CITY OF
GRANITE FALLS

THURSDAY · AUGUST 27, 2026
7:30 AM · Buzz Inn Steakhouse

CHAMBER OF COMMERCE · IN THE LOOP

State of the City

2026

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This morning's conversation

Concrete numbers, real projects, and how the City's decisions show up for Granite Falls businesses.

01 — State of City Finances
2026 mid-year snapshot & the 10-year plan

02 — Infrastructure & Capital
Legion Park, Galena St., streets, water/sewer

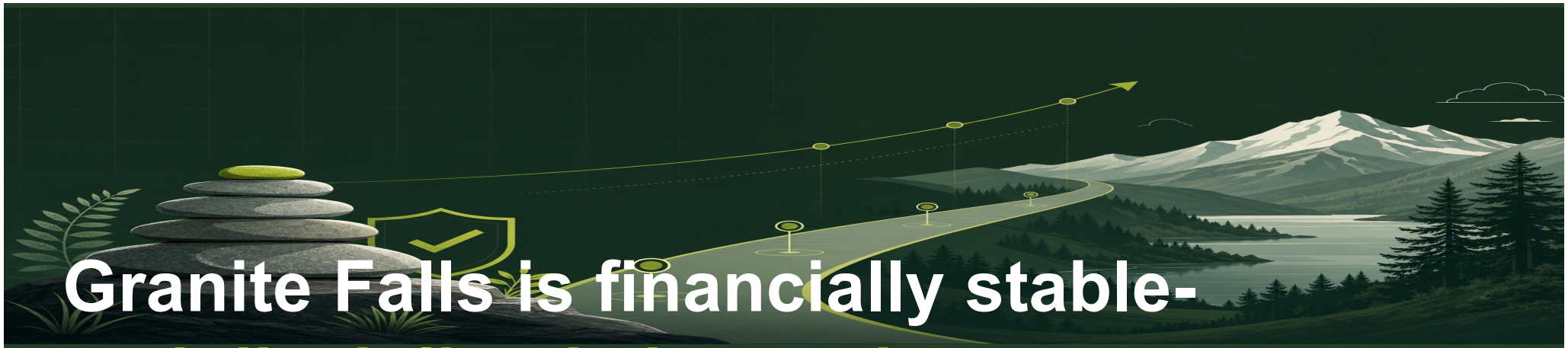
03 — Public Safety
Police ILA, jail costs, funding tradeoffs

04 — Revenue & Funding Tools
The TBD package · protecting utility rate payers

05 — Economic Development
Permit trend, downtown, EV & plaza projects

06 — Governance & Looking Ahead
Chapter 2.08, 2027 budget, waves through 2036

Grab breakfast · Ask questions · Bring your business perspective.



Granite Falls is financially stable-
and disciplined about what comes next.

$13.62M

Cash & investments
adjusted June 30, 2026

~$2.5 mil.

General Fund operating
reserve (July forecast)

$35.5M

10-year CIP/TIP · 30 projects
84% of transportation grant-funded

2026 mid-year: solid position, planned capital draw

Where things currently stand

Citywide liquidity: $13.48M cash & investments across all funds at June 30; down $0.96M from January 1 as planned capital dollars (purchase of the Community Center) were transferred in January.

Adjusted June ending balance: $13.62M w/ $1.07M available cash + $12.55M investments (~92% invested).

