

# PLEASE NOTE SPECIAL MEETING TIME

**CHEHALIS CITY COUNCIL AGENDA**  
CITY HALL  
350 N MARKET BOULEVARD, CHEHALIS, WA 98532

Dennis L. Dawes, Position at Large Mayor		
Terry F. Harris, District 1, Mayor Pro Tem		Anthony E. Ketchum Sr., District 3
Daryl J. Lund, District 2		Chad E. Taylor, Position at Large
Dr. Isaac S. Pope, District 4		Bob Spahr, Position at Large

February 8, 2016

4:00 p.m.

WORK SESSION		
1. <u>Recreation Park Improvement Project.</u> (City Manager, Community Development Director, Consultant)	---	

Regular Meeting of Monday, February 8, 2016

5:00 p.m.

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
2. <u>Call to Order.</u> (Mayor)		
3. <u>Pledge of Allegiance.</u> (Mayor)		

CITIZENS BUSINESS		
This is an opportunity for members of the audience to address the council on matters not listed elsewhere on the agenda. Speaker identification forms are available at the door and may be given to the city clerk prior to the beginning of the meeting.		
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PUBLIC HEARING		
4. <u>Continue Public Hearing on Proposed Annexation of Property.</u> (Mayor, City Manager, Community Development Director, City Attorney)	CONDUCT PUBLIC HEARING	1

CONSENT CALENDAR		
5. <u>Minutes of the Regular Meeting of January 25, 2016.</u> (City Clerk)	APPROVE	8
6. <u>Vouchers and Transfers.</u> (Finance Manager)	APPROVE	11
7. <u>Resolution No. 4-2016, First and Final Reading - Surplus of City Property.</u> (City Manager, Public Works Director, Wastewater Superintendent)	ADOPT	13
8. <u>Accept Chehalis Avenue Main Street to Pacific Avenue Roadway Improvement Project as Complete and Release Retainage Bond to Titan Earthworks, LLC.</u> (City Manager, Public Works Director, Street/Storm Superintendent)	ACCEPT PROJECT AS COMPLETE AND RELEASE RETAINAGE BOND	15

ADMINISTRATION AND CITY COUNCIL REPORTS		
9. <u>Council Reports.</u>		
a. Councilor reports. (City Council)	INFORMATION ONLY	
b. Council committee reports. (City Council)	INFORMATION ONLY	

NEW BUSINESS		
10. <u>Ordinance No. 952-B, First Reading – Promoting Economic Development and Bringing New Auto Dealerships to the City.</u> (City Manager, City Attorney)	PASS	16

THE CITY COUNCIL MAY ADD AND TAKE ACTION ON  
OTHER ITEMS NOT LISTED ON THIS AGENDA

NEXT REGULAR CITY COUNCIL MEETING WILL BE ON MONDAY, FEBRUARY 22, 2016

**CITY OF CHEHALIS  
AGENDA REPORT**

**DATE:** February 8, 2015  
**TO:** The Honorable Mayor and City Council  
**FROM:** Dennis Osborn, Community Development Director  
**SUBJECT:** Continue Public Hearing on Proposed Annexation

**ISSUE**

The City of Chehalis has met with interested parties of the proposed approximately 116 acre annexation commonly referred to as the Phase 1 Industrial Annexation. The Chehalis City Council held a public hearing on January 25, 2016 for this annexation. The administration recommended the council continue the public hearing to Monday, February 8, 2016, in order to ensure compliance with the hearing notice.

**DISCUSSION**

The purpose of an Urban Growth Area (UGA) is to designate an area for annexation by the adjoining city. Given this, annexation of property in an Urban Growth Area is a function of executing the purpose of a UGA. The benefit is that the city already provides municipal services and plans to do so within its Comprehensive Plan to areas in a UGA.

- **Fire:** The proposed annexation reduces Fire District 6 assessed valuation by 2.28%. The reason this is important to share is that if the valuation was reduced by 5% or more, state law would require the district and the city to negotiate assets the District would turn over to the city so that the area annexed would not see a drop in service levels for fire protection. This will not occur since the annexation is well below 5% of the Districts assessed valuation.
- **Services:** The proposed annexation area has averaged one 911 call a month from 2008 to 2013. What this means for the city is that there is no significant impact on city services for 911 responses. With regards to public works, many of the facilities in the proposed annexation area already receive city services of water and/or sewer. Impacts on road maintenance is nominal since there are two very short dead end roads the city will be annexing and a relatively short segment of Ribelin Road.
- **Petition:** The 60% petition method requires owners of 60% of the assessed valuation sign a petition for annexation. The city has an estimated 65% of “no protests” from the impacted properties in the annexation area. This puts the proposed annexation above the 60% assessed valuation needed to act on the

annexation.

- **Estimated Property Tax:** The city's current levy rate is 2.33 per thousand. The proposal has an adjusted assessed value of (\$22,949,699) (.0023294) which is estimated to be \$53,459.03 annually.

- **Financial Overview:**

○ Property Tax Estimated	\$53,459.03 (General Fund)
○ EMS Levy	\$ 8,960.94 (General Fund)
○ **Storm Water Capacity Charge Estimated	\$94,743.75 (Utility Fund)
○ **Storm Fee Estimated	\$17,321.28 (Utility Fund)
○ Total General Fund:	\$ 62,419.97
○ Total Utility Fund:	\$112,065.03
○ Grand Total:	\$174,485.00

\*\* A large portion of the annexation area is within a flood control district and therefore not subject to these charges. However, a portion of the annexation area is not and this is an estimate for those properties.

- Estimated Revenue Losses for Annex of area is:

○ Utility Surcharges	\$9,636.60 (Utility Fund)
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- Estimated total revenue benefit from Phase 1 Industrial Annexation area is \$164,848.40

- **Meetings:** The city met with Lewis County and they suggested adding a part of Ribelin Road to the boundary and the city made that adjustment. The city also met with the Port of Chehalis, Fire District 6, and the Industrial Commission to review the proposed annexation. Questions that came out of those meetings were:

- Will the Flood Control District go away? The answer is no.
- What is the value to property owners if annexed? Taxes go down.
- What are the long term road maintenance issues for the larger Urban Growth Area? The city explained that with this proposed annexation there is a nominal amount of roads included.
- What is the city Fire District rating? The city of Chehalis is rated a 5.

The legal description, boundary map, and frequently asked questions regarding annexation are attached.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

The administration recommends that the council continue the public hearing.

**SUGGESTED MOTION**

No action required.

Reviewed:  \_\_\_\_\_, City Manager

## Exhibit "A"

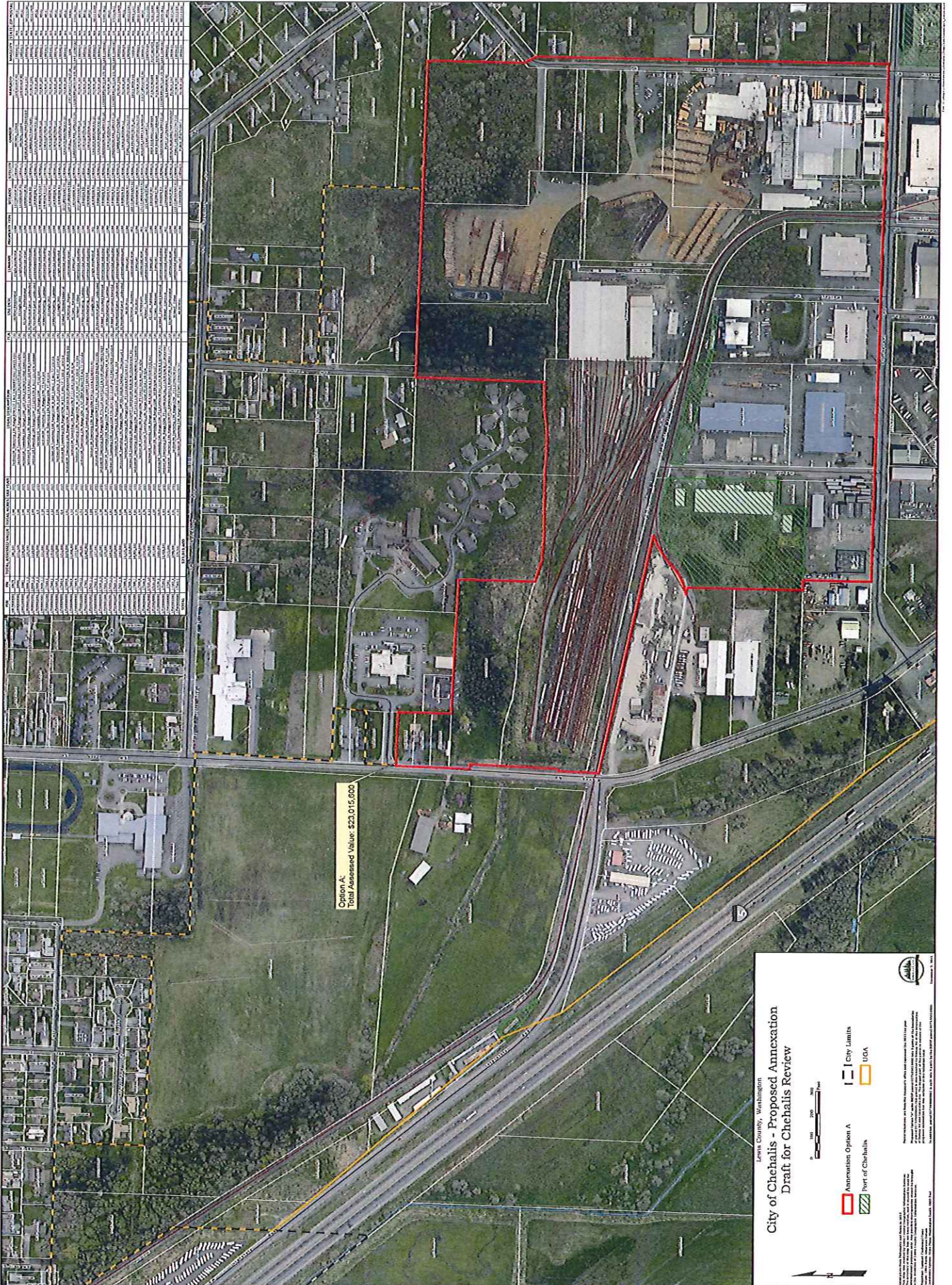
### City of Chehalis Annexation description

That portion of the Southwest Quarter of Section 3 and the Southeast Quarter of the Southeast Quarter, Government Lots 1 and 2 and the Lewis Johnson Donation Land Claim Number 39, in Section 4, all in Township 13 North, Range 2 West, W.M. in Lewis County, Washington described as follows:

BEGINNING at the southwest corner of said Section 3; thence East 30.00 feet along the south line said Section 3 to the easterly margin of Ribelin County Road; thence  $N00^{\circ}49'27''W$  along said easterly margin a distance of 1601.3 feet, more or less to an angle point in said easterly margin of Ribelin County Road; thence Northwesterly a distance 60.5 feet, more or less to the intersection of the northerly margin of Ribelin County Road and the east line of said Section 4; thence  $N00^{\circ}49'27''W$  along the west line of said Section 3 a distance of 448.00 feet, more or less, to the northeast corner of said Government Lot 1 and the northeast corner of Tract A of City of Chehalis Boundary Line Adjustment Number BLA-07-131 as recorded under Auditor's File Number 3284480, Records of Lewis County, Washington; thence  $S89^{\circ}39'06''W$  along the north line of said Government Lot 1 and the north line of said Government Lot 2 a distance of 1422.25 feet, more or less, to the west margin of SW 22<sup>nd</sup> Street; thence  $S00^{\circ}35'24''W$  a distance of 640 feet, more or less, to the centerline of Dillytwig (also appearing of record as Dillenbaugh) Creek; thence Westerly along said centerline a distance of 910 feet, more or less, to the southeast corner of that parcel described in Warranty Deed recorded under Auditor's File Number 407514, Records of Lewis County, Washington, said parcel also being depicted of record of Record of Survey recorded in Book 7 of Surveys at Pages 46 and 47, Records of Lewis County, Washington; thence  $N00^{\circ}37'32''E$  along the east line of said parcel a distance of 282 feet, more or less to the northeast corner of said parcel; thence  $N89^{\circ}22'28''W$  along the north line of said parcel a distance of 615.47 feet, more or less, to the southeast corner of Lot 1 in Block 2 of the Plat of Roberts Five Oaks Addition as recorded in Book 4 of Plats at Page 50, Records of Lewis County, Washington; thence North along the east lines of Lots 1, 2 and 3 in said Block 2 a distance of 239.60 feet, more or less, to the northeast corner of Lot 3 in said Block 2; thence West along the north line of said Lot 3 a distance of 239.44 feet, more or less, to the northwest corner of said Lot 3 and the east margin of Bishop Road; thence South along said east margin a distance of 925 feet, more or less, to the intersection of said east margin with the south margin of the Burlington Northern Railroad Right of Way, said point also being the northwest corner of that parcel described in Quit Claim Deed recorded under Auditor's File Number 3029529, Records of Lewis County, Washington; thence  $S79^{\circ}46'E$  along said south margin and along the north line of said parcel a distance of 1056.3 feet, more or less, to a point 25 feet Northwesterly from the center line of the Northern Pacific Railroad spur track; thence Southwesterly parallel with and 25 feet northwesterly of said spur track centerline a distance of 246.66 feet, more or less, to the northerly extension of the west line of that parcel described in Statutory Warranty Deed recorded under Auditor's File Number 3385090 and as depicted on Record of Survey recorded in Book 5 of Surveys at Page 47, Records of Lewis County, Washington; thence  $S00^{\circ}41'00''W$  along the west line and northerly extension of said parcel a distance of 545.79 feet, more or less, to the southwest corner of said parcel; thence  $S89^{\circ}19'00''E$  along the south

line of said parcel a distance of 66.17 feet, more or less, to the northwest corner of Parcel A as described in Statutory Warranty Deed recorded under Auditor's File Number 3093788, Records of Lewis County, Washington; thence South along the west line of said Parcel A a distance of 304.46 feet, more or less, to the south line of said Lewis Johnson Donation Land Claim Number 39 and the south line of said Section 4; thence East along the south line of said Donation Land Claim and the south line of said Section 4 a distance of 2272.38 feet, more or less, to the Point of Beginning.

TOGETHER with and subject to covenants, conditions, restrictions and easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey.



Parcel No.	Assessed Value	Area (sq. ft.)	Area (acres)	Parcel No.	Assessed Value	Area (sq. ft.)	Area (acres)
1000000001	1000000	1000000000	22.9573	1000000001	1000000	1000000000	22.9573
1000000002	1000000	1000000000	22.9573	1000000002	1000000	1000000000	22.9573
1000000003	1000000	1000000000	22.9573	1000000003	1000000	1000000000	22.9573
1000000004	1000000	1000000000	22.9573	1000000004	1000000	1000000000	22.9573
1000000005	1000000	1000000000	22.9573	1000000005	1000000	1000000000	22.9573
1000000006	1000000	1000000000	22.9573	1000000006	1000000	1000000000	22.9573
1000000007	1000000	1000000000	22.9573	1000000007	1000000	1000000000	22.9573
1000000008	1000000	1000000000	22.9573	1000000008	1000000	1000000000	22.9573
1000000009	1000000	1000000000	22.9573	1000000009	1000000	1000000000	22.9573
1000000010	1000000	1000000000	22.9573	1000000010	1000000	1000000000	22.9573

Option A:  
Total Assessed Value: \$23,015,600

Lewis County, Washington

### City of Chehalis - Proposed Annexation Draft for Chehalis Review

Annexation Option A
 City Limits
 UGA

Part of Chehalis

Prepared by: Lewis County, Washington  
 Date: 10/15/2023  
 Scale: 1" = 100'



## Annexation Frequently Asked Questions

- **Will my property Taxes go up if I am annexed to the city?**
  - No, the levy rate for the city plus no county road tax means your property tax will be less. How much less depends on the assessed valuation of each parcel.
- **Will my water or sewer bill go up if I am annexed into the city?**
  - No, currently the city asses a surcharge for customers outside the city. This surcharge will go away once the annexation takes effect and property owners will pay less.
- **Will my permit fees go up if I need a building permit or land use permit?**
  - No, the city fees are less than the county.
- **Does the Flood Control District go away if I am annexed?**
  - No the district stays intact.
- **Does the city have the ability to maintain the roads in the annexation area?**
  - Council recently set aside fund moneys to augment the road maintenance fund from the general fund.
- **Does the city have the equipment for adequate fire protection if we are no longer a part of Fire District 6?**
  - Yes, the city will be adding another fire truck to its fleet to augment fire service to the area. Also, the City and the district have a reciprocity agreement for fire service coverage.

January 25, 2016

The Chehalis city council met in regular session on Monday, January 25, 2016, 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, and Chad Taylor. Councilor Ketchum was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; and Judy Schave, City Clerk.

1. **Executive Session.** Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Dawes closed the executive session at 4:57 p.m. and announced the council would take a short recess and reopen the regular meeting at 5:01 p.m. Additional staff included: Glenn Schaffer, Police Chief; Dennis Osborn, Community Development Director; Judy Pectol, Finance Manager; and Peggy Hammer, Human Resources Administrator. Members of the media included Justyna Tomtas from *The Chronicle*.

2. **Public Hearing on Proposed Annexation.** Mayor Dawes closed the regular meeting at 5:03:19 and opened the public hearing.

City Manager MacReynold reported this is the first public hearing on the proposed annexation. He noted the administration is recommending the council extend the public hearing to February 8, 2016, at which time a resolution and ordinance will be presented for their consideration.

Community Development Director Dennis Osborn reported the proposed annexation includes approximately 116 acres. He noted the administration met with a variety of interested stakeholders, including the property owners who received a letter concerning the proposed annexation, the Industrial Commission, the Port of Chehalis, Fire District No. 6, and the Lewis County Commissioners. Mr. Osborn stated it's a fairly limited annexation in terms of scope and impact to services. He noted the only feedback they received from the county was to include Ribelin Road, which is now included in the proposed annexation area.

Mr. Osborn reported the city has an estimated 65 percent of "no protest" petitions, which have been sent to the Lewis County Assessor's Office for their review. He noted it looks to be a fairly straight forward annexation.

Councilor Spahr inquired as to the number of public hearings required for the annexation process.

City Attorney Hillier noted one; however, the city needs to make sure our notice is appropriate for any requirements the state would have, which is why the administration is recommending that it be continued to February 8.

Mayor Dawes read a prepared statement received from Port of Chehalis Executive Director Randy Mueller stating, "The Port of Chehalis fully supports the proposed annexation. The port believes this annexation and similar future ones are consistent with the port's adopted comprehensive plan, and move our community forward in a positive direction. The port understands that the additional service area will place more demands on services and infrastructure, and we look forward to working with our partners at the city to address those needs. Taking this step forward is a bold, visionary move in the right direction and we compliment the city for doing it. We look forward to the day where the entire Chehalis community in the urban growth area is brought into the city limits of our home."

Lewis County Commissioner Bill Schulte reported the county has been in communications with the city on the proposed annexation and they fully support it.

There being no further comments from the public, Mayor Dawes closed the public hearing at 5:08:28 p.m. and reopened the regular meeting.

Councilor Harris moved to continue the public hearing on the proposed annexation to February 8, 2016, at 5:05 p.m.

The motion was seconded by Councilor Lund and carried unanimously.

January 25, 2016

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

- a. Minutes of the regular meeting of January 11, 2016;
- b. Claim Vouchers No. 114607-114729 and Electronic Funds Transfer No. 122015 in the amount of \$350,360.04 dated January 15, 2016; and Claim Vouchers No. 114730-114795 in the amount of \$445,039.86 dated January 15, 2016; and
- c. Approve 2016 council committee/board appointments.

The motion was seconded by Councilor Lund and carried unanimously.

4. **Administration Reports.**

a. **Quarterly, November and December Financial Reports, and Quarterly Sales and Use Tax Report.** City Manager MacReynold reported, in looking at the end of the year report, almost all of the ending fund balances were better than projected. He noted that is good news for the city, adding he appreciated the city department and program managers who clearly had a significant impact on making that happen.

Finance Manager Judy Pectol reported on the ending fund balance for the airport fund, noting most of that is restricted for the \$1.5 million debt service being held by Lewis County for the balloon payment due June 1, 2017.

Mayor Dawes noted the sales tax revenue came in above last year, which is always good to see.

Ms. Pectol talked briefly about the December financial report, noting one of the reasons the airport came in over budget is because their fuel sales were \$100,000 more than expected.

Councilor Harris reported our airport is a petrol stop for a lot of folks, noting we have some of the lowest fuel prices in Western Washington and the pilots share that information.

5. **Council Reports.**

a. **Update From Councilor Harris.** Councilor Harris reported he attended the Chehalis River Basin Partnership meeting, noting they're going through some very difficult times. He indicated there hasn't been any funding from the state for the organization for a number of years. Councilor Harris stated some members have been pitching in money to keep it alive while they look at different funding options, including developing a 501c3, or contracting with others who have a 501c3. Councilor Harris reported it's getting very frustrating to not be able to accomplish things; although, it continues to be a great place for organizations and entities to come together to share. Councilor Harris reported it looks like they might be getting some direction soon and should know more next month when they meet.

Councilor Harris reported he's received a lot of questions and comments about graffiti being on the rise.

Police Chief Glenn Schaffer reported it's been on the rise for the past two months, adding it comes and goes in phases. He believed the city of Centralia caught a couple of the kids involved, which slowed it down a little. Chief Schaffer stated they keep an eye out for it, but their biggest challenge is getting out to the public to convince them to clean it up.

Councilor Harris suggested there are two types of graffiti; one being recreational and the other being criminal.

Chief Schaffer reported its all criminal. He noted they don't see a whole lot of rivalry tagging, adding it's really hard to tell unless someone posts it specifically. Chief Schaffer reported most of it is just malicious mischief.

b. **Update From Councilor Spahr.** Councilor Spahr reported he and his wife took a mid-winter vacation to Palm Springs in an attempt to chase the sun; however, it rained the first week and snowed in the mountains. He stated they may try it again next year, or maybe go someplace different.

January 25, 2016

c. **Update From Councilor Lund.** Councilor Lund reported he attended the Tacoma rail work group meeting where they discussed the Tacoma rail line project.

d. **Update From Councilor Taylor.** Councilor Taylor reported he had been approached by a company that's looking to relocate to our community. He noted they're looking at a particular piece of property, but have some concerns and want to meet with city staff to see if they can be addressed. Councilor Taylor stated he hoped to get the council's support to have staff dedicate some time to work with them to come up with a solution.

Councilor Spahr asked if he was just asking for their approval to have staff communicate with them.

Councilor Taylor stated yes.

Councilor Spahr noted he didn't see a problem with that.

Councilor Lund asked if Councilor Taylor could be more explicit about what he would like them to tell staff, or just say they support the idea and have the city manager write a letter to the company.

City Manager MacReynold reported he's had enough conversations in the past few hours about it and completely understands the issue. He noted his communication to Councilor Taylor was to see what the rest of the council thinks, adding if they're supportive of the administration talking with them he would be happy to set that meeting up and see what they can come up with.

Mayor Dawes suggested they continue with the adopted philosophy of the council, which is to do anything we can, legally, to make sure we encourage people to locate and do business in the city of Chehalis.

Councilor Lund asked if they could put that in writing to the company that's looking to relocate.

City Attorney Hillier suggested it might be more appropriate to let staff communicate that to them.

City Manager MacReynold stated he would be happy to follow up on it.

e. **Update From Mayor Dawes.** Mayor Dawes reported he attended two different receptions for retiring employees. He noted Becky Fox had been with the city for 35 years, and Rich Trotter had been with the city for 30 years. Mayor Dawes stated, in addition to wishing them well, it was also nice to see a lot of former city employees that we don't get to see very often, just to see how they are doing.

Mayor Dawes reported he attended the 2016 Annual Chamber Banquet that was held at Richie Bros. Auctioneers on January 15. He noted they have a very nice facility and he's glad to have them located in our area.

There being no further business to come before the council, the meeting adjourned at 5:25 p.m.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

**SUGGESTED MOTION**

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

**CITY OF CHEHALIS  
AGENDA REPORT**

DATE: January 29, 2016  
TO: The Honorable Mayor and City Council  
FROM: Judy Pectol, Finance Manager  
PREPARED BY: Michelle White, Accounting Tech II  
SUBJECT: Vouchers and Transfers

*JP*  
*MW*

ISSUE

Council approval is requested of the following financial transactions recorded in 2016:

Claim Vouchers No. 114796 through 114903 in the amount of \$198,935.00 dated January 29, 2016 and the transfer of \$77,061.79 from the General Fund, \$55,997.41 from the Wastewater Fund, \$16,193.70 from the Water Fund, \$834.98 from the Storm & Surface Water Utility Fund, \$43,030.64 from the Airport Fund and \$5,816.48 from the Firemen's Pension Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the January 29, 2016 Claim Vouchers No. 114796 through 11903 in the amount of \$198,935.00.

SUGGESTED MOTION

I move to approve the January 29, 2016 Claim Vouchers No. 114796 through 114903 in the amount of \$198,935.00.

Reviewed by: , City Manager

**CITY OF CHEHALIS**  
**AGENDA REPORT**

DATE: January 29, 2015  
TO: The Honorable Mayor and City Council  
FROM: Judy Pectol, Finance Manager *JP*  
PREPARED BY: Michelle White, Accounting Tech II *MW*  
SUBJECT: Payroll Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

Payroll Vouchers No.38633 through 38680, Direct Deposit Payroll Vouchers No. 6766 through 6855 and Electronic Federal Tax Payment No. 156 dated January 29, 2016 in the amount of \$768,830.65 and the transfer of \$553,453.24 from the General Fund, \$3,051.58 from the Arterial Street Fund, \$80,741.49 from the Wastewater Fund, \$83,501.56 from the Water Fund, \$19,797.83 from the Storm & Surface Water Utility Fund, \$26,574.26 from the Airport Fund and \$1,710.69 from the Firemen's Pension Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the January 29, 2016 Payroll Vouchers No. 38633 through 38680, Direct Deposit Payroll Vouchers No. 6766 through 6855, and Electronic Federal Tax Payment No. 156 in the amount of \$768,830.65.

SUGGESTED MOTION

I move to approve the January 29, 2016, Payroll Vouchers No. 38633 through 38680, Direct Deposit Payroll Vouchers No. 6766 through 6855, and Electronic Federal Tax Payment No. 156 in the amount of \$768,830.65.

Reviewed by: *Mac [Signature]*, City Manager

**CITY OF CHEHALIS  
AGENDA REPORT**

**DATE:** January 29, 2016  
**TO:** The Honorable Mayor and City Council  
**FROM:** Patrick Wiltzius, Wastewater Superintendent  
Rick Sahlin, Public Works Director  
**SUBJECT:** Resolution No. 04-2016 - Surplus of City Property

**ISSUE**

State law requires that property must first be declared surplus by the city council before being sold, traded, or disposed of.

**DISCUSSION**

The Wastewater Division has a 2002 rotary cutter (brush hog), a 2003 rotary cutter, a 2002 rototiller and a 2005 rototiller that we wish to surplus and trade-in on a new rotary cutter for use at the poplar tree plantation. The company that has the state contract has indicated they desire to take the above listed equipment in trade for the new rotary cutter. The estimated value of the equipment to be surplussed is approximately \$2,500 and a new rotary cutter has a list value \$2,600.


In addition, the Wastewater division also has a 1995 Ford F-250 that we wish to surplus and dispose of at auction and an un-repairable NEC Aspire telephone system (controller and approx. 20 desktop telephone units) that we wish to surplus and recycle.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

The administration recommends that the council adopt Resolution No. 04-2016 on first and final reading.

**SUGGESTED MOTION**

I move that the council adopt Resolution No. 04-2016 on first and final reading.

REVIEWED BY:  \_\_\_\_\_, City Manager

**RESOLUTION NO. 04-2016**

**A RESOLUTION OF THE CITY OF CHEHALIS, WASHINGTON, DECLARING PERSONAL PROPERTY OF THE CITY OF CHEHALIS TO BE SURPLUS AND OF NO FURTHER USE TO THE CITY, AND DIRECTING THE SALE AND DISPOSITION THEREOF.**

**THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO RESOLVE AS FOLLOWS:**

**Section 1.** The following described personal property of the city of Chehalis, Washington, a municipal corporation, shall be, and the same hereby is, declared to be surplus and no longer of necessary use.

1. One (1) 2002 Land Pride rotary cutter, S/N 430595
2. One (1) 2003 Land Pride rotary cutter, S/N 503013
3. One (1) 2002 Celli rototiller, S/N M04583
4. One (1) 2005 Maschio rototiller, S/N 059780190
5. One (1) 1995 Ford F-250, Vin # 2FTHF26H3RCA32084
6. One (1) NEC Aspire telephone system S/N 36301080K

**Section 2.** The personal property described herein shall be disposed of by the City Manager.

**ADOPTED** by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this 8<sup>th</sup> day of February, 2016.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form and content:

\_\_\_\_\_  
City Attorney



CITY OF CHEHALIS

AGENDA REPORT

DATE: January 27, 2016

TO: The Honorable Mayor and City Council

FROM: Rick Sahlin, Public Works Director  
Don Schmitt, Street/Storm Superintendent

SUBJECT: Final Acceptance of the Chehalis Avenue Main Street to Pacific Avenue  
Roadway Improvements

ISSUE

The Chehalis Avenue Main Street to Pacific Avenue Roadway Improvements Project has been completed. The administration recommends that the city accept the work as complete and release the retainage bond to Titan Earthwork, LLC. This report is for council's review and consideration.

DISCUSSION

Titan Earthwork completed construction of this project in early 2015 and the city has been awaiting necessary construction documentation required for project closeout. This information has now been received.

Bid amount for the project was \$519,104.75, and final construction costs for the project were \$481,865.55. The administration recommends that the project be closed out and the retainage bond released.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the city accept the work as complete and release the retainage bond to Titan Earthwork, LLC.

SUGGESTED MOTIONS


I move that the council accept the work as complete and release the retainage bond to Titan Earthwork, LLC. after the city clerk ensures all statutory requirements have been met.

REVIEWED BY:  \_\_\_\_\_, CITY MANAGER

**CITY OF CHEHALIS  
AGENDA REPORT**

**DATE:** February 8, 2016

**TO:** The Honorable Mayor and City Council

**FROM:** Merlin G. MacReynold, City Manager 

**SUBJECT:** Ordinance No. 952-B, First Reading – Establishing a Specific New Automobile Dealership Economic Assistance Program

**ISSUE**

In an effort to encourage economic development in the city, the administration has prepared an ordinance for council consideration that would establish a specific new automobile dealership economic assistance program.

**DISCUSSION**

At the regular meeting of January 25, 2016, the council discussed if the city would consider establishing an ordinance to encourage new automobile sales and service businesses to locate in the city. According to council discussion, new automobile sales and service businesses are reluctant to locate in the city because of their concerns with potential flooding and yet are interested in areas of the city because of their proximity to I-5.

The attached ordinance will apply only to new automotive franchise dealerships that locate within the city limits within the next three years of the ordinance adoption. This ordinance does not apply to any existing business currently operating within the city limits. In addition, these new dealership operations must conduct sales and service of new and used automobiles.

The ordinance would only take effect in the event of a flood event that impacts the dealership operation's building(s) and results in the need to rebuild and/or remodel due to flood damage. In this event, if the dealership reinvests within the Chehalis City limits and will continue to operate as defined above, then the city and the individual dealership will share the city's portion of sales tax generated by the dealership at a 50-50 ratio for a period not to exceed five (5) years.

This ordinance will require two readings, with the second reading scheduled for February 22, 2016.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

The administration believes that this effort to provide city assistance to a specific business sector that provides significant sales tax revenue is a worthwhile economic development pilot project.

The administration recommends that the council consider and pass Ordinance No. 952-B on first reading.

**SUGGESTED MOTION**

I move that the council pass Ordinance No. 952-B on first reading.

**ORDINANCE NO. 952-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON,  
ESTABLISHING A SPECIFIC NEW AUTOMOBILE DEALERSHIP  
ECONOMIC ASSISTANCE PROGRAM TO ENTICE NEW CAR  
DEALERSHIP GROWTH IN THE CITY.**

**WHEREAS**, Economic growth has been slow to recover in the City since the 2007 down turn; and

**WHEREAS**, Sales and service of new vehicles have historically been a significant source of sales tax revenue for the City; and

**WHEREAS**, There is a concern by new automobile sales and service businesses of flooding in the city resulting in a reluctance to locate their dealerships in the City; and

**WHEREAS**, The City wishes to promote economic development and encourage new car dealerships to locate in the City by forgiving a portion of the sales tax realized by the City in the event that the business suffers direct property damage as a result of a major flood occurring in the City; now, therefore

**THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO  
ORDAIN AS FOLLOWS:**

**Section 1.** Between the effective date of this Ordinance and March 1, 2019, any new car dealership choosing to locate in the city limits of Chehalis may avail themselves of the potential tax savings provided for herein. New car dealership is defined as a company selling primarily new vehicles as well as providing for the servicing of vehicles.

**Section 2.** In the unlikely event of a flood occurring in Chehalis that results in capital construction flood damage to a new automobile sales and service business as defined herein, that business would be entitled to seek a reduction in the amount of local sales tax it is required to pay to the Department of Revenue in the amount of 50% of the regular local portion of the sales tax due. This forgiveness of a portion of the local sales tax will be authorized by the City for a period not to exceed five (5) years from the flood event.

**Section 3.** The money saved by the business shall be spent on capital construction costs to rebuild the dealership facility. The dealership will be required to show proof to the City that the tax savings have been spent on such improvements. Failure to do so to the City's satisfaction will result in the termination of the tax forgiveness benefit. Dealers must make available to the City, records of sales made benefitting from the tax benefit for the City's auditing purposes. Failure to do so will cause the benefit to terminate.

**Section 4.** This tax savings benefit is for the benefit of new automobile dealerships locating in the City between the effective date of this Ordinance and March 1, 2019. In the event

no new dealership, as defined herein, moves to the City, this Ordinance shall sunset. In the event a new dealership does locate in the City by March 1, 2019, such dealership will be able to avail itself of the financial benefits set forth herein, if qualified, until December 31, 2039, at which time this Ordinance shall sunset.

**PASSED** by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form and for content:

\_\_\_\_\_  
City Attorney

DRAFT