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key recommended actions

estimated capital cost ranges

The Reimagine Plan identifies planning strategies and capital projects that, taken together, can help link Cornerstone projects and public investments in infrastructure, to better support growth and economic development in the downtown and riverfront districts. While no planning effort can predict the precise cost of future actions, it is useful, even at this early stage, to establish an estimated high-low range for key implementation projects, so that potential funding sources can be identified and decision makers can better understand and evaluate project cost-benefits relative to critical priorities. These initial cost "benchmarks" are crucial to:

Preliminary Resource Allocation and Budgeting: Implementation of the Reimagine Wenatchee Plan will involve several stakeholders, including the City, Port, County, private sector businesses and developers, and community organizations. Knowing the cost of capital improvements aids in the effective coordination of resources, ensuring that investments can be made where they are needed most and can have the greatest impact.

Initial Project Feasibility and Due Diligence Confirmations: Understanding the cost of capital improvements is vital for assessing the feasibility of proposed projects. It helps determine whether the benefits of the project justify the investment and whether it can be completed within the available budget.

Attracting Private Investment: Private sector developers and investors may be more willing to participate in revitalization efforts if they have a clear understanding of the costs involved. Accurate cost estimates provide confidence to potential investors and can attract additional funding for downtown projects.

Managing Risk: Identifying the cost of capital improvements allows for better risk management. It helps stakeholders understand potential financial risks associated with downtown projects and develop strategies to mitigate them.

This Section details the potential scope and estimated capital cost ranges for the following projects:

1. **Public realm improvements to Columbia Street;**
2. **Traffic calming and pedestrian and bike improvements at key intersections at Mission and Chelan;**
3. **Converting Mission and Chelan from a one-way to a two-way couplet;**
4. **New pedestrian bridge over the BNSF rail corridor; and,**
5. **Parking hub over the existing wastewater overflow facility along Worthen Street.**

Note that a preliminary planning-level scope and budget estimate range was prepared for the above identified projects by Perteet, Inc., the Reimagine Wenatchee plan's urban infrastructure lead. All costs ranges shown are in 2024 dollars and not inflated to the future.

Summary Table of Low-High Capital Cost Benchmarks (Hard Cost + Soft Cost)

	Capital Project Description	Estimated Construction Cost		AE, Permits, Fees, Contingencies		Total Estimated Budget	
		Low	High	Low	High	Low	High
				30%	40%		
1	**Columbia Street Public Realm Improvements**						
	Streetscapes and intersection improvements approx. from Kittitas to Second	13,674	15,738	4,102	6,295	17,776	22,033
	Landscaped Plazas at Yakima, Palouse, and Second	938	1,563	281	625	1,219	2,188
	Subtotal Columbia Street Improvements	***14,612***	***17,301***	***4,383***	***6,920***	***18,995***	***24,221***
2	**Mission and Chelan Pedestrian Improvements**						
	Curb Bulbs, Curb and Gutter, Repavements, Landscape	***3,960***	***6,600***	***1,188***	***2,640***	***5,148***	***9,240***
3	**Mission and Chelan One-Way to Two-Way Couplet Conversion**						
	Streetscape Improvements along blocks outside of Target Area	10,600	10,600	3,180	4,240	13,780	14,840
	Streetscape Improvements along blocks inside of Target Area	8,000	36,000	2,400	14,400	10,400	50,400
	New Signal Poles/Rewires at Intersections	3,400	5,950	1,020	2,380	4,420	8,330
	New Full Signals	2,250	3,300	675	1,320	2,925	4,620
	Subtotal Mission and Chelan Conversion	***24,250***	***55,850***	***7,275***	***22,340***	***31,525***	***78,190***
4	**Pedestrian Bridge over BNSF Tracks**	***4,000***	***7,500***	***1,200***	***3,000***	***5,200***	***10,500***
5	**New Parking Hub over existing Wastewater Facility at Worthen**	***TBD***	***TBD***	***TBD***	***TBD***	***TBD***	***TBD***
	Total	***46,822***	***87,251***	***14,046***	***34,900***	***60,868***	***122,151***

All amounts shown in $1,000s

1 Columbia Street

Columbia Street will require a full reconstruction of the roadway during development. The street is currently paved in concrete, but this estimate assumes repaving with hot mix asphalt and using concrete just for curb, gutter, and sidewalk.

At the same time as roadway reconstruction, likely infrastructure updates will include:

- Stormwater upgrade project from Palouse Street to 1st Street with installation of new or parallel pipes to improve drainage and system capacity.
- Water line replacement of 10-inch diameter cast iron pipe in S Columbia Street from Palouse Street to Kittitas Street.
- Relocate water line from BNSF ROW in vicinity of existing Chelan County PUD parcel and move to the Columbia Street corridor and North Wenatchee Avenue via 2nd Street.
- Potential utility connections into the north into the PUD parcel via “Electric Avenue”.
- Work with Chelan County PUD to relocate power distribution to underground or alleyways.

