Section 3.9
FISCAL CONDITIONS

The Fiscal Conditions section is a summary of the *Fiscal Conditions Report* (February 2023) prepared by ECONorthwest in **Appendix E**. The reader should consult the full report for more detailed information.

3.9.1 Affected Environment

2020 / 2021 SEIS

The SEIS described the existing fiscal and economic conditions on and in the vicinity of the 47° North site at that time, including the fiscal conditions in City of Cle Elum (including for police and fire service) and for other local service providers, such as Hospital District No. 2, KITTCOM, and Cle Elum – Roslyn School District (see Draft SEIS Section 3.15 and Final SEIS Section 3-7 for details). Selected information from the SEIS is provided and compared in context below; please consult the SEIS document for more detailed information.

3.9.2 Impacts

2020 / 2021 SEIS

The temporary and permanent jobs under any of the SEIS Alternatives are expected to result in positive impacts to the local economy. SEIS Alternative 5 would generate more jobs due to its greater amount of development onsite. Both SEIS Alternatives would increase the tax base and increase the demand for services in each of the taxing jurisdictions evaluated. At buildout, both SEIS Alternatives would generate fiscal surpluses to the City of Cle Elum. The future commercial component of SEIS Alternative 6 could generate fiscal shortfalls in the city in earlier years but would ultimately generate surpluses; the 47° North residential and recreational component would generate fiscal surpluses in the city throughout buildout. While costs could exceed tax revenues for other public service purveyors (e.g., Hospital District No. 2, KITTCOM, and Cle Elum – Roslyn School District), mitigation may or may not be required, as the analysis only includes tax revenues and excludes other significant funding sources such as charges for service or intergovernmental revenues.

Revised Proposal

The updated fiscal impact analysis considers the marginal fiscal effects of 47° North by comparing the additional revenue generated by the development with the additional operational costs needed to serve the development. The focus of the revenue analysis is on local tax revenues. Comparing revenues and costs from development is a complicated task. For example, city revenues derived from development (e.g., property tax, sales tax, real estate excise tax (REET), and other taxes or fees) all flow to different funds, some of which are available for use citywide in an annual budgeting process, and some of which are restricted in use in different ways.

Revenues also accrue over a period and may not be available at the time that a cost is incurred. In the updated analysis, the approach taken is to estimate the present value of the total costs of providing service increases, and the present value of total revenue sources that are available to the city and other service providers. The analysis relies on a set of assumptions about revenues and costs which are plugged into a cash flow revenue model. The model is also based on development assumptions, including phasing and timing of development, to estimate changes in affected taxes. Assumptions about the type, value, and timing of development were provided by the Applicant. The development of the project would also fuel the growth of tax bases attributable to 47° North. (See **Appendix E** for details on these assumptions.)

The updated fiscal impact analysis builds on the previous Draft SEIS and Final SEIS analyses and compares the fiscal impacts of the Revised Proposal to SEIS Alternative 6. As appropriate, references are made to SEIS Alternative 5 as well. No methods in the analysis have changed from the previous analysis; however, several assumptions have been updated in this updated analysis. These changes are described below.

Assumptions

Time Frame

The base year of the updated analysis incorporates information collected in 2022. The time horizon of the analysis shows impacts through 2037. The buildout year for the Revised Proposal is 2031 but 2037 is retained as an endpoint for the analysis so it can be compared to buildout of SEIS Alternative 6.

Development Program and Timing

The updated development program provided by the Applicant differs from SEIS Alternative 6 in the following ways:

- **Timing.** Development in the revised program reaches full buildout sooner in the analysis period (2031).
- **Valuation.** The Applicant has provided detailed information related to the following elements of their program:
  - Market valuation of the commercial and residential properties;
  - Construction costs of the commercial and residential properties;
  - Economic productivity estimates of the commercial properties; and
  - Land preparation and infrastructure construction estimates of the commercial and residential properties.

With respect to timing, the amount of buildout varies between the alternatives:

- Alternative 5 assumed development occurring in phases starting in 2021 and reaching full buildout in 2051.
- Alternative 6 assumed development occurring in phases starting in 2021 and reaching full buildout in 2037.

