

February 10, 2014

The Chehalis city council met in regular session on Monday, February 10, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 4:30 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Tony Ketchum. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Peggy Hammer Human Resources Administrator.

1. **Executive Session.** Mayor Dawes announced that the council would be in executive session pursuant to RCW 42.30.110(1)(g) – review performance of a public employee and RCW 42.30.110(1)(b) – acquisition of real estate for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Dawes closed the executive session at 4:59 p.m. and announced the council would take a short recess and reopen the regular meeting at 5:02 p.m. Additional staff included Glenn Schaffer, Police Chief; Dennis Osborn, Community Development Director; Rick Sahlin, Public Works Director; and Allyn Roe, Airport Manager. Members of the media included Kyle Spurr from *The Chronicle* and Christina Crea from *Business to Business*.

2. **Port of Chehalis and Centralia Discussion Concerning Executive Director and Combining of the Ports.** City Manager Merlin MacReynold reported, at the previous meeting, council thought it would be good to have a discussion with the Interim Port Director and the Port of Chehalis Commissioners about what's happening at the port.

Mayor Dawes first thanked Commissioners Mark Giffey, Ken Kostick, and Mark Anders and Interim Director Dave Muller for attending the meeting. He noted he had read something in the newspaper and was hearing things in the community regarding the port, and wanted to hear from the Port Commission on the matter.

Commissioner Giffey reported, for the record, the Port of Chehalis is in session because all three Commissioners are in attendance.

Commissioner Giffey admitted he was the one who got things started when he heard former Executive Director Jim Rothlin was leaving to take a position with the Port of Bremerton. He noted it has been the desire of the Port to consider some type of joint management with the Port of Centralia for over a decade. Commissioner Giffey briefed the council on the history of the ports, noting there was never a thought that the ports should never be together; they just wanted to make sure the Chehalis community had a port for economic development purposes.

Commissioner Giffey stated when you have a port of their size you end up spending a significant amount of money on administrative overhead. He reported they were trying to find out if there was a more cost effective way of managing the Port of Chehalis businesses. Mr. Giffey stated he took on the task of contacting the Port of Centralia to see if they had any interest in some type of management relationship. He noted the Port of Centralia provided a very enticing draft proposal that would have saved them a significant amount of money in operation expenses.

Commissioner Giffey reported the Port of Centralia was not running at full capacity, but had enough staff to be able to manage both ports at the same time. He stated, as things progressed, questions were being asked about combining the ports together. He noted they've received a number of calls regarding this matter, adding some people are very supportive, while others are very opposed to it.

Commissioner Giffey reported, on February 8, they received a letter from the Port of Centralia stating the current time may not be the best timeframe, but they are still interested in proceeding forward at some time in the future.

Commissioner Giffey suggested people are seeing that the Friday night football mentality of competing between local municipal corporations isn't the best or most cost effective way to service taxpayers.

Councilor Taylor stated he talked with Commissioner Giffey in the beginning about the concept, noting he is always looking for ways to save the taxpayers money. He noted it's very sad to see ideas ruined because of personalities, adding it's more than about the person sitting in the chair. Councilor Taylor reported the savings they would see could be put back into economic development. He hoped someday down the road they will look at it again, as well as other services we provide.

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Commissioner Giffey stated the word on the street was that they would concede the governing of the Port of Chehalis to the Port of Centralia. He noted there was never talk of giving up the legislative authority about how the port would be ran, they were simply looking at what was best for the taxpayers.

Councilor Ketchum felt the atmosphere was right and they should leave it on the table. He suggested they need to continue their investigation because it's the right thing to do.

Councilor Spahr stated he didn't totally disagree, but didn't agree either, adding it was something that could be looked at, but the decision would ultimately be made by the voters.

Mayor Dawes reported there has been things done in the past, or thought to have been done, that have created a real issue of trust. He suggested the only thing that will heal the situation is time and a track record to show they want to cooperate. Mayor Dawes stated the time for cooperation to build trust is now.

Councilor Pope thought the idea of forming some kind of partnership is good; however, timing and personnel is everything, and right now the time is not good. He noted there are people who will throw a monkey-wrench into everything regardless of what you're trying to accomplish, which is totally inappropriate. Councilor Pope agreed that we need to do whatever we can to lessen the burden for our citizens and improve our surroundings. He stated he hoped they would keep it on the table, but that they take a hard look at it first.

Mayor Dawes thanked the Commissioners again, noting the council appreciated their input. He stated the city valued the partnership they have with the Port, adding they are vital for our local area.

Commissioner Giffey announced that the Port meeting was adjourned.

3. Flood Authority Outreach and Education Presentation. City Manager MacReynold introduced the city's Flood Authority representative Arnold Haberstroh to briefly speak on the presentation.

Mr. Haberstroh stated the committee would be giving an update on where they're at and what they've made headway on, noting there's been a lot of work done locally and at the state level. He noted the Flood Authority members are also coming together and moving forward in a positive direction. Mr. Haberstroh reported one of the important things to him was to have some type of billboard/sign for people to see the results of the Flood Authority. He was pleased to announce that they recently installed a sign on Louisiana Avenue that provides information on the airport levee project.

Lewis County Commissioner Edna Fund reported J. Vander Stoep has really done a lot for the Flood Authority at the state level, adding he's a good leader and gets things done. She noted one thing he encourages them to do is to keep telling their story. Commissioner Fund noted there's no one currently in the Legislature that was there back then, but the lobbyists have stayed the same.

Flood Authority staff person Scott Boettcher reported the key message to take away from the presentation is, for the first time in a century, they have Board agreement on the next steps to reduce flood damage and enhance salmon and aquatic species; they have an action-oriented, multi-phased basin-wide strategy to protect communities along the river and enhance aquatic species; and, they have collaboration and partnerships. Mr. Boettcher gave a PowerPoint presentation that provided information on the following:

- Action – New signage showing projects
- Active Groups – The Governor's Chehalis Basin Work Group, and the Chehalis River Basin Flood Authority
- Background information on previous flooding events
- Solutions - Basin-wide approach
 - Basin-wide relationships
 - Hydraulic understanding
 - Large capital projects
 - Smaller-scale local projects
 - Land use, floodplain management

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- Enhancement of salmon (aquatic species)
- Early flood warning system
- Outreach, education and communication

Mr. Boettcher provided the council with some additional information and resources, including website links to the Flood Authority, Ruckelshaus Center, and the flood warning system.

Mayor Dawes stated it was certainly nice to see some progress other than another study.

Councilor Harris thanked Mr. Boettcher for showing the small pieces, as well as the big pieces. He reported right after the 2007 flood, city representatives went to the Legislature and testified against the Governor wanting to throw in money to do the levee project to save I-5. City representatives let them know that we were more concerned about a holistic approach to the entire Basin, not just Chehalis. Councilor Harris suggested the Flood Authority is actually performing what the city envisioned, to mitigate as much flooding as we can. He thanked the Flood Authority for continuing to do what they do.

Mr. Vander Stoep echoed what Councilor Harris had to say, adding he remembered being here in January 2008, looking at the Army Corp of Engineer's plan. He stated the city was right from the beginning, that the Corps plan wasn't the right plan. Mr. Vander Stoep reported it's taken a lot of time to get rid of the bad plan and on to looking at something that will make a difference for our families and communities. He stated he could point to at least 100 people who have helped them get to where they are today.

4. **Discover! Children's Museum Update.** Chehalis Librarian Corine Aiken reported she has been heavily involved in the Discover! Children's Museum project for the last four years. She stated they've met extensively, taking the project from being the dream, to actually having an 11-month pilot project that closed at the end of December. Ms. Aiken noted the reports are in and the pilot project was simply a major success. She reported they exceeded every expectation by putting their focus on education through play. Ms. Aiken stated their attendance was strong right up to and including their last month of operation.

Executive Board Member Larry McGee thanked the council, noting each of them have been supportive of the Renaissance. He suggested the children's museum has been one of their key projects for about five years.

Mr. McGee reported before they started the pilot, they spent hours on the phone interviewing people. One of the firm messages they received was, "Run a pilot so you really learn about your community." They also acquired the services of David Plotz to do a very detailed feasibility study for them. Mr. McGee suggested they've done their homework and they are now committed to move forward to build an 18,000 sq. foot facility. He noted the council would be in charge of some of the key decisions, such as the location of their new facility.

Mr. McGee reported they need a location that has high visibility, high traffic, green space, and adequate parking. He indicated the committee felt the best site that met those requirements is a 1.3 acre lot near the entrance to Home Depot, and it just so happened that the adjacent lot has been designated a "green space." Mr. McGee proposed a notice of intent to lease that space from the city, noting they are looking at a 20-year term with a 50-year term option. He stated they were looking to rent the space for \$30,000 annually (market base in that area) with payment starting at the time they open their doors to the public.

Mr. McGee talked briefly about the appraised value of the land, which is based on the land not being filled. He noted the good news is, nobody paid to fill it. Mr. McGee requested that the city use the "unfilled" appraisal value.

Mr. McGee reported they envision using a relatively small part of the green space from the adjacent lot for some outdoor exhibits and a play area for the museum, and the rest of the green space would be open to the public. He noted they proposed to develop, improve and maintain the green space, and provide parking that would be open to the public, as well.

Mr. McGee asked that the city consider waiving the latecomer fee that is currently in place, adding it would be approximately \$150,000 for the various utilities. He noted they are not a profit making organization and never would be.

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Mr. McGee believed the children's museum will be one of the best things they do in the whole Renaissance program, even if they're still doing it 20 years from now. Based on their data and experience with the pilot project, they expect 22,000 paid guests annually, with approximately 20 percent coming from out of town.

Mr. McGee believed the focus on education first and not entertainment is the right way to go. He noted they were in discussion with some key people in the area that do things for children. Mr. McGee stated they are committed to doing things that are meaningful for the schools, especially with regard to some STEM related exhibits that the schools probably can't afford.

Mayor Dawes asked if they were asking for a lease agreement. Mr. McGee stated they wanted to submit an official notice to lease (first right of refusal) that would give them time to put a financial plan together.

Councilor Spahr stated he wondered if the museum would be out of place in the location they were proposing. Mr. McGee stated after talking with Executive Director Chip Duncan at the Veterans Memorial Museum, visibility is everything. He noted they would not build in a location that's not sustainable.

Councilor Ketchum moved that the council direct staff to work with the Discover! Children's Museum group and draft an agreement that would allow the museum to lease the property for placement of their new facility.

Councilor Taylor seconded the motion.

Councilor Harris indicated it quickly became very evident that a high traffic area was one of the key points in the museum's success. He noted when they first started talking about the children's museum they were looking at how to create something in our community that our citizens could utilize. Councilor Harris stated he would have rather had it inside our community; however, knowing that it will be successful at the proposed site made it very easy to support.

Mayor Dawes stated one of the things he liked about the location is that it's based off information provided during the trial period, adding you can't argue with success. He noted it would have been nice to have it closer to the downtown area, but there's absolutely no parking at this time. Mayor Dawes reported there would also be programs that will come into play making it very convenient for parents to drop their children off while they shop. He urged the council to support the request.

The motion carried unanimously.

5. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of January 27, 2014;
- b. Claim Vouchers No. 108165-108174 in the amount of \$1,378.24 dated January 15, 2014, Claim Vouchers No. 108175-108233 in the amount of \$337,025.11 dated January 15, 2014; and Claim Vouchers No. 108234-108249 and Electronic Funds Transfer No. 122013 in the amount of \$39,389.26 dated January 17, 2014.

The motion was seconded by Councilor Pope and carried unanimously.

6. **Administration Reports.**

a. **Marijuana Moratorium Discussion.** City Manager MacReynold reported the city's current moratorium would expire on March 11 and requested guidance from the council on how they would like to proceed.

City Attorney Hillier stated there's a significant amount of information on the Association of Washington Cities (AWC) Legislative Bulletin. He noted there were a number of bills in the hopper dealing with discussion of whether medical and recreational marijuana should be merged together as one, so that sales are consistently placed in a retail market area.

City Attorney Hillier noted there was also significant language in I-502, to include a mandate that cities cannot control their own destiny, and if someone wants to place a retail or growing operation in the city we couldn't turn them down. He noted

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that language is being highly contested by AWC. City Attorney Hiller stated AWC is asking people to contact their Legislators to express their opinions because within the next two weeks there's going to be some decisions made that will have a significant impact. He noted there's also legislation before the Legislature promoting that we would lose our liquor sales tax revenues if we don't agree to allow marijuana to be sold.

Councilor Harris stated he read an email from the Attorney General stating cities can control their own destiny. City Attorney Hillier stated that was correct; however, legislation can change that by adding language to the Initiative.

Councilor Ketchum moved to extend the city's current moratorium on medical and recreational marijuana for an additional six months.

The motion was seconded by Councilor Spahr and carried unanimously

7. Council Reports.

a. **Update From Mayor Dawes.** Mayor Dawes reported he attended the law enforcement memorial unveiling at the Lewis County Law and Justice Building. He also attended the "Support A Scout" dinner last week.

8. Ordinance No. 924-B, Second and Final Reading – Amending Section 17.12.330 of the Chehalis Municipal Code (CMC) Dealing with Binding Site Plan; Ordinance No. 925-B, Second and Final Reading – Adopting the 2012 Building Code and Appendices and Repealing Previous Sections to the CMC; Ordinance No. 926-B, Second and Final Reading – Creating and Adopting Section 12.32 of the CMC Dealing with Street and Alley Vacations; and Ordinance No. 927-B, Second and Final Reading – Amending Section 17.81.010 of the CMC Dealing with Tent Camping. Councilor Ketchum moved to pass Ordinance Nos. 924-B, 925-B, and 926-B on second and final reading, and pass Ordinance No. 927-B on second and final reading, as amended.

The motion was seconded by Councilor Pope and carried unanimously.

9. Money Received by Mayor. Mayor Dawes reported he recently received an envelope from Jack Underbody (402 Sincere Lane, Chehalis) that included a photo of Mayor Dawes and \$1 in cash. He noted he had an idea of who sent it to him, but would be giving the dollar to the Chehalis Foundation to go towards the pool project.

There being no further business to come before the council, the meeting adjourned 6:20 p.m.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of February 10, 2014.