Other utility improvements are unknown at this time, however, they may include updates to separated storm water, sewer trunk lines, power, or ITS facilities like fiber systems. Columbia Street will also require, at a minimum, pedestrian level lighting. Other significant items of work include striping and signing, along with any improvements to ADA facilities. Per upcoming Ecology Stormwater Manual updates, if over 5,000 square feet of hard surfaces are replaced or added, the project will need to meet all “Core Elements” which will include water quality treatment, which adds expense to construction.

Estimated Order of Magnitude Hard Cost Range for Street Improvements

LOW	HIGH
$2,800,000 (Includes one block plus one intersection) ~$5,300 / linear foot	**$3,300,000** (assumes deeper utilities, more landscaping and streetscaping, concrete bikeway instead of HMA) ~$6,100 / linear foot

Landscaped public plazas, designed as extensions of the public realm may be located at key intersections to help catalyze adjoining Cornerstone development.

Estimated Order of Magnitude Hard Cost Range for Plazas

LOW	HIGH
$312,500 per Plaza ~$75 / square foot	**$520,000 per Plaza** ~$125 / square foot

2 Mission and Chelan Avenue Intersection Improvements

The Reimagine Plan identifies six strategic locations along Mission and Chelan, where intersection improvements can encourage better pedestrian and bike mobility between the downtown and Wenatchee’s “closest-in” residential neighborhoods. These recommended improvements include traffic calming devices, such as:

- Extended curb bulb-outs to improve safety and reduce the crossing distance, along with wait times for stopped vehicle, bike riders, and pedestrians,
- Raised crossings and/or reduced curb radii to slow traffic and improve accessiblity.
- Enhanced landscapes and street furniture, including repaving or specialized surface treatments.

Estimated Order of Magnitude Hard Cost Range

Typical “Target Area” intersection improvements (needed at Chelan / 1st and Mission / 1st)

LOW	HIGH
$660,000 Each (curb bulb-outs, adjustments to stormwater catch basins and pipe, striping, upgrades to ADA crossings, no new traffic signal poles, re-wiring system just for ADA, and no ROW purchase required, no stormwater treatment required) ~$5,300 / linear foot	$1,100,000 Each (all above plus repaving entire intersection, adding landscaping and street features, add in additional 4th traffic signal pole for 2-way traffic, assume minor ROW purchase needed, assume stormwater treatment required) ~$6,100 / linear foot

3 Mission and Chelan Avenue one-way to two-way conversion

To convert Mission and Chelan Avenues from the existing one-way street network to two-way streets with turn lanes is possible, but complicated. Currently, all intersection traffic signals have three signal poles and mast arms, facing three directions of travel lanes. A fourth pole, mast arm, and signal heads will need to be constructed at each intersection, including signal hardware, wiring, detection, and programming. This is true for both intersections within the study area, as well as intersections outside the study area, as we assume the entire SR 285 couplet would revert back to bi-directional roadways. Further study and traffic modeling will be required to determine lane capacity and designations, signal programming, and whether one or both roadways will be considered State Route 285 in the future. WSDOT will be a major stakeholder in this effort.

Other significant items of work include striping and signing along with any improvements to ADA facilities. Per upcoming 2024 Ecology Stormwater Manual updates, if more than 5,000 square feet of hard surfaces are replaced or added, the project will have to meet all "Core Elements" which may include both water quality treatment and flow control, which add expense to construction. The City currently has sewer, storm, and water improvements needed on both Mission and Chelan, but these projects are not included budget below.

Typical block improvements between intersections (needed for ALL BLOCKS, not just in the study area)

Estimated Order of Magnitude Hard Cost Range

LOW	HIGH
$400,000 per 400 LF Block (change striping, changing signage, updates to storm catch basins as needed, no signal improvements as they are included below, no landscape upgrades, no illumination)	**$1,800,000 per 400 LF Block** (all above plus new curb and gutter, adding pedestrian level lighting, adding landscaping and street features)

Outside "Target Area" signal revisions at all existing intersections:

Estimated Order of Magnitude Hard Cost Range

LOW	HIGH
$200,000 each (change striping, changing signage, updates to storm catch basins as needed, no signal improvements as they are included below, no landscape upgrades, no illumination)	**$350,000 each** (all above plus new curb and gutter, adding pedestrian level lighting, adding landscaping and street features)

Add one signal pole and rewire at the following intersections:

- Mission and/ Miller, 9th, 5th, 2nd, 1st, Palouse, Orondo, Yakima, Kittitas (9 intersection locations)
- Chelan and/ Miller, 9th, 5th, 2nd, 1st, Palouse, Orondo, Yakima (8 intersection locations)

Add full signal (new) system each at Chelan/Kittitas, Mission/Chehalis, Mission/Thurston

Estimated Order of Magnitude Hard Cost Range

LOW	HIGH
$750,000 each	**$1,100,000 each**

4 Pedestrian Bridge over BNSF Railroad tracks

Per BNSF standard plan track standards (2019), required vertical clearance over the top of the rail is 22'6". The length of BNSF rail crossing in the Orondo Street vicinity is approximately 175 linear feet over just the tracks. Per the Americans with Disabilities Act (ADA) requirements, pedestrian overpasses must not exceed a 1-foot vertical to 12-foot horizontal (1V:12H), and a minimum 5-foot landing is required for every 1.5' of rise. At 1V:12H street grade, this would be approximately 300 linear feet of earth or bridge ramps on both sides of the railroad tracks. With the required space needed for ramps, the bridge span length may extend upwards of 550 linear feet, crossing over both Columbia Street (west) and Worthen Street (east).

Pedestrian bridges have more options for layout, as they can wind cylindrically or ramp parallel to the BNSF tracks. Currently room for this type of ramp already exists near Convention Center parking and the WWTP equalization basins.

Coordination with BNSF required to provide an over or under-pass is expensive and may take years to process and cause delays. They will also require an on-site BNSF employee during all construction within their ROW.

Additional considerations for the cost of bridges include variations based on bridge type (concrete or steel), aesthetics, applicable codes, and usage type.

Estimated Order of Magnitude Hard Cost Range

LOW	HIGH
$4,000,000 (pedestrian/bike bridge over the tracks)	**$7,500,000** (earthen ramps, bridge just over tracks)

5 Wastewater detention basins under parking area

Example Wastewater Detention Basin Redevelopment:

Santa Monica SWIP above grade

Santa Monica SWIP below grade

Utilizing underground storage tanks to provide space for wastewater storage at highest-use times is common in Washington State. Notable examples of large underground storage tanks and wastewater facilities in urban areas include Cal Anderson Park in Seattle, which covers a drinking water reservoir, the Mercer Street Tunnel (Denny Way/Lake Union CSO Control Project), which stores up to 7 million gallons of wastewater in 14'8" tunnels during peak demand, and the Santa Monica SWIP AWTF, which houses controls and treatment basins on two subsurface operating floors. One of Wenatchee's four drinking water reservoirs is also an example of the practice of underground water storage.

The difference between underground detention for wastewater verses storm or drinking water are the gasses and odors produced by influent headed to the treatment facility. To ensure the gasses don't build up, each underground storage tank requires a ventilation and odor control system at an additional cost. Ventilation controls will be housed in an above ground structure that could be designed to securely fit within the parking area. The ventilation system(s) will also be required during necessary cleaning procedures as the underground tanks are considered a confined space with limited entry and exit points.

The amount of Wenatchee Wastewater Treatment Plant (WWTP) capacity that would need to be stored under the potential parking is approximately 1,700,000 gallons. There are several options for size and type of underground storage, including precast like fiberglass cisterns, concrete tunnels/pipes, poly tunnels/pipes, or cast-in-place concrete tanks. All can be buried or supported with concrete pillars if parking is provided over the top.

Existing First Avenue Pedestrian Bridge

Bridge touchdown at Columbia Street and planned Electric Avenue Extension, surrounded by new PPP development on City-owned parking lots

Potential new Pedestrian Bridge over the BNSF tracks

Potential Parking Hub, providing capacity for approx. 300 vehicles on the site of the existing publicly-owned wastewater facility.

While the WWTP overflow basin is intriguing as a potential site for a Parking Hub, it is important to note that this strategy would require further study and review to identify:

- Cleaning the underground facility after storm events (for example, garbage and grit due to untreated wastewater overflow).
- Additional space for WWTP functions and flow management during storm events that cannot be replaced or accommodated on this site,
- Additional space for current construction staging and hydroexcavation debris management.
- Additional space for future WWTP expansion. This site is currently anticipated to be used for additional treatment units.

Potential configurations include:

Concrete Tunnel/Cylinder

- 3 underground 12' diameter tunnels at 700' long each (similar to length of the future parking lot).
- Tunnel could also be placed under the roadway depending on site constraints.
- Separate cylinders could be used in series such that each is only filled as needed, therefore reducing maintenance cleaning costs if it's a small peak overflow.
- Each tank may require a separated ventilation system.