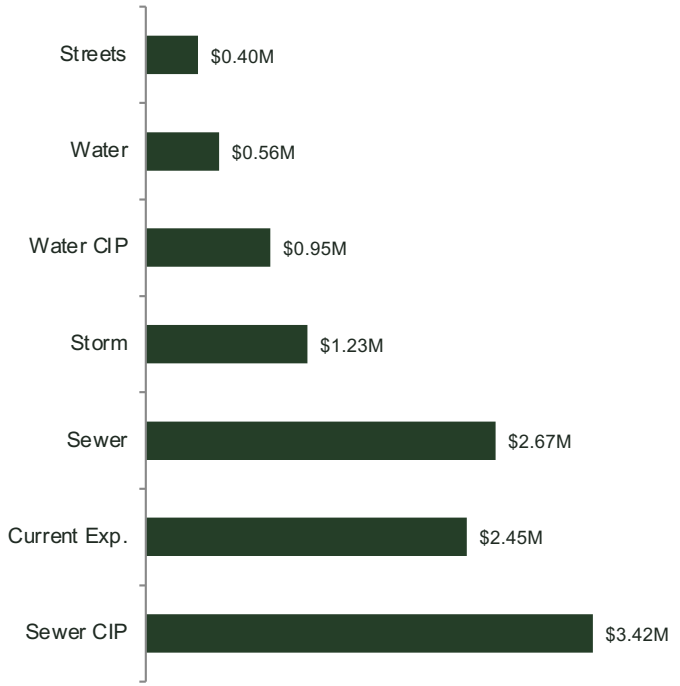
General Fund revenue $1.76M (45.1% of $3.90M budget); operating expenditures $1.71M (47.2% of $3.62M).

July forecast: General Fund year-end ~$2.5M ~8 months of operating reserve.

Development pulse: permit and development fees running 4.9× last year through mid-year.

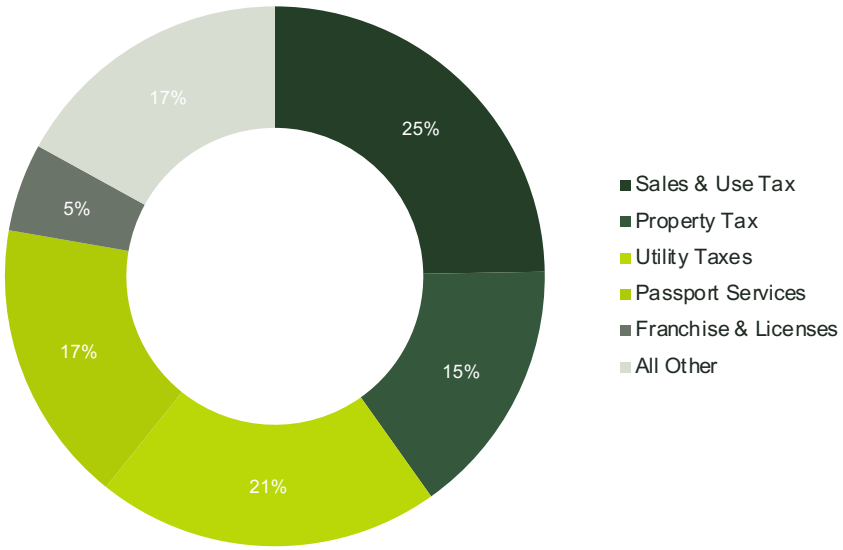
Noteworthy: passport and upcoming TWIC/TSA revenue, local sales tax, utility tax pacing (Decreased city utility tax from 20% to 10% - targeting 0% in ten years).

June 2026 fund balances ($M)



Where General Fund dollars come from - and what's changing

2026 YTD Current Expense (General Fund) revenue mix



Sales & Use Tax

-12%

H1 vs 2025 - near 2024 pace; trend $996K vs $1.16M budget.

Permit & Dev Fees

4.9×

Above H1 2025 - strongest positive signal for local activity.

Utility Tax

–32%

Decreased city tax rate from 20% to 10%.

Passport Services - What's Next TWIC/TSA

-$209K

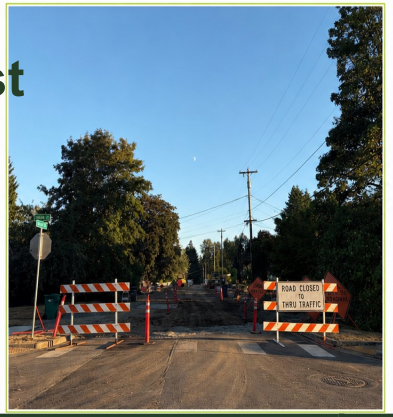
vs budget - normalization from post-COVID surge.

The 10-year plan is a sequence - not a wish list

$35.5M CIP/TIP

- 30 projects
- ~29% grant-funded
- Four implementation waves

BEFORE



AFTER



FY2027

$9.9M

- Water well rehab
- Sewer & downtown stormwater
- Plaza/Veterans Memorial
- EV chargers
- Streets front-loaded while TIB eligible

FY2031

$7.4M

- Watermain replacements (Menzel Lake, Wabash, Anderson)
- Pedestrian trails - new and improved
- Playground additions and upgrades
- South Alder sidewalks

FY2036

$11.2M

- Public Works Facility ($6.5M, fully local)
- Anderson-Prospect LID
- Stormwater system improvements

FY2041

$4.5M

- Law-enforcement building expansion - sized to projected population growth

WHERE WE'RE GOING BY 2036

$12.3M+
Projected General Fund balance

$3.1M
Projected REET balance

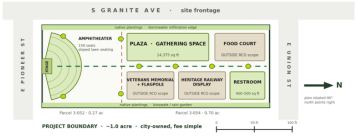
$5.2M
Grants secured over 10 yrs

100%
Utility funds positive every year

Turning grants and local match into visible projects

Legion Park

$1.465M



Plaza & amphitheater · $500K RCO grant · $965K local match · design kickoff Aug 26, 2026.

Galena Parking Lot

$463K



Boys & Girls Club lease (Aug 6, 2026 - Dec 31, 2036) · $1/yr · free public parking retained.

Water Well Reha

$2.90M



FY2027 · $1.9M local / $1.0M grant - the year's largest utility investment.

Sewer Program

$3.53M



FY2027 · Burn Rd lift station, Noble Way, I/I study, system improvements.

Plaza & Veteran

$1.50M



FY2027 · $913K local / $587K grant - downtown gathering anchor.

EV Fast Charger

$345K



FY2027 · $65K local / $280K grant - Mountain Loop gateway signal.

TRANSPORTATION PROGRAM

$6.19M · 84% grant-funded

W. Stanley illumination · 100th St NE re-channelization · N. Granite Avenue overlay · annual overlays · pedestrian program · S. Alder Ave sidewalks.

Front-loaded into FY2027 while TIB small-city eligibility remains (before crossing the 5,000 population threshold).



Legion Park - downtown's next civic space

Funding stack



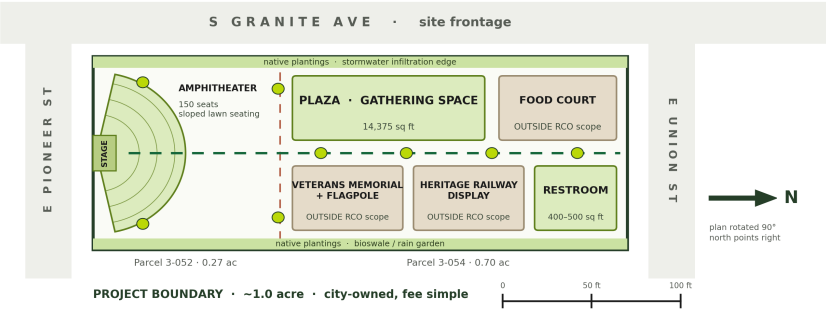
$500K RCO grant (34%) **$965K local match (66%)**

$1.465M total project cost

$250K infrastructure package: ~450 ft ADA pathways, native landscaping, 8 pedestrian-scale lights, stormwater work, powerline burial, selective fencing, 6-7 signs.

Design contract: RWD Landscape Architects · $162,959.90 base not-to-exceed for Tasks 1-10.

Outside RCO scope: Veterans memorial, heritage railway display, concessions area, flagpole.



Timeline & selection



Jul 13, 2026	RCO site visit - project ref 26-1653
Jul 15, 2026	Resolution 2026-10 authorizes WWRP Local Parks grant work
A/E selection	HBB 92 (rank 1) · RWD 91 · AHBL 88 · First Forty Feet & J.A. Brennan 85
Aug 12, 2026	RWD kickoff accepted
Aug 20, 2026	Formal Presentation to RCO
Next	Cultural resources · design · RCO Notice to Proceed before ground disturbance

Growth requires service levels that scale



Police Services ILA - Snohomish County

Redesign around measurable in-city services, growth-scaled staffing, fixed/transparent pricing, auditable shortfall remedies.

Negotiation posture: three Deputy FTEs · 50% minimum in-city staffing · 3-5 year term.

Controls: monthly in-city hours report · quarterly firm-fixed payments · verified shortfalls reduce payment.

Jail services - driving costs down

Comparing Snohomish County 2027 rates vs Issaquah, SCORE, Yakima, Lynnwood - normalized for stays, transport, and bed commitments.

Issaquah near-term lead: $25 booking · $157.50 guaranteed daily · 72 beds · $94.50/hr transport.

Modeled savings at a 20-day stay: ~$2,512 per inmate before transport vs Snohomish County.

Secured ILA with County Jail Services with Yakima.

CITY OF GRANITE FALLS

The Transportation Benefit District (TBD) broadens who helps pay

Ordinances 1080-2026 and 1081-2026: retain the $20 tab fee and add a 0.1% TBD sales/use tax. Target implementation Jan 1, 2027 after DOR notice.



$77,557
Current $20 vehicle tab revenue (annual)

$104,142
0.1% TBD sales/use tax (annual)

$181,699
Combined annual TBD revenue

Who contributes (working estimate)

60% outside city limits ≈ $62,485 / yr

40% inside ≈ $41,657 / yr

Why it matters for Granite Falls businesses: broadening the base reduces pressure on the General Fund to subsidize the Street Fund. Because the City uses a 10% utility tax on enterprise funds to support the General Fund, spreading the transportation cost to outside-city shoppers and contractors reduces future pressure on water/sewer-related rate increases.

Downtown vitality = infrastructure + business confidence

DEVELOPMENT PULSE

4.9×

Permit & development fees vs last year (H1 2026)

Chamber-relevant investments in the pipeline

Public Plaza & Veterans Memorial - $1.50M in FY2027 (downtown gathering anchor).

EV Fast Chargers - $345K in FY2027 (Mountain Loop gateway signal).

Boys & Girls Club at Galena - $463K state-capital grant, free public parking, City priority use for civic events.

Legion Park - $1.465M plaza & amphitheater (see Slide 8).



What we're asking of the Chamber

Bring us process bottlenecks: permitting steps, parking, signage, construction coordination. Flag priority sites so we can align infrastructure sequencing.

What we're committing to

Communicate downtown/EV/plaza construction impacts early. Publish an annual CIP/TIP progress report. Preserve public parking as we invest in placemaking.

Good government shows up in the rules



Chapter 2.08 update (Ordinance 1082-2026): making comment timing, decision records, and payment reporting understandable.

3:00 PM	Written testimony deadline before evening Council meetings.
After staff → before deliberation	Item-specific public comment now placed after staff presentation and clarifying questions but before Council deliberation.
10:30 PM	Meeting end time remains unchanged to protect decision quality.

TRANSPARENT PAYMENT REPORTING

561 payments totaling $5,518,634.63 in the Jan 1 - Jul 15, 2026 register - with controls for $25K+ payments, cumulative vendor totals, voids, and sole-source/emergency exceptions.

2027 priorities - what to expect over the next 12 months

01
Fund the first capital wave

Water wells, sewer program, downtown stormwater, plaza, EV chargers, park & street overlays - first wave ~$9.9M.



02
Protect General Fund flexibility

Enhance passport w/ TWIC & TSA, sales tax, utility tax.



03
Implement TBD revenue

DOR-confirmed collection start Jan 1, 2027; publish FAQ, accounting codes, and annual use reporting.



04
Review utility rates annually

Fund water well rehab without exhausting Water capacity; preserve Sewer & Stormwater resilience.



05
Lock in public safety service levels

Police ILA staffing baseline, 3-Deputy model, shortfall credits, jail partner decision.



06
Pursue grants before local dollars

Front-load TIB transportation grants while eligibility remains (before crossing 5,000 population).



2027 BUDGET CALENDAR

Sep 14	Sep 28	Oct 5	Nov 2	Nov 2-18	Nov 30	Dec 31
Call letter	Estimates to Clerk	Revenue estimates	Preliminary filed	Hearings	Levy cert.	Adoption

THANK YOU

Questions?

Bring your business perspective - permitting, downtown access, construction coordination, workforce, parking. This is how we prioritize the next year.



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