



City of Ellensburg
Request for Qualifications R25-09
Developer of Ellensburg Fieldhouse
Responses to Questions

The City of Ellensburg received the following questions related to the Ellensburg Fieldhouse Project:

1) RCW 35.42.040 states:

Renewals—Option to purchase.

A lease of a building executed pursuant to RCW **35.42.010** through **35.42.090** may grant the lessee city or town an option to renew for a further term on like conditions, or an option to purchase the building covered by the lease at any time prior to the expiration of the term. **A lease with an option to purchase shall provide that all sums paid as rent up to the time of exercising the option shall be credited toward the payment of the purchase price as of the date of payment.** No lease shall provide, nor be construed to provide, that any city or town shall be under any obligation to purchase the leased building.

In regards to the highlighted section above, a large portion of the monthly "rent" payments that COE would make to the developer would be paid by the developer to the project loan financial institution as an interest portion of the loan payment, not a principle portion of the loan payment. For example, if this is a \$16 million dollar project, COE makes \$1 million in "rent" payments in year 1. If COE were to elect to purchase the building at the beginning of lease year 2, the RCW states the purchase price would be \$15 million as rent payments in the sum of \$1 million were paid in year 1. If the developer has a \$16 million loan on this project, after 1 year the loan paydown from rents received by COE would apply to \$300,000 in developer loan principle payments and \$700,000 in interest payments. Thus, at the beginning of year 2, the amount owed by the developer to the financial institution would be \$15.7 million but the purchase price would only be \$15 million. This is a situation no developer would agree to. What mechanism is available to alleviate this situation?

Answer: *We are waiting on information from outside legal counsel, we will provide a response as soon as we get this information.*

2) What are the sales tax liabilities, if any, for this type of project?

Answer: *We are waiting on information from outside legal counsel, we will provide a response as soon as we get this information.*

3) Construction Completion Timeline - Based on the attached draft schedule, largely due to the extensive time requirements to complete the lease negotiation/COE review/council approval (~110 days), COE pre-application meeting & comments (~57 days), SEPA process, comments/appeal (~155 days), project design (~120 days) and COE site/building permit review (~120 days), we don't expect the developer to receive a building permit until Quarter 1 of 2027 at the earliest. This would put construction commencement in the spring of 2027 and a construction timeline of 18-24 months assuming no unexpected delays. To achieve occupancy by March 31, 2027 is unrealistic, largely due to COE project and permit review timelines. We are unaware of any means a developer has to expedite this process, and this does not account for any unknown setbacks. Will the city consider occupancy dates alternative to what is noted in the RFQ?

Answer: *Yes, the city would be willing to consider adjusting timelines. We understand that with any construction project of this size there are factors that can't be controlled whether that be in the form of supply chain issues, permitting issues, etc.*

4) How is the city planning to perform the BLA to designate a parcel for this project? Will the BLA be entirely performed by COE or the applicant? How many days should the applicant expect to reach BLA recording?

Answer: *The BLA will be completed by the City of Ellensburg.*

5) Are any of the following available for the project site?: Survey (Boundary & Topo), Geotech Report, Critical Area Report/Info (Although this project area is not in the 100 year floodplain or contains wetland, other portions of the park parcel do), Utility As-Builts, Easement Records In Proposed Project Area, Cultural Resource Study.

Answer: *The City of Ellensburg has completed a survey however a new survey will need to be done to include recent infrastructure improvements completed near the project site. A Geotech report has been completed. Utility As-Builts are available. A Cultural Resource Study has completed at the park site as a part of a different project, with that said a new study may be required as a part of this project.*

6) Will a critical area review or critical area report be required for this project?

Answer: *A separate legal parcel would be created for the fieldhouse through boundary line adjustment. Staff anticipates that the new parcel will not contain any critical areas, and therefore a critical area review or a critical area report will not be required.*

7) If requested by the Yakama Nation or DAHP during the SEPA process, will a cultural resource study report be required for the project area?

Answer: *The Department of Archeology and Historic Preservation (DAHP) is the state's designated authority regarding the discovery, identification, excavation, and study of the state's archeological resources per RCW 27.53.020. Therefore, if DAHP requests a cultural resource study as a part of the SEPA process then it will be required. The Yakama Nation is an important community partner for the City of Ellensburg, and the City would consider any comments submitted by the Yakama Nation as a part of the SEPA process in order to determine if a cultural resource study would be required.*

8) Will a traffic impact analysis be required by Public Works? What about a traffic impact study?

Answer: *Yes, a traffic impact analysis and study will be required as a part of this project.*

9) For the pre-application development meeting, the standard timeline for this process is as follows: 15 days for COE to determine application completeness, 21 days to schedule the pre-app meeting, and 21 days to receive the meeting notes. Should the applicant expect 57 days to complete this process, or will COE be able to process this application more expediently?

Answer: *The Ellensburg City Code (ECC) does not include specific timelines for preapplication meetings, but typically the meeting is held within three weeks of application submittal, and the preapplication report containing the meeting notes is issued approximately two weeks after the meeting.*

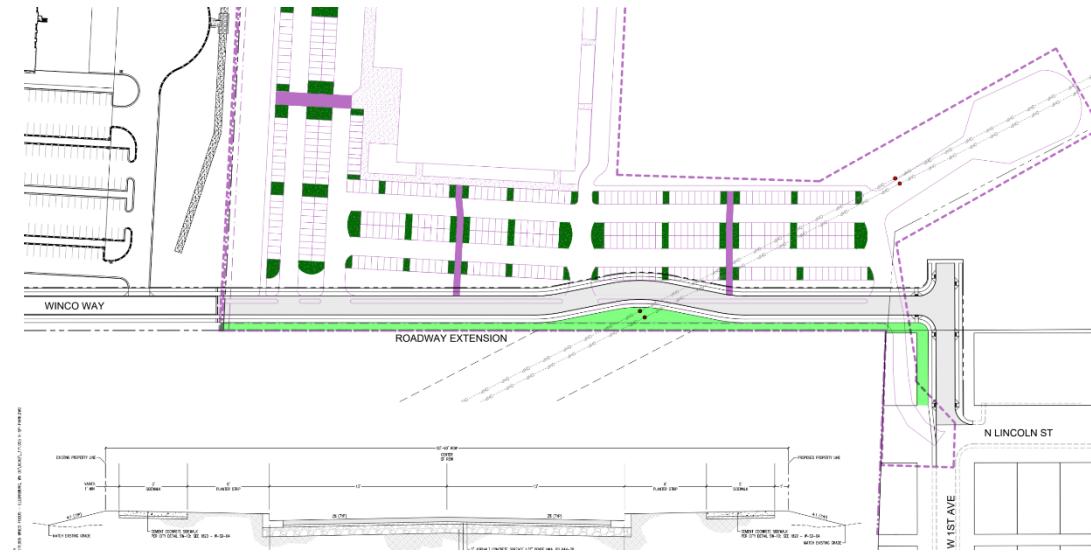
10) Will the applicant be required to perform the SEPA process? If so, the standard timeline for this process is as follows: 30 days for COE to determine application completeness, 90 days for threshold determination, 14 days for applicant review, and 21 days for a public comment period. Should the applicant expect 155 days to complete this process, or will COE be able to process this application more expediently?

Answer: *SEPA review would be required in accordance with ECC 15.270.0110(B)(3) because the recreational structure would exceed 12,000 square feet. The completeness review for a SEPA application must be completed within 28 days of application submittal per ECC 15.220.090. The responsible official must make a threshold decision within 90 days of the application being deemed complete per ECC 15.270.060(C).*

11) Will the selected applicant be required to pay a traffic impact fee in association with the project? For a Recreational Community Center Land Use at \$5,367.63/KSF this will add approximately \$340,000 to the project cost. What about a plant investment fee? Sewer/water permits? Building permit fee? Plan review fee?

Answer: *We are waiting on information from outside legal counsel, we will provide a response as soon as we get this information.*

12) What is the current plan and timeline to fund & construct the roadway section (road base, asphalt, sidewalks, landscaping, street lights, utilities, etc) of Winco Way as referred to in the drawing below?



Answer: This work will need to be done in conjunction with the fieldhouse project and will be the responsibility of the fieldhouse developer.