Concrete Tank(s)

- 4 underground reservoirs at 14' wide by 10' high, approximately 4oo' long each.
- Separate cylinders could be used in series such that each is only filled as needed, therefore reducing maintenance cleaning costs if it's a small peak overflow.
- Minimum width and height structures can be designed so no additional pillars are needed to support parking above.
- Each tank may require a separated ventilation system.

Concrete Reservoir

- 1 large underground reservoir at 200' long by 100' wide and 12' deep.
- Similar to a parking garage structure, this reservoir would require additional pillars be installed to support a lid structure and parking on top of it.
- Entire reservoir would need to be cleaned each time it was filled as there may not be any separation.
- One ventilation system required for reservoir.

Estimated Order of Magnitude Hard Cost Range

LOW	HIGH
TBD Pending Strategy Above	**TBD Pending Strategy Above**

costs ranges will be subject to further study regarding the corollary affects to the WWTP, including, but not limited to, WWTP expansion planning and capacity requirements noted above..

a holistic, district-based financial approach

While there are numerous options for raising the capital required to undertake downtown redevelopment projects, the Reimagine Plan looks to two distinct but interrelated financial tools for implementing recommended improvements:

1. **District Based Financing.** The Reimagine Plan's expansive downtown Target Area is optimally situated to engage capital development tools that leverage the financial strength and potential of the district as a whole, including:

   Local Improvement District (LID). A LID allows for the imposition of a special assessment on local properties to cover their equitable portion of the costs for capital improvements, aimed at enhancing the economic performance of a select area or region. In many cities across Washington, LIDs have served as a popular financing method for infrastructure enhancements, as property owners recognize the value added to their investment and agree to participate.

   Tax Increment Finance District (TIF). Made available by the Washington state legislature in 2021, this mechanism enables the funding of infrastructure projects based on the premise that such infrastructure will drive higher levels of development in the area. The City has successfully implemented a TIF in the North Wenatchee area, and favorable condition is currently observed in the study area, where the plan has highlighted numerous necessary improvements capable of stimulating step-by-step increases in real estate value.

2. **Direct Funding Allocations**

   Integration with Capital Improvement Plans and Programs. Clearly identifying Reimagine projects within the publicly established budgets of the City's Capital Improvement Plan and Transportation Improvement Program will help to jump start design and construction processes, as well as build confidence and enthusiasm among the local business and development community.

   Steering municipal resources towards programs with catalytic potential. The City's existing Multi-family Housing Tax Exemption (MFTE) Program provides eight to twelve years of property tax exemption to eligible, new, rehabilitated, or converted multifamily housing within the City's Urban Center/Residential Target Area. The City should continue to promote MFTE as part of its developer recruitment and economic development efforts. Additionally, regulatory mechanisms such as land use and building code relief measures can be tailored to incentivize projects that support Reimagine goals and objectives. Reduced permit processing durations, alternate code compliance pathways, and additional development capacity (floor area and/or height) can each offer financial benefit to qualifying projects and help catalyze district-wide economic development,

Structuring a Downtown Funding District

The Reimagine Plan recognizes that downtown scale projects require a downtown scale approach to urban investment. Many projects identified by the plan have effects that extend beyond the limits of each specific construction boundary, so a multifaceted, district-level approach to implementation is appropriate - one that leverages both private and public sources and both funding and financing mechanisms. This means that the Plan should anticipate deploying "project-specific" and "non-project" implementation approaches as well as dedicated local funding.

Project Specific Mechanisms and Non-project Approaches. It's crucial to distinguish between project-level funding mechanisms and general funding sources used for projects. Project-specific funding sources are typically linked directly to development projects through the permitting and entitlement process or by pursuing project-specific competitive grant awards. On the other hand, non-project sources primarily consist of public funds that are either designated for capital purposes or derived from general funding sources, giving decision-makers discretion over allocation. With non-project-specific funding, projects are prioritized for funding through a capital improvement program due to fixed funding availability. The funding package for a project may include a combination of public and private sources, as well as both project-specific and non-project-specific funding sources.

Dedicated Local Funding. Wenatchee's approach to funding local infrastructure mirrors that of many cities nationwide. In essence, this strategy follows a "growth pays for growth" model, aiming to blend private funding sources, mainly from the land development process, with various forms of public funding, particularly from federal and state levels. The priority for public funding is to secure earmarks, grants, and competitive awards as the initial source before turning to more locally based funding.

While federal and state funding sources are desirable, they pose challenges for local policymakers in terms of control and predictability. Federal programs may change or disappear over time, and allocation formulas and competitive processes can also evolve. Additionally, the list of local projects may not always align with eligibility and scoring criteria for funding.

