

CHEHALIS CITY COUNCIL AGENDA

CITY HALL
350 N MARKET BLVD | CHEHALIS, WA 98532

Dennis L. Dawes, Position at Large Mayor	
Anthony E. Ketchum Sr., District 3 Daryl J. Lund, District 2, Mayor Pro Tem Robert J. Spahr, Position at Large	Jerry Lord, District 1 Dr. Isaac S. Pope, District 4 Vacant, Position at Large

Regular Meeting of Monday, October 11, 2021 5:00 pm

1. Call to Order. (Mayor Dawes)
2. Pledge of Allegiance. (Mayor Dawes)
3. Approval of Agenda. (Mayor Dawes)

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
SPECIAL BUSINESS		
4. <u>Swearing-in of New Council Member – Terry Harris.</u> (Mayor Dawes)	SWEAR IN NEW COUNCIL MEMBER	

- | |
|---|
| PROCLAMATIONS / PRESENTATIONS |
| 5. <u>Police Week Observed.</u> (Mayor Dawes) |

CITIZENS BUSINESS (PUBLIC COMMENT)
Individuals wishing to provide public comments in general and on agenda items should submit comments by 4:00 pm on the day of the meeting. All comments received will be acknowledged by the Mayor under Citizens Business of this meeting agenda. Please use the following form to submit comments – https://www.ci.chehalis.wa.us/contact . If you do not have computer access or would prefer to submit a comment verbally, please contact City Clerk Kiley Franz at 360-345-1042 or at kfranz@ci.chehalis.wa.us . Public comments will be limited to five (5) minutes.

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
CONSENT CALENDAR		
6. <u>Minutes of the Regular City Council Meeting of September 27, 2021.</u> (City Clerk)	APPROVE	1
7. <u>Minutes of the Special City Council Meeting of October 4, 2021.</u> (City Clerk)	APPROVE	4
8. <u>Vouchers and Transfers – Accounts Payable in the Amount of \$332,106.51 Dated September 30, 2021.</u> (City Manager, Finance Director)	APPROVE	5
9. <u>Vouchers and Transfers – Payroll in the Amount of \$880,074.67 Dated September 30, 2021.</u> (City Manager, Finance Director)	APPROVE	7
10. <u>Debt Management and Post-Issuance Compliance Update – Fiscal Year 2020.</u> (City Manager, Finance Director)	RECEIVE REPORT	8

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
OLD BUSINESS		
11. <u>Ordinance No. 1021-B, Second and Final Reading – A Petition to Vacate Portions of Right-of-Way on SE Adams, 12th Street, and the Undeveloped Alley Between 11th and 12th Streets.</u> (City Manager, Planning and Building Manager)	PASS	32

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
NEW BUSINESS		
12. <u>Acceptance and Closeout of the 12th and Williams Rechannelization Project.</u> (City Manager, Public Works Director)	APPROVE	80

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
ADMINISTRATION AND CITY COUNCIL REPORTS		
13. <u>Administration Reports.</u>	INFORMATION ONLY	- - -
a. City Manager Update. (City Manager)		
14. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	- - -

EXECUTIVE SESSION		
15. Pursuant to RCW:		
a. 42.30.110(1)(c) – Sale/Lease of Real Estate		

**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.
NEXT REGULAR CITY COUNCIL MEETING IS MONDAY, OCTOBER 25, 2021.**

Chehalis City Council
Meeting Minutes
September 27, 2021

The Chehalis City Council met in regular session on Monday, September 27, 2021. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following members present: Tony Ketchum, Jerry Lord, Dr. Isaac Pope, and Bob Spahr. Councilor Daryl Lund participated via Zoom. Staff present included: Jill Anderson, City Manager; Tammy Baraconi, Planning and Building Manager; Kiley Franz, City Clerk; Randy Kaut, Police Chief; Trent Lougheed, Public Works Director (Zoom); Brandon Rakes, Airport Operations Coordinator; Sam Satterfield, City Attorney (Zoom); Chun Saul, Finance Director; and Glenn Shaffer, HR/Risk Manager.

1. **Approval of Agenda.** A motion to approve the agenda as amended was made by Councilor Pope. The motion was seconded by Councilor Spahr and carried unanimously.

2. **Energy Innovation Coalition and Center – Richard DeBolt and Kelly Smith-Johnston.** Richard DeBolt, Executive Director of the Economic Alliance of Lewis County, explained that the energy innovation coalition and center project had been started approximately seven months ago when a grant was received to build a hydrogen station in the port of Chehalis with Twin Transit. Kelly Smith-Johnston explained that many energy-related projects existed or were planned within Lewis County. The center will provide resources to local entities and outside agencies; the coalition will be a network of local private and public agencies. Ms. Smith-Johnston asked that the City of Chehalis consider being a member of the energy innovation coalition. Richard DeBolt provided a brief overview of the hydrogen fueling station project; Lewis County will be one of only thirty-six hydrogen valleys in the world, only two of which are in the United States.

Councilor Ketchum expressed his support of the program and praised Joe Clark of Twin Transit for the initiation of the project. He expressed his belief that the project could be a major asset to Lewis County.

Councilor Spahr expressed his concern over the lack of available water sources for this project. Richard DeBolt explained that the water did not have to come from primary sources, he provided the example of distilled wastewater treatment plant water. Councilor Pope inquired about the safety measures put in place for hydrogen vehicles. Richard DeBolt explained that hydrogen vehicles now came equipped with a venting system to prevent combustion. Kelly Smith-Johnston added that jobs would be created on the maintenance side of the project as well.

Councilor Ketchum volunteered to represent the Council on the energy innovation coalition.

Councilor Lund added that buses in Germany have run on hydrogen fuel for approximately twenty years.

3. **Citizens Business.**

- a. Terry Harris explained that the holiday decorations had aged. He expressed his appreciation for the Chehalis Foundation, the Chehalis Community Renaissance Team, and his family for their assistance in repairing the snowflakes, which included the replacement of the garland.

4. **Consent Calendar.** Councilor Ketchum moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular City Council meeting of September 13, 2021; and
- b. September 15, 2021 Replacement Checks No. 13523 & 132526, Claim Vouchers No. 132524 – 132618 and Electronic Funds Transfer Check Nos. 1539 – 1566 in the amount of \$831,567.03;

The motion was seconded by Councilor Lord and carried unanimously.

5. **Ordinance Number 1022-B, Second and Final Reading – Amending the 2021 Budget.** City Manager Anderson informed the Council that no changes had been made since the first reading at the September 13, 2021 meeting.

A motion to pass Ordinance No. 1022-B on second and final reading was made by Councilor Spahr. The motion was seconded by Councilor Pope and carried unanimously.

6. Ordinance No 1021-B, Second and Final Reading – A Petition to Vacate Portions of Right-of-Way on SE Adams, 12th Street, and the Undeveloped Alley Between 11th and 12th Streets. Tammy Baraconi explained that the original request from the applicant was the vacation of SE Adams Avenue between 12th Street and Prospect Street, which would include an access easement on Adams Avenue; and a right-of-way vacation on 12th Street from the northeast side of Adams Avenue and the northeast side of Washington Avenue, which will also have an easement for sewer access; and a portion of the undeveloped alleyway between 11th and 12th Streets, which will not have any easements.

Mayor Dawes asked if there would be any hinderance to future developments with this vacation. Ms. Baraconi confirmed that the only access issue had been addressed with an access easement for LaDawn Music. Councilor Spahr asked if lots 19, 20, and 21 were owned by the applicant; Ms. Baraconi confirmed they were.

Ms. Baraconi reviewed the specifics of the proposal, including the differences between staff recommendations and the proposal of the applicant. Councilor Lord asked if the amount charged by the City was determined by an RCW or by the City. Ms. Baraconi informed the Council that the price followed Chehalis Municipal Code. Councilor Lord expressed concern with the requirement for a boundary line adjustment.

Aaron Fuller of Fuller Designs, civil engineer for the project, voiced concerns regarding the size of the access easement for LaDawn Music's property, and the lack of negotiation for the property. Ms. Baraconi explained that if the access easement remained larger, the developer would be required to develop the alleyway to street standards. City Manager Anderson explained that as a public entity, the ability to negotiate was limited.

Councilor Ketchum made a motion to direct staff to make the following changes to Ordinance No. 1021-B: Adams Avenue to 15x120 feet, 12th Street 15,263 square feet of area with easement, and to make no changes to the proposed square footage of the alleyway vacation which is 2,273.6 sq feet. The motion was seconded by Councilor Lord and carried unanimously. The second reading of Ordinance No. 1021-B was continued until the October 11, 2021 City Council meeting.

7. Lodging Tax Advisory Committee Recommendations for 2022 Tourism Funds and Request to Seek Applicants. City Manager Anderson informed the Council that the Lodging Tax Advisory Committee met on Tuesday, September 21, 2021 to review lodging tax funding requests. A reserve of \$50,000 was requested, as was the payment of the Recreation Park debt service payment in the amount of \$71,350. The remaining \$186,640 was distributed evenly to requesting organizations, with the exception of the City.

Councilor Lord explained that over the last decade, many positions on the Lodging Tax Advisory Committee had been held by the same individuals. To ensure that any qualified individual interested in participating on the committee had the opportunity, Councilor Lord requested that the application for appointment be opened.

A motion to approve the funding amounts, both individually and collectively, of the Lodging Tax Advisory Committee for the use of lodging tax funds for 2022; approve the allocation of 20% of available funds, rounded to \$37,340, to the City of Chehalis, to be utilized at the discretion of the City in 2022; approve the annual debt service payment for Recreation Park Improvement Project in the amount of \$71, 350; approve the annual appropriation of 25% of available revenues to the City of Chehalis beginning in 2023, to be utilized at the discretion of the City; and provide direction regarding the preferred process for selecting LTAC members, specifically whether or not to open the process to invite qualified individuals to apply for appointment to the 2022 Lodging Tax Advisory Committee was made by Councilor Lord. The motion was seconded by Councilor Pope and carried unanimously.

Mayor Dawes clarified that 'to be utilized at the discretion of the City' was in regard to the applicable lodging tax fund projects.

8. Administration Reports.

- a. **City Manager Update.** City Manager Anderson informed the Council of the annual Lewis County Economic Alliance banquet on Friday, October 8, 2021.

9. Councilor Reports/Committee Updates.

- a. **Councilor Lund.** Councilor Lund asked that staff double check requirements and policies regarding construction projects to ensure compliance.
- b. **Mayor Dawes.** Mayor Dawes attended a Business After Hours event on September 16th and met with the pastor at the Grace Church regarding volunteer opportunities.
- c. **Councilor Pope.** Councilor Pope informed the Council that there was a ribbon cutting event at Pope's Kids Place for a physical therapy facility, named in honor of Chase Conzatti.

10. **Executive Session.** Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(i) – Litigation/Potential Litigation and RCW 42.30.110(1)(c) – Sale/Lease of Real Estate, not to exceed 7:45 pm and there will be no action taken following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:41 pm. and the executive session began at 6:45 pm. Following conclusion of the executive session at 7:40 pm, the regular meeting was reopened and was immediately adjourned.

Dennis L. Dawes, Mayor

Kiley Franz, City Clerk

Approved:

Initials: _____

Chehalis City Council
Meeting Minutes
October 4, 2021

The Chehalis City Council met in special session on Monday, October 4, 2021. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following members present: Tony Ketchum, Jerry Lord, Dr. Isaac Pope, and Bob Spahr. Councilor Daryl Lund participated via Zoom. Staff present included: Jill Anderson, City Manager; Kiley Franz, City Clerk; Cassie Frazier, City Manager's Administrative Assistant; and Erin Hillier, City Attorney; and Chun Saul, Finance Director.

1. **Interview Candidates for City Council Member At-Large No. 2 Vacant Position.** Mayor Dawes explained the purpose of the special meeting was to interview three individuals for the vacancy on the council. He thanked the candidates for their willingness to apply for the position. The order of interviews was drawn by random selection. Each candidate was asked the same question by each council member. The candidates were interviewed in the following order:

1. Terry Harris
2. Katherine (Kate) McDougall
3. Tessa Hollis

Mayor Dawes explained that he would vote for whichever candidate received three votes from the Council to ensure there was not a tie.

2. **Executive Session.** Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(h) – Evaluate Qualifications of a Candidate for Appointment to Elective Office not to exceed 6:15 pm and there would be action following conclusion of the executive session. Mayor Dawes closed the regular meeting at 5:43 pm. Following conclusion of the executive session, the special meeting was reopened at 6:08 pm.

3. **Appoint Candidate to Fill City Council Member At-Large No. 2 Vacant Position.** Mayor Dawes explained the process for nominating candidates to fill the vacancy. A vote would then be called on each nomination in the order they were nominated and the first candidate to receive four votes would be appointed to the vacant position. Mayor Dawes asked for nominations.

Councilor Lund nominated Terry Harris; Councilor Pope seconded the nomination.

Councilor Lord nominated Katherine (Kate) McDougall; Councilor Ketchum seconded the nomination.

There being no further nominations, Mayor Dawes closed the nominations.

Mayor Dawes called for a vote on Terry Harris. Councilors Lund, Pope, and Spahr voted in favor of Mr. Harris. There being three votes for Mr. Harris, Mayor Dawes cast his vote in favor of Mr. Harris.

Mayor Dawes stated that Mr. Harris would be sworn in during the council's regular meeting of October 11. Mayor Dawes thanked all candidates for their time and interest in the position.

There being no further business, the meeting was adjourned at 6:12 pm.

Dennis L. Dawes, Mayor

Attest:

Kiley Franz, City Clerk

Approved:

Initials: _____

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director
Michelle White, Accounting Tech II

MEETING OF: October 11, 2021

SUBJECT: Vouchers and Transfers – Accounts Payable in the Amount of \$332,106.51

ISSUE

City Council approval is requested for Vouchers and Transfers dated September 30, 2021.

DISCUSSION

The September 30, 2021 claim vouchers have been reviewed by a committee of three councilors prior to the release of payments. The administration is requesting City Council approval for Replacement Check No. 132619, Claim Vouchers No. 132620 - 132713 and Electronic Funds Transfer Checks No. 1567 – 1598 in the amount of \$332,106.51 dated September 30, 2021 which included the transfer of:

- \$ 201,452.89 from the General Fund
- \$ 2,392.71 from the Dedicated Street Fund – 4% Sales Tax
- \$ 2,498.74 from the LEOFF 1 OPEB Reserve Fund
- \$ 300.00 from the G. O. Bond Fund
- \$ 7,331.03 from the Public Facilities Reserve Fund
- \$ 38,185.85 from the Wastewater Fund
- \$ 46,380.24 from the Water Fund
- \$ 211.41 from the Storm & Surface Water Utility Fund
- \$ 33,016.17 from the Airport Fund
- \$ 301.47 from the Firemen’s Pension Fund
- \$ 36.00 from the Custodial Other Agency Fund

RECOMMENDATION

It is recommended that the City Council approve the September 30, 2021 Claim Vouchers No. 132620 – 132713, Electronic Funds Transfer Checks No. 1567 – 1598 and Replacement Check No. 132619 in the amount of \$332,106.51.

SUGGESTED MOTION

I move that the City Council approve the September 30, 2021 Claim Vouchers No. 13260 – 132713, Electronic Funds Transfer Checks No. 1567 – 1598 and Replacement Check No. 132619 in the amount of \$332,106.51.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director
Deri-Lyn Stack, Payroll Accounting

MEETING OF: October 11, 2021

SUBJECT: Vouchers and Transfers – Payroll in the Amount of \$880,074.67

ISSUE

City Council approval is requested for Payroll Vouchers and Transfers dated September 30, 2021.

DISCUSSION

The administration requests City Council approval for Payroll Vouchers No. 41789-41823, Direct Deposit Payroll Vouchers No. 13938-14059, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 360-363 dated September 30, 2021, in the amount of \$880,074.67, which include the transfer of:

- \$600,009.84 from the General Fund
- \$6,164.11 from the Arterial Street Fund
- \$5,197.50 from the LEOFF1 OPEB Reserve Fund
- \$104,464.61 from the Wastewater Fund
- \$114,755.43 from the Water Fund
- \$15,340.21 from the Storm & Surface Water Utility Fund
- \$34,142.97 from the Airport Fund

RECOMMENDATION

It is recommended that the City Council approve the September 30, 2021, Payroll Vouchers No. 41789-41823, Direct Deposit Payroll Vouchers No. 13938-14059, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 360-363 in the amount of \$880,074.67.

SUGGESTED MOTION

I move that the City Council approve the September 30, 2021 Payroll Vouchers No. 41789-41823, Direct Deposit Payroll Vouchers No. 13938-14059, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 360-363 in the amount of \$880,074.67.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Manager

MEETING OF: October 11, 2021

SUBJECT: Debt Management and Post-Issuance Compliance Update – Fiscal Year 2020

ISSUE

The City is required to submit annual financial data and a timely notice of the occurrence of certain events to the Municipal Securities Rulemaking Board (MRSB) and then report to the City Council that the requirement has been fulfilled.

DISCUSSION

LTGO Bonds, 2011

As part of the issuance of the City of Chehalis' Limited Tax General Obligation (LTGO) Bonds, 2011, the City agreed to adhere to federal regulations (Rule 15c2-12) and the City's Post-Issuance Compliance (DMPI) Policy. The Bond Ordinance provides the deadline and the types of annual financial and operating data to be provided.

The deadline for submitting annual financial information is September 30th of each year per the Bond Ordinance. The following are the types of annual financial information and operating data the city is required to provide: 1) Annual Financial Statement; 2) Outstanding general obligation debt; 3) Assessed valuation; 4) Property taxes, rates, amounts levied, and percentage collected; and 5) General Fund revenues from other major tax sources.

The data for the fiscal year ended December 31, 2020, was submitted to Municipal Securities Rulemaking Board (MSRB) via their Electronic Municipal Market Access (EMMA) system on September 23, 2021. Confirmation of successful submission and other operating data submitted are attached.

LTGO Bonds, 2019 and LTGO Bonds, 2020

The City issued LTGO Bonds, 2019 to finance the Recreation Park improvement project and LTGO Bonds, 2020 to finance the acquisition of fire station property and temporary fire station project through a private placement. Although the City does not have the obligation of continuing disclosure filing to MRSB on these bonds, the City still has the obligation to provide certain financial information to the registered Bond owners directly.

The registered Bond owner for the LTGO Bonds 2019 is Zions Bancorporation, N.A.

The registered Bond owner for the LTGO Bonds 2020 is JPMorgan Chase & Co.

The types of information required to be provided may include: 1) budgets, 2) annual financial reports, 3) issuance of additional debt obligations, and 4) amendments to financing documents for annual monitoring. The “unaudited” 2020 financial statement was provided to Mr. Andrew Face, Vice President of Zions Bancorporation N.A. and JPMorgan Chase & Co. on September 23, 2021.

FISCAL IMPACT

None.

RECOMMENDATION

It is recommended that the City Council receive this report; this update is informational only.

SUGGESTED MOTION

N/A

**City of Chehalis, Washington
Additional Financial Information
For the Year Ended 12/31/2020**

1) GENERAL OBLIGATION DEBT OUTSTANDING AS OF 12/31/2020

Debt Description	Maturity Year	Balance	
		12/31/2019	
2011 LTGO Bond	2026	\$	530,000
2019 LTGO Bond	2034		849,000
2020 LTGO Bond	2035		1,724,000
Fire Truck Purchase Loan	2022		163,757
Chip Spreader Purchase Loan	2024		153,005
State Revolving Fund Loan (Water Treatment Plant)	2026		378,039
Distressed Counties-Loan	2035		251,045
Capital Leases	Various		51,500
Total Outstanding General Obligation Debt		\$	<u>4,100,346</u>

2) THE CITY'S ASSESSED VALUATION

	Tax Year	Assessed Value
Tax Levy Year	2020	\$ 769,615,890

3) PROPERTY TAXES, RATES, AMOUNTS LEVIED AND PERCENT COLLECTED

Property Tax Levy	Levy Year	Regular Levy	EMS Levy	Total Levy
Property Tax Levy Rate for 2019 (per \$1,000 Assessed Value)	2020	\$ 2.099995622	\$ 0.429043896	\$ 2.529039519
Property Taxes Levy for 2020	2020	\$ 1,616,190	\$ 330,199	\$ 1,946,389
2020 Property Tax Levy Collected in 2020	2020	\$ 1,591,312	\$ 325,118	\$ 1,916,430
Percentage 2020 Tax Levy Collected in 2020	2020	98.5%	98.5%	98.5%
Prior Year Property Tax Levy Collected in 2020	2019 & Prior	\$ 28,973	\$ 6,109	\$ 35,082
Total Tax Levy Collected in 2020	2019 & Prior	\$ 1,620,285	\$ 331,227	\$ 1,951,512

4) GENERAL FUND REVENUE FROM OTHER MAJOR TAX SOURCES

Tax Sources	2020 Revenues
Retail Sales & Use Tax	\$ 5,283,037
Business and Occupation Taxes on Utilities	1,589,090
Leasehold Excise Taxes	56,164
Total General Fund Revenues from Other Major Tax Sources	<u>\$ 6,928,291</u>

City of Chehalis
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

UNAUDITED

		Total for All Funds (Memo Only)	001 General Fund	102 Arterial Street	103 Transportation Benefit District
Beginning Cash and Investments					
308	Beginning Cash and Investments	22,382,348	1,984,078	121,703	2,166,644
388 / 588	Net Adjustments	6,000	246,631	-	-
Revenues					
310	Taxes	10,528,817	8,879,802	-	1,196,187
320	Licenses and Permits	224,052	224,052	-	-
330	Intergovernmental Revenues	2,015,141	681,918	139,069	435,906
340	Charges for Goods and Services	10,040,413	176,139	-	-
350	Fines and Penalties	142,082	117,562	-	-
360	Miscellaneous Revenues	1,745,928	140,788	728	13,567
Total Revenues:		<u>24,696,433</u>	<u>10,220,261</u>	<u>139,797</u>	<u>1,645,660</u>
Expenditures					
510	General Government	2,414,938	2,414,938	-	-
520	Public Safety	5,433,055	5,433,055	-	-
530	Utilities	5,685,794	-	-	-
540	Transportation	1,880,258	417,186	162,972	-
550	Natural/Economic Environment	738,387	458,754	-	-
560	Social Services	12,660	12,660	-	-
570	Culture and Recreation	417,256	417,256	-	-
Total Expenditures:		<u>16,582,348</u>	<u>9,153,849</u>	<u>162,972</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		8,114,085	1,066,412	(23,175)	1,645,660
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	1,733,468	9,468	-	-
397	Transfers-In	350,767	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	251,726	26,678	-	-
Total Other Increases in Fund Resources:		<u>2,335,961</u>	<u>36,146</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	5,498,236	321,698	-	707,143
591-593, 599	Debt Service	2,594,267	142,952	-	-
597	Transfers-Out	350,767	32,233	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	273,603	15,751	-	-
Total Other Decreases in Fund Resources:		<u>8,716,873</u>	<u>512,634</u>	<u>-</u>	<u>707,143</u>
Increase (Decrease) in Cash and Investments:		<u>1,733,173</u>	<u>589,924</u>	<u>(23,175)</u>	<u>938,517</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	6,849,422	93,811	98,528	3,105,161
50841	Committed	1,135,940	859,050	-	-
50851	Assigned	14,479,956	211,569	-	-
50891	Unassigned	1,656,203	1,656,203	-	-
Total Ending Cash and Investments		<u>24,121,521</u>	<u>2,820,633</u>	<u>98,528</u>	<u>3,105,161</u>

City of Chehalis
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

UNAUDITED

	<u>107 Tourism</u>	<u>195 CDBG</u>	<u>197 HUD Block Grant</u>	<u>200 G.O. Bond</u>
Beginning Cash and Investments				
308	Beginning Cash and Investments	420,501	24,454	87,927
388 / 588	Net Adjustments	-	-	-
Revenues				
310	Taxes	212,388	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	2,193	138	497
	Total Revenues:	<u>214,581</u>	<u>138</u>	<u>497</u>
Expenditures				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural/Economic Environment	279,633	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
	Total Expenditures:	<u>279,633</u>	<u>-</u>	<u>-</u>
	Excess (Deficiency) Revenues over Expenditures:	(65,052)	138	497
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	-	-	160,914
385	Special or Extraordinary Items	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-
	Total Other Increases in Fund Resources:	<u>-</u>	<u>-</u>	<u>160,914</u>
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	-	-
591-593, 599	Debt Service	-	-	160,910
597	Transfers-Out	245,396	-	-
585	Special or Extraordinary Items	-	-	-
581, 582, 589	Other Uses	-	-	-
	Total Other Decreases in Fund Resources:	<u>245,396</u>	<u>-</u>	<u>160,910</u>
	Increase (Decrease) in Cash and Investments:	<u>(310,448)</u>	<u>138</u>	<u>497</u>
Ending Cash and Investments				
50821	Nonspendable	-	-	-
50831	Restricted	38,490	24,592	88,424
50841	Committed	71,563	-	-
50851	Assigned	-	-	5
50891	Unassigned	-	-	-
	Total Ending Cash and Investments	<u>110,053</u>	<u>24,592</u>	<u>88,424</u>

City of Chehalis
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

UNAUDITED

		301 Public Facilities Reserve	302 Automotive Equipment Reserve	305 First Quarter Percent REET	306 Second Quarter Percent REET
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,066,995	240,631	136,249	152,571
388 / 588	Net Adjustments	-	(240,631)	-	-
Revenues					
310	Taxes	-	-	120,220	120,220
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	475,424	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	281,083	-	888	992
Total Revenues:		<u>756,507</u>	<u>-</u>	<u>121,108</u>	<u>121,212</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		<u>756,507</u>	<u>-</u>	<u>121,108</u>	<u>121,212</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	1,724,000	-	-	-
397	Transfers-In	189,853	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		<u>1,913,853</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	2,755,217	-	-	-
591-593, 599	Debt Service	23,665	-	-	-
597	Transfers-Out	-	-	39,982	33,156
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>2,778,882</u>	<u>-</u>	<u>39,982</u>	<u>33,156</u>
Increase (Decrease) in Cash and Investments:		<u>(108,522)</u>	<u>-</u>	<u>81,126</u>	<u>88,056</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	688,906	-	87,179	165,496
50841	Committed	-	-	130,196	75,131
50851	Assigned	269,567	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>958,473</u>	<u>-</u>	<u>217,375</u>	<u>240,627</u>

City of Chehalis
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

UNAUDITED

	402 Garbage	404 Wastewater	405 Water	406 Storm & Surface Water	
Beginning Cash and Investments					
308	Beginning Cash and Investments	8,002	5,374,992	7,967,916	1,460,054
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	6,370	5,480	3,097
340	Charges for Goods and Services	5,019	5,394,236	3,010,368	728,150
350	Fines and Penalties	-	14,707	7,629	2,095
360	Miscellaneous Revenues	51	65,514	56,409	8,981
Total Revenues:		<u>5,070</u>	<u>5,480,827</u>	<u>3,079,886</u>	<u>742,323</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	4,754	2,966,234	2,216,500	498,306
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>4,754</u>	<u>2,966,234</u>	<u>2,216,500</u>	<u>498,306</u>
Excess (Deficiency) Revenues over Expenditures:		316	2,514,593	863,386	244,017
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	209,792	-
Total Other Increases in Fund Resources:		-	-	<u>209,792</u>	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	641,317	674,829	4,952
591-593, 599	Debt Service	-	1,879,904	287,848	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	88,294	-
Total Other Decreases in Fund Resources:		-	<u>2,521,221</u>	<u>1,050,971</u>	<u>4,952</u>
Increase (Decrease) in Cash and Investments:		316	(6,628)	22,207	239,065
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	1,879,904	563,700	-
50841	Committed	-	-	-	-
50851	Assigned	8,318	3,488,460	7,426,423	1,699,119
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		8,318	5,368,364	7,990,123	1,699,119

City of Chehalis
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

UNAUDITED

		407 Airport
Beginning Cash and Investments		
308	Beginning Cash and Investments	1,169,630
388 / 588	Net Adjustments	-
Revenues		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	267,877
340	Charges for Goods and Services	726,501
350	Fines and Penalties	89
360	Miscellaneous Revenues	1,174,099
Total Revenues:		2,168,566
Expenditures		
510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	1,300,100
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		1,300,100
Excess (Deficiency) Revenues over Expenditures:		868,466
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	15,256
Total Other Increases in Fund Resources:		15,256
Other Decreases in Fund Resources		
594-595	Capital Expenditures	393,080
591-593, 599	Debt Service	98,988
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	169,558
Total Other Decreases in Fund Resources:		661,626
Increase (Decrease) in Cash and Investments:		222,096
Ending Cash and Investments		
50821	Nonspendable	-
50831	Restricted	15,231
50841	Committed	-
50851	Assigned	1,376,495
50891	Unassigned	-
Total Ending Cash and Investments		1,391,726

City of Chehalis
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

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		Total for All Funds (Memo Only)	Pension/OPEB Trust Fund	Custodial
308	Beginning Cash and Investments	1,019,142	1,013,142	6,000
388 & 588	Net Adjustments	(6,000)	-	(6,000)
310-390	Additions	327,077	20,204	306,873
510-590	Deductions	316,663	9,790	306,873
	Net Increase (Decrease) in Cash and Investments:	10,414	10,414	-
508	Ending Cash and Investments	1,023,556	1,023,556	-

The accompanying notes are an integral part of this statement.

UNAUDITED

CITY OF CHEHALIS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Chehalis (the City) was incorporated on November 23, 1883 and operates under the laws of the State of Washington applicable to a non-charter code city with a Mayor-Council form of government. The City is a general-purpose government and provides public safety, fire prevention, parks and recreation activities, street maintenance and repairs, planning and zoning, judicial administration, water supply/treatment/distribution, sewage collection and treatment, storm & surface water collection, airport, and general administrative services.

The City of Chehalis reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented rather than a focus on major funds.
- The *Schedule of Liabilities (Schedule 09)* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are presented using classifications that are similar to the ending balance classification in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues, and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. The following fund types are used:

GOVERNMENTAL FUND TYPES

General Fund

This fund is the primary operating fund of the City of Chehalis. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for revenue sources that are restricted or committed to expenditures for specified purposes of the government.

Debt Service Funds

These funds account for the financial resources which are restricted, committed, or assigned to expenditures for principal, interest, and related costs on general long-term debt.

Capital Project Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the public and are supported primarily through user charges.

Internal Service Funds

These funds account for operations that provide goods or services to other departments or funds of the City on a cost reimbursement basis.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others.

Pension (and Other Post Employee Benefit) Trust Funds

These funds are used to report fiduciary activities for pension and OPEB plans administered through trust. The City's Firemen's Pension Fund accumulates resources for pension benefit payments to qualified retired firefighters and qualified surviving spouses.

Custodial Funds

These funds are used to account assets that the City holds on behalf of others in a custodial capacity. The City has two custodial funds – Court Revenue and Other Agency.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received, and expenditures are recognized when paid.

In accordance with state law the City also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous year.

C. Cash and Investments

See Note 5, Deposits and Investments.

D. Capital Assets

Capital assets are assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 544 hours and is payable upon separation, retirement, or death. Maximum vacation accrual and cash-outs vary according to different union or employment agreements.

Sick leave may be accumulated up to 720 hours. Upon separation, retirement, or death, employees receive payment for unused sick leave to a maximum of 720 hours if certain requirements are met. Maximum sick leave accruals and rules for cash-outs vary according to different union or employment agreements. Payments are recognized as expenditures when paid.

Compensatory time may be accumulated up to 360 hours and is payable upon request or separation. Maximum accrual and rules for cash-outs vary according to different union or employment agreements.

Compensated Absences liabilities are reported on Schedule of Liabilities (Schedule 09).

F. Long-Term Debt

See Note 7 – Debt Service Requirements.

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the City Council. When expenditures that meet restrictions are incurred, the City intends to use the most restricted resources first.

Restrictions and commitments of ending cash and investments as of December 31, 2020 consist of the following:

Restricted Cash and Investments

Fund Name	Purpose	Authority	Balance 12/31/2020
General	JNET Drug Funds	RCW 69.50.505	\$ 85,464
General	Parks & Facilities Donations	Donor	680
General	Felony Confiscated/Forfeiture	RCW 10.105.010	167
General	Municipal Court Trust Account Bail Deposit		7,500
Total General Fund			93,811
Arterial Street	Path and Trails	RCW 47.30	1,248
Arterial Street	Streets, Roads and Highways	RCW 47.24.040	97,280
Total Arterial Street Fund			98,528
TBD	Transportation Improvements	RCW 82.14.0455; 36.73	3,105,161
Tourism	Tourism Promotion	RCW 67.28.1815	38,490
CDBG	CDBG eligible activity	CDBG	24,592
HUD Grant	Housing & Urban Development related activity	HUD Grant	88,424
Public Facilities Reserve	Recreation Park Project (Ballfields)	Donor	257,581
Public Facilities Reserve	Bond Proceeds (2020 LTGO)	Bond Ordinance	431,325
Total Public Facilities Reserve Fund			688,906
1st Quarter REET	Capital Projects	RCW 82.46.010	87,179
2nd Quarter REET	Capital Projects	RCW 82.46.035	165,496
Wastewater	Debt Service	Loan Agreement	1,879,904
Water	Customer Deposits		563,700
Airport	Lease Escrow Deposit	Lease Contract	15,231
Total Restricted			\$ 6,849,422

Committed Cash and Investments

Fund Name	Purpose	Authority	Balance 12/31/2020
General	Substance Abuse Investigation	Ord. No. 831B	\$ 25,725
General	Compensated Absences	Ord. No. 1017-B	398,020
General	Vehicle Replacement	Ord. No. 1017-B	208,178
General	Financial system upgrade	Ord. No. 1017-B	100,000
General	Police evidence garage	Ord. No. 1017-B	65,000
General	Debt service	Ord. No. 1017-B	28,520
General	LEOFF I OPEB	Ord. No. 1017-B	33,607
Total General Fund			859,050
Tourism	Debt service	Ord. No. 1017-B	71,563
1st Quarter REET	Debt service	Ord. No. 1017-B	130,196
2nd Quarter REET	Debt service	Ord. No. 1017-B	75,131
Total Committed			\$ 1,135,940

Assignment of ending cash and investments reported in the General Fund consists of the following:

General Fund (001) Assigned Cash and Investments

Fund Name	Purpose	Authority	Balance 12/31/2020
General Fund	Roads repairs & maintenances	Sub-fund (003)	\$ 159,955
General Fund	Building abatement costs	Sub-fund (004)	51,614
Total Assigned - General Fund			\$ 211,569

NOTE 2 – BUDGET COMPLIANCES

The City of Chehalis adopts annual appropriated budgets for the general, special revenue, debt service, capital, pension trust, and enterprise funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end. Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follows:

Fund	Fund Name	2020 Final Appropriation	2020 Acutal Expenditures	Variance
City Funds:				
001	General Fund	\$ 10,322,796	\$ 9,524,346	\$ 798,450
003	Dedicated Street	201,520	85,617	115,903
004	Building Abatement	52,000	51,979	21
102	Arterial Street	166,019	162,972	3,047
103	Transportation Benefit District	2,417,881	707,143	1,710,738
107	Tourism	562,483	525,029	37,454
110	Compensated Absences Reserve Fund	-	-	-
115	LEOFF 1 OPEB Reserve Fund	223,500	139,565	83,935
195	Community Dev. Block Grant Fund	1,000	-	1,000
197	HUD Block Grant Fund	2,000	-	2,000
200	G.O. Bond	160,915	160,910	5
301	Public Facilities Reserve Fund	3,346,556	2,778,882	567,674
302	Automotive/Equipment Reserve Fund	202,083	133,707	68,376
305	First Quarter REET	39,982	39,982	-
306	Second Quarter REET	33,156	33,156	-
402	Garbage	6,610	4,754	1,856
404	Wastewater	6,122,746	5,487,455	635,291
405	Water	4,891,126	3,267,471	1,623,655
406	Storm and Surface Water	691,283	503,258	188,025
407	Airport	2,437,489	1,961,726	475,763
Total City Funds (C4)		31,881,145	25,567,952	6,313,193
Fiduciary Funds:				
611	Firemen's Pension Fund	80,270	9,790	70,480
633	Custodial Court Fund	98,780	92,180	6,600
634	Custodial Other Agency Fund	205,725	214,693	(8,968)
Total Fiduciary Funds (C5)		384,775	316,663	68,112
Total All Funds		\$ 32,265,920	\$ 25,884,615	\$ 6,381,305

Budgeted amounts are authorized to be transferred between departments within any fund or object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City's legislative body.

The City maintains separate sub-funds for the General Fund for budget managerial purposes. Per the reporting standards prescribed by the Washington State *Budget, Accounting, and Reporting System* (BARS) Manual, these sub-funds are rolled into the General Fund for financial reporting purposes, which requires eliminating interfund transactions between the General Fund and its sub-funds. The following table provides summation of the General Fund and its sub-funds, net of eliminated transactions:

Fund	Fund Name	2020 Final Appropriation	2020 Acutal Expenditures	Variance
001	General Fund	\$ 10,322,796	\$ 9,524,346	\$ 798,450
Sub-funds:				
003	Dedicated Street	201,520	85,617	115,903
004	Building Abatement	52,000	51,979	21
115	LEOFF 1 OPEB Reserve Fund	223,500	139,565	83,935
302	Automotive/Equipment	202,083	133,707	68,376
Total General Fund		11,001,899	9,935,214	1,066,685
Less: Interfund Transfers Eliminated		(258,099)	(268,731)	10,632
General Fund for Financial Statements		\$ 10,743,800	\$ 9,666,483	\$ 1,077,317

NOTE 3 - RELATED PARTY TRANSACTIONS

Dr. Isaac Pope is a member of the City Council for the City of Chehalis. He is also a founding member and serves on the Board of Directors for The Chehalis Foundation. The Foundation has served as a partner with the City on several projects including the funding, in combination with state and federal grants, of the Gail and Carolyn Shaw Aquatics Center. In 2020, the Foundation donated \$86,839 to the City of Chehalis for Recreation Park renovation project and recreation program scholarships.

NOTE 4 - COVID-19 PANDEMIC

In February 2020, the Governor of the State of Washington declared a state of emergency in response to the spread of a deadly new virus (coronavirus COVID-19). In the months following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel, and non-essential activities.

The City anticipated significant sales tax revenue losses in 2020. This was a significant concern as the sales tax makes up about fifty percent of the City's general fund revenues. The City administration implemented several precautionary measures including but not limited to hiring freeze and postponing one-time expenditures. The actual sales tax revenues collected in 2020 were better than anticipated and came in slightly (about 2.5%) ahead of 2019 level. However, the City incurred substantial revenue losses from other activities such as recreation program fees (about 89% reduction), hotel/motel tax (about 18% reduction), and utility late payment fees (about 70% reduction) from the previous year.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the City is unknown at this time.

NOTE 5 – DEPOSITS AND INVESTMENTS

It is the City's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

Investments are reported at original costs. Deposits and investments by type as of December 31, 2020 are as follows:

Type of Investments	City's Own Deposits and Investment at Cost	Deposits and Investments held by City as custodian for other local governments, individuals, or private organizations	Total
Bank Deposits	\$ 3,257,388	\$ 90,786	\$ 3,348,174
Local Government Investment Pool	18,284,186	932,770	19,216,956
US Government Agency Securities	2,575,297	-	2,575,297
Total	\$ 24,116,871	\$ 1,023,556	\$ 25,140,427

Investments in the State Local Government Investment Pool (LGIP)

The City is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather; oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the City would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. All City's deposits are covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). All investments are insured, registered, or held by the City or City's agent in the City's name.

NOTE 6 – INTERFUND LOANS

The following table provides interfund loan activities during 2020:

Borrowing Fund	Lending Fund	Balance			Payments	Balance
		1/1/2020	New Loans	12/31/2020		
Airport Fund	Water Fund	\$ 194,528	\$ -	\$ 69,482	\$ 125,046	
Totals		\$ 194,528	\$ -	\$ 69,482	\$ 125,046	

The interfund loan between Water and Airport funds was made in 2018 to pay off a higher-interest bank loan and to shorten the repayment periods. In September 2018, the City's Ordinance No. 990-B authorized the interfund loan with interest rate at 2% per annum and to adjust to match the state investment pool rate if the rate rises above 2%. The Ordinance also adopted a definitive repayment schedule for the loan over a period of four years (48 monthly payments) and full repayment of the loan balance no later than September 30, 2022. The interest payment in 2020 was \$3,305.

NOTE 7 – LONG-TERM DEBT

The accompanying Schedule of Liabilities (Schedule 09) provides more details of the outstanding debt and liabilities of the City of Chehalis and summarizes the City's debt and liabilities transactions for the year ended December 31, 2020.

Bonds & Loans

The City's total debt service requirements for outstanding general obligation bonds and revenue bonds and other debt (which includes State Revolving Fund loans, Distressed County loans, and bank loans) are as follows:

Year	G.O. Debt			Revenue Debt			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 451,074	\$ 85,231	\$ 536,305	\$ 2,010,240	\$ 40,581	\$ 2,050,821	\$ 2,461,314	\$ 125,812	\$ 2,587,126
2021	426,634	74,680	501,314	2,013,312	35,312	2,048,624	2,439,946	109,992	2,549,938
2022	369,448	65,580	435,028	2,016,434	29,993	2,046,427	2,385,882	95,573	2,481,455
2023	367,262	56,959	424,221	1,916,604	24,697	1,941,301	2,283,866	81,656	2,365,522
2024	345,965	49,147	395,112	1,834,376	21,458	1,855,834	2,180,341	70,605	2,250,946
2025-2029	1,167,436	147,942	1,315,379	3,134,735	71,527	3,206,261	4,302,171	219,469	4,521,640
2030-2034	921,027	43,728	964,754	410,622	32,780	443,402	1,331,649	76,508	1,408,157
2035-2037	-	-	-	144,316	3,146	147,462	144,316	3,146	147,462
TOTALS	\$ 4,048,846	\$ 523,267	\$ 4,572,113	\$ 13,480,639	\$ 259,494	\$ 13,740,132	\$ 17,529,485	\$ 782,761	\$ 18,312,246

Capital Leases

The City of Chehalis has entered into lease agreements for financing machinery and equipment. The future minimum lease payment obligations as of December 31, 2020 are as follows:

Year	Governmental Fund	Proprietary Fund	Total Minimum Lease Payment
2021	\$ 26,736	\$ 13,028	\$ 39,764
2022	23,958	9,883	33,841
2023	3,611	6,739	10,350
2024	2,536	3,931	6,467
Total minimum lease payments	56,841	33,581	90,422
Less: amount representing interest	(5,341)	(2,965)	(8,306)
Minimum lease payments - principal	\$ 51,500	\$ 30,616	\$ 82,116

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

LEOFF 1 OPEB

The City administers a single-employer, defined benefit plan covering post-retirement healthcare and long-term care benefits in accordance with Washington Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) Act (RCW 41.26.150) to its LEOFF 1 police and firefighter retirees who established membership in the LEOFF 1 plan retirement system on or before September 30, 1977. The Lewis County Law Enforcement and Firefighter Board (LEOFF Board), in conjunction with the City of Chehalis Human Resources department, administers the plan. The last employer of a retired LEOFF 1 member is responsible for the full cost of any post-retirement medical benefits.

The benefits include medical insurance premiums and premiums for a Medicare Part B coverage. Additionally, the City reimburses for all eligible out-of-pocket costs, including but not limited to, co-pays for doctor visits and medicines, as well as long-term care costs not covered by Medicare. Dental costs and dependents are not covered.

During 2020, the City paid \$139,565 in total benefits including \$93,828 in insurance premiums and \$45,737 in other out-of-pocket cost reimbursements.

These medical benefits for LEOFF 1 members are funded on a pay-as-you-go basis through the general fund and a portion of the excess fund from the Firemen's Pension Fund. The City's 2020 Budget includes property tax levy \$0.225 per \$1,000 assessed value committed to provide the OPEB plan benefits. LEOFF 1 OPEB benefits are accounted for in the LEOFF 1 OPEB Reserve Fund which is a sub-fund of the general fund.

As of December 31, 2020, the City's LEOFF 1 OPEB plan has thirteen (13) retired members and no active members.

The City's liability for post-retirement medical benefits (OPEB) was calculated utilizing the interactive GASB 75 Alternative Measurement Online Tool for LEOFF 1 provided by the Office of the State Actuary. Total OPEB liabilities for LEOFF 1 retirees as of December 31, 2020 is \$6,286,467, which is included on Schedule 09.

NOTE 9 – PENSION PLANS

A. State Sponsored Pension Plans

Substantially all City of Chehalis full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefits and defined contributions retirement plans: Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) Plan 1 and 2; and Public Employees' Retirement Systems (PERS) Plans 1, 2 and 3.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
 Communications Unit
 PO Box 48380
 Olympia, WA 98504-8380

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2020 (the measurement date of the plans) the City's proportionate share of the collective net pension liabilities, as reported on Schedule 09, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1 UAAL	\$ 187,764	0.025908%	\$ 914,692
PERS 2 & 3	\$ 311,825	0.033849%	\$ 432,909
LEOFF 1	\$ -	0.026858%	\$ (507,216) *
LEOFF 2	\$ 143,279	0.073244%	\$ (1,494,071) *

*Pension assets are not reported on Schedule 09

LEOFF Plan 1

The City of Chehalis also participates in LEOFF Plan 1. The LEOFF Plan 1 is fully funded, and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding the remaining liability will require new legislation. Starting July 1, 2000, employers and employees contribute zero percent. The City did not have any active LEOFF 1 Plan members in 2020.

LEOFF Plan 2

The City of Chehalis also participates in LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and funds the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and LEOFF Plan 2 Retirement Board. The special funding situation is not mandated by the state constitution and could be changed by statute.

B. Local Government Pension Plan

The City's is the administrator of the Firemen's Pension Plan, which is a closed, single-employer, defined benefit pension plan that was established in conformance with the Revised Code of Washington (RCW) Chapters 14.16, 14.18 and 41.20. City of Chehalis Resolution No. 2-2001 created a firemen's pension board to recommend the uses of the firemen's pension fund. The plan is limited to full-time and fully compensated firefighters who were hired prior to the establishment of the Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) on March 1, 1970. The plan provides supplemental pension benefits as outlined below.

Through the LEOFF Act, the State undertook to provide the bulk of police and fire pensions; however, the municipalities continue to be responsible for all or part of pension benefits for employees hired before March 1, 1970. Firefighters hired before, but not retired on March 1, 1970, received at retirement the greater of the pension benefit provided under the old pension laws and under the LEOFF Act. Any excess of the old benefit over the LEOFF benefit is provided by the City.

Pre-LEOFF supplemental pension payments are based upon formulas using the City's current compensation levels attached to the employee's rank at retirement. In the event the pension paid by the State falls short of what the retiree should receive based upon the formula, the City pays the difference. Should the retiree receive more from the State than would result from the application of the formula, no adjustments or paybacks are required.

Under State law, the Firemen's Pension Plan is funded from an allocation of the State of Washington fire insurance premium taxes, regular property tax levies at \$0.225 per \$1,000 assessed valuation, interest earnings, and City contributions required to meet projected future pension obligations.

The most recent actuarial review of the plan was done in October 2019 by Milliman, Inc. to determine the funding requirements as of January 1, 2019. As of that date, the actuarial present value of future benefits to be provided by the City was \$152,453, and the value of assets held by the Fund was \$1,013,143. The actuarial valuation determined that no additional contributions from the property tax levy is required.

As of December 31, 2020, membership consisted of two (2) pre-LEOFF firefighter retirees.

In 2020, the Firemen's Pension Trust Fund received a total of \$20,204 contributions including fire insurance premium tax of \$14,875 and investment interest of \$5,329.

The Firemen's Pension Plan is shown as a trust fund in the financial statement of the City. The total cash and investment balance in the Firemen's Pension Fund available to pay pension benefits as of December 31, 2020, is \$1,023,556.

NOTE 10 – PROPERTY TAX

The Lewis County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by the City. Delinquent taxes are considered fully collectible because a lien affixes to the property after taxes are levied.

The City's regular levy rate for the year 2020 was \$2.099995622492 per \$1,000 on an assessed valuation of \$769,615,890 for a total regular levy of \$1,616,190.

The City also has a levy for Emergency Medical Services (EMS). The City's EMS rate for the year 2020 was \$0.429043896170 per \$1,000 on an assessed valuation of \$769,615,890 for a total EMS levy of \$330,199.00.

NOTE 11 – SELF-INSURANCE

The City self-insures for an eyeglass and contact lens program and unemployment compensation benefits.

The eyeglass and contact lens program provides reimbursements for eyeglasses and contact lenses to council members and certain non-represented employees and their dependents. Total claims paid in 2020 was \$292.

As a government agency, the City has the option to pay unemployment taxes on a reimbursement basis to the State of Washington. In 2020, the City paid \$171.80 in unemployment benefit claims to the State for unemployment taxes.

NOTE 12 - HEALTH & WELFARE

The City of Chehalis is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal Agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014 when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents, and other beneficiaries through a designated account within the Trust.

As of December 31, 2020, 262 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members.

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run out for all current members.

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the State of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2020, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Commencement Bay Risk Management, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the HCP. Similarly, the terminating member forfeits all rights and interest to the HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the Trust HCP are maintained in accordance with methods prescribed by the State Auditor's Office under the authority of Chapter 43.09 RCW. The Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

NOTE 13 - RISK MANAGEMENT

The City of Chehalis is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 162 members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, with \$5,000 deductibles. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$21 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$25 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, reinsurance, and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy

direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day-to-day operations of WCIA.

NOTE 14 - OTHER DISCLOSURES

A. Accounting and Reporting Changes

Beginning Balance

The prior year ending balances for the following funds were restated in 2020:

Fund Name	Prior Year Ending Balance, as Previously Reported 12/31/2019	Changes	Current Year Beginning Balance, as Restated, 1/1/2020
General Fund	\$ 1,984,078	\$ 246,631	\$ 2,230,709
Automotive & Equipment Reserve Fund	240,631	(240,631)	-
Custodial Court Fund	6,000	(6,000)	-
Total	\$ 2,230,709	\$ -	\$ 2,230,709

The City’s Automotive and Equipment Reserve Fund was reported as a capital project fund in 2019; however, the City determined that it is more appropriate to be classified as a sub-fund of the general fund, which is required to be rolled into the general fund for financial reporting purposes. In 2020, the Automotive and Equipment Reserve Fund is rolled into the general fund and the beginning fund balances were restated accordingly. Custodial Court Fund was created during 2020 due to the State Auditor’s new guidance for Court fiduciary activity. The prior year ending fund balance represents a refundable court bail deposit which is now accounted for in the City’s general fund. The balance was transferred to the general fund and is reported as a prior year adjustment in 2020.

B. Construction Commitments

The City has active construction projects in progress as of December 31, 2020. The City’s projects and commitments with contractors are as follows:

Project Name	Contractor	Paid to Date 12/31/2020	Remaining Commitment	Funding Source
Recreation Park Ballfield Improvement	KBH Construction	\$ 2,702,220	\$ 130,931	Capital Facilities Fund
Riverside Force Main Replacement	C & R Tractor & Landscaping	759,687	262,309	Wastewater Fund
Chehalis Pump Station Replacement	Midway Underground LLC	432,014	91,632	Wastewater Fund
Temporary Fire Station Site Preparation	Barcott Construction LLC	-	223,718	Capital Facilities Fund
Total		\$ 3,893,921	\$ 708,590	

City of Chehalis
 Schedule of Liabilities
 For the Year Ended December 31, 2020

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	2011 LTGO Bond	12/1/2026	605,000	-	75,000	530,000
251.11	2019 LTGO Bond	8/1/2034	894,000	-	45,000	849,000
251.11	2020 LTGO Bond	10/1/2035	-	1,724,000	-	1,724,000
263.91	Fire Truck Loan	8/25/2022	257,340	-	93,583	163,757
263.91	Chip Spreader Loan	10/24/2024	189,579	-	36,574	153,005
263.83	DWSRFL #5 (DOH), 05-96300-008	10/1/2026	441,046	-	63,007	378,039
263.85	Distressed Counties Loan - Airport	12/1/2035	337,355	-	86,310	251,045
263.51	Copier Leases - Governmental		27,176	9,468	10,428	26,216
263.51	JD Mowers, Lease-Purchase - Governmental	2/15/2022	37,055	-	11,771	25,284
Total General Obligation Debt/Liabilities:			2,788,551	1,733,468	421,673	4,100,346
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences (Governmental)		1,196,389	701,222	727,365	1,170,246
259.12	Compensated Absences (Proprietary)		254,710	249,564	257,842	246,432
263.84	SRFL #1 (DOE), L0400015	5/1/2024	722,001	-	156,262	565,739
263.84	SRFL #2 (DOE), L0400016	12/30/2023	76,039	-	18,584	57,455
263.84	SRFL #3A (DOE), L050014A	6/30/2027	12,229,673	-	1,630,623	10,599,050
263.84	SRFL #3B (DOE), L050014B	9/30/2028	355,909	-	39,545	316,364
263.84	DWSRFL # 4 (DOH), 99-65199-013	1/1/2020	48,316	-	48,316	-
263.84	SRFL - I&I Loan, EL #150003	12/31/2036	326,632	-	15,751	310,881
263.84	DWSRFL (DOH)- High Level (DM13-952-179)	10/1/2027	686,800	-	85,850	600,950
263.84	DWSRFL (DOH), Flocculation (DM13-952-180)	10/1/2037	1,090,800	-	60,600	1,030,200
264.30	Net Pension Liability		1,407,830	-	60,228	1,347,602
263.52	Mailing/Inserter Equipment Lease - Proprietary	6/25/2022	14,349	-	5,433	8,916
263.52	Public Works Plotter/Copier	8/1/2024	26,977	-	5,277	21,700
264.40	OPEB Liabilities (LEOFF1)		8,052,293	-	1,765,826	6,286,467
Total Revenue and Other (non G.O.) Debt/Liabilities:			26,488,718	950,786	4,877,502	22,562,002
Total Liabilities:			29,277,269	2,684,254	5,299,175	26,662,348



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 Submission Date: 9/23/2021 3:37 PM
 Status: PUBLISHED

Disclosure Categories
Rule 15c2-12 Disclosure Annual Financial Information and Operating Data: Chehalis Additional Financial Information, for the year ended 12/31/2020

Document	
File	Period Date
City of Chehalis 2020 Financial Statement -Unaudit	09/23/2021
City of Chehalis Additional Financial Information	09/23/2021

Associated Securities
 The following are associated with this continuing disclosure submission.

CUSIP-6	Issuer Name
163087	CITY OF CHEHALIS, WASHINGTON

Total CUSIPs associated with this submission: 5
 The disclosure will be published for the following securities.

CUSIP-9	Issue Description	Dated Date	Maturity Date	Coupon (%)
163087AA7	LIMITED TAX GENERAL OBLIGATION BONDS, 2011	12/06/2011	12/01/2014	1.2
163087AB5	LIMITED TAX GENERAL OBLIGATION BONDS, 2011	12/06/2011	12/01/2017	2.5
163087AC3	LIMITED TAX GENERAL OBLIGATION BONDS, 2011	12/06/2011	12/01/2021	3.125
163087AD1	LIMITED TAX GENERAL OBLIGATION BONDS, 2011	12/06/2011	12/01/2024	3.75
163087AE9	LIMITED TAX GENERAL OBLIGATION BONDS, 2011	12/06/2011	12/01/2026	4

Submitter's Contact Information	Issuer's Contact Information	Obligated Person's Contact Information
City of Chehalis Name: CHUN SAUL Address: 1321 S. MARKET VLVD City, State Zip: CHEHALIS, WA 98532 Phone Number: 3603453231 Email: csaul@ci.chehalis.wa.us	City of Chehalis Name: CHUN SAUL Address: 1321 S. MARKET VLVD City, State Zip: CHEHALIS, WA 98532 Phone Number: 3603453231 Email: csaul@ci.chehalis.wa.us	City of Chehalis Name: CHUN SAUL Address: 1321 S. MARKET VLVD City, State Zip: CHEHALIS, WA 98532 Phone Number: 3603453231 Email: csaul@ci.chehalis.wa.us

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Tammy Baraconi, Planning and Building Manger

MEETING OF: October 11, 2021

SUBJECT: Ordinance No. 1021-B, Second and Final Reading – A Petition to Vacate Portions of Right-of-Way on SE Adams, 12th Street, and the Undeveloped Alley Between 11th and 12th Streets.

OCTOBER 11, 2021 AGENDA REPORT DISCUSSION

At the September 27, 2021 City Council meeting, the City Council continued the second reading of Ordinance No. 1021-B to vacate portions of right of way on SE Adams, 12th Street, and the a portion of the undeveloped alley between 11th and 12th Streets after significant discussion.

There were three main areas of discussion by the Council: 1) Valuation of the property 2) full valuation vs. fifty percent valuation, and 3) what requires easements vs. areas that don't need easements.

Valuation

The applicant has provided the City with an appraisal done by Nadyne Tauscher with an effective date of March 17, 2021. Ms. Tauscher based her appraisal upon comparable land sales in the area. This value is \$4.28 per square foot. She then calculated the value of the land with easements on it. This value is \$0.55 per square foot. CMC 12.32.100(C) states:

C. Where the city elects to reserve a utility easement over all or a portion of a right-of-way being vacated, either the petitioner(s) shall pay 10 percent of the appraised value.

This section of the code is interpreted to refer to the full appraised value of the land, in this case \$4.28 per sq foot. In the appraisal, Ms. Tauscher calculated the value of the land for the areas with easements at \$0.55 per sq foot for the applicant and us and thereby making this section of the code inapplicable in this situation.

The City Attorney has confirmed that this interpretation is correct. In a response to the assertion that the City should reduce the appraised value of the areas subject to the easements to 10% of the appraised value, the City attorney has indicated that the calculation was built into "the appraisal by Nadyne Tauscher when she appraised the areas subject to easements at ten percent of the other areas. There is no requirement to reduce the value to 10% further when that reduction was already calculated."

Full valuation vs. fifty percent valuation

The City Council requested clarity on whether the City is required to sell at full valuation or fifty percent valuation. CMC 12.32.100(B) addresses this issue.

B. The vacationing party shall compensate the city in an amount which does not exceed one-half the appraised value of the area so vacated. If the street or alley has been part of a dedicated public right-of-way for 25 years or more, or if the subject property or portions thereof were acquired at public expense, the city may require the owners of the abutting property owners of the street or alley to compensate the city in an amount that does not exceed the full appraised value of the area vacated.

While the first sentence in this section of the code states that the amount to compensate the City shall be no more than fifty percent of the appraised value, the second sentence opens the door to requiring compensation up to full appraised value. This sentence states that if the property has been in the City's possession for more than 25 years the city may require up to the full appraised value for compensation. The City's code language mirrors the language of the State codes found in RCW 35.79.030 Hearing – Ordinance of vacation.

Therefore, the code is interpreted to mean the Council has the authority to charge no less than half the appraised value but no more than full appraised value.

Easements vs. no easements.

After much deliberation, the Council determined that an access and utility easement would be placed on the entire area of 12th Street that is to be vacated, a 15 foot x 150 foot easement would be granted to property owned by LaDawn Music and Stephen Reynolds, and that the portion of the undeveloped alley between 11th and 12th could be vacated without easements.

As per the appraisal conducted by Nadine Tauscher the current market value of land without easements is \$4.28 a square foot. Land with an easement is currently valued at \$0.55 per square foot. Below is the breakdown of the costs as proposed by the applicant and the City Council at full assessed value. The City Council has the discretion to reduce the price charged for the land without easements to no lower than 50% of full appraised value.

Appraisal w/easement=\$0.55 Appraisal w/o easement=\$4.28	Applicant proposal	Applicant Proposal at Full Assessed Value	Council Direction On 9-27-21	Council Directed Square Footage at Full Assessed Value
Adams Ave – 14,624 total sf				
Area with easement Appraisal w/easement=\$0.55	20 ft by 125 ft- 2500 sf	\$1,375.00	15 ft by 150 ft – 2,250 sf	\$1,237.50
Area with out easement Appraisal w/o easement=\$4.28	12,124 sf	\$51,890.72	12,374 sf	\$52,960.72
Total for Adams Avenue		\$53,265.72		\$54,198.22
12 th Street – 15,263 total sq ft				
Area with easement Appraisal w/easement=\$0.55	15,263 sf	\$8,394.65	15,263 sf	\$8,394.65
Area without easement Appraisal w/o easement=\$4.28	None proposed	\$0.00	0.00	\$0.00
Total for 12th Street		\$8,394.62		\$8,394.62
Alleyway – 2,273.6 total sq ft				
Area with easement	None proposed	\$0.00	None proposed	\$0.00
Area without easement Appraisal w/o easement=\$4.28	2,273.6 sf	\$9,731.00	2,273.6 sf	\$9,731.00
Total for Alleyway		\$9,731.00		\$9,731.00
Total for all three vacations combined		\$71,391.34	32,160.6 sf	\$72,323.84

CITY ATTORNEY COMMENTS

The City Attorney has provided the following comments regarding compensation for vacating a public right of way:

The Chehalis Municipal Code and RCW 35.79.030 both allow compensation to the city for full appraised value of any land they release through the vacation process if the subject area has been a dedicated part of the public right of way for 25 years or more. In this case, the areas subject to proposed Ordinance No. 1021-B were dedicated as City property over 25 years ago. Therefore, the City in this case has every authority to require full compensation be paid to the City for the appraised value of the City's land. The only time the code restricts compensation to 50% of the appraised value is if the property was dedicated for less than 25 years....

...While the language of the code leaves it in the discretion of the City to request full appraised value (using the term "may" and not "shall"), it is advisable to evaluate any reasoning for taking less than full value.

First, the City has an obligation to comply with constitutional law prohibiting gifting of public funds and resources. Land owned by the City is the asset of the public and the citizens that form the tax base. The City has a fiduciary duty to preserve and utilize public assets in the best interests of the public--not in the best interests of an individual member of the community or otherwise. Whether it be in real property or personal property transactions, the City is required to deal only at fair market value exchanges.

The City Attorney indicates that "if the City chooses to take less than full appraised value for its public land, it should: (1) feel secure in its decision, (2) be able to support it legally, and (3) be prepared to explain that decision to the public and taxpayers."

BACKGROUND FROM SEPTEMBER 27, 2021 CITY COUNCIL AGENDA REPORT

A public hearing regarding the proposed street vacations was held on for Monday, August 23. The first reading took place after the public hearing and was passed on first reading. This item came before the City Council on September 13th for second reading. The City Council continued the item until September 27th. This agenda report has been amended to reflect the determination of how much property that the City will need to preserve with easements for utilities and access.

For the purposes of clarification and correcting any misinformation that may have been unintentionally provided in the past, the applicant's original request is for the following.

- SE Adams Avenue between 12th Street and Prospect Street. On Adams Avenue the applicant also proposed a 20 foot utility and access easement.
- 12th Street from the northeast side of Adams Avenue and the northeast side of Washington Avenue. On 12th Street, in the narrative provided by the applicant it states that they are requesting an easement over the entire area of 12th Street.
- A portion of an undeveloped alley between 11th Street and 12th Street. No easements are proposed.

All of the documentation can be found in the attachments.

The information in this report reflects analysis and recommendations based upon comments from the public as well as staff deliberations.

PROPOSED RIGHT-OF-WAY VACATION

On June 3, 2021, Fuller Design on behalf of Tom and Cara Nicholas submitted a petition to vacate a portion of right-of-way SE Adams, 12th Street, and the undeveloped alley between 11th and 12th. (Exhibit A). All right of ways primarily abut property owned by Tom and Cara Nicholas. Only one lot, 227 SE Prospect Street is owned by Steven Reynolds and LaDawn Music. Research of the plats associated with these right of ways shows that the Nicholas' have the first right of ownership of SE Adams Ave.

The request for vacation by the applicant breaks down as follows.

- SE Adams- 60 ft x 244 ft = 14,624 sq ft
- 12th Street- 50 ft x 300 ft = 14,974 sq ft
- Alley- 16 ft x 142 ft = 2,274 sq ft

If approved for vacation the Nicholas' plan to combine the existing lots with the vacation lots and then construct multi-family units for the purposes of commoditization.

Applicable Code:

CMC 12.32 Street and Alley Vacations
RCW 35.79 Streets – Vacation

Public Notice:

Public notice was sent to all property owners within 300 feet of the proposed vacations. The notice was mailed on August 5, 2021. A notice was posted in The Chronicle legal notices on August 7, 2021. (Exhibit B) The comment period ended on August 11, 2021. Only one comment was received. It came from the adjacent property owner, La Dawn Music, on August 15, 2021. (Exhibit C) The lateness of her comment was because the Post Office was late delivering her mail. Staff requests that the Council accept her written comment even though it was received after the comment period ended, but before the Public Hearing.

Ms. Music's concern centers around drainage that comes off the hill, across her property, and then on to the adjacent property. This is an issue that will be addressed at the time of development. Staff encouraged Ms. Music to attend the public hearing on September 13, which she did.

SEPA and Environmental Constraints:

As per WAC 197-11-800 Categorical exemptions, the vacation process is not subject to the SEPA process. The right of ways do not provide access to any bodies of water (RCW 35.79.035) that would prevent the vacation process from moving forward in a typical manner. All other environmental constraints such as slopes and drainage will be reviewed at the time of development.

Utilities:

There is a sanitary sewer line running the length of the proposed vacation on 12th Street. The applicant is proposing that the entire width of 12th Street be vacated and an easement placed over the entire width of the street.

Access:

All the proposed vacations are undeveloped. A portion of Adams Avenue is currently used by La Dawn Music and Steven Reynolds to access their property. The applicant proposes a twenty-foot utility and access easement on Adams Avenue.



A portion of the undeveloped alley between 11th and 12th Street is used by the property owners on the northwest end of the alley. However, the applicant does not propose purchasing this portion of right of way, which would allow the adjacent property owners continued use.



A portion of the proposed vacation of 12th Street is used by the property owners, Tom and Cara Nicholas. If they choose to continue to use this access point, they will have to grant themselves an easement during the development phase of the project to ensure continued use by subsequent property owners.



UPDATED STAFF ANALYSIS FOR OCTOBER 11, 2021 CITY COUNCIL MEETING

The City Engineer has reviewed this proposal and finds that there are no existing or planned utilities within the area requesting to be vacated, and because there are no plans to improve this right-of-way, City Engineer has no objection to the request.

The Planning Department has reviewed this proposal and as per CMC 12.32.060 Public hearing – Criteria for granting vacation and makes the following findings.

- A. That the vacation will provide a public benefit, and/or will be for a public purpose.

Discussions with the applicants indicate that without these vacations, they will not be able to develop their property with multi-family housing at a density that will allow for profit. Given the extreme shortage of housing in our community at this time, staff finds that the proposed vacations will provide a public benefit.

- B. That the right-of-way vacation shall not adversely affect the street pattern or circulation of the immediate area or the community as a whole.

As these right-of-ways are currently undeveloped, staff finds that there will be no impact to the street pattern or circulation of the immediate area or the community as a whole.

- C. That the public need shall not be adversely affected.

Staff finds that with conditions for a utility easement along 12th Street and a fifteen-foot-wide access easement for the benefit of parcel #005859000000, owned by La Dawn Music and Steven Reynolds, public need shall not be adversely affected.

D. That the right-of-way is not contemplated or needed for future public use, including utility routing or park or pedestrian/bike access.

As per the City Engineer, there are no plans to develop these right-of ways. Since these right-of-ways are not developed and there are no contemplated needs in the future for public use of this land, staff finds that with the addition of utility easements, there will be no adverse impact to future planning.

E. That no abutting owner becomes land locked or his access will not be substantially impaired, i.e., there must be an alternative mode of ingress and egress by way of a city street or alley, even if less convenient; and

Only two property owners will be affected by these vacations. The first is the applicant, Tom and Cara Nicholas. They are able to provide themselves an easement if they wish to preserve the south end of 12th Street for access to their property. The second property owner, La Dawn Music and Steven Reynolds, use the undeveloped northwest end of Adams Avenue to access their property. There is a concern that if they were to lose this access public safety would be impacted. Staff finds that if there is a fifteen-foot access easement for the benefit of parcel #005859000000, access will not be substantially impaired.

F. That vacation of right-of-way shall not be in violation of RCW 35.79.035.

RCW 35.79.035 addresses right of ways that abut bodies of fresh and salt water. Staff finds there are no bodies of water abutting the proposed right of way vacations and therefore will not be in violation of RCW 35.79.035.

RECOMMENDATION UPDATED FOR OCTOBER 11, 2021 COUNCIL MEETING.

It is recommended that the City Council pass on second and final reading, Ordinance No. 1021-B, A Petition to Vacate Portions of Right-of-Way on SE Adams, 12th Street, and the Undeveloped Alley Between 11th and 12th Streets with the following conditions.

1. A utility and access easement for the entire area of vacation shall be prepared by the applicant, approved by the City Engineer and City Attorney, and recorded at the expense of the applicant prior to the purchase of a portion of 12th Street.
2. An access easement of fifteen feet for the benefit of parcel #005859000000 shall be prepared by the applicant, approved by the City Engineer and City Attorney, and recorded at the expense of the applicant prior to the purchase of the Adams Avenue.
3. The applicant, at their own expense shall have a boundary line adjustment created that 'connects' the vacated right of way to the appropriate parcels, have it reviewed and approved by City staff, and recorded before civil permits or building permits are issued.
4. The property owner must pay the City the amount determined by Council. It is requested that the City Council provide direction regarding the price that the City should charge per square foot for the

right-of-way to be vacated.

SUGGESTED MOTION

I move that the City Council pass on second and final reading, Ordinance No. 1021-B, A Petition to Vacate Portions of Right-of-Way on SE Adams, 12th Street, and the Undeveloped Alley Between 11th and 12th Streets with the following conditions:



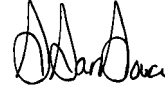
1. A utility and access easement for the entire area of vacation shall be prepared by the applicant, approved by the City Engineer and City Attorney, and recorded at the expense of the applicant prior to the purchase of a portion of 12th Street.
2. An access easement of fifteen feet for the benefit of parcel #005859000000 shall be prepared by the applicant, approved by the City Engineer and City Attorney, and recorded at the expense of the applicant prior to the purchase of the Adams Avenue.
3. The applicant, at their own expense shall have a boundary line adjustment created that 'connects' the vacated right of way to the appropriate parcels, have it reviewed and approved by City staff, and recorded before civil permits or building permits are issued.
4. The property owner must pay the City the amount determined by Council. It is requested that the City Council provide direction regarding the price that the City should charge per square foot for the property.

CITY OF CHEHALIS

PETITION FOR RIGHT-OF-WAY VACATION

PETITION CONTACT Name: **Samantha San Souci/Fuller Designs**
 Address: **1101 Kresky Ave**
Centralia, Wa 98531
 Phone: **360-807-4420**

We the undersigned property owner(s) with land abutting the public right-of-way in Chehalis, identified in the legal description below, do hereby petition the city to vacate said right-of-way in accordance with the city's Standard Operating Procedure for Vacation and do agree to compensate the city for the vacated land, as provided in RCW 35.79.030.

Property Address	Property Owner(s)	
	Print	Sign
1176 SE Washington Ave Adams Ave ROW	Tom and Cara Nicholas	 For Tom and Cara Nicholas
1176 SE Washington Ave 12th St ROW	Tom and Cara Nicholas	 For Tom and Cara Nicholas
1176 SE Washington Ave Alley ROW	Tom and Cara Nicholas	 For Tom and Cara Nicholas

Legal description of right-of-way to be vacated, as prepared by licensed land surveyor or other qualified professional:

Please see attached Documents

Total area of right-of-way to be vacated: **31,872** square feet **or less**

Total properties petitioning for vacation: **5** Total properties abutting right-of-way to be vacated: **7**

Ratio of properties petitioning vs. total properties: **5/7**

(Note: A minimum 2/3 ratio of abutting property owners must petition for vacation before it will be considered.)

Attach map of right-of-way being petitioned for vacation and surrounding area, including identification of all streets, alleys, and abutting property owners.

Please submit this completed petition with attachments to: Development Review Committee

(Attach additional sheets if necessary)

1321 S. Market Blvd.
Chehalis, WA 98532
phone 360.345.2229

date received
June 3, 2021

Exhibit A



5/31/2021

Re: City of Chehalis Community Development
City of Chehalis Public Works
1321 S Market Blvd.
Chehalis, WA 98532

RE: Washington Street
Project: Multi-Family Development
Parcel #: #005853001000, #00549000000, 00549001000, #005492002000,
#005604192001

City of Chehalis Staff,

Please accept this narrative, attached applications, as well as supporting documentation for petition to vacate 3 separate ROW's on the parcel #'s listed above.

Existing Conditions

This project consists of 4 undeveloped parcels and 1 previously developed parcel and is in the City of Chehalis. The previously developed parcel is now vacant and the buildings have been removed.

There are currently 3 undeveloped ROW's that exist on these parcels:

- 1..Adams Ave. from 11th Street to 12th Street.
2. 12th Street from Washington Ave to Adams Ave.
3. An undeveloped alley way from 11th Street to 12th Street.

The 12th Street ROW has a main sewer line running down it and an adjacent neighbor at 227 SE Prospect is using the Adams Ave ROW for driveway access.

Vacate Petition

Our clients, Tom and Cara Nicholas, are submitting a petition for vacate of the three ROW's listed above. We are proposing that of these vacate requests, easements will be established on 12th street and Adams Ave. to accommodate the entities listed below.

1. A 20 ft wide easement stretching from the lot line between parcel #005491001000 and parcel #005492002000 to the far edge of driveway gravel be established on Adams Ave to accommodate driveway access for the neighboring property at 227 SE Prospect St.
2. A full easement for the 12th St ROW to accommodate sewer line access to the City of Chehalis.

During the pre-submission conference it was requested that our surveyor research the legal lot lines for 227 Prospect St. to determine to whom the rights to the Adams Ave. ROW belonged. Please find attached documentation showing that the full rights to purchase this ROW belong to Tom and Cara Nicholas.

Thank you for accepting this Petition to Vacate. Feel free to call or email if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "A Fuller". The signature is fluid and cursive, with the first name "A" being particularly prominent.

Aaron Fuller, PE
Fuller Designs
(360) 807-4420 Office
Afuller@fullerdesigns.org

Attachments:

Petition to Vacate
Legal Descriptions with map exhibits
Letter from Surveyor
227 SE Prospect SWD
McCord Phillips Add.
Aust Manor Add.
Appraisal

EXHIBIT

CITY OF CHEHALIS

ADAMS AVENUE VACATION

STREET VACATION AREA:

THAT PORTION OF ADAMS AVENUE ABUTTING LOTS 4, 5, 6 AND 7, BLOCK 3 McCORD AND PHILLIP'S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 123, RECORDS OF LEWIS COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

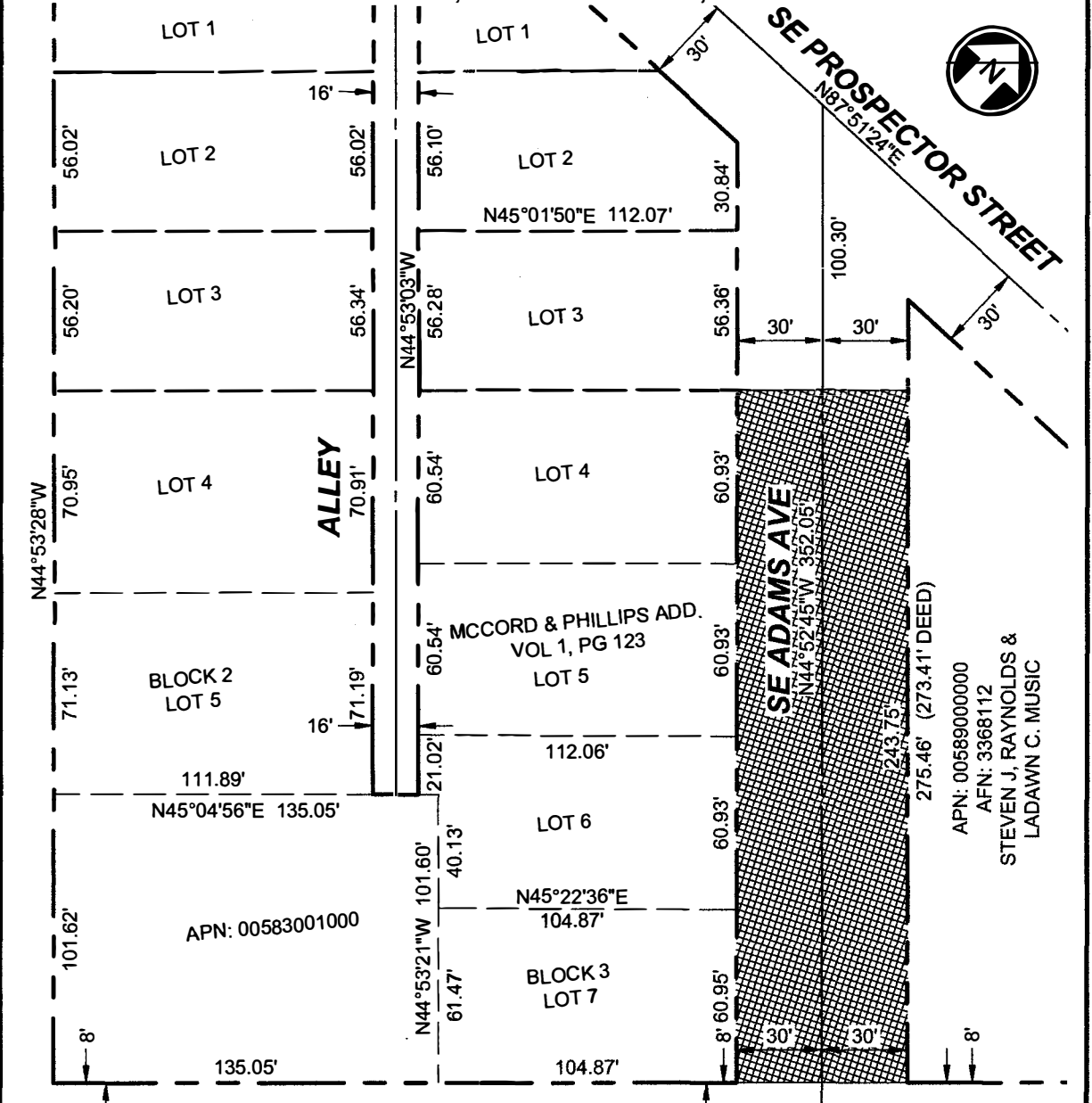
BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 7;
THENCE N44°52'45"W ALONG THE SOUTHWESTERLY MARGIN OF ADAMS AVENUE A DISTANCE OF 243.74 FEET TO THE MOST EASTERLY CORNER OF SAID LOT 4;
THENCE N45°07'15"E A DISTANCE OF 60.00 FEET TO THE NORTHEASTERLY BOUNDARY OF THE PLAT OF McCORD AND PHILLIP'S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 123, RECORDS OF LEWIS COUNTY, WASHINGTON AND THE SOUTHWESTERLY LINE OF THAT PARTICULAR TRACT OF LAND DESCRIBED IN STATUTORY WARRANTY DEED, DATED SEPTEMBER 14TH, 2011, RECORDED UNDER LEWIS COUNTY AUDITOR'S FILE NO. 3368112, ALSO BEING THE NORTHEASTERLY MARGIN OF ADAMS AVENUE;
THENCE S44°52'45"W ALONG SAID NORTHEASTERLY MARGIN A DISTANCE OF 243.75 FEET TO THE INTERSECTION WITH THE NORTHERLY MARGIN OF TWELFTH STREET, BEING THE MOST EASTERLY CORNER OF THE PLAT OF McCORD AND PHILLIP'S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 123, RECORDS OF LEWIS COUNTY, WASHINGTON;
THENCE S45°05'09"W A DISTANCE OF 60.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 14,624 SQUARE FEET MORE OR LESS

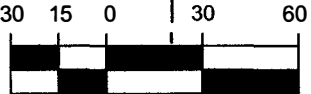
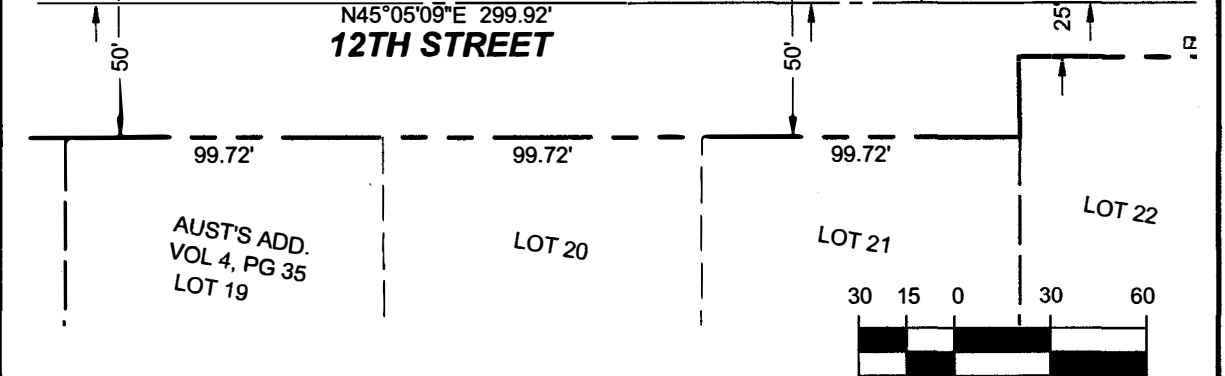
Exhibit A

EXHIBIT SE ADAMS STREET VACATION

PORTION OF THE GOVERNMENT LOT 5
(NE 1/4 SE 1/4) SEC 32, T 14 N, R 2 W, W.M.
CITY OF CHEHALIS, LEWIS COUNTY, WASHINGTON



APN: 00589000000
AFN: 3368112
STEVEN J. RAYNOLDS &
LADAWN C. MUSIC



LEGEND

- SECTION SUBDIVISION LINE
- STREET RIGHT-OF-WAY LINE
- STREET CENTER LINE
- PROPERTY LINE
- PLAT LOT LINE
- STREET VACATION AREA



STREET VACATION AREA AREA: 14,624 S.F.

ASSESSOR NO: N/A DATE: 05/25/2021

OWNER: CITY OF CHEHALIS

BLOCK NO: 3 LOT NOS: 4 - 7

CITY OF CHEHALIS LEWIS COUNTY WASHINGTON

EXHIBIT

CITY OF CHEHALIS
12TH STREET VACATION

STREET VACATION AREA:

THAT PORTION OF TWELFTH STREET ABUTTING LOTS 19, 20 AND 21 AUST’S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 4 OF PLATS, PAGE 35 AND LOT 7, BLOCK 3 McCORD AND PHILLIP’S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 123, RECORDS OF LEWIS COUNTY, WASHINGTON, AND THAT PORTION OF GOVERNMENT LOT 5, SECTION 32, TOWNSHIP 14 NORTH, RANGE 2 WEST, W.M., LEWIS COUNTY WASHINGTON KNOWN AS ASSESSOR’S PARCEL NO. 00583001000, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 19, AUST’S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 4 OF PLATS, PAGE 35;
THENCE N45°05’09”E ALONG THE SOUTHERLY MARGIN OF TWELFTH STREET A DISTANCE OF 299.16 FEET TO THE MOST NORTHERLY CORNER OF SAID LOT 21, AUST’S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 4 OF PLATS, PAGE 35;
THENCE N45°46’31”E A DISTANCE OF 50.00 FEET TO THE MOST EASTERLY PLAT CORNER OF McCORD AND PHILLIP’S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 123, RECORDS OF LEWIS COUNTY, WASHINGTON, BEING INTERSECTION OF THE NORTHEASTERLY MARGIN OF ADAMS AVENUE AND THE NORTHERLY MARGIN OF SAID TWELFTH STREET;
THENCE S45°05’09”W ALONG THE SOUTHERLY BOUNDARY OF THE PLAT OF McCORD AND PHILLIP’S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 123, RECORDS OF LEWIS COUNTY, WASHINGTON, BEING NORTHERLY MARGIN OF SAID TWELFTH STREET A DISTANCE OF 164.87 FEET TO THE MOST SOUTHERLY CORNER OF SAID LOT 7, BLOCK 3;
THENCE CONTINUING S45°05’09”W ALONG THE NORTHERLY MARGIN OF SAID TWELFTH STREET A DISTANCE OF 135.05 FEET;
THENCE S46°38’55”W A DISTANCE OF 50.02 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 14,974 SQUARE FEET MORE OR LESS

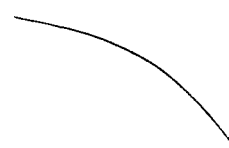
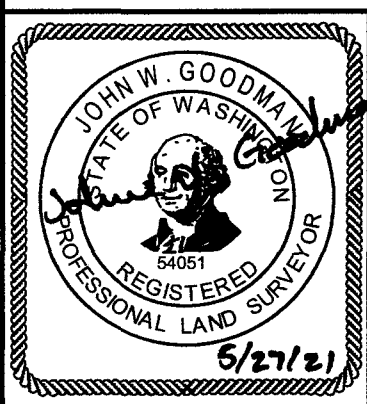
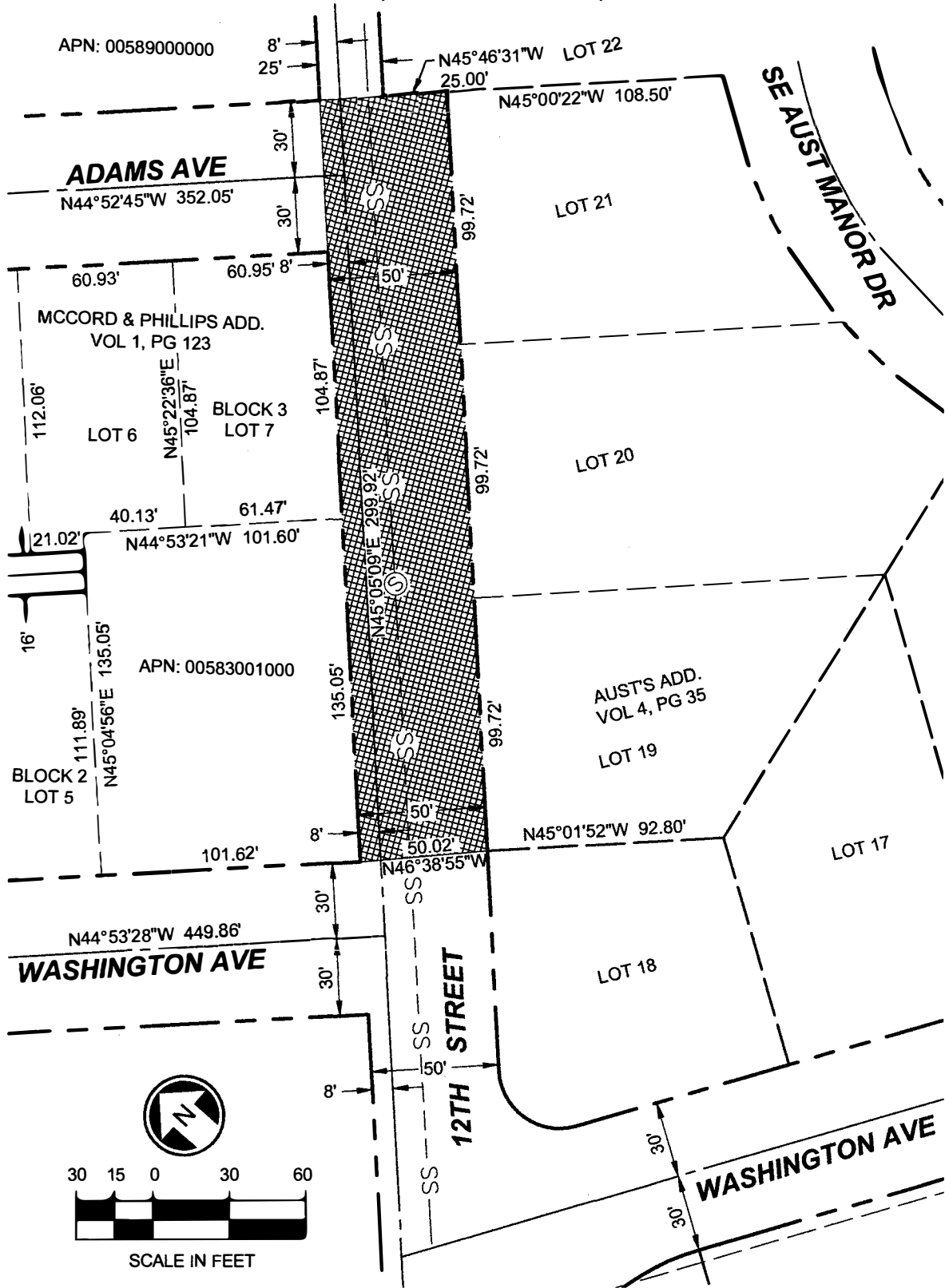


Exhibit A

John W. Goodman 5/27/2021
John W. Goodman, PLS 54051

EXHIBIT 12TH STREET VACATION

PORTION OF THE GOVERNMENT LOT 5
(NE 1/4 SE 1/4) SEC 32, T 14 N, R 2 W, W.M.
CITY OF CHEHALIS, LEWIS COUNTY, WASHINGTON



LEGEND	
	SECTION SUBDIVISION LINE
	STREET RIGHT-OF-WAY LINE
	STREET CENTER LINE
	PROPERTY LINE
	PLAT LOT LINE
	STREET VACATION AREA

STREET VACATION AREA AREA: 14,974 S.F.

ASSESSOR NO: N/A DATE: 05/25/2021

OWNER: CITY OF CHEHALIS

BLOCK NO: 3 LOT NOS: 7 & 19 - 21

CITY OF CHEHALIS LEWIS COUNTY WASHINGTON

EXHIBIT

CITY OF CHEHALIS
ALLEY VACATION

ALLEY VACATION AREA:

THAT PORTION OF ADAMS AVENUE ABUTTING LOTS 4, 5 AND 6, BLOCK 3, AND LOTS 4 AND 5, BLOCK 2, McCORD AND PHILLIP'S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 123, RECORDS OF LEWIS COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

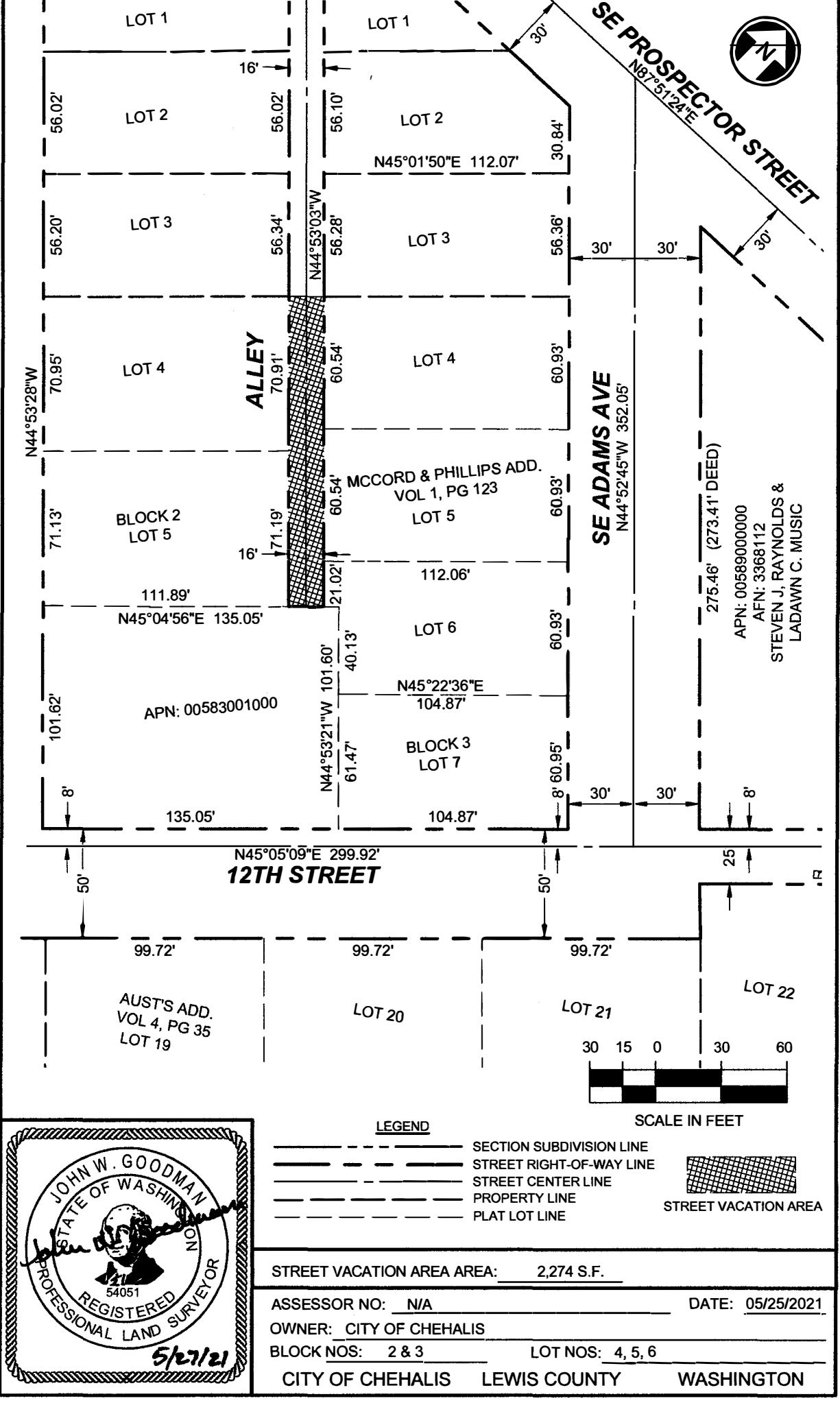
BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 5, BLOCK 2 AS SURVEYED ON RECORD OF SURVEY RECORDED UNDER LEWIS COUNTY AUDITOR'S FILE NO. 3531692, IN VOLUME 33 OF SURVEYS AT PAGE 138;
THENCE N44°53'03"W ALONG THE SOUTHWESTERLY MARGIN OF ALLEY ALONG ABUTTING SAID LOTS 5 AND 4 OF BLOCK 2 A DISTANCE OF 142.10 FEET TO THE MOST NORTHERLY CORNER OF SAID LOT 4, BLOCK 2;
THENCE N45°05'11"E A DISTANCE OF 16.00 FEET TO THE MOST WESTERLY CORNER OF SAID LOT 4, BLOCK 3;
THENCE S44°53'03"E ALONG THE NORTHEASTERLY MARGIN OF ALLEY ALONG SAID LOTS 4, 5 AND 6, BLOCK 3 A DISTANCE OF 142.10 FEET TO AN ANGLE POINT IN THE SOUTHWESTERLY LOT LINE OF SAID LOT 6, BLOCK 3;
THENCE S45°04'56"W A DISTANCE OF 16.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 2,274 SQUARE FEET MORE OR LESS

Exhibit A

EXHIBIT ALLEY VACATION

PORTION OF THE GOVERNMENT LOT 5
(NE 1/4 SE 1/4) SEC 32, T 14 N, R 2 W, W.M.
CITY OF CHEHALIS, LEWIS COUNTY, WASHINGTON

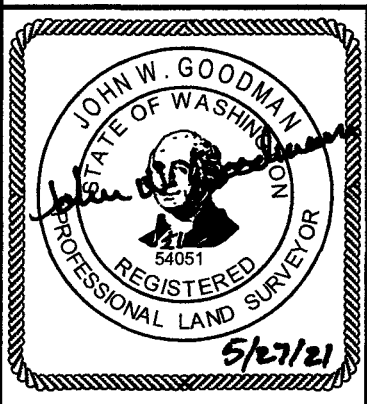
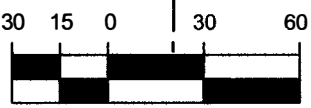


APN: 00589000000
AFN: 3368112
STEVEN J. RAYNOLDS &
LADAWN C. MUSIC

SE ADAMS AVE
N44°52'45"W 352.05'

12TH STREET
N45°05'09"E 299.92'

- LEGEND**
- SECTION SUBDIVISION LINE
 - STREET RIGHT-OF-WAY LINE
 - STREET CENTER LINE
 - PROPERTY LINE
 - PLAT LOT LINE
 - STREET VACATION AREA



STREET VACATION AREA AREA: 2,274 S.F.

ASSESSOR NO: N/A DATE: 05/25/2021

OWNER: CITY OF CHEHALIS

BLOCK NOS: 2 & 3 LOT NOS: 4, 5, 6

CITY OF CHEHALIS LEWIS COUNTY WASHINGTON

Exhibit A

**AFFIDAVIT
OF PUBLICATION
STATE OF WASHINGTON
COUNTY OF LEWIS**

Alysa Andrews, and/or Mandy Klemola, and/or Kailyn Sawyer,
and/or Cindy Thayer says that she is the legal clerk of

**The
Chronicle**

a semi-weekly newspaper, which has been established, published
in the English language, and circulated continuously as a
semi-weekly newspaper in the City of Centralia, and in Lewis
County, Washington, general circulation in Lewis County for
more than six (6) months prior to the date of the first publication
of the notice hereto attached, and that the said Chronicle was on
the 7th day of July 1941, approved as a legal newspaper by the
Superior Court of said Lewis County. And that the attached is a
true copy and was published in regular issues (and not in
supplement form) of said newspaper as LEGAL # 119195
RE: Notice of Public Hearing

once each day for a period of 1 day

commencing on 08/07/2021 and ending on 08/07/2021

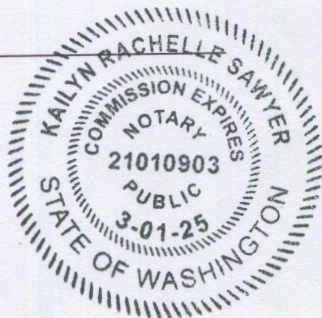
and both regularly distributed to its subscribers during all of said
period. That the full amount of the fee charged for the foregoing
publication is the sum of \$ 125.00

Cindy Thayer
Subscribed and sworn to before me 08/07/2021

[Signature]

Notary Public in and for the State of Washington,
residing at

[Signature]



Notice of
Public Hearing

**NOTICE OF
PUBLIC HEARING
CITY OF CHEHALIS
CITY COUNCIL**

TOPIC: Fuller Design on be-
half of Tom and Cara Nicholas
submitted a petition to vacate a
portion of SE Adams, 12th
Street, and an undeveloped
alley from 11th Street to 12th
Street.

Date, Time and Place:
August 23, 2021
Chehalis City Hall,
Council Chambers
350 N. Market Blvd
Chehalis WA 98532

Contact: To view the proposed
changes during regular busi-
ness hours or to request a
copy, contact:
Tammy Baraconi,
Planning and Building
Manager
1321 S. Market Blvd, Chehalis
360.345.2229, or via email at
tbaraconi@ci.chehalis.wa.us

Anyone interested may appear
and be heard. The decision of
the City Council will be mailed
to all those who submit
comments, testify at the hear-
ing or request the decision in
writing. Any aggrieved party of
record can file an appeal with
Lewis County Superior Court.

***Written public comment
can be accepted until 4:30
PM on August 20, 2021***

Published: The Chronicle
August 7, 2021

Exhibit B

From: [Tammy Baraconi](#)
To: [LA DAWN MUSIC](#)
Cc: [Jill Anderson \(jlanderson@ci.chehalis.wa.us\)](mailto:jlanderson@ci.chehalis.wa.us); [Laura Fisher](#)
Subject: RE: Notice of Public Hearing
Date: Thursday, August 19, 2021 10:04:00 AM

La Dawn,

At this point in the process they have only asked for a street vacation. If the vacation is approved they will move ahead with the project. You will of course receive notice that project is moving forward and again you will be able to view the documents on our website where you found the information for the street vacation. I know that it is easy to see the street vacation and jump to development of the site since that is the intention however the approval process itself is much slower and happening in phases with the first phase being the vacation. The actual development itself will go before the hearing examiner for a decision, giving you another opportunity to comment.

That being said, I will make sure that the developer is aware of the issues you have brought to my attention and make sure that they address them in their plans. I will also share your comment with the City Council next Monday. I encourage you to be there to make public comment if you have additional concerns, want to ensure that your concerns are shared, or just want to hear for yourself what the council decides and why.

Your written comments here ensure that you will receive a copy of the Council's decision and they give you the ability to appeal the street vacation decision to Lewis County Superior Court if you do not agree. You will be provided the exact time frames and language on how to do this if you so choose after the decision is rendered by the Council.

Please feel free to reach out to me with any other concerns that you may have. If you have the time and would like to we can meet in person. Please reach out to Laura Fisher our Permit Technician to schedule a time to do that. I've included her email for reference or you can call her at 360.345.2229.

Again, thank you for this comment. We send out notification because of situations just like this. We don't always know what is going on with the individual properties and we are dependent upon our citizens informing us.

Tammy

Tammy S. Baraconi, CFM

360.345.2227

tbaraconi@ci.chehalis.wa.us

From: LA DAWN MUSIC <l.music@comcast.net>
Sent: Wednesday, August 18, 2021 2:38 PM
To: Tammy Baraconi <tbaraconi@ci.chehalis.wa.us>
Subject: RE: Notice of Public Hearing

Exhibit C

NOTICE: This message originated outside of the City network - DO NOT CLICK on links or open attachments unless you are sure the content is safe!

We have reviewed the documents at the City webpage and still have concerns. We understand the intent is to combine lots and complete a multifamily development. What specific changes are intended for the section aligning our driveway?

Part of the appeal of our property is that the city easements on both sides of our property have remained undeveloped. This protects the natural spring that surfaces on our property and runs down to the easement. This time of year, the spring runs low, so we have a muddy area. In the late fall, winter, and early spring the water levels are higher and there is occasionally standing water.

Will the development cause the free flowing spring to become a seasonal pond? If the water does not continue to have the free flowing outlet, could it cause damage to the foundation of our home as the land becomes more and more saturated?

La Dawn Music
Steven Raynolds

On 08/18/2021 11:00 AM Tammy Baraconi <tbaraconi@ci.chehalis.wa.us> wrote:

La Dawn,
You will find all of the documents on the City's webpage [here](#). Let me know if you have any concerns that I may be able to address prior to the public hearing on August 23rd.
Tammy

Tammy S. Baraconi, CFM
360.345.2227
tbaraconi@ci.chehalis.wa.us

From: LA DAWN MUSIC <l.music@comcast.net>
Sent: Sunday, August 15, 2021 8:38 AM
To: Tammy Baraconi <tbaraconi@ci.chehalis.wa.us>
Subject: Notice of Public Hearing

NOTICE: This message originated outside of the City network - DO NOT CLICK on links or open attachments unless you are sure the content is safe!

Dear Community Development Department,

We have received your notice of public hearing regarding permit #Vacate-21-01. The proposed changes effect almost the entire length of one of our property lines and we have concerns. I am requesting a copy of the

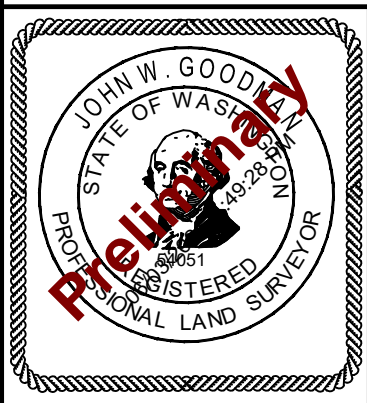
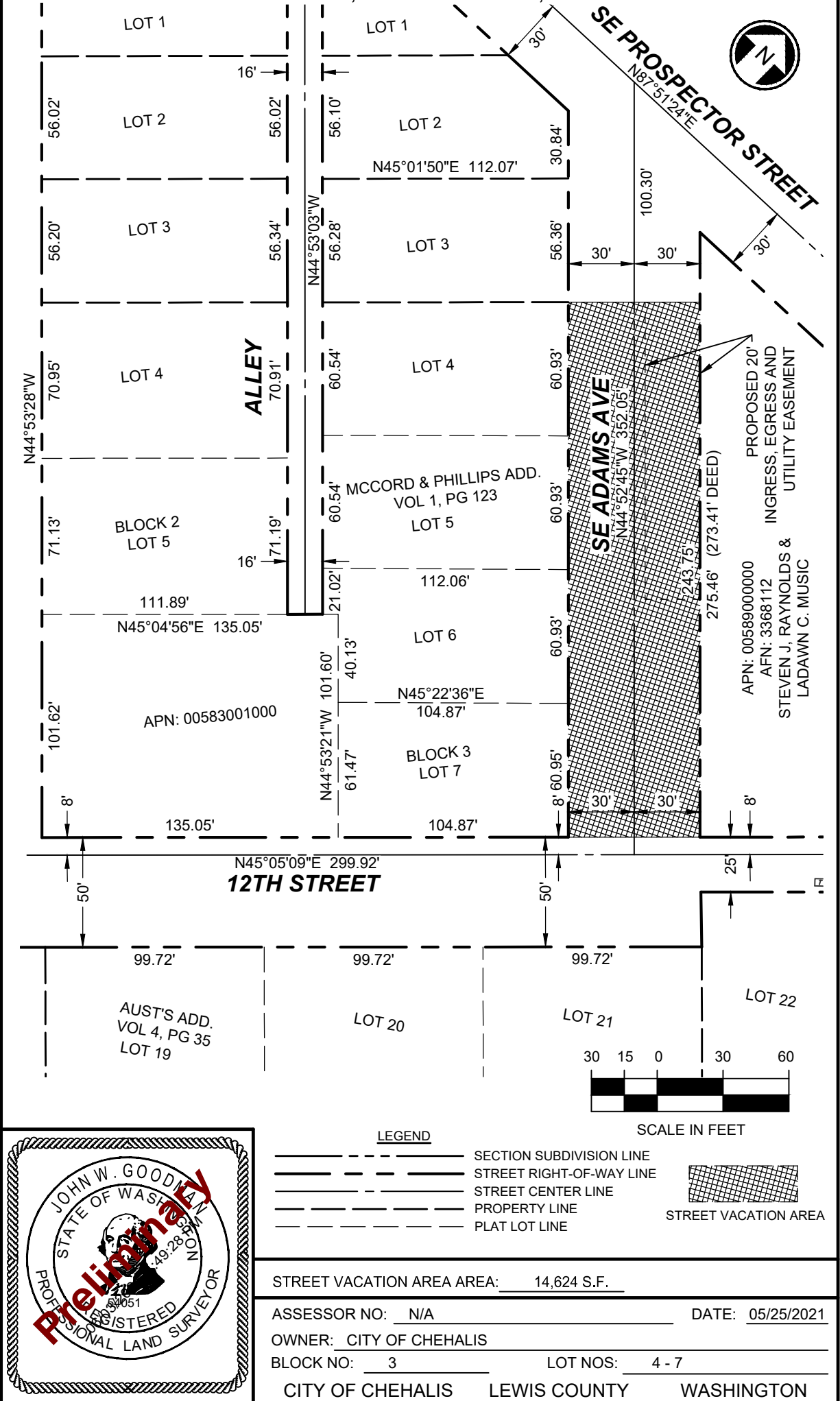
proposed changes to review prior to the meeting scheduled for
08/23/2021.

Thank you,

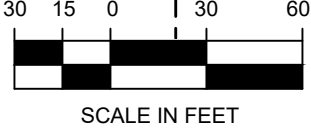
La Dawn Music
Steven Raynolds

EXHIBIT B SE ADAMS STREET VACATION

PORTION OF THE GOVERNMENT LOT 5
(NE 1/4 SE 1/4) SEC 32, T 14 N, R 2 W, W.M.
CITY OF CHEHALIS, LEWIS COUNTY, WASHINGTON



LEGEND	
	SECTION SUBDIVISION LINE
	STREET RIGHT-OF-WAY LINE
	STREET CENTER LINE
	PROPERTY LINE
	PLAT LOT LINE
	STREET VACATION AREA



STREET VACATION AREA AREA: 14,624 S.F.

ASSESSOR NO: N/A DATE: 05/25/2021

OWNER: CITY OF CHEHALIS

BLOCK NO: 3 LOT NOS: 4 - 7

CITY OF CHEHALIS LEWIS COUNTY WASHINGTON

Client	NICHOLAS, THOMAS & CARA	File No. 2104NICHOLAS
Property Address	OFF SE WASHINGTON	
City	CHEHALIS	County LEWIS State WA Zip Code 98532
Appraiser	NADYNE TAUSCHER	

APPRAISAL AND REPORT IDENTIFICATION

This Report is one of the following types:

- Appraisal Report** (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- Restricted Appraisal Report** (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

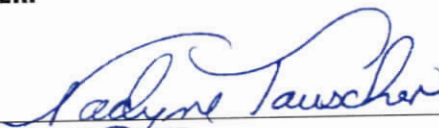
I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Comments on Appraisal and Report Identification

Note any USPAP related issues requiring disclosure and any State mandated requirements:

APPRAISER:

Signature: 
 Name: NADYNE TAUSCHER
CGREA
 State Certification #: 1100261
 or State License #: _____
 State: WA Expiration Date of Certification or License: 03/11/2023
 Date of Signature and Report: April 06, 2021
 Effective Date of Appraisal: MARCH 17, 2021
 Inspection of Subject: None Interior and Exterior Exterior-Only
 Date of Inspection (if applicable): MARCH 17, 2021

SUPERVISORY or CO-APPRAISER (if applicable):

Signature: _____
 Name: _____
 State Certification #: _____
 or State License #: _____
 State: _____ Expiration Date of Certification or License: _____
 Date of Signature: _____
 Inspection of Subject: None Interior and Exterior Exterior-Only
 Date of Inspection (if applicable): _____

LAND APPRAISAL REPORT

File No.: 2104NICHOLAS

Property Address: OFF SE WASHINGTON	City: CHEHALIS	State: WA	Zip Code: 98532
County: LEWIS		Legal Description: UNIMPROVED ALLEY S OF 0054920002000, UNIMPROVED ADAMS AVE E OF SE PROSPECT & UNIMPROVED SE 12TH ST N OF SE WASHINGTON AVE & S OF NE LINE OF SE ADAMS AVE.	
Assessor's Parcel #: N/A	Tax Year: N/A	R.E. Taxes: \$ N/A	Special Assessments: \$ N/A
Market Area Name: CHEHALIS	Map Reference: S32 T14N R2W WM Census Tract:		
Current Owner of Record: CITY OF CHEHALIS		Borrower (if applicable):	
Project Type (if applicable): <input type="checkbox"/> PUD <input type="checkbox"/> De Minimis PUD <input checked="" type="checkbox"/> Other (describe) HOA: \$ <input type="checkbox"/> per year <input type="checkbox"/> per month			
Are there any existing improvements to the property? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes If Yes, indicate current occupancy: <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant <input checked="" type="checkbox"/> Not habitable			
If Yes, give a brief description: THERE IS AN EXISTING CHEHALIS CITY SEWER LINE LOCATED ON THE PARCEL THAT IS AN EXTENSION OF 12TH ST INCLUDED IN THIS APPRAISAL.			

The purpose of this appraisal is to develop an opinion of: <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe)	This report reflects the following value (if not Current, see comments): <input checked="" type="checkbox"/> Current (the Inspection Date is the Effective Date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective		
Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)			
Intended Use: THE INTENDED USE OF THIS APPRAISAL IS TO ESTIMATE THE VALUE OF UNIMPROVED STREETS AND ALLEY AS DESCRIBED IN LEGAL DESCRIPTION. IT IS UNDERSTOOD THE CITY WILL RETAIN A UTILITY EASEMENT OVER THE PROPOSED VACATED TWELFTH ST INCLUDED IN THIS APPRAISAL.			
Intended User(s) (by name or type): THE INTENDED USERS OF THIS REPORT ARE THOMAS & CARA NICHOLS AND THE CITY OF CHEHALIS			
Client: NICHOLAS, THOMAS & CARA		Address: 103 MCRONOVIC RD, CHEHALIS, WA 98532	
Appraiser: NADYNE TAUSCHER		Address: PO BOX 928, CENTRALIA, WA 98531	

Characteristics	Predominant Occupancy	One-Unit Housing	Present Land Use	Change in Land Use
Location: <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant (0-5%) <input type="checkbox"/> Vacant (>5%)	PRICE AGE (yrs)	One-Unit 73 %	<input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely * <input type="checkbox"/> In Process * * To: _____
Built up: <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		\$ (000)	2-4 Unit 5 %	
Growth rate: <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow		100 Low 1	Multi-Unit 5 %	
Property values: <input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining		800 High 130	Comm'l 15 %	
Demand/supply: <input checked="" type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	400 Pred 100	VACANT 2 %		
Marketing time: <input checked="" type="checkbox"/> Under 3 Mos. <input type="checkbox"/> 3-6 Mos. <input type="checkbox"/> Over 6 Mos.			%	

Factors Affecting Marketability											
Item	Good	Average	Fair	Poor	N/A	Item	Good	Average	Fair	Poor	N/A
Employment Stability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Employment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Shopping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Protection from Detrimental Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Schools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Police and Fire Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy of Public Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	General Appearance of Properties	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recreational Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Market Area Comments: THE SUBJECT PROPERTY IS LOCATED IN THE CITY OF CHEHALIS, POPULATION APPROX. 7,498. HOMES IN THE AREA ARE A MIXTURE OF SIZE, STYLE AND AGE. MOST HOMES ARE LOCATED ON AVERAGE SIZE LOTS. COMMERCIAL PROPERTIES ARE LOCATED ALONG MAIN ARTERIALS. MANY OLDER HOMES ALONG MARKET BLVD. HAVE BEEN CONVERTED TO OFFICES AND COMMERCIAL USES. THERE IS A HIGH SCHOOL LOCATED WITHIN THE SUBJECT IMMEDIATE AREA. A SAFEWAY SUPERMARKET IS LOCATED ACROSS THE STREET FROM THE SUBJECT. RESIDENTIAL PRICES IN LEWIS COUNTY HAVE BEEN STEADILY INCREASING OVER THE LAST SEVERAL YEARS.

TO DETERMINE MARKET TRENDS IN THE SUBJECT AREA A SALES SURVEY WAS CONDUCTED THROUGH THE NWMLS FOR ALL SALES OF RESIDENTIAL HOMES ON .01 TO 5 ACRES - ALL OF LEWIS COUNTY WAS INCLUDED IN THIS SURVEY - RESULTS ARE:

1/1/2021 TO 3/31/2021 252 SALES AVERAGE \$337,483

1/1/2020 TO 12/31/2020 1,160 SALES AVERAGE \$301,337

1/1/2019 TO 12/31/2019 1029 SALES AVERAGE \$252,656 (+32%) (32%/15 MONTHS = 2.1% PER MONTH

1/1/2018 TO 12/31/2019 1027 SALES AVERAGE \$222,223 (+52%) (52%/27 MONTHS = 1.9% PER MONTH

1/1/2017 TO 12/31/2017 1047 SALES AVERAGE \$198,030 (+70%) (70%/39 MONTHS = 1.8% PER MONTH

1/1/2016 TO 12/31/2016 901 SALES AVERAGE \$175,252

PRICES IN LEWIS COUNTY HAVE INCREASED STEADILY OVER THE PAST 5+ YEARS



LAND APPRAISAL REPORT

File No.: 2104NICHOLAS

Dimensions: 30' X 335', 6' X 130.8' & 50.1' X 299.91' Site Area: 25,833 SF

Zoning Classification: RESIDENTIAL Description: RESIDENTIAL

Do present improvements comply with existing zoning requirements? Yes No No Improvements

Uses allowed under current zoning: RESIDENTIAL

Are CC&Rs applicable? Yes No Unknown Have the documents been reviewed? Yes No Ground Rent (if applicable) \$ _____ / _____

Comments:

Highest & Best Use as improved: Present use, or Other use (explain) RESIDENTIAL

Actual Use as of Effective Date: UNIMPROVED STREETS/ALLEY Use as appraised in this report: UNIMPROVED STREETS/ALLEY

Summary of Highest & Best Use: TO BE INCLUDED IN ADJACENT RESIDENTIAL SITES

SITE DESCRIPTION

Utilities	Public	Other	Provider/Description	Off-site Improvements	Type	Public	Private	Frontage	30 & 50.2
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Street	PAVED	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Topography	SLOPED
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Width	30'			Size	AVERAGE-LARGE
Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Surface	ASPHALT			Shape	3 RECTANGLES
Sanitary Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Curb/Gutter	YES	<input type="checkbox"/>	<input type="checkbox"/>	Drainage	APPEARS ADEQUATE
Storm Sewer	<input type="checkbox"/>	<input type="checkbox"/>		Sidewalk	YES	<input type="checkbox"/>	<input type="checkbox"/>	View	AVE/NEIGHBORHOOD
Telephone	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Street Lights	YES	<input type="checkbox"/>	<input type="checkbox"/>		
Multimedia	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Alley	NO	<input type="checkbox"/>	<input type="checkbox"/>		

Other site elements: Inside Lot Corner Lot Cul de Sac Underground Utilities Other (describe)

FEMA Spec'l Flood Hazard Area Yes No FEMA Flood Zone FEMA Map # FEMA Map Date

Site Comments: THIS APPRAISAL IS OF 2 CITY OWNED UNDEVELOPED STREETS AND 1 UNDEVELOPED ALLEY. THE FIRST PARCEL IS UNDEVELOPED ADAMS STREET FROM THE SOUTHEASTERLY EDGE OF E PROSPECT STREET TO THE INTERSECTION OF UNDEVELOPED 12TH STREET, THE SECOND PARCEL IS AN UNDEVELOPED 6' ALLEY ADJACENT TO THE NORTH EDGES OF LOTS 4 & 5 BLOCK 2 MCCORD & PHILLIP'S ADDITION (DELINEATED IN YELLOW ON ATTACHED PLAT MAP), AND THE 3RD PARCEL IS A 50.1 X 299.91 EXTENSION OF 12TH STREET. NONE OF THESE PARCELS HAVE BEEN DEVELOPED. ACCORDING TO THE PURCHASER EXTENDED ADAMS ST AND THE UNDEVELOPED ALLEY PARCELS HAVE NO UTILITIES PRESENT - THE EXTENSION OF 12TH STREET HAS A CITY SEWER LINE RUNNING THE LENGTH (DELINEATED IN GREEN ON ATTACHED PLAT MAP). THE CITY OF CHEHALIS IS TO RETAIN A UTILITIES EASEMENT THE LENGTH OF VACATED 12TH STREET. AS UTILITY EASEMENTS PROHIBIT THE BUILDING OF STRUCTURES ON THEIR SITES THIS PORTION OF THE PROPOSED VACATE IS VALUED AT A DIFFERENT RATE THAN THE PORTION UNDER EASEMENT. SEE ATTACHED MAP PAGE 9 WITH DIMENSIONS OF PROPOSED VACATE AREAS. AREA TO BE VACATED WITH CITY RETAINING A UTILITY EASEMENT = 14,998 SF 58%, PROPOSED AREA WITHOUT CITY RETAINING EASEMENTS 10,835 SF 42%.

SALES COMPARISON APPROACH

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3	
Address	OFF SE WASHINGTON CHEHALIS, WA 98532	1055 SE WASHINGTON CHEHALIS, WA 98532	10 SE 16th CHEHALIS, WA 98532	615-627 SW 19TH ST CHEHALIS, WA 98532	
Proximity to Subject		0.14 miles W	0.13 miles SE	0.61 miles SE	
Sale Price	\$	\$ 55,000	\$ 49,900	\$ 125,000	
Price/	\$	\$ 8.42	\$ 5.12	\$ 4.28	
Data Source(s)		NWMLS #1586343	NWMLS 1696056	NWMLS #1684156,1284128	
Verification Source(s)		CT HSE REC/INSP	CT HSE REC/INSP	CT HSE REC/INSP/INSP	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) \$ Adjust	DESCRIPTION	+(-) \$ Adjust
Sales or Financing		CASH		CASH	
Concessions		0		0	
Date of Sale/Time		5/1/2020		2/18/21	
Rights Appraised	Fee Simple	Fee Simple		Fee Simple	
Location	RESIDENTIAL	RESIDENTIAL		RESIDENTIAL	
Site Area	25,833	6,534	-0.84	9,739	-0.84
IMPROVEMENTS	NONE	Curb/Gutter/SWalk	-3.30	NONE	
UTILITY EASEMENTS	58%	NONE		NONE	
Net Adjustment (Total, in \$)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -27,051	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -8,181	<input type="checkbox"/> + <input type="checkbox"/> - \$	
Net Adjustment (Total, in \$ /)		Net 49.2 % (\$ -4.14 /)	Net 16.4 % (\$ -0.84 /)	Net %	
Adjusted Sale Price (in \$ /)		Gross 49.2 % \$ 4.28	Gross 16.4 % \$ 4.28	Gross % \$ 4.28	

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LAND APPRAISAL REPORT

File No.: 2104NICHOLAS

SALES COMPARISON APPROACH	Summary of Sales Comparison Approach THE 3 COMPARABLES ABOVE INDICATE THE VALUE OF RESIDENTIAL LAND WITHIN THE CITY OF CHEHALIS WITHOUT RESTRICTIVE UTILITY EASEMENTS AT \$4.28 PSF. SALES #4 & #5 DEMONSTRATE THE DECLINE IN VALUE FOR PROPERTY WITH UTILITY EASEMENTS. (SEE ADDITIONAL COMPARABLES ON PAGE 5),	
	INDICATED VALUE OF PROPERTY WITHOUT EASEMENTS \$4.28 PSF	
	INDICATED VALUE OF PROPERTY WITH 100% EASEMENT \$.55 PSF	
	SUBJECT TOTAL AREA 25,833 SF -	
	AREA WITH 100% EASEMENTS 14,998 @ \$.55 = \$ 8,249	
	AREA W/O EASEMENTS 10,835 SF @ \$4.28 = \$46,738	
TOTAL VALUE \$54,622		

TRANSFER HISTORY	My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.	
	Data Source(s): COUNTY RECORDS	
	1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: NO PRIOR SALES/TRANSFERS FOUND FOR THE SUBJECT DURING THE PRIOR 3 YEARS. NO PRIOR SALES OR TRANSFERS OF COMPARABLES #1 THRU #5 WERE FOUND DURING THE YEAR PRIOR TO THE CURRENT SALE.
	Date:	
	Price:	
	Source(s):	
2nd Prior Subject Sale/Transfer		
Date:		
Price:		
Source(s):		

PUD	PROJECT INFORMATION FOR PUDs (if applicable) <input type="checkbox"/> The Subject is part of a Planned Unit Development.
	Legal Name of Project:
	Describe common elements and recreational facilities:

RECONCILIATION	Indicated Value by: Sales Comparison Approach \$
	Final Reconciliation THE INCOME APPROACH IS NOT DEVELOPED AS THIS IS NOT AN INCOME PRODUCING PROPERTY. THE COST APPROACH IS NOT USED AS THERE ARE NO IMPROVEMENTS ON THIS SITE. THE MARKET DATA APPROACH IS GIVEN THE MOST WEIGHT AS IT REFLECTS CURRENT BUYER/SELLER ATTITUDES IN THE SUBJECT MARKET AREA.
	This appraisal is made <input checked="" type="checkbox"/> "as is", or <input type="checkbox"/> subject to the following conditions:

ATTACH.	<input checked="" type="checkbox"/> This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.
	Based upon an inspection of the subject property, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 54,622, as of: MARCH 17, 2021, which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.
	A true and complete copy of this report contains 16 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report, which contains the following attached exhibits:

ATTACH.	<input checked="" type="checkbox"/> Limiting cond./Certifications <input type="checkbox"/> Narrative Addendum <input checked="" type="checkbox"/> Location Map(s) <input checked="" type="checkbox"/> Flood Addendum <input checked="" type="checkbox"/> Additional Sales <input checked="" type="checkbox"/> Photo Addenda <input checked="" type="checkbox"/> Parcel Map <input type="checkbox"/> Hypothetical Conditions <input type="checkbox"/> Extraordinary Assumptions <input type="checkbox"/>
---------	--

Client Contact: NICHOLAS, THOMAS & CARA	Client Name: NICHOLAS, THOMAS & CARA
E-Mail:	Address: 103 MCRONOVIC RD, CHEHALIS, WA 98532

SIGNATURES	APPRAISER	SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)
		
	Appraiser Name: NADYNE TAUSCHER	Supervisory or Co-Appraiser Name:
	Company: TAUSCHER APPRAISAL SERVICES	Company:
	Phone: (360) 330-2625 Fax: (360) 330-2620	Phone: Fax:
	E-Mail: tauscher@compprime.com	E-Mail:
	Date of Report (Signature): April 06, 2021	Date of Report (Signature):
	License or Certification #: 1100261 State: WA	License or Certification #: State:
	Designation: CGREA	Designation:
	Expiration Date of License or Certification: 03/11/2023	Expiration Date of License or Certification:
	Inspection of Subject: <input checked="" type="checkbox"/> Did Inspect <input type="checkbox"/> Did Not Inspect (Desktop)	Inspection of Subject: <input type="checkbox"/> Did Inspect <input type="checkbox"/> Did Not Inspect
	Date of Inspection: MARCH 17, 2021	Date of Inspection:

ADDITIONAL COMPARABLE SALES

File No.: 2104NICHOLAS

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address	OFF SE WASHINGTON CHEHALIS, WA 98532	PTN S IRON ST & PTN ALLEY CENTRALIA, WA 98531		0 W 1ST STREET CENTRALIA, WA 98531			
Proximity to Subject		4.20 miles N		4.71 miles N			
Sale Price	\$		\$ 12,150		\$ 180,000		\$
Price/	\$	\$ 0.55		\$ 2.28		\$	
Data Source(s)		APPRAISAL		NWMLS #118422			
Verification Source(s)		COURT HSE RECORDS		COURT HSE RECORDS			
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) \$ Adjust	DESCRIPTION	+(-) \$ Adjust	DESCRIPTION	+(-) \$ Adjust
Sales or Financing Concessions		CASH		CONTRACT 5%			
Date of Sale/Time		0		0			
Rights Appraised	Fee Simple	Fee Simple		Fee Simple			
Location	RESIDENTIAL	COMMERCIAL	0	RESIDENTIAL			
Site Area	25,833	22,091		78,843			
IMPROVEMENTS	NONE	NONE		NONE			
UTILITY EASEMENTS	58%	100%		27% ESMT			
Net Adjustment (Total, in \$)		<input type="checkbox"/> + <input type="checkbox"/> - \$		<input type="checkbox"/> + <input type="checkbox"/> - \$		<input type="checkbox"/> + <input type="checkbox"/> - \$	
Net Adjustment (Total, in \$ /)		Net %		Net %		Net %	
Adjusted Sale Price (in \$ /)		Gross % \$	0.55	Gross % \$	2.28	Gross % \$	
Summary of Sales Comparison Approach	THE ABOVE COMPARABLES ARE USED TO DEMONSTRATE THE EFFECT OF UTILITY EASEMENTS ON LAND.						
SALES COMPARISON APPROACH	SALE #4 IS THE SALE OF A PORTION OF IRON STREET AND AN ADJACENT ALLEY IN THE AREA OF CENTRALIA COLLEGE. CENTRALIA COLLEGE PURCHASED THIS LAND TO CREATE A PLAYING FIELD - THE CITY OF CENTRALIA RETAINED UTILITY EASEMENTS OVER THIS ENTIRE AREA AS THERE ARE CITY UTILITIES ON BOTH IRON ST AND THE ADJACENT ALLEY.						
	SALE #5 IS THE SALE OF A LARGE RESIDENTIAL TRACT WITH VACATED STREETS. THE CITY OF CENTRALIA RETAINED EASEMENTS OVER THE PORTIONS OF THIS SALE THAT WERE UNDER THESE VACATED STREETS (27% OF THE AREA).						
	INDICATED VALUE OF PROPERTY WITHOUT EASEMENTS \$4.28 PSF						
	INDICATED VALUE OF PROPERTY WITH 100% EASEMENTS \$.55 PSF						

SALES COMPARISON APPROACH



Subject Photo Page

Client	NICHOLAS, THOMAS & CARA		
Property Address	OFF SE WASHINGTON		
City	CHEHALIS	County	LEWIS
Appraiser	NADYNE TAUSCHER	State	WA
		Zip Code	98532



Subject EXTENDED ADAMS ST

OFF SE WASHINGTON
 Sales Price
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location RESIDENTIAL
 View
 Site 25,833
 Quality
 Age



ALLEY OFF PROSPECT

NOTE - THE SUBJECT ALLEY IS LOCATED BEYOND THIS AREA



Subject EXTENDED 12TH ST

Comparable Photo Page

Client	NICHOLAS, THOMAS & CARA		
Property Address	OFF SE WASHINGTON		
City	CHEHALIS	County	LEWIS
Appraiser	NADYNE TAUSCHER	State	WA
		Zip Code	98532



Comparable 1

1055 SE WASHINGTON
 Prox. to Subject 0.14 miles W
 Sales Price 55,000
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location RESIDENTIAL
 View
 Site 6,534
 Quality
 Age



Comparable 2

10 SE 16th
 Prox. to Subject 0.13 miles SE
 Sales Price 49,900
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location RESIDENTIAL
 View
 Site 9,739
 Quality
 Age



Comparable 3

615-627 SW 19TH ST
 Prox. to Subject 0.61 miles SE
 Sales Price 125,000
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location RESIDENTIAL
 View
 Site 29,184
 Quality
 Age

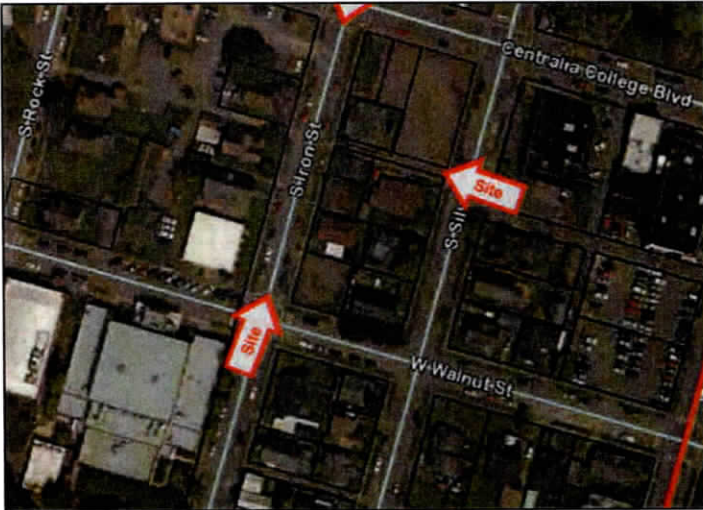
Comparable Photo Page

Client	NICHOLAS, THOMAS & CARA						
Property Address	OFF SE WASHINGTON						
City	CHEHALIS	County	LEWIS	State	WA	Zip Code	98532
Appraiser	NADYNE TAUSCHER						



Comparable 4

1ST STREET, CENTRALIA
 Prox. to Subject
 Sales Price
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location
 View
 Site
 Quality
 Age



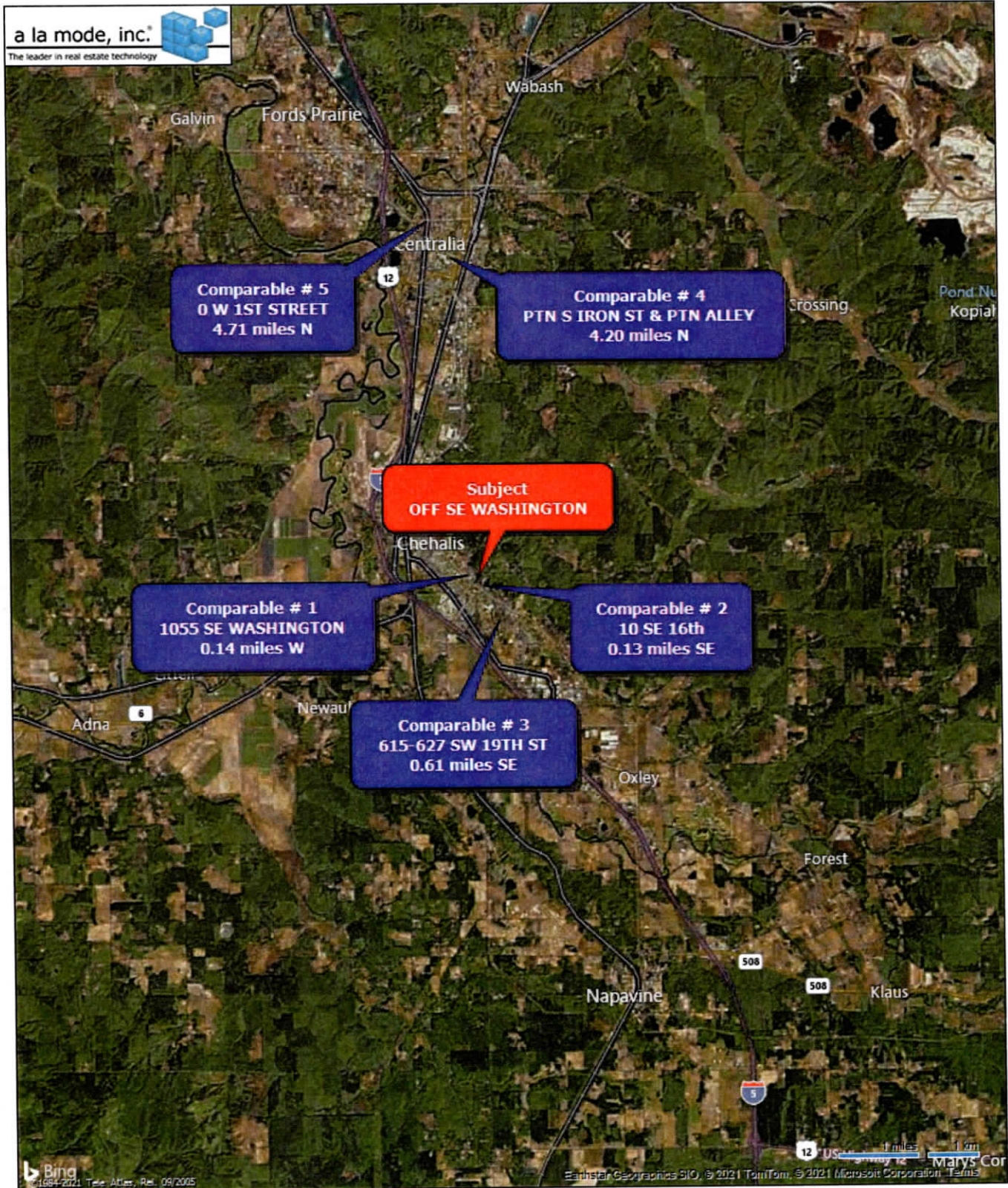
Comparable 5

IRON ST & ALLEY, CENTRALIA, WA
 Prox. to Subject
 Sales Price
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location
 View
 Site
 Quality
 Age

Prox. to Subject
 Sales Price
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location
 View
 Site
 Quality
 Age

Location Map

Client	NICHOLAS, THOMAS & CARA						
Property Address	OFF SE WASHINGTON						
City	CHEHALIS	County	LEWIS	State	WA	Zip Code	98532
Appraiser	NADYNE TAUSCHER						



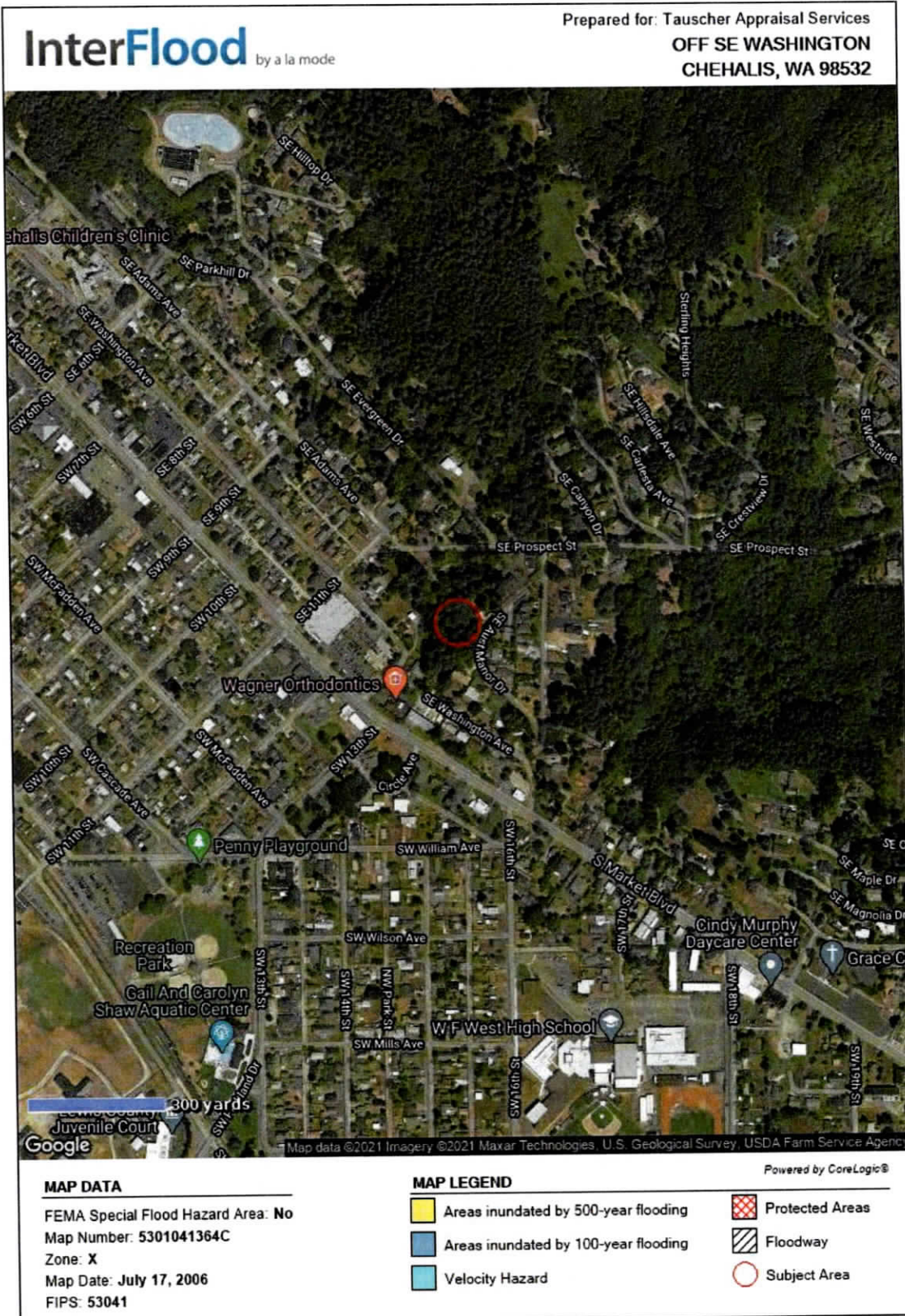
Zoning Map

Client	NICHOLAS, THOMAS & CARA						
Property Address	OFF SE WASHINGTON						
City	CHEHALIS	County	LEWIS	State	WA	Zip Code	98532
Appraiser	NADYNE TAUSCHER						



Flood Map

Client	NICHOLAS, THOMAS & CARA			
Property Address	OFF SE WASHINGTON			
City	CHEHALIS	County	LEWIS	State WA Zip Code 98532
Appraiser	NADYNE TAUSCHER			



FIRREA / USPAP ADDENDUM

Client NICHOLAS, THOMAS & CARA File No. 2104NICHOLAS
 Property Address OFF SE WASHINGTON
 City CHEHALIS County LEWIS State WA Zip Code 98532
 Appraiser NADYNE TAUSCHER

Purpose

THE INTENDED USE OF THIS REPORT IS TO ESTABLISH FAIR MARKET VALUE FOR A POSSIBLE PURCHASE TRANSACTION.

Scope of Work

After receiving the assignment, a preliminary search of all available resources was made to determine the market trends, influences and other significant factors pertinent to the Subject. A second review of the data was performed with the most relevant factors extracted and considered. Sales were examined & discussed with parties involved. The appraisal was then completed in accordance with standards dictated by the "Appraisal Foundation". The appraisal report was then delivered to the client.

Intended Use / Intended User

Intended Use: THE INTENDED USE OF THIS REPORT IS TO ESTABLISH FAIR MARKET VALUE FOR A PURCHASE TRANSACTION.

Intended User(s): THE INTENDED USERS OF THIS REPORT ARE THOMAS & CARA NICHOLS AND THE CITY OF CHEHALIS

History of Property

Current listing information: PER THE NWMLS THE SUBJECT PROPERTY HAS NOT BEEN LISTED DURING THE YEAR PRIOR TO THE EFFECTIVE DATE OF THIS APPRAISAL.

Prior sale: NO PRIOR SALES OF THE SUBJECT PROPERTY WERE FOUND WITHIN THE THREE YEARS PRIOR TO THE EFFECTIVE DATE OF THIS REPORT.

Exposure Time / Marketing Time

EXPOSURE/MARKETING TIME IS ESTIMATED TO BE 6-12 MONTHS.

Personal (non-realty) Transfers

NO PERSONAL PROPERTY IS INCLUDED IN THIS REPORT.


Additional Comments

IN THE EVENT THAT THE APPRAISER IS REQUIRED BY SUBPOENA OR OTHER LEGAL PROCESS TO PROVIDE TESTIMONY OR PRODUCE DOCUMENTS RELATING TO APPRAISER'S SERVICES UNDER THIS AGREEMENT, WHETHER IN COURT, DEPOSITION, ARBITRATION OR IN ANY OTHER PROCEEDING, AND REGARDLESS OF THE IDENTITY OF THE PARTY REQUIRING SUCH TESTIMONY OR PRODUCTION OF DOCUMENTS, CLIENT AGREES TO COMPENSATE APPRAISER FOR THE TIME INCURRED BY APPRAISER IN CONNECTION WITH THE PREPARATION FOR AND PROVISION OF SUCH TESTIMONY AND/OR DOCUMENTS AT APPRAISER'S HOURLY RATE OF \$300.00 AND TO REIMBURSE APPRAISER'S REASONABLE ACTUAL EXPENSES.

STEVEN OLSEN ACCOMPANIED THE APPRAISER FOR THE INSPECTION OF THE SUBJECT PROPERTY. STEVEN OLSEN ASSISTED THE APPRAISER WRITING THIS REPORT IN THE SELECTION OF COMPARABLE SALES AND THE MARKET STUDY OF THE SUBJECT AREA. STEVEN OLSEN ALSO ASSISTED THE APPRAISER IN THE WRITING OF THIS REPORT.

Certification Supplement

1. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or an approval of a loan.
2. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.

Appraiser: 
 Signed Date: April 06, 2021
 Certification or License #: 1100261
 Certification or License State: WA Expires: 03/11/2023
 Effective Date of Appraisal: MARCH 17, 2021

Supervisory Appraiser: _____
 Signed Date: _____
 Certification or License #: _____
 Certification or License State: _____ Expires: _____
 Inspection of Subject: Did Not Exterior Only Interior and Exterior

Assumptions & Limiting Conditions

File No.: 2104NICHOLAS

Property Address: OFF SE WASHINGTON

City: CHEHALIS

State: WA

Zip Code: 98532

Client: NICHOLAS, THOMAS & CARA

Address:

Appraiser: NADYNE TAUSCHER

Address: PO BOX 928, CENTRALIA, WA 98531

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

— The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

— The appraiser may have provided a plat and/or parcel map in the appraisal report to assist the reader in visualizing the lot size, shape, and/or orientation. The appraiser has not made a survey of the subject property.

— If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

— The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

— The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

— The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

— The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.

— An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

— The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database. Possession of this report or any copy thereof does not carry with it the right of publication.

— Forecasts of effective demand for the highest and best use or the best fitting and most appropriate use were based on the best available data concerning the market and are subject to conditions of economic uncertainty about the future.

Definitions & Scope of Work

File No.: 2104NICHOLAS

Property Address: OFF SE WASHINGTON

City: CHEHALIS

State: WA Zip Code: 98532

Client: NICHOLAS, THOMAS & CARA

Address:

Appraiser: NADYNE TAUSCHER

Address: PO BOX 928, CENTRALIA, WA 98531

DEFINITION OF MARKET VALUE *:

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

* This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

Certifications

File No.:

Property Address: OFF SE WASHINGTON City: CHEHALIS State: WA Zip Code: 98532
 Client: NICHOLAS, THOMAS & CARA Address:
 Appraiser: NADYNE TAUSCHER Address: PO BOX 928, CENTRALIA, WA 98531

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.

Additional Certifications:

Client Contact: NICHOLAS, THOMAS & CARA Client Name: NICHOLAS, THOMAS & CARA
 E-Mail: Address:

APPRAISER

Nadyne Tauscher
 Appraiser Name: NADYNE TAUSCHER
 Company: TAUSCHER APPRAISAL SERVICES
 Phone: (360) 330-2625 Fax: (360) 330-2620
 E-Mail: tauscher@compprime.com
 Date Report Signed: April 06, 2021
 License or Certification #: 1100261 State: WA
 Designation: CGREA
 Expiration Date of License or Certification: 03/11/2023
 Inspection of Subject: Did Inspect Did Not Inspect (Desktop)
 Date of Inspection: MARCH 17, 2021

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or
Co-Appraiser Name: _____
 Company: _____
 Phone: _____ Fax: _____
 E-Mail: _____
 Date Report Signed: _____
 License or Certification #: _____ State: _____
 Designation: _____
 Expiration Date of License or Certification: _____
 Inspection of Subject: Did Inspect Did Not Inspect
 Date of Inspection: _____

SIGNATURES



ORDINANCE NO. 1021-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, PROVIDING FOR THE VACATION OF PORTIONS OF S.E. ADAMS STREET, 12TH STREET, AND THE UNDEVELOPED ALLEY BETWEEN 11TH STREET AND 12TH STREET; AND PROVIDING THAT THIS VACATION SHALL BE EFFECTIVE ONLY UPON SUCH DATE AS THE OWNER OF THE REAL PROPERTY ABUTTING SAID VACATION SHALL COMPENSATE THE CITY OF CHEHALIS IN AN AMOUNT EQUAL TO THE VALUE OF SAID VACATED RIGHT-OF-WAYS.

WHEREAS, the City of Chehalis received a petition from Fuller Design on behalf of Tom and Cara Nicholas for vacation of a portion of S.E. Adams Street, 12th Street, and an undeveloped alley between 11th Street and 12th Street, more particularly described in said petition; and,

WHEREAS, pursuant to RCW 35.79.010, the City Council of the City of Chehalis did, at a regularly scheduled meeting on the 12th day of July, 2021, adopt Resolution No. 10-2021, setting the date of August 23, 2021, at the hour of 5:00 p.m. as the time for a public hearing on said petition, which date was not less than twenty (20) days nor more than sixty (60) days after the adoption of said Resolution; and,

WHEREAS, The City Council of the City of Chehalis held a public hearing to consider said petition on the 23rd day of August, 2021, after due notice to the owners of all property abutting and adjacent to the area identified in said petition as required by law; and,

WHEREAS, the City of Chehalis must provide for utility service to all properties in the vicinity, including provisions for utilities provided by others.

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

Section 1. The City vacates that portion of S.E. Adams, 12th Street and the undeveloped alley between 11th Street and 12th Street, located within the City of Chehalis, Washington.

The legal descriptions for each portion of right of way being vacated are described in Exhibit A, with certified survey drawings described in Exhibit B, and summarized as follows:

- SE Adams: 60 feet x 244 feet, 14,624 square feet valued at \$55,876.72;
- 12th Street: 20 feet x 299.16 feet, 15,263 square feet valued at \$43,008.30; and
- Alley: 16 feet x 142 feet, 2,273.6 square feet valued at \$9,731.00,

subject to the conditions set forth in Sections 2 and 3 of this Ordinance.

Section 2. The city of Chehalis shall retain existing access and easements currently in use, as well as the right to grant easements over, under and across all said vacated portions of right-of-way for the provision of utility services. As a condition subsequent to vacation and pursuant to CMC 12.32.080, the new landowner of the vacated property shall grant an easement for ingress, egress, and utilities over, under and across the existing driveway located within the vacated portion of SE Adams currently serving Lewis County Assessor's Tax Parcel 005859-000-000, commonly referred to as 227 SE Prospect Street, Chehalis, Washington.

Section 3. This vacation shall be effective upon payment to the City of Chehalis, within 90 days of the date hereof, by the owner of property or assignee adjacent thereto and to be benefited by the vacation, in the amount of Seventy Two Thousand Three Hundred Twenty Three and 84/100 (\$72,323.84) Dollars, which represents full appraised value of the net mount (32,161.6 square feet) of right-of-way to be vacated.

Section 4. This Ordinance shall be in full force and effect only after fair market value as indicated in Section 3 has been paid for the street or alley that is vacated. The City Clerk is directed not to publish this ordinance until payment has been verified pursuant to CMC 12.32.110. If the condition of transfer as stated in Section 3 is not completed within ninety (90) days of the effective date of this Ordinance, this Ordinance shall be null and void.

PASSED by the City Council of the city of Chehalis, Washington, and **APPROVED** by its mayor this _____ day of _____, 2021.

Mayor

Attest:

City Clerk

Approved as to Form and Content:

City Attorney

DRAFT

EXHIBIT "A"

CITY OF CHEHALIS
12TH STREET VACATION

STREET VACATION AREA:

THAT PORTION OF TWELFTH STREET ABUTTING LOTS 19, 20 AND 21 AUST'S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 4 OF PLATS, PAGE 35 AND LOT 7, BLOCK 3 McCORD AND PHILLIP'S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 123, RECORDS OF LEWIS COUNTY, WASHINGTON, AND THAT PORTION OF GOVERNMENT LOT 5, SECTION 32, TOWNSHIP 14 NORTH, RANGE 2 WEST, W.M., LEWIS COUNTY WASHINGTON KNOWN AS ASSESSOR'S PARCEL NO. 00583001000, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 19, AUST'S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 4 OF PLATS, PAGE 35;
THENCE N45°05'09"E ALONG THE SOUTHERLY MARGIN OF TWELFTH STREET A DISTANCE OF 299.16 FEET TO THE MOST NORTHERLY CORNER OF SAID LOT 21, AUST'S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 4 OF PLATS, PAGE 35;
THENCE N45°46'31"E A DISTANCE OF 50.00 FEET TO THE MOST EASTERLY PLAT CORNER OF McCORD AND PHILLIP'S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 123, RECORDS OF LEWIS COUNTY, WASHINGTON, BEING INTERSECTION OF THE NORTHEASTERLY MARGIN OF ADAMS AVENUE AND THE NORTHERLY MARGIN OF SAID TWELFTH STREET;
THENCE S45°05'09"W ALONG THE SOUTHERLY BOUNDARY OF THE PLAT OF McCORD AND PHILLIP'S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 123, RECORDS OF LEWIS COUNTY, WASHINGTON, BEING NORTHERLY MARGIN OF SAID TWELFTH STREET A DISTANCE OF 164.87 FEET TO THE MOST SOUTHERLY CORNER OF SAID LOT 7, BLOCK 3;
THENCE CONTINUING S45°05'09"W ALONG THE NORTHERLY MARGIN OF SAID TWELFTH STREET A DISTANCE OF 135.05 FEET;
THENCE S46°38'55"W A DISTANCE OF 50.02 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 14,974 SQUARE FEET MORE OR LESS

EXHIBIT "A"

CITY OF CHEHALIS
ADAMS AVENUE VACATION

STREET VACATION AREA:

THAT PORTION OF ADAMS AVENUE ABUTTING LOTS 4, 5, 6 AND 7, BLOCK 3 McCORD AND PHILLIP'S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 123, RECORDS OF LEWIS COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 7;
THENCE N44°52'45"W ALONG THE SOUTHWESTERLY MARGIN OF ADAMS AVENUE A DISTANCE OF 243.74 FEET TO THE MOST EASTERLY CORNER OF SAID LOT 4;
THENCE N45°07'15"E A DISTANCE OF 60.00 FEET TO THE NORTHEASTERLY BOUNDARY OF THE PLAT OF McCORD AND PHILLIP'S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 123, RECORDS OF LEWIS COUNTY, WASHINGTON AND THE SOUTHWESTERLY LINE OF THAT PARTICULAR TRACT OF LAND DESCRIBED IN STATUTORY WARRANTY DEED, DATED SEPTEMBER 14TH, 2011, RECORDED UNDER LEWIS COUNTY AUDITOR'S FILE NO. 3368112, ALSO BEING THE NORTHEASTERLY MARGIN OF ADAMS AVENUE;
THENCE S44°52'45"W ALONG SAID NORTHEASTERLY MARGIN A DISTANCE OF 243.75 FEET TO THE INTERSECTION WITH THE NORTHERLY MARGIN OF TWELFTH STREET, BEING THE MOST EASTERLY CORNER OF THE PLAT OF McCORD AND PHILLIP'S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 123, RECORDS OF LEWIS COUNTY, WASHINGTON;
THENCE S45°05'09"W A DISTANCE OF 60.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 14,624 SQUARE FEET MORE OR LESS

EXHIBIT "A"

CITY OF CHEHALIS
ALLEY VACATION

ALLEY VACATION AREA:

THAT PORTION OF ADAMS AVENUE ABUTTING LOTS 4, 5 AND 6, BLOCK 3, AND LOTS 4 AND 5, BLOCK 2, McCORD AND PHILLIP'S ADDITION TO THE CITY OF CHEHALIS, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 123, RECORDS OF LEWIS COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

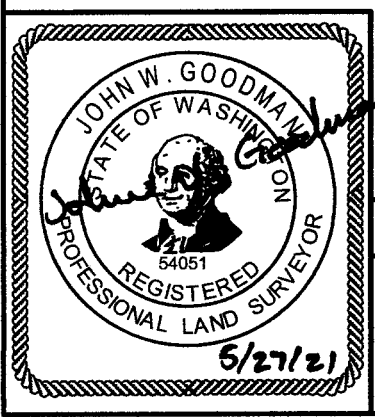
