

July 25, 2016

The Chehalis city council met in regular session on Monday, July 25, 2016, in the Chehalis city hall. Mayor Dawes called the meeting to order at 5:00 p.m. with the following council members present: Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Lund participated telephonically and Councilors Harris and Ketchum were absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Trent Loughheed, Interim Community Development Director; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; and Dave Vasilauskas, Water Superintendent. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Citizens Business - Chamber Way Overpass Closure.** Joy Templeton (1090 NW State Avenue) reported the closure of the Chamber Way overpass is already hindering her business, after just two days. She noted people are confused about how to get to her business and wondered who she might address about putting up some detour signs.

Mayor Dawes stated, if Ms. Templeton could wait, he would be providing a detailed report later in the meeting that contains some very positive news.

2. **Public Hearing on Establishment of Tourism Promotion Area (TPA).** Lewis County Public Facility District Chair Todd Chaput reported the TPA is something the local hotels have all agree on, adding they see sporting events as a valuable resource that brings people into the community, not only for events, but to shop and eat. He noted the \$2 fee collected on rented hotel rooms would be used to create a local Sport Commission to facilitate and actively market large scale tournaments to bring to the area. Mr. Chaput reported, during the month of July, youth sports brought in an excess of \$60,000 to his hotel.

Councilor Pope wanted it to be clear that this is not a tax on the local citizens.

Mr. Chaput stated that is correct, noting the \$2 fee only applies to people who stay at the hotels.

Councilor Spahr asked if the \$2 fee had anything to do with the two percent hotel/motel tax.

Mr. Chaput reported it's a completely separate fee.

Mayor Dawes asked if the Commission will be a taxing authority.

City Attorney Hillier stated, no.

Mr. Chaput noted the Commission would be a sub-committee of the Public Facilities District (PFD) that receives taxes, but it's not a taxing jurisdiction.

Mayor Dawes stated during the infancy of the sports center in Centralia there was talk about expanding things to Chehalis. He asked if this is something the Pacific Athletic Center (PAC) could be involved with.

Mr. Chaput reported they've spoken with the PAC and they would like to have a position on the Sports Commission Board. He stated they will definitely be utilized, especially with the expansion of the Boys and Girls Club.

Mayor Dawes stated the city would like to do some improvements at Recreation Park, but the original estimate to do the work would have required a bond to pay for it. He asked if the Commission would be looking at some of our facilities to possibly help out with improvements.

Mr. Chaput reported the Sports Commission will be doing marketing research both locally and nationally to help steer communities into what's really needed. He noted they will not have funds to construct any new facilities, but hoped the PFD might be able to grow in that direction.

Mayor Dawes closed the regular meeting at 5:09:59 p.m. and opened the public hearing.

There being no public comment, Mayor Dawes closed the public hearing at 5:10:34 p.m. and reopened the regular meeting.

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City Manager MacReynold reported City Attorney Hillier is working with Centralia's city attorney to put together an agreement between the two jurisdictions, which will come back before council for their consideration at a later date.

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

- a. Minutes of the regular meeting of July 11, 2016;
- b. Claim Vouchers No. 116252-116421 and Electronic Funds Transfer No. 62016 in the amount of \$447,804.64 dated July 15, 2016;
- c. Authorize city manager to execute Amendment 1 with the Drinking Water State Revolving Fund to reflect a new loan amount of \$858,500 for the construction of the High Level Reservoir Replacement Project;
- d. Authorize city manager to execute Amendment 1 to the engineering services agreement with Gibbs & Olson in the amount of \$52,077 for construction management services on the Basin 1022 I&I Rehabilitation Project;
- e. Accept final grant amount of \$526,810 and award bid for the National Avenue at Salzer Creek Bridge Scour Countermeasures Project to JamesCo Pro, Inc., in the amount of \$284,247.50, and authorize the city manager to execute a contract agreement for the same; and
- f. Authorize city manager to execute a lease agreement between the city and the State of Washington Department of Social and Health Services – Green Hill School for use of their parking lot through September 16, 2019.

Councilor Taylor seconded the motion.

Councilor Spahr asked why the \$52,077 for construction management services was not include in the original bid.

Wastewater Superintendent Patrick Wiltzius reported at the time they designed the project the city did not know the entire scope, and suggested it was not appropriate to development a construction management service contract until the city knew what the actual design and scope of the project was.

Councilor Spahr stated he appreciated the fact that it came in \$26,000 lower than their original bid.

The motion carried unanimously.

4. **Administration Reports.**

a. **Quarterly and June Financial Reports and Quarterly Sales and Use Tax Report.** Finance Manager Judy Pectol reported everything is pretty much where she expected it to be. She noted the utility tax from the Lewis County Public Utility District appears to be over-estimated by \$20,000, so she'll be coming back to the council with a budget amendment for that. Ms. Pectol stated there are some other activities that she'll be bringing back to the council, as well, but there are no big surprises to report at this time.

Ms. Pectol reported, at the end of June, the city had received 49.9 percent of the budgeted amount for sales and use tax and expects to receive sales tax revenue at a higher dollar value for the remaining months of the year.

5. **Council Reports.**

a. **Councilor Spahr.** Councilor Spahr stated he was asked by a citizen why the city doesn't have any handicap parking stalls in the downtown area.

Public Works Director Rick Sahlin reported the city is not required to provide on-street handicap parking stalls, adding parking lots, and business owners who own parking lots are supposed to provide them. He indicated there are also ADA requirements that the city cannot meet because of the slope of the street in the downtown area.

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b. **Councilor Pope.** Councilor Pope asked if there is a process that a private property owner has to go through in order to get a permit to block a city street to do work.

Mr. Sahlin stated they are supposed to get a right-of-way permit from Community Development and submit a traffic control plan for approval.

c. **Councilor Taylor.** Councilor Taylor reported they should be starting work soon, if not already, on the new bus pull-out at the Vintage At Chehalis. He noted, in addition to the pull-out, they plan to build a shelter for people who are waiting for the bus and a sidewalk that will lead up into the property.

d. **Mayor Dawes.** Mayor Dawes reported he attended the Lewis County Boundary Review Board meeting on July 12, at which time they passed a resolution to approve the city's two annexations. On July 13, he attended a groundbreaking at the Boys and Girls Club, noting it was a great event.

Mayor Dawes requested to take a short recess at 5:19 p.m. and reopened the meeting at 5:21 p.m.

Mayor Dawes reported he attended the first of four 'Music in the Park' events at Recreation Park on July 15, and on July 21, he attended the Business After Hours at the Visiting Nurses.

e. **Update on Chamber Way Overpass.** Mayor Dawes reported, earlier in the day, he and Councilor Taylor attended a special meeting at Senator Braun's Office regarding the recent incident with the Chamber Way overpass. He noted the three major concerns at this time are: safety, the short-term fix, and the long-term fix. Mayor Dawes reported he had to applaud our local representatives, Senator John Braun, Representative Richard DeBolt, and Representative Ed Orcutt, as well as the Washington State Department of Transportation (WSDOT) for being so responsive.

Mayor Dawes reported four of the six girders were damaged on the overpass, one of which was damaged beyond repair. He noted the plan is to demolish part the bridge, and within two weeks, have an "Acrow" bridge in place that will allow for two-way traffic. Mayor Dawes reported there may be some restrictions on 'truck' traffic using the temporary bridge, which will be an inconvenience for some, but not as much as having it closed for up to a year. He noted a special council meeting has been scheduled for Thursday, July 28 at 5:00 p.m., for WSDOT to brief the council.

Mayor Dawes reported WSDOT plans to demolish the damaged portion of the overpass on Tuesday, which means the freeway will be closed during the evening hours. He noted the overpass is currently on the state's replacement schedule, but not until 2021-2023. Mayor Dawes reported the state could move the project up, but for right now their focus is on a short-term fix to keep traffic moving through there. He suggested city staff could look at putting up signage locally and make contact with the state to see what can be done with regard to signage on the freeway.

Mr. Sahlin reported he had received some emails about detour signage, as well as additional signage on the freeway on how to access the local areas. He stated they should know more by the end of the week on what the state is willing to do with reader boards along the freeway.

City Manager MacReynold reported he's been in communication with WSDOT Regional Director Bart Gernhart, adding he would be coordinating with the state to make sure they have signage on the freeway, and within the city.

Mr. Sahlin reported they plan to use the same detour route that was used in 2013 when they had the single lane closure.

Mayor Dawes stated he was encouraged by how fast the state is moving on this, but they still have more studies to do because the bridge was built in the 1950s and they don't build them that way anymore.

Councilor Taylor offered to help Ms. Templeton get temporary diversion routes to her restaurant set up on the various on-line apps.

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e. **Councilor Lund.** Councilor Lund reported he attended a Fair Commission meeting last week, adding the volunteers have been doing lots of painting and getting things spruced up for opening day.

6. **Ordinance No. 960-B Second and Final Reading – Amending Ordinance No. 956-B Limiting the Number of Indoor Cannabis Production and Processing Facilities and Placing Requirements for Odor Control.** City Manager MacReynold reported, at the meeting of July 11, the council amended the ordinance based on the discussion and proposed amendments, to include the following key elements: limiting the number of production/processing facilities to one; developing significant language around improvements to odor control; and vesting applications.

City Manager MacReynold reported the ordinance before the council has those three elements included. He noted the issue regarding the number of facilities is addressed in #19, which states, “The number of production, processing and growing facilities shall be limited to one within the city limits of Chehalis.” The issue of odor control is addressed in #16, which states, “The facility must comply with City restrictions regarding control of odor so that no odor can be detected outside the facility. Every applicant (before commencing business) must conduct their operations in a manner that results in no detectable odor outside of the facility. All facilities must provide an Odor Control Plan identifying locations and model numbers of all odor control systems as well as sizing calculations for the proprietary devices to be installed. If at any time the City determines that the odor control system is not sufficient, the facility must upgrade their Odor Control Plan and implement identified upgrades within 30 days of a written notice from the city. During operation, if the building official detects odor problems, the business shall be immediately shut down and will not be allowed to operate until the odor issue is resolved to the City Manager or designee’s satisfaction.” And lastly, the vesting issue is addressed in #20, which states, “Even though this City Ordinance limits production and processing facilities to one (1) operation, the City recognizes the following business applicants as being vested to operate in the City subject to state and municipal regulations. These businesses are: Washington State Producers, LLC; CBD Management, LLC/Loaded Soda; Chiliwist Creek Farms; Wild Mint, LLC; and Doc Croc.”

Jeremy Wildhaber (172 Pier Rd) suggested the council not make any changes to the existing ordinance in place. He stated the building department already addressed the odor issues and all of the other worries have been proven false. He noted at the last meeting they heard from members of the community that stated: property values actually go up; that there are no odor issues in the areas where marijuana growers are going in; that they have security cameras to protect their businesses from thieves; and it’s only the retail stores that are advertising. Mr. Wildhaber stated the proposed ordinance sounded very subjective, noting there are several industries in town that put out smells and odors. He suggested the council should not be in a position to be the dictators of commerce.

Pastor Armin Kast (Chehalis Four Square Church - 990 NW State Avenue) stated he agreed with what the council is doing. He reported he read on-line that cannabis processing plants need to be so many feet away from where children are present and asked if that would have any impact on future licensing for childcare facilities at their place of business.

City Attorney Hillier stated if they meet all of the city requirements to permit a daycare facility at their location they would probably be granted a license. He noted it would not impact the ones that are grandfathered in; however, it might have a reverse effect on any new marijuana operations.

Mayor Dawes reported the city also received some correspondence from Pam Fuller who thought she was vested, but according to staff, that’s not the case.

Patty Kaija (1743 SW Snively) reported she’s a business owner at 623 NW State Avenue and she’s all for the growing facilities. She noted, as a cancer patient, she uses marijuana every day. Ms. Kaija believed the growing facilities would bring a lot to our city in the form of tax revenue and jobs. She suggested the issue around the odor is ridiculous, adding restaurants put off odors and National Frozen Foods puts off the stench of rotting vegetables that has never been addressed. Ms. Kaija stated the odor from the marijuana facilities may be offensive to some, but not to others. She reported, as a garden center, these businesses purchase a lot of items from her, adding the tax benefits far out way any of the restrictions by the city.

Councilor Spahr moved that the council pass Ordinance No. 960-B on second and final reading.

Councilor Pope seconded the motion.

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Councilor Spahr reported when they first passed the ordinance to allow processing and the sale of marijuana they were headed into uncharted territory. He suggested the city wanted to get ahead of the curve and control its own destiny, but the state ended up throwing us a curve by making some changes in what we could and couldn't do. Councilor Spahr stated, in looking back, the city should have probably not allowed it in until the issues were resolved.

Councilor Spahr reported he would be taking a step back to look at it for the future. He noted he was sorry for those who were inconvenienced, such as Ms. Fuller, but the council needs to think of the whole city and they're just trying to do the right thing.

Mayor Dawes stated he didn't doubt there were benefits from medicinal marijuana, but wished it was something people could just go to the drug store to get. He reported he looked at the ordinance as somewhat of a compromise to try and address both sides of the issue as best they can. Mayor Dawes stated, while Initiative 502 passed statewide, it did not pass locally. He noted we have a number of councilors that are totally against it, but saw that we need to look at the bigger. Mayor Dawes reported a future council may decide to change the ordinance to allow more, but felt the reasonable step to take right now is to limit it. He stated he was willing to support it for the compromised value that it brings.

An unidentified gentleman stated he is very ashamed of the council for allowing this to happen. He noted he wants them to remember down the road when one of their grandkids is run over by some pothead that they helped destroy that child's life, adding it's going to happen.

The motion carried unanimously.

Mayor Dawes reminded the council about the special meeting on Thursday, July 28 at 5:00 p.m., to receive an update from WSDOT on the latest information about the Chamber Way Overpass situation. He noted the meeting would be open to the public.

Mayor Dawes announced at 5:46 p.m. that the council would take a short recess before going into executive session.

7. **Executive Session.** Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(g) – review performance of a public employee for approximately 15 minutes and there would be no decision following conclusion of the executive session.

Mayor Dawes closed the executive session at 5:56 p.m. and there being no further business to come before the council the meeting immediately adjourned.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of July 25, 2016.