The implication of these timing disparities between SEIS Alternative 5 and 6, and the Revised Proposal, presents challenges that makes simple yearly comparisons between alternatives very difficult. These include:

- Annual revenues are influenced by the degree of one-time construction related taxes versus the on-going operational taxes that flow once buildings are occupied. An extended buildout will have a larger share of one-time revenues as part of its total revenue mix.
- Annual expenditures are driven by the development program. A program that delivers buildout earlier will reach the full extent of the public service impacts sooner.

As a result, comparing the impacts of the Revised Proposal several years post-buildout to SEIS Alternative 6 at buildout is not an apples-to-apples comparison. The decrease in one-time revenues that is observed post-buildout would, in fact, occur for any of the alternatives after construction is complete.

Tax Policy

Tax policy was updated for all the affected jurisdictions. Please refer to **Appendix E** for details.

Public Service Costs

Outside of the changes to the estimated staffing impacts identified in the Section 3.7, **Public Services**, the fiscal analysis has also updated employee compensation estimates. As analyzed in Public Services, staff are incurred on a prorated basis depending on the amount of population (households and RV effective population) in any given year depending on buildout. The updated proposal by Sun Communities also assumes that all roads, parks, and utilities will be privately constructed and maintained, which results in no public works or parks service responsibilities by the City of Cle Elum and, therefore, no cost impacts in these areas.

City of Cle Elum

The City of Cle Elum is the local service provider for police, fire, public works, community development, parks, and other local services. To support these services, the city collects a range of general and restricted taxes. Tax revenues are estimated in three categories:

- **One-time Revenues.** These general-purpose revenues (or for public safety) are tied to the construction of housing and commercial products. Specifically, they include the retail sales tax on construction (material and labor).
- **Recurring Revenues.** These general-purpose revenues (or for public safety) are derived from the occupation of residential and commercial structures by residents,

businesses, and employees. Specific revenues include the property tax, retail sales tax (resulting from new sales tax sourcing rules), and utility taxes.

- **Restricted Revenues.** These revenues are statutorily restricted to fund certain capital expenses and are generally not available to fund public safety service costs. Specific revenues include the REET and hotel-motel tax.

See **Appendix E** for additional descriptions and assumptions for property taxes, sales and use taxes, utility taxes, state shared motor vehicle fuel tax and liquor board tax, business license fees, REET, and special hotel/motel tax.

Tax revenues are calculated based on the changes in the components of the city's tax base resulting from development at the site. Elements of growth that influence revenues include the timing, scale, and quality of the project's development as well as the population and employment impacts of the development once complete.

The Revised Proposal also assumes that all roads, parks, and utilities will be privately constructed and maintained, which results in there being no public works or parks service responsibilities for the City of Cle Elum and, therefore, no cost impacts in these areas. Therefore, the analysis seeks to isolate general tax revenues and public safety restricted revenues that can be used to fund police and fire related costs. Unrestricted revenues, in contrast, can be dedicated to areas where no service impacts are anticipated.

Police Services

Section 3.7, **Public Services**, estimates the officers that would be needed at development buildout of the Revised Proposal. Officers are added to meet proportionate demand based on the officer to population growth ratios used in the that section. See Section 3.7, **Public Services**, of this Addendum and the Public Services section in the Draft SEIS for additional information about the different methods for estimating demand. Note that the population method includes the population from the proposed residential units, as well as a proxy population calculated for the RV sites to conservatively analyze impacts on police service. As explained in Section 3.7, **Public Services**, the RV proxy population used in the analysis is likely overly conservative and overestimates probable impacts associated with the RV element of the proposal.

The city’s police department submitted staffing and cost information for the project’s impacts on police service using a methodology recommended by the International City Managers Association (ICMA). Section 3.7, **Public Services**, estimates the need for police officers using both a population-based to service-based formula and the police department's ICMA method. The full allotment of officers is required upon buildout in 2031 (e.g., officers are added to meet proportionate demand based on the officer to population growth ratios used in Section 3.7, **Public Services**). The police department's ICMA method assumes 1/2 of the officers are brought on in 2023 and the remaining 1/2 are added in 2027. However, the methods and assumptions used by the department to determine timing were not documented in a manner such that the analysis could be explained, reproduced, or incorporated in this updated fiscal impact analysis.

Fire Services

Section 3.7, **Public Services**, estimates the firefighters that would be needed at development buildout under the Revised Proposal. Firefighters are added to meet demand proportionate to population growth at 47° North (see the note above and in the Public Services section regarding the RV proxy population).

Fiscal Impacts

Table 3.9-1 and **Table 3.9-2** summarize the cost and revenue impacts of the 47° North development under the Revised Proposal to the City of Cle Elem. On the revenue side, the summary includes restricted revenues of REET, the hotel-motel tax, and the motor vehicle fuel tax (as part of state shared revenues) that cannot be used to fund police or fire service costs. By 2031, annual City costs are estimated to be $1.1 million, and revenues are estimated to be more than $2.3 million. By 2037, annual city costs are estimated to be $1.4 million a year and annual city revenues are estimated to be $2.1 million a year. As noted above, comparing the Revised Proposal six years after buildout (2037) to Alternative 6 at buildout in 2037 may not be an apples-to-apples comparison; see Table 3-5 in the Final SEIS for a city cost and revenue summary for SEIS Alternative 6.

Table 3.9-1
SUMMARY OF COST IMPACTS FOR CLE ELUM – REVISED PROPOSAL

	2023	2024	2025	2026	2027	2028	2029	2030
Police	$0	$197,000	$405,000	$581,000	$766,000	$835,000	$908,000	$935,000
Fire	$0	$37,000	$75,000	$108,000	$143,000	$155,000	$169,000	$174,000
Total	$0	$233,000	$481,000	$689,000	$908,000	$991,000	$1,077,000	$1,109,000

	2031	2032	2033	2034	2035	2036	2037
Police	$963,000	$992,000	$1,022,000	$1,053,000	$1,084,000	$1,117,000	$1,150,000
Fire	$179,000	$185,000	$190,000	$196,000	$202,000	$208,000	$214,000
Total	$1,142,000	$1,177,000	$1,212,000	$1,248,000	$1,286,000	$1,324,000	$1,364,000

Source: ECONorthwest, 2023.

Table 3.9-2
SUMMARY OF REVENUE IMPACTS FOR CLE ELUM – REVISED PROPOSAL

	2023	2024	2025	2026	2027	2028	2029	2030
Property Tax	$0	$199,000	$404,000	$549,000	$698,000	$759,000	$822,000	$840,000
Sales Tax on Construction	$587,000	$605,000	$415,000	$427,000	$112,000	$115,000	$35,000	$36,000
Sales Tax Ongoing	$0	$83,000	$171,000	$209,000	$250,000	$290,000	$333,000	$376,000
Utility Taxes	$36,000	$73,000	$102,000	$133,000	$144,000	$155,000	$160,000	$165,000
Criminal Justice & Public Safety	$0	$43,000	$89,000	$123,000	$159,000	$180,000	$203,000	$209,000
State Shared Taxes	$0	$16,000	$34,000	$47,000	$60,000	$68,000	$77,000	$79,000
Business License Fees	$0	$0	$1,000	$1,000	$1,000	$1,000	$2,000	$2,000
REET	$0	$236,000	$269,000	$208,000	$230,000	$230,000	$249,000	$149,000
Hotel-Motel Tax	$0	$101,000	$209,000	$314,000	$424,000	$437,000	$450,000	$464,000
Total	$623,000	$1,256,000	$1,484,000	$1,698,000	$1,654,000	$1,800,000	$1,881,000	$1,857,000

	2031	2032	2033	2034	2035	2036	2037
Property Tax	$858,000	$866,000	$875,000	$884,000	$893,000	$902,000	$912,000
Sales Tax on Construction	$0	$0	$0	$0	$0	$0	$0
Sales Tax Ongoing	$422,000	$434,000	$448,000	$461,000	$475,000	$489,000	$504,000
Utility Taxes	$170,000	$174,000	$178,000	$183,000	$187,000	$192,000	$197,000
Criminal Justice & Public Safety	$215,000	$222,000	$228,000	$235,000	$242,000	$249,000	$257,000
State Shared Taxes	$82,000	$84,000	$87,000	$89,000	$92,000	$95,000	$97,000
Business License Fees	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000
REET	$618,000	$157,000	$161,000	$165,000	$169,000	$173,000	$177,000
Hotel-Motel Tax	$478,000	$492,000	$507,000	$522,000	$538,000	$554,000	$570,000
Total	$2,366,000	$1,939,000	$1,978,000	$2,019,000	$2,060,000	$2,102,000	$2,145,000

Source: ECONorthwest, 2023.

Table 3.9-3 summarizes the net annual surplus or deficit of the estimated costs and revenues. For revenues, restricted revenues of the REET, hotel-motel tax, and motor vehicle fuel taxes are excluded from the balance since they cannot be used to fund these public services. Development at 47° North is estimated to create fiscal surpluses that accumulate over time; $8.7 million in restricted revenues are excluded from the general revenue fund and would be additive to this operating surplus.

By year 2037, which is six years after buildout of the Revised Proposal, the city is estimated to have a cumulative revenue surplus of $2.9 million of general revenues to support police and fire expenses with the Revised Proposal. Initial annual surplus revenues coming from one-time sales taxes on construction would fall once development is complete and would combine with rising services costs to produce a situation where annual surpluses would give way to a small deficit only in 2037. However, on top of the $2.9 million in cumulative general revenues to support police and fire, the city would also have an additional $9.7 million in other restricted revenues for which it has no corresponding public service cost to account for; this amount is additive to the $2.9 million cumulative surplus in 2037 covering public safety costs.

Table 3.9-3
SURPLUS/DEFICIT OF COSTS AND REVENUES FOR CLE ELUM – REVISED PROPOSAL

	2023	2024	2025	2026	2027	2028	2029	2030
Total Costs	$0	$233,000	$481,000	$689,000	$908,000	$991,000	$1,077,000	$1,109,000
Total Non-Restricted Revenues	$623,000	$911,000	$990,000	$1,154,000	$972,000	$1,101,000	$1,146,000	$1,207,000
Annual Surplus/Deficit	$623,000	$678,000	$509,000	$465,000	$64,000	$110,000	$69,000	$98,000
Cumulative Impact	$623,000	$1,301,000	$1,810,000	$2,275,000	$2,339,000	$2,449,000	$2,518,000	$2,616,000
Other Cumulative Restricted Revenues	$0	$345,000	$839,000	$1,383,000	$2,065,000	$2,764,000	$3,499,000	$4,149,000

	2031	2032	2033	2034	2035	2036	2037
Total Costs	$1,142,000	$1,177,000	$1,212,000	$1,248,000	$1,286,000	$1,324,000	$1,364,000
Total Non-Restricted Revenues	$1,231,000	$1,250,000	$1,269,000	$1,290,000	$1,309,000	$1,330,000	$1,352,000
Annual Surplus/Deficit	$89,000	$73,000	$57,000	$42,000	$23,000	$6,000	-$12,000
Cumulative Impact	$2,705,000	$2,778,000	$2,835,000	$2,877,000	$2,900,000	$2,906,000	$2,894,000
Other Cumulative Restricted Revenues	$5,284,000	$5,973,000	$6,682,000	$7,411,000	$8,162,000	$8,934,000	$9,727,000

Source: ECONorthwest, 2023.

Comparison of Revised Alternative to SEIS Alternative 5 & SEIS Alternative 6

The SEIS estimated that Alternative 5 and Alternative 6 would result in cumulative fiscal surpluses to the city in 2037 ($4.4 million and $956,000, respectively). The fiscal surplus of the Revised Proposal would similarly result in a positive surplus at buildout in 2031.

Hospital District No. 2

Kittitas Hospital District No. 2 operates Medic One ambulance services and responds to calls from a point about halfway to Ellensburg all the way to Snoqualmie Pass. The district also owns Kittitas Valley Healthcare (KVH) Family Medicine Clinic in Cle Elum and leases the clinic building to Kittitas Valley Healthcare (Hospital District No.1) for their operation of the KVH Family Medicine (Cle Elum Rural Health Clinic). Kittitas Valley Healthcare operates an Urgent Care Clinic in Cle Elum.

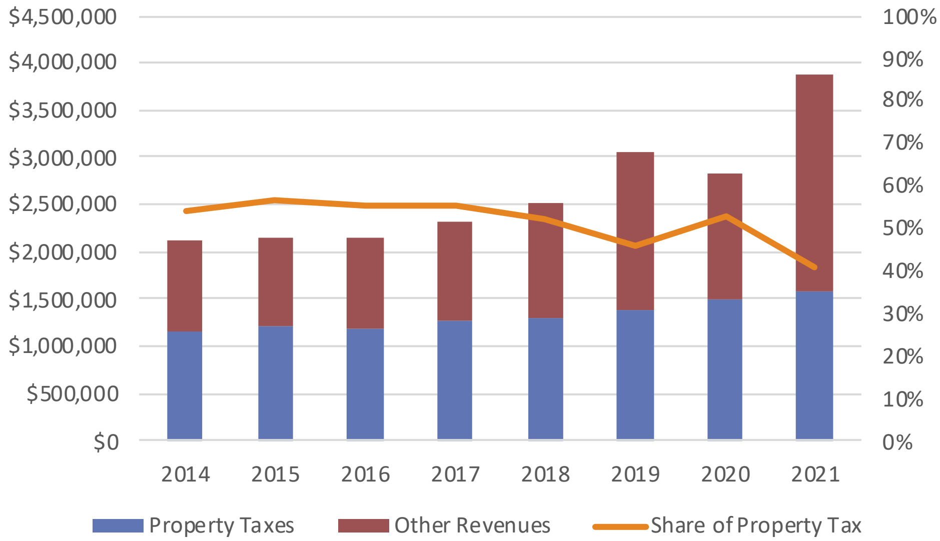
Tax Revenues

The Hospital District collects two distinct property tax levies to fund two different services: one based on a permanent EMS levy and the other a regular levy (see **Appendix E** for details on these levies).

Other Revenues

Reoccurring revenues received by Hospital District No. 2 include patient/service fees and property taxes. **Figure 3.9-1** summarizes the district's cumulative revenues received through their operating property tax levies (EMS and hospital) and other revenue sources. In 2021, patient service fees and other revenues accounted for about 59% of the district's total revenues. This fiscal analysis assumes that service fees could scale to meet additional costs beyond revenues provided by property tax revenues alone, as they have historically. For example, if new hires are required to accommodate increased service needs, then revenues from services fees would theoretically increase too.

Figure 3.9-1
SUMMARY OF KITTITAS HOSPITAL DISTRICT NO.2 REVENUES



Source: Washington State Auditor Financial Intelligence Tool, 2022.

Fiscal Impacts

The analysis of fiscal impacts to Hospital District No. 2 is based on the personnel that would be added to meet demand proportionate to population growth at 47° North under the Revised Proposal at buildout in 2031. As noted previously, the population used to estimate impacts includes a proxy RV population factor which is likely overly-conservative. (See Section 3.7, **Public Services,** for details.)

Medic One

The cost and revenue impacts of the Revised Proposal are summarized in Exhibits 7 and 8 in **Appendix E**. Medic One supports its services through a combination of property taxes and charges for its services. Results in the referenced exhibits show only the property tax component of revenues relative to increased personnel costs and, therefore, presents an incomplete and inaccurate picture of the future fiscal condition and highlights the disparity inherent in the tax revenue stream. Although costs are higher than property tax revenues in the analysis, Medic One also receives user service charges that make up a large proportion of its total revenues.

The analysis assumes that patient service fees could scale to meet additional costs beyond revenues provided by property tax revenues. For example, if new hires are required to accommodate increased service needs, then revenues from services fees would increase as well per charges for service from the district. Again, this is a key assumption, but this analysis has no publicly available data from the district to rule out if there is a structural issue between its cost for service relative to the combination of fees and taxes it receives. However, the district has grown its beginning fund balances over time during a period where both property taxes continue to grow while also representing a smaller share of overall revenues. In 2014, for example, it had a beginning balance of $3,435,567 which had grown to $6,366,267 in 2021.[1] In summary, the analysis finds that all service impacts and any hypothetical shortfalls could be wholly offset by adjusting patient service fees.

Cle Elum Clinic

The cost and revenue impacts of the Revised Proposal are summarized in Exhibits 9 and 10 in **Appendix E**. Results show only the property tax component of revenues relative to increased personnel costs and excludes patient charges for service.

The Cle Elum Clinic is run by Kittitas Valley Healthcare (Hospital District No.1) but supported in part by Hospital District No.2 through their ownership of the facility. District No.2 owns the clinic building and receives rent payments from District 1. Although costs are higher than property tax revenues in the analysis, the clinic also receives user service charges that make up most of its revenue base. The analysis assumes that patient service fees could scale to meet additional costs beyond revenues provided by property tax revenues.

For example, if new hires are required to accommodate increased service needs, then revenues from services fees would increase as well per charges for service from the district. Kittitas Valley Healthcare states that its services are almost exclusively supported by revenue generated from patient services.[2] Services provided to 47º North residents and visitors would be supported by fees charged to those patients in the same manner as existing residents pay for their services. District No. 2 also receives property taxes and as well as payments made by Kittitas Valley Healthcare to District No. 2 for lease of the medical facility. In summary, the analysis finds that all service impacts and any hypothetical shortfalls could be wholly offset by adjusting patient service fees.

Comparison of Revised Alternative to SEIS Alternative 5 & SEIS Alternative 6

The SEIS fiscal analysis estimated that SEIS Alternative 5 and Alternative 6 would generate more in service costs than property tax revenues by 2037. The same would be true of the Revised Proposal if only tax revenues are considered. However, District No. 2 revenues come primarily from patient user fees rather than property taxes, so considering property tax revenues alone provides an incomplete and inaccurate picture of fiscal conditions. The SEIS noted that service fees have scaled to meet costs beyond property tax revenue in past years and that condition would likely continue in the future.

Hospital District No. 1

Hospital District No. 1 provides care to Kittitas County and surrounding areas. The public hospital district is governed by a five-member elected Board of Commissioners and is almost exclusively supported by revenue generated from patient services. The SEIS did not evaluate fiscal impacts to Hospital District No. 1 because the 47° North property is not within the district's taxing district. Similarly, the 2002 Bullfrog Flats Master Site Plan EIS did not evaluate fiscal impacts to the district.

[1] Office of the Washington State Auditor, Financial Intelligence Tool, 2022.
[2] https://www.kvhealthcare.org/about-us/

Revenues

The City of Cle Elum, and therefore 47° North are not located within the district's boundary and taxing area; therefore, there is no property tax revenue that currently accrues to the district, and none would accrue to the district from the Revised Proposal. However, the site is broadly within the district's service area (it is the closest regional hospital) and 47° North would result in additional demand for services from the district and associated cost impacts, as described below. Note that District No. 1 also operates the Cle Elum Clinic, which is owned by District No. 2 and discussed above.

District No. 1 generates almost all revenues from user fees and states in published information that its services are almost exclusively supported by revenue generated from patient services.[3] Its main recurring revenue sources include patient/service fees and other sources of funds including its property tax levy and grants. In 2021, the district collected $5,061 in property taxes which is 0.004% of its total revenue of $118,867,617.

Fiscal Impact

The fiscal impact analysis of the Revised Proposal to Hospital District No. 1 is based on the personnel that would be added to meet demand proportionate to population growth at 47° North at buildout in 2031. As noted previously, the population used to estimate impacts includes a proxy RV population factor which is likely overly-conservative. (See Section 3.7, **Public Services,** for details.) The analysis finds that all service impacts and any hypothetical shortfalls could be wholly offset by adjusting patient service fees.

KITTCOM

Revenues

KITTCOM is funded primarily by intergovernmental revenue as well as fees paid by emergency service subscribers (which varies by subscriber based on the dispatch service costs) and through monthly excise taxes levied on telephone lines ($0.70 per line: land, mobile, and voice over internet protocol (VOIP)).

Fiscal Impacts

The fiscal impacts of the Revised Proposal to KITTCOM are analyzed based on the personnel that would be added to meet estimated demand in proportion to population growth at 47° North at buildout in 2031. As noted previously, the population used to estimate impacts includes a proxy RV population factor which is likely overly conservative and overstates probable demand. (See Section 3.7, **Public Services,** for details.)

Exhibits 11 and 12 in **Appendix E** summarize the cost and revenue impacts of the Revised Proposal. Reoccurring revenues received by KITTCOM predominately include intergovernmental revenues, fees paid by emergency service subscribers, and a monthly tax

[3] https://www.kvhealthcare.org/about-us/

applied to telephone lines. Residents of 47° North are expected to pay similar levels of line fees per household as existing residents of the city (and the district as a whole). Line charge revenues at buildout in 2031 are estimated to be $13,000, while projected new staffing costs are estimated at $135,000. The analysis is limited to line charge revenues, however, and estimates of intergovernmental revenues and/or subscriber fees, which historically have and could be restructured to cover additional funding needs, are not included. Line charge revenues alone, therefore, provide an incomplete and inaccurate picture of fiscal conditions.

Comparison of Revised Alternative to SEIS Alternative 5 & SEIS Alternative 6

The SEIS fiscal analysis estimated that both Alternative 5 and Alternative 6 would generate more in service costs than line tax revenues by 2037. However, it was noted that subscriber fees could scale to meet costs beyond line fee revenue as has been the case historically for KITTCOM. The Revised Proposal reflects the same conclusion as SEIS Alternative 5 and SEIS Alternative 6.

Cle Elum – Roslyn School District

Tax Revenues

Property Tax

In 2019, maintenance and operations levies proposed by local school districts and approved by voters were replaced by enrichment levies as part of the state's McCleary resolution. Enrichment levies are capped based on assessed value or per full-time equivalent student. For taxes due in 2020 and beyond, the levy cap for voter-approved enrichment levies has increased. See **Appendix E** for details on how the cap is used in the updated fiscal analysis. For the analysis, households are transformed into students using the district's student generation rate and the incremental levy impact is computed by the growth in students coming from 47° North.

Fiscal Impact

The fiscal impacts analysis of the Revised Proposal on Cle Elum-Roslyn School District is based on the teachers and buses that would be added to meet demand proportionate to permanent resident growth/student generation at 47° North at buildout in 2031. As noted previously, the population used to estimate impacts includes a proxy RV population factor which is likely overly-conservative. (See Section 3.7, **Public Services,** for details.)

Exhibits 13 and 14 in **Appendix E** summarize the cost and revenue impacts of the Revised Proposal. While costs exceed enrichment levy revenues, this single tax presents an incomplete picture of school district revenues. The district would also receive intergovernmental revenues, the majority through state school funding support, which accounts for over 75% of total district revenues. The analysis assumes that these sources of state and federal support could scale to meet these service costs. The impact on the school's main enrichment levy would be the same for every student generated within the development as it is for the existing district due to the changes in how local enrichment levies function after the McCleary resolution.

Comparison of Revised Alternative to SEIS Alternative 5 & SEIS Alternative 6

The SEIS fiscal analysis estimated that both Alternative 5 and Alternative 6 would generate more in service costs than local property tax revenues by 2037. The Revised Proposal would similarly generate greater costs than local revenues. However, the SEIS and this analysis note that local revenues are not the primary source of district funding; intergovernmental funds have scaled to meet costs beyond local property tax revenue historically and are expected to do the same in the future.

3.9.3 Mitigation Measures

No new, significant or materially different fiscal impacts would occur from the Revised Proposal and no additional mitigation measures are recommended.

The mitigation measure identified below is updated to provide additional considerations relating to fiscal monitoring; monitoring was recommended in the Final SEIS and would similarly apply to the Revised Proposal. See **Appendix F** for a complete list of the mitigation measures under the Revised Proposal, including additional discussion of monitoring. See the Introduction to **Chapter 3** for a description of the different categories of mitigation (e.g., proposed, required, other possible).

City of Cle Elum

- The fiscal monitoring consultant will need the following information to assure that all taxes due to the city are properly reported and collected:
  - **Property Taxes**. The consultant will need information from the county assessor that detail new construction value and assessed value for all 47° North tax parcels.
  - **Sales Taxes.** The city will have to work with the Washington State Department of Revenue to request individual tax reports for businesses and households. If these data are not available to the fiscal monitoring consultant due to data privacy restrictions, the consultant will have to work with publicly available retail sales data to apportion city receipts to 47° North.
  - **Utility Taxes.** Due to the mix of utility providers, the consultant will have to work with publicly available utility tax data to apportion city receipts to 47° North.
  - **Real Estate Excise Taxes.** The consultant will need information from the county assessor to summarize real estate transactions within 47° North.

Other Service Purveyors

- The Applicant should, and has committed to, pursue mitigation agreements with the affected service providers to address fiscal impacts, if any, resulting from increased service demands attributable to the Revised Proposal.