Local stakeholders can advocate for increased funding from federal and state governments, but they lack direct authority over allocations. As a result, state and federal sources not explicitly authorized for specific projects remain somewhat speculative. Ultimately, the amount of funding obtainable from these non-local public sources involves both political factors, such as garnering necessary support, and administrative factors, such as dedicating efforts to grant preparation.

The "growth pays for growth" approach has proven highly effective in funding infrastructure improvements across Washington. However, this method necessitates that the value of a project covers both its cost and associated infrastructure enhancements. This requirement is particularly pertinent in infill redevelopment, where project values need to be relatively higher due to pre-existing income-producing structures on the land. Essentially, the more productive the current use, the higher the project value must be to cover new construction and required infrastructure costs.

The policy dilemma faced by many local jurisdictions is whether to provide public funding support to offset the financial burden of constructing entire local infrastructure projects, or whether public investment is necessary to improve or complete needed projects in areas where development is lacking.

Local funding sources may not be the primary component of the funding strategy for Reimagine Wenatchee Downtown Master Plan capital projects, but they afford the City greater discretion over revenue generation and expenditure. Therefore, they are a critical aspect of any funding strategy. For instance, local funding as a match could elevate a project's priority on funding award lists.

The successful implementation of the Reimagine Wenatchee Downtown Master Plan projects will largely hinge on the City's ability to raise and manage revenue from local sources.

Dedicated Local Funding: Tax Increment Financing

Tax Increment Financing (TIF) is a potent economic development tool, recently enacted into law in Washington State in 2021. Under House Bill 1189, now codified as RCW 39.114, the Washington State Legislature established TIF authority, allowing cities, counties, or ports to create tax increment areas (TIAs). TIFs are widely employed across the United States to stimulate economic growth.

Essentially, TIF serves as a financing mechanism enabling a public agency (such as a city, county, or port) to finance necessary publicly-owned infrastructure aimed at fostering private development within a designated TIA. As private development unfolds due to the public agency's investment in identified public improvements, property values escalate. The public agency then utilizes the property tax generated by this development within the TIA to fund the public improvement projects. Once the project costs are covered, the public agency closes the TIA.

There are several key limitations to TIF in this State which include the following:

- No more than two active increment areas per sponsoring jurisdiction and they may not overlap.
- Increment areas may not total more than $200 million in assessed valuation, or more than 20% of the total assessed valuation of the sponsoring jurisdiction, whichever is less.
- Cannot add additional public improvements or change the boundary of the increment area once adopted.
- Must include a deadline of 5 years following the TIF adoption ordinance by when construction of public improvements will begin (ability to extend for good cause).
- The local government may only receive TIF revenues for the period of time necessary to pay the costs of the public improvements.
- If the local government finances the public improvements, the increment area must be retired no more than 25 years after the adoption of the ordinance designating the increment area.

The City of Wenatchee established one of the state's initial Tax Increment Financing (TIF) districts, marking its debut into this funding mechanism. The City's redevelopment strategy focuses on revitalizing vacant and fire-damaged parcels along the North Wenatchee Avenue corridor, a project known as the North Wenatchee Redevelopment. This strategy entails redeveloping damaged parcels and enhancing infrastructure along North Wenatchee Avenue, McKittrick Signature Street, and Confluence Parkway to bolster connectivity and stimulate private investment within the tax increment area.

The projected cost of public improvements amounts to $130.2 million. To date, the City has secured $112.5 million in federal and state grants, leaving a funding gap of $17.7 million. The proposed Tax Increment Financing Area (TIA) has a total 2022 taxable assessed valuation of $19.7 million. This valuation falls below the statutory limitations, which cap the TIA at the lesser of $200 million or 20% of the City's total assessed valuation of $4,402,820,511 (representing 0.45% of the City's total valuation). Notably, a significant portion of the property within the TIA is owned by the City and currently holds a zero assessed value. The City is actively marketing this property for development purposes.

The initial TIF leaves roughly $180.3 million available for a potential second TIF area, which could be allocated to support projects outlined in the Reimagine Wenatchee Downtown Master Plan. A critical consideration for the city is determining the boundary's extent within this area to establish a nexus between the infrastructure projects specified in the Master Plan and future development of key sites. These redevelopment sites include the Riverfront Village, The Majestic, the PUD site earmarked for the new YMCA facility, and the Columbia St. warehouse projects.

Potential Reimagine TIF Districts

The figures on this page and at right present five different scenarios for configuring the potential tax increment finance areas.

All of these scenarios fall within the remaining $180 million threshold within the city's tax increment finance areas. Among them, Scenario 4 encompasses the largest area, boasting approximately $77 million in taxable assessed value based on 2023 assessments. In contrast, the smallest areas, Scenarios 3 and 5, have an assessed value of approximately $17 million each.

Given that a TIF district could comfortably fit within the city's remaining valuation cap under any circumstance, the crucial question becomes whether it would be more expedient to establish a smaller district first. This smaller district could generate increment funding for several years before creating another district, which would necessitate the city retiring one of its two existing districts.

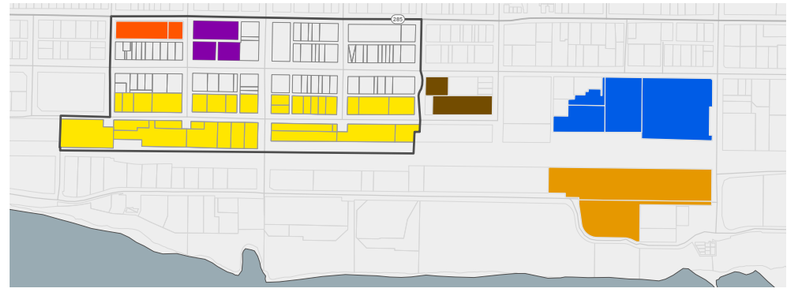
In an optimistic scenario where the city initiates projects within the downtown area in the next five years, potentially catalyzing increased development, the tax increment finance district could yield anywhere between $15 to $25 million in tax allocation revenues to support these projects. However, in a more conservative scenario where projects develop more slowly over the district's 25-year lifespan, tax allocation revenues may only amount to $4 to $10 million. A sensitivity analysis comparing the utilization of a smaller tax increment area, such as scenario two or three on the map above, suggests that revenues could fall within the $5 to $10 million range. However, it's worth noting that some of these revenues might be affected if the city were to establish a new tax increment area centered around the riverfront village expansion in the future.

Scenario 1

Taxable Assessed Value	$76,985,529
Tax Allocation Revenues	$10-$15 M

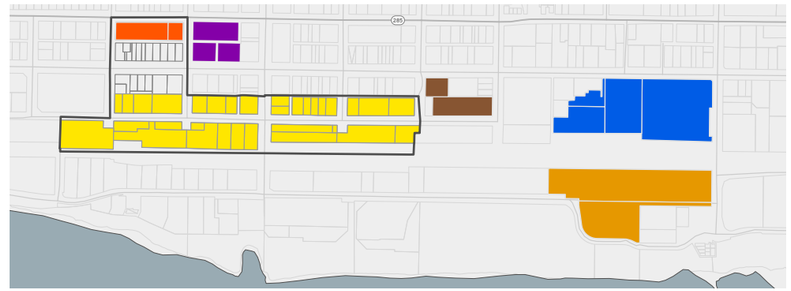
Scenario 2

Taxable Assessed Value	$45,869,716
Tax Allocation Revenues	$6-$10 M



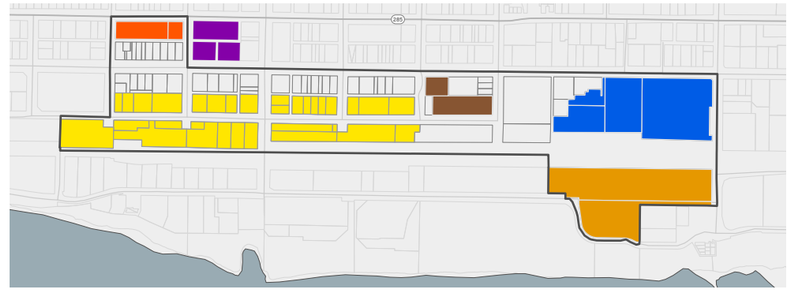
Scenario 3

Taxable Assessed Value	$17,636,589
Tax Allocation Revenues	$3.8-$6.1 M



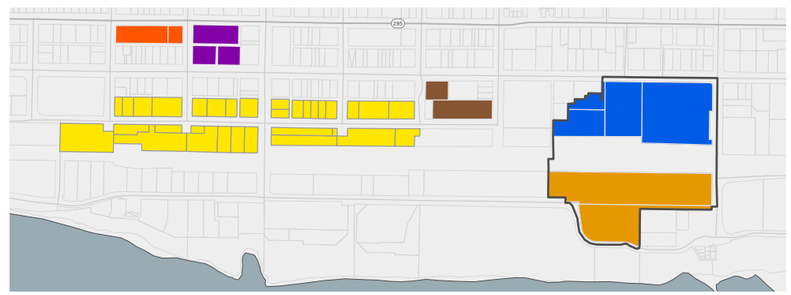
Scenario 4

Taxable Assessed Value	$52,099,416
Tax Allocation Revenues	$18-$28 M



Scenario 5

Taxable Assessed Value	$16,978,502
Tax Allocation Revenues	$10-$16 M



key recommended actions

Recommended Actions for Structuring a TIF District

Based on these initial findings and the assumption that the city may not have another opportunity to establish a Tax Increment Financing (TIF) district at the scale of the downtown area, two recommendations are proposed:

The city should consider expanding the tax increment area to encompass the broadest section of downtown likely to benefit from planned infrastructure projects.

Even in a scenario where the projects support real estate development within the studied downtown area, there is potentially around $100 million in taxable capacity that could be included in the TIF area. This expansion could encompass potential development sites at the south end of the study area or be extended to development sites west of the downtown area or to capture future redevelopment along Worthen Street. The city will need to conduct a thorough analysis of the advantages and disadvantages of expanding the boundaries and assess whether additional infrastructure projects would be necessary to support development in these areas.

The city should aim to establish the TIF district within the next year to meet the June 1st filing deadline for the tax year 2025.

Considering the timing of infrastructure project needs and the potential for near-term development projects, it would be in the city's best interest from a tax allocation perspective to establish the district sooner rather than later.

Funding Strategy

The Reimagine Wenatchee Target Area Master Plan has identified 5 major projects that will solve significant challenges in the area and drive value for both city residents and visitors:

1. Public realm improvements to Columbia Street;
2. Traffic calming and pedestrian and bike improvements at key intersections at Mission and Chelan;
3. Converting Mission and Chelan from a one-way to a two-way couplet;
4. New pedestrian bridge over the BNSF rail corridor; and,
5. Parking hub over the existing wastewater overflow facility along Worthen Street.

Collectively, these projects are estimated to cost approximately $122 million at the high end, excluding cost estimates for the parking hub project. As an initial step, the city should ensure that its design guidelines and requirements specify how development will integrate with these projects - consistent with the Reimagine Plan - such as the public realm improvements on Columbia St. This proactive approach will enable developers to plan their portion of the right-of-way for these projects when development occurs. However, the size and scope of these projects will largely rely on public funding sources for construction.

A straightforward way to approach this is to recognize that certain projects, given the availability of federal and state dollars, will be more competitive under those circumstances. Projects such as traffic calming and pedestrian improvements at Mission and Chelan streets, converting Mission to a two-way couplet, or constructing a new pedestrian bridge have funding sources accessible through federal and state transportation programs. For these projects, the city should target available grants and plan spending to ensure that their projects are either prioritized for funding or are competitive for grant allocations. Smaller projects, like public boardwalks along Columbia St., some traffic calming measures, and the parking hub, will need to rely on local funding sources.

Firstly, the city already allocates its capital budget to fund high-priority projects, and these new projects can be incorporated into that capital facility planning process to receive allocations. Secondly, if the city were to establish a tax increment finance district and create a new dedicated form of infrastructure funding for the area, these funds could be utilized to support these more local projects. This funding could either enhance their competitiveness for available grant funding or potentially fund them entirely.

Summary of Funding Tools

	Project	Cost	Funding			
			Federal	State	Local	Dedicated
1	Public realm improvements to Columbia Street	**$24.2m**	Limited Support	Limited Support	Focused	Focused
2	Traffic calming and pedestrian and bike improvements at key intersections at Mission and Chelan	**$9.2m**	Target Grants	Target Grants	Leverage	Leverage
3	Converting Mission and Chelan from a one-way to a two-way couplet	**$78.2m**	Target Grants	Target Grants	Leverage	Leverage
4	New pedestrian bridge over the BNSF rail corridor	**$10.5m**	Target Grants	Target Grants	Leverage	Focused
5	Parking hub over the existing wastewater overflow facility along Worthen Street.	**TBD**	Limited Support	Limited Support	Focused	Leverage

Recommended Actions for City-Owned Parking Lots

The City of Wenatchee currently owns and operates three contiguous surface parking lots along S. Columbia Street. These parking lots provide free parking for several downtown businesses along S. Wenatchee Avenue and the convention center. While the parking lots provide a benefit to the surrounding downtown business, the City will eventually need to leverage the trade-off between balancing new investment and providing parking management to downtown. Below we've outlined short and long-term considerations for these specific properties.

Short-Term Actions

Keep Current Use

Continue to Operate Parking Lot. These parking facilities help support mobility and parking for Downtown Wenatchee. Success of downtown depends on having easy and available parking to attract and maintain visitors. While there is no immediate proposal from private developers to redevelop the parking lots the City will eventually need to balance the trade-off between balancing investment and parking management. As market conditions change and demand for redevelopment in downtown increases in the future, the City should consider redevelopment of the parking facilities.

Long-Term Actions

Explore Partnership and Collaboration Opportunities.

Partner with Port. Seek partnership with Port to market city-owned parking lots as a potential redevelopment opportunity in conjuncture with Port owned properties to support urban-scale housing and/or mixed-use development.

Market and Prioritize Opportunity Sites.

Market site through a Competitive RFP Process. The City would provide the oversight and management of development of the property including an agreed-upon. It would then oversee disposition of the site to vertical developers.

Leverage Public Private Partnerships (PPP).

Highlight Local Tax Incentives and Support Regulatory Adjustments. The City can support redevelopment through a public private partnership by creating a flexible and supportive environment that encourages investment while that the new developments meet the needs and desires of the community. Through a combination of incentives like the multi-family housing tax exemption program, and regulatory adjustments, the city can transform surface parking lots into vibrant residential communities.

Recommended Actions for Cornerstone Projects

While the City does not have ownership of these properties, the City of Wenatchee can use its policy and regulatory framework to support redevelopment and adaptive reuse efforts in the Target Area. Below we've outlined specific actions that the City can help support.

The following projects are under ownership of private and public entities and have undergone recent development planning.

Lineage Properties

The Port of Chelan has conducted an extensive reuse and feasibility study to evaluate the market conditions and viability of different reuse scenarios. Since then, the Port has engaged brokers and real estate professionals to promoted and marketed the properties to potential developers. Due to the large size of the properties and the imposed disposition development agreement on the properties, the Port has had challenges attracting developer to redevelop the portions of the property.

Former PUD HQ

The 7.5-acre Former PUD Headquarters site has been on the market for a few years and recently the YMCA has agreed to buy a portion of the site to redevelop it into YMCA's new and expanded facility. While, YMCA is still in the initial development planning stages, the PUD has agreed to build an interior road to provide circulation to the PUD campus, relocate and improve utilities, and remove fuel tanks before any development can occur. With the YMCA purchasing just under half of the former PUD headquarters site, this leaves roughly 3.5 acres of the PUD land remaining to be sold and developed.

Weidner (Majestic)

The Weidner "Majestic" is a proposed residential mixed-use development project by Weidner Apartment Homes in downtown Wenatchee. The developer has submitted plans and permits with the City has approved them, however development was put on hold due to COVID-19 impacts. The City of Wenatchee recently granted a two-year extension the Majestic's development agreement to allow Weidner to continue with their proposed development plans. The development is anticipated to break ground in 2025.

Short-Term Actions

Align Regulations with the Needs of New Development.

Support Regulatory Adjustments. The City can support new development by aligning regulations with the needs of new development such as increased residential density, height limits, and reduced parking requirement which can help yield cost feasible projects.

Leverage Public Private Partnerships (PPP).

Highlight Local Tax Incentives. The City should promote its existing tax credit program (e.g., multi-family housing tax credit program) to support urban-scale residential development that can also yield community benefits such as affordable housing.

Support with Infrastructure Investments.

Identify Funding for Needed Infrastructure Improvements. New and improved infrastructure will be required to support the goals of this plan, including serving several of the properties along South Columbia Street and the PUD site.

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looking ahead

timeline

When is action needed?

With Cornerstone projects already underway, the timing of recommended activities and decisions in the Target Area will be critical to achieving community goals for Economic Development, New Housing Access, Transportation Choices, and Improved Connectivity. The schedule at right outlines the recommended sequence and interrelationships between actions and actors.

Actions are color-coded according to the primary entity responsible: City of Wenatchee (magenta); identified public-private-partners (dashed magenta), such as Weidner, the YMCA, and others; other public-private-partner agencies such as the Chelan County PUD and Port (black); and private sector and/or non-profit stakeholders and organizations that may engage in public-private-partnership projects or undertake implementation activities on their own, such as the Wenatchee Museum, the WDA, and local property owners and businesses (gray).

Actions are organized according to near-, mid, and long-term timeframes, which correspond to the Cornerstone implementation schedule and to the enactment of a Downtown TIF District. Durations are approximate and should be refined based on scope and required coordination with partner entities and/or agencies.

Development of the following a catalysts are encouraged to help to set Plan actions in motion:

1. **Design and construct public realm improvements to Columbia Street;**
2. **Implement traffic calming and pedestrian and bike improvements at key intersections at Mission and Chelan;**
3. **Explore the conversion of Mission and Chelan from a one-way to a two-way couplet;**
4. **Study the potential for a new pedestrian bridge over the BNSF rail corridor; and,**
5. **Study the potential for a new parking hub over the existing wastewater overflow facility along Worthen Street.**
6. **Work with local resident and business stakeholders to develop a Parking Demand Management Strategy for the Downtown Target Area**

TIMELINE LEGEND

- City of Wenatchee Actions
- Public-Private-Partner Activities
- Other Public Agency Activities
- Private Sector / Non-Profit Activities