

March 14, 2016

The Chehalis city council met in regular session on Monday, March 14, 2016, in the Chehalis city hall. Mayor Dawes called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilors Lund and Ketchum were absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Dennis Osborn, Community Development Director; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; and David Fleckenstein, Airport Manager. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Public Hearing on Proposed Chehalis School Annexation.** Community Development Director Dennis Osborn reported the city had received a petition for annexation of approximately 57 acres commonly referred to as the Chehalis School Annexation. He noted the certification for the annexation had been received from the Lewis County Assessor's Office.

Mayor Dawes closed the regular meeting at 5:02:09 p.m. and opened the public hearing.

There being no public comment, Mayor Dawes closed the public hearing and reopened the regular meeting at 5:02:51 p.m.

2. **Public Hearing on Marijuana Processing, Production and Retail Facilities.** Mr. Osborn reported this matter was before the council in December 2015 and has since been to the Chehalis Planning Commission for their review. He noted the Commission provided the following recommendations for the council to consider:

- Prohibit outdoor production and processing facilities
- Allow production and processing facilities in the industrial zone only as permitted uses
- Allow retail in the general commercial and freeway commercial zones, and not allow retail in the central business district zone

Mr. Osborn reported the limited number of available sites in conjunction with the state restrictions would limit the number of production and processing facilities within the city.

Mayor Dawes closed the regular meeting at 5:04 p.m. and opened the public hearing.

Justin Wildhaber (1087 Monte Elma Rd) reported he's a licensed Tier 3 producer and processor and supplies products to Old Toby's located on State Street in Chehalis. He stated, according to the planning department, the zones identified would fit in line with his arguments. Mr. Wildhaber suggested in order for a retail business to be successful they need to have adequate parking and visibility, adding the city is on the right path.

Jerrie Paine (391 NW State Avenue) thanked the council for taking a chance and giving them the opportunity to show that cannabis can be sold in a very respectful and responsible manner. She reported part of their goal is to normalize cannabis and get rid of the stigma. Ms. Paine stated because the council is considering opening more stores, they have achieved their goal.

Mr. Wildhaber reported there had been discussion about limiting the number of retail businesses in the city.

Mayor Dawes stated that is one of the potential outcomes.

Mr. Wildhaber reported the retail sales in Grays Harbor County last month were in excess of \$800,000; retail sales for Lewis County last month were about \$200,000. He suggested Chehalis as one of the more progressive places in Lewis County has the potential of bringing in an estimated \$800,000 to \$1 million per month in retail sales. Mr. Wildhaber asked that the council consider this when talking about limiting the number of retail outlets.

Mayor Dawes stated it would be safe to assume that the reason we have the number of requests that we do is because the county and Centralia have said no to any type of operations.

Mayor Dawes closed the public hearing at 5:14 p.m. and reopened the regular meeting.

March 14, 2016

Councilor Harris moved to direct the administration to prepare a draft ordinance to include the recommendations of the Chehalis Planning Commission for the council to consider at the next regular meeting.

The motion was seconded by Councilor Pope and carried unanimously.

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

a. Minutes of the special meeting of February 16, 2016, and the regular meeting of February 22, 2016;

b. Claim Vouchers No. 115045-115132 in the amount of \$192,166.56 dated February 29, 2016; and Payroll Vouchers No. 38681-38733, Direct Deposit Payroll Vouchers No. 6856-6947 and Electronic Federal Tax Payment No. 157 in the amount of \$729,214.34 dated February 29, 2016;

c. Award 2016 asphalt bid to Lakeside Industries; and

d. Adopt Resolution No. 7-2016 on first and final reading for the surplus of city property.

The motion was seconded by Councilor Spahr and carried unanimously.

4. **Administration Reports.**

a. **Briefing on Countywide Planning Policies Process and City Suggestions.** Mr. Osborn reported, late last year, the city received notice from the county to provide input on amendments to the Countywide Planning Policies. He noted several of the suggestions submitted had to do with the language of the Urban Growth Area (UGA); however, due to the recent expiration of the Interlocal Agreement, some of the suggestions are basically moot at this point.

Mr. Osborn reported, at a meeting held in March, the county presented a proposal to have a couple of other areas included in the urban growth boundaries. He noted he asked that the cities be allowed to take changes back to their respective policy makers to get their input and to find out what potential implications there are, if any, and then provide that input to the county.

Mr. Osborn provided a copy of a letter addressed to Lewis County Community Development Director Lee Napier outlining their approach and collaborative process. He noted the letter points out that the statute states that the county and the cities agree to all procedures and provisions, including but not limited to desired planning policies. Mr. Osborn stated he's just asking that we have that opportunity to see if there's an agreement before moving forward. He reported dialog is occurring and he hoped to be able to come back and talk more about what's going on with potential new urban growth boundaries within Lewis County and what they may or may not mean for the city of Chehalis.

b. **Update on Recreation Park/Penny Playground Funding Proposal and the Green Hill School Parking Lot Discussions.** Project Manager Tom Skillings with Skillings Connolly, Inc. provided an update on the status of the Recreation Park/Penny Playground Improvement Project.

Funding Scenario: Excess Levy for total project cost, less feasibility study and project management

Total Project Cost: \$6,190,000

- Feasibility Study: \$80,000
- Project Management: \$190,000
- Excess Levy Funded Amount \$5,920,000

Levy Cost Analysis: Rates based on the following assumptions:

- Interest Rate (assumed) – 4.00%
- Duration (years) – 30
- Total annual payment \$342,354

March 14, 2016

- Rate increase of \$86.37 on a home valued at \$157,000

Mr. Skillings reported they will also be applying for a Recreation and Conservation Office (RCO) grant and a Safe Routes to School grant for the project. He provided the following breakdown of what the grant monies would be used for:

- enhanced landscaping with concrete walkways
- increased number of trees, shrubs and groundcover
- increased pedestrian lighting
- two large picnic shelters as opposed to two smaller shelters
- some ballfield equipment improvements
- minor field house improvements

Mr. Skillings reported, with regard to drainage, the grant funding would cover additional:

- curb and gutter along railroad
- onsite drainage/grading enhancements
- topsoil for surfacing
- underdrain improvements
- free-draining topsoil
- seed/mulch/fertilizer
- irrigation system

Mr. Skillings reported on the feasibility study to potentially relocate the four ballfields currently at Recreation Park to Stan Hedwall Park, or to the new school site. He noted the Chehalis School Board is very much in favor of having the city look at the school site as a potential location for the ballfield facility. Mr. Skillings stated they plan to present the findings to the Parks Committee in the next couple of weeks and would be back to talk with the council and get direction at the second meeting in April.

Mr. Skillings reported everything is being driven by the schedule for the levy resolution. He noted this will need to be approved by council by the May 9 meeting in order to make the August ballot.

Mr. Skillings reported they also met with representatives from Green Hill School to discuss the potential use of their parking lot. He noted they reached an agreement in principal to do an immediate agreement concerning temporary use for this season, and will work on a long-term agreement going forward for use of the 99 parking stalls.

City Manager MacReynold reported what the city committed to do with regard to the parking lot is to provide a counter-proposal to what they initially proposed to us. He noted that would be done before the end of the week.

Councilor Harris asked if there might be a need to do a workshop between the April 25 meeting and May 9 meeting to make sure everyone is on the same page regarding the project.

Councilor Spahr inquired about the study being done at Stan Hedwall regarding the ballfields.

Mr. Skillings reported their intent is to move the feasibility study parallel to have the same level of detail at Hedwall as they will at Recreation Park. He noted they would do layouts at both sites to look at them equally, but there would be no detail design done for Hedwall.

Councilor Spahr felt a work session after the feasibility study is finished would be real beneficial.

Mr. Skillings stated they could do that, noting it would be ready before April 25.

5. Council Reports.

March 14, 2016

a. **Update From Councilor Harris.** Councilor Harris reported on the Chehalis Community Renaissance Team (CCRT) meeting, noting they received updates from The Chamber, the Chehalis-Centralia Railroad and Museum, the Lewis Economic Development Council, and the Community Farmers Market. He stated they also received an update on the Discover! Children's Museum, noting they're buzzing along even though they didn't receive any funding in the last legislative budget and don't plan on any funding this year. Councilor Harris reported the museum will happen; it's just a matter of trying to figure out how.

Councilor Harris reported the Community Farmers Market is gearing up to open up on June 7 and the Marketing Committee continues to work hard on their program for the city and the CCRT.

Councilor Harris reported on the Willapa Hills Trail, noting it's open all the way through from Chehalis to Raymond now. He noted the one major issue they had in completing the project was in Littell where the trail crosses Hwy 6. Councilor Harris indicated the State Parks Department will be asking the state at the next legislative session to provide assistance in designing and constructing a safe crossing. Councilor Harris reported one of the upcoming events for the trail is the Fat Tire Ride and Festival.

Councilor Pope reported if they don't do something about the traffic near the trailhead in Chehalis they're going to bypass Chehalis and start the event in Adna.

Councilor Harris noted the Lodging Tax Advisory Committee supplied the funding for the Fat Tire event in hopes to bring folks into the community. He indicated they're expecting about 500 riders this year and are hoping to increase that amount to 5,000 within the next couple of years.

Councilor Harris talked briefly about the tragic house fire that took place in Centralia on March 4 and asked everyone to keep the family and the first responders in their thoughts and prayers. He expressed his thanks to the first responders and his condolences to the family.

b. **Update From Councilor Spahr.** Councilor Spahr reported he attended the EDC Board meeting, noting there's a lot of work being done and some good contacts being made. He noted one of the topics of discussion was flooding, adding the EDC wants to get more involved and has agreed to accept monies contributed by municipalities to help fund the efforts of the Flood Authority. Councilor Spahr noted the Legislature has presented a bill to establish a Board.

City Manager MacReynold reported the funding would be used to continue to maintain the current level of involvement that we've had over the past many years from the various jurisdictions and private sector. He noted the Flood Authority and the Governor's Group see this as a very critical time in which we do not want to back away from any of our support because we're beginning the permitting process and any backing away would not be seen as support by our community. City Manager MacReynold reported the EDC is going to send a letter to each jurisdiction requesting \$15,000 annually to maintain the current level of support. He noted when that letter is received it will be brought before the council.

City Manager MacReynold suggested this is a very critical time in which we do not want to waiver. He stated the Council has been a primary mover, noting Chehalis was the first jurisdiction in the Chehalis Basin to pass a resolution in favor of a retention facility.

c. **Update From Mayor Dawes.** Mayor Dawes reported he and Councilor Spahr attended the EDC banquet on February 25. He noted the .09 Committee met on March 11, adding there were a couple of issues at the Port that received favorable consideration, which was good to see.

Mayor Dawes noted there had been some movement with regard to the RV situation, but he is still a little concerned about a logging truck issue on 14th Street. He stated he would like to see something brought back to the council to address the issue, noting there's obviously a violation of the law by going off the truck route with that type of vehicle when they're not engaged in commercial work.

March 14, 2016

6. **Ordinance No. 953-B, Second and Final Reading – Providing for Annexation of the Phase 1 Industrial Annexation.** City Manager MacReynold reported if the council approves the ordinance there is still a period in which people can appeal to the Lewis County Boundary Review Board.

City Attorney Hillier stated there's a period of 45 days from the date the ordinance goes in to effect in which someone can petition the Boundary Review Board. He noted it doesn't mean our ordinance is not effective, but in reality we won't be collecting taxes or anything from that area until the appeal period runs.

Councilor Taylor moved to pass Ordinance No. 953-B on second and final reading providing for the annexation of the Phase 1 Industrial Annexation.

The motion was seconded by Councilor Pope and carried unanimously.

7. **Ordinance No. 954-B, First Reading – Providing for Annexation of the Chehalis School Annexation.** City Manager MacReynold reported this is the first reading of the Chehalis School Annexation. He noted the annexation also includes a few smaller pieces of property that were pulled in, which we are required to do in order to not make them islands.

Councilor Harris moved to pass Ordinance No. 954-B on first reading providing for the annexation of the Chehalis School Annexation.

The motion was seconded by Councilor Taylor and carried unanimously.

8. **Ordinance No. 955-B, First Reading – Repealing Section 6.040.290 (I) of the Chehalis Municipal Code Pertaining to Honeybee Hives.** City Manager MacReynold reported, at the previous meeting, the council discussed the issue of honeybee hives with members of the Lewis County Beekeepers Association. He noted because there is no fiscal impact the administration is recommending the council consider suspending the rules and take action on one reading to implement the ordinance.

Councilor Spahr moved to suspend the rules requiring two readings of an ordinance for final approval.

The motion was seconded by Councilor Harris and carried unanimously.

Councilor Spahr moved to council pass Ordinance No. 955-B on first and final reading repealing Section 6.04.290(I) of the Chehalis Municipal Code.

The motion was seconded by Councilor Pope and carried unanimously.

9. **Resolution No. 6-2016, First and Final Reading – Renaming a Portion of Northwest Liberty Place (west of the roundabout) to Alta Way.** City Manager MacReynold reminded the council that this request came up by the applicant at the previous meeting.

Mr. Osborn reported the city received a request from ALTA Forest Products to rename the east/west portion of NW Liberty Place to NW Alta Way. He noted the administration contacted Timberland Bank and they had no objections. Mr. Osborn reported the name change would go into effect once the resolution is adopted.

Councilor Taylor moved to adopt Resolution No. 6-2016 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

10. **Special Meeting.** Mayor Dawes announced that the council will be holding a special meeting on Monday, March 21, 2016, at 11:00 a.m., in the Commissioners Chamber at the Lewis County Courthouse. He noted this would be a joint meeting with the Commissioners regarding the feasibility study on the Tacoma Rail Line from Maytown to Chehalis.

March 14, 2016

11. **Executive Session.** Mayor Dawes announced the council would convene into executive session after a short recess beginning at 5:57 p.m. pursuant to RCW 42.30.110(1)(i) – potential litigation, RCW 42.30.110(1)(d) – review negotiations on the performance of publicly bid contract, and RCW 42.30.110(1)(b) – purchase or acquisition of land for approximately 30 minutes, and there would be no decision following conclusion of the executive session.

Following conclusion of the executive session, the regular meeting was reopened at 6:51 p.m., and there being no further business to come before the council, the meeting was immediately adjourned.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of March 14, 2016.