taking no discount in the market. And I think Valerie's point was, shouldn't you expect to see us be able to say that we are managing our business in a fashion that would result in a lesser cost to the customer. And Jim's point, and shouldn't that be both corporate and residential customers as a result of our better way of managing the business.

So when we talk about it I guess in corporate terms and we're talking about what we offer in the way of a customer-based improvement, I think we're correct in saying that when we have developers come in to us on a regular basis, they want certainty in the process and they want speed to market. And when residents come in to us, they want sanity in the form of the pricing structure. So right now it seems like it's more like a crisis decision to go tarp for the corporate customers and to ignore the other side of the business, the residential side, as far as lowering prices.

COMMISSIONER MADORE: The difference between those two different categories is that residential does not provide, they're not businesses. Residential does not provide positive return to the county in the way of collecting sales taxes. Residential does not provide jobs; businesses do. Businesses become givers, they become revenue sources for the community.

BARCA: So the residences are takers?

COMMISSIONER MADORE: Residences don't provide jobs, businesses do, and therefore businesses provide the sales tax revenue, their collection. And hopefully when they provide the salaries, the income to those that are just simply residents, those residents then can pay that back, can put that into the economy and generate more sales tax revenue. But the collectors of revenue are the businesses, the providers of jobs are the businesses in contrast to the residential which is not.

BARCA: So the small cities, everything that they would do towards their commercial development generating sales tax, doesn't the County receive 15 percent of the sales tax generated from the cities?

SNELL: There's some percentage. There's some percentage, yeah.

BARCA: Yeah, I think it's 15.

SNELL: Yeah, there's some --

BARCA: There's some percentage, so...

SNELL: All sales taxes, whether you're in the city or county, some portion of the sales tax (inaudible).

BARCA: Couldn't we look at trying to create the incentives to have the small cities develop and get those same jobs and at the same time the County coffers would get a 15 percent bonus on any additional sales tax and it wouldn't cost the public anything?

COMMISSIONER MADORE: Well, our jurisdiction is in the unincorporated area. So we really don't have control over the incorporated areas and what they do.

BARCA: Oh, granted. When we're talking about risk, though, I think what I'm saying is you are creating a scenario in which we are supposed to believe that we're going to get job generation, and we're talking about what metrics we're able to actually determine without the understanding of what is going to be organic growth as the economy improves versus the idea of this stimulus incentive for commercial and industrial development. We're going to be putting some taxpayer dollars at risk for the idea of getting that, but we won't know what the return on investment is in that regard.

My point is, and I think you did receive a letter from the Mayor of Washougal to the effect that said, if you need to rely on government subsidies to make your project work financially, then it probably isn't a solid business plan to begin with and your business will likely fail. I don't know if that's the case. But if we are inviting in individuals that choose to do this specifically because of the subsidy, you would have to ask the question, why wouldn't they have started their business anyway?

COMMISSIONER MADORE: First of all, I guess definition of terms is important. I don't believe that anything that we're doing can be considered a government subsidy because we are not giving money to anyone. And the definition of terms also, you can consider this an incentive because normally incentives and subsidies are cash that are given to encourage. But what we're doing instead, just to define the terms, we are -- the idea here is to remove the disincentive.

BARCA: So when we give engineering services to the individual development applications, that's not a tangible subsidy?

COMMISSIONER MADORE: Well, consider that 97 percent of the road fund is provided by taxes already. So those individuals that are coming into this building to receive services from the County are already paying property taxes, sales taxes, taxes, gas taxes, you name it, we have a tax base that provides for most of the salaries of most of the people in this building. So the functions necessary that Clark County provides in order to ensure that the businesses and the residences or the citizens of our county can live here and work here are provided by those taxes.

So the fee-based government versus the tax base that already funds just about all of the revenue that comes into the county, fees have been tacked on top of that since the 1990s as a growth management measure. We never used to have these kinds of fees, and this is basically allowing us the opportunity to see whether that is contributing to the stagnation, the prolonged unemployment that is higher than our neighbors here.

So the tax base that all of these citizens are already paying should provide for us, and the fees on top which are small in comparison, hopefully we'll get that back as more of our community gets put back to work.

BARCA: I love this dialogue, but I've been dominating for a long time, so...

MORASCH: I'll just ask a clarification question because a lot of the discussion has gone into these permit fees, like should a greenhouse pay 1700 and is that fair. And my understanding from Mr. Horne, that's not really an issue before us today because we're only looking at the TIF, we're not looking at any of the development review fees? I just wanted to make sure I was correct on that.

HORNE: You're correct.

SNELL: Absolutely correct.

MORASCH: Great. Thank you.

COMMISSIONER MADORE: Sure. And I expanded the conversation to include the big picture which is really the intent that we're trying to fulfill here. I would like to make a, just simply propose a question here. And that is that we're very interested, as Commissioners very interested in the outcome from this Planning Commission, and yet normally it takes 30 days or so for the minutes of this meeting to get approved and then provided to the Board of Commissioners, in this case Tuesday is the hearing on this. So is there a way that we can get all that we need and feel like we're sufficient that this board has been listened to and that that base has been covered between now and then?

HORNE: I don't know how to answer that question. If you're asking can everything be transcribed between today and next Tuesday, I can see the court reporter rolling her eyes at me, so I think that's an answer of sorts. But the tape is available, number one; number two, minutes are being taken, so there's some summary of the discussion that the board engages in and the testimony that's received. Beyond that, yeah, it would be not typical is probably the easiest way to say it for her to provide this, and it would be at least if this were a court proceeding, I would say it would be expensive.

COMMISSIONER MADORE: And that's really not what I'm asking to do. Aren't you thankful? Well, actually you did make a good point, though, and that is that at least you got one Commissioner here and the other two Commissioners have access to the CTV conversation, so that it is available, every word is available. And not only can you hear what has been said, but how it's been said, all the inflection and all that, so that is available. So that's good.

So the question is, Chris, do we have any legal requirements that we, with anything, that could be considered to be compromised if we don't provide a written report to the Board of Commissioners by then?

HORNE: RCW 35.63 requires you to make a recommendation to the Board. All the minutes and all the things that might happen following an appeal are not required for the Board to take action. So I don't believe the fact that the transcript isn't included will be a legal problem for the Board to consider the matter.

COMMISSIONER MADORE: Okay. Great. So that's good. So basically what will the outcome from this board be ideally tonight? Would it be to -- no, let me finish -- in other words, the action, is it mainly an up or down recommendation, yes or no on this resolution as it stands?

HORNE: I can't answer that because they might make a partial recommendation, they might request that additional consideration be given to another component. I can't answer that.

COMMISSIONER MADORE: So basically the action before the board is has to do with do you want to modify or do you recommend or it has to do with this resolution?

SNELL: Yeah. And once the six years, it's the amendment to the six-year CFP.

COMMISSIONER MADORE: So in this case we're not even changing or we're not recommending any changes to the CFP, all we're doing is saying that the funding is stemming, coming from the road fund?

(EVERYBODY TALKING AT THE SAME TIME.)

SNELL: Yeah, the funding sources are different. Correct. The funding sources are different.

COMMISSIONER MADORE: So it's just -- okay. The same amount of funds --

GIZZI: She can't -- everybody's talking, she can't get everybody talking at once.

SNELL: So the Planning Commission is looking at this amendment to the CFP and it changes the funding sources.

COMMISSIONER MADORE: So it's just a matter of taking from choice A to source B the same amount; right?

HORNE: That's the proposal before the Planning Commission.

COMMISSIONER MADORE: Very good. That's all I had to contribute there. I thank you very much for the opportunity to be able to have a two-way conversation with you. And if you have any other questions, just simply however you want, feel free to talk with me and talk to the other Commissioners, we like to be very accessible. Any other questions or any interaction any other people have on this?

BARCA: Any other questions for Commissioner Madore? Thank you very much for your time.

COMMISSIONER MADORE: Thank you. I appreciate all your service very much.

BARCA: And seeing that there are no other audience members, I am not going to ask whether additional people would like to come forward. So that brings it back to the Planning Commission for discussion and dialogue.

HOLLEY: I need a short break.

BARCA: And we will take it under advisement that the court reporter needs her guaranteed break time, so...

USKOSKI: Should we take a quick break for her?

BARCA: I believe that would be appropriate. So let's go ahead and take a recess and let's say, what, quarter till. That's fine. Just for the viewing audience so we can make sure they're all back with their popcorn and Coke.

(Pause in proceedings.)

BARCA: I'd like to bring the Planning Commission back to order. And we were at the point of deliberation, so I would like to open it up for the Planning Commission, please. Would you like to start?

MORASCH: Sure, I'll start. Well, it was a very interesting discussion of a lot of I think very important issues. But I guess in my view most of those are issues that are kind of beyond what we were appointed to do which was analyze land use planning under the Growth Management Act. And I think most of those other issues are for the elected officials to decide and not really for us to weigh in on.

So I'm just going to only weigh in on the growth management issue which is, you know, whether we should fund the capital improvement plan by the road fund and other sources and remove the TIF as an element of that. And I'm kind of struggling as to where is the land use planning issue here. Because to me the only issue we really need to be concerned about under our capital facilities plan is, is it adequately funded, because the growth management plan requires us to have a capital facilities plan and we need to adequately fund it.

In looking at these numbers on Page 2 of the staff report, you know, where there's a total resources of 174,000,000, the traffic impact fees are a little less than 6 million and that includes both commercial and residential. It seems to me that we can adequately fund the capital improvement

program without the traffic impact fees. And so I think for that reason I would vote to recommend approval at least of our portion. And I want to make that clear, it's just our portion because that's all that's in front of us. But that's my position on it, and I don't really think I have a whole lot further to add.

BARCA: Karl, are you ready to --

JOHNSON: You know, I go back and forth on this. I am trying to stay within the realm of exactly the same thing. It is a risk. It's a risk because, you know, we're trying to do something. I, again, I always try to go back to the little man and I try to see the guy out there that's trying to get a job right now. And, Commissioner Madore, I appreciate that because right now maybe some of the things we can do can actually make an impact. And I know that is not in our scope, job creation as Planning Commissioners, but I too am at the same place. Okay. Look, it can be funded, I think it's a risk reward thing.

I would hope that you would watch it carefully and have the political courage to say it didn't work. And I don't -- I think that's good politics right now sometimes is to say I tried something and it just didn't work. I think too many times the rhetoric gets so high that we can't get out there and go, well, let's see, let's see what's happened. Again, outside of the box of planning, but my political commentary for the day, so... I care that we fund our plan and I also care that we don't, you know, have staff doing something crazy to make it work either, so...

BARCA: Jim, are you ready?

GIZZI: Well, yeah. I mean, I appreciate David having a dialogue with us and I think it's clear that I probably come down on a little bit different side, you know. I can't think of a single person that I know that feels like their tax dollars should go to subsidize business development at this point. I understand the job creation philosophy thoughts. I mean, I built a business and run businesses before, but, you know, I just come down on a different side of that fence.

And I look at these numbers and sometimes to me it looks like there's not enough hard money, and we're looking at grants and loans to make up the difference and yet possibly jeopardizing our loan rate, et cetera, et cetera, and I, you know, I probably feel different than most.

BARCA: Eileen.

QUTUB: I think it's been a very interesting discussion, much of it that really doesn't have anything to do with the Planning Commission at all and we've been able to, I guess, give our philosophies on things and all very entertaining probably for the audience. But I would agree with what Steve said and I believe that we should just, I would be in favor of the proposal before us to have the funding be identified in the CFP differently, not from the TIFs, but different source.

USKOSKI: Yeah, I would agree with Steve also.

BARCA: I do have a question concerning the resolution specifically in Section 3.B, which is on Page 2, "This Resolution does not authorize waiver of Eligible Fees to a development by any type of governmental agency," aren't governmental agencies creating jobs as well? And why do we segregate public sector from private sector jobs?

HORNE: I don't have an answer for you. I mean, quite frankly I just don't. I'm not sure that I know the answer to that question, so I can't tell you. It was part of the requested language that we draft. And I think the idea was that it was public funding and the question is whether or not you're going -- if it's a governmental agency, it's public taxes, and the question is are you just waiving money from one to give to another and -- but I'm not really certain so I won't tell you I know for sure. I just don't know the answer.

BARCA: Because I think school districts are one of our largest employers in the county.

HORNE: And the Board discussed that. They were aware that school districts would have to pay these application fees. The only exception is you notice is in the U District, so WSUV would not have to pay.

BARCA: Yeah, fascinating. So everybody has pretty much weighed in on their discussion. I think for myself when we talk about this in terms of business and risk, I don't know of a business leadership team that would entertain expending resources without having a clear understanding of the metrics and making sure that the metrics were already laid out in a fashion that was trackable and had the dimensions that we were looking for to show performance.

We're being asked to pass this resolution based on some very soft considerations of metrics without a description of how the metrics are going to be generated and tracked. That I believe in itself is a risk that a business owner may choose to take on their own, but one that had shareholders such as the citizens of Clark County would not be willing to take to the shareholders and say trust me, we'll come up with something that will show you how we're doing in six months.

I think it's unfair that this resolution had been brought to us with specific metrics for us to have the opportunity to evaluate. My consideration on risk is on the idea of how you judge success or failure, and I don't believe at this point in time the resolution clearly delineates how you're able to judge success or failure using public funds.

ROLL CALL VOTE

MORASCH: Anybody got a motion?

BARCA: And --

MORASCH: Are you looking for a motion?

BARCA: -- open to a motion.

MORASCH: I'll move to approve the staff recommendation.

USKOSKI: Second.

QUTUB: Second or third.

BARCA: It's been seconded and thirded. So motion to approve as written?

MORASCH: As written, yes.

BARCA: Yes. Anymore discussion before we go through? No? Roll call, please.

MORASCH: AYE

BARCA: NO

GIZZI: NO

USKOSKI: AYE

QUTUB: AYE

JOHNSON: AYE

MCCALL: I have 4 in favor, 2 against. Motion passes.

V. OLD BUSINESS

BARCA: So we move to the portion of the agenda that I believe is known as old business. Shall there be any old business? No, we are not bringing --

SNELL: I heard something at break, but that --

QUTUB: No, thank you.

VI. NEW BUSINESS

BARCA: There's nothing on the record for old business. New business?

SNELL: Apparently we no longer have one of our Commissioners with us, and I believe we're recruiting. We have an announcement out asking for people to submit letters of interest to the Board.

MCCALL: Yes. I believe the deadline to turn in applications for interest is June 17th, but check back with me on that.

JOHNSON: By June 17th? You said by June 17th?

MCCALL: By June 17th.

VII. ADJOURNMENT

BARCA: Without any other new business, we are adjourned.

The record of tonight's hearing, as well as the supporting documents and presentations can be viewed on the Clark County Web Page at: <http://www.clark.wa.gov/planning/PCmeetings.html>.

Proceedings can be viewed on CVTV on the following web page link:

<http://old.cityofvancouver.us/cvtv/cvtvindex.ask?section=25437&catID=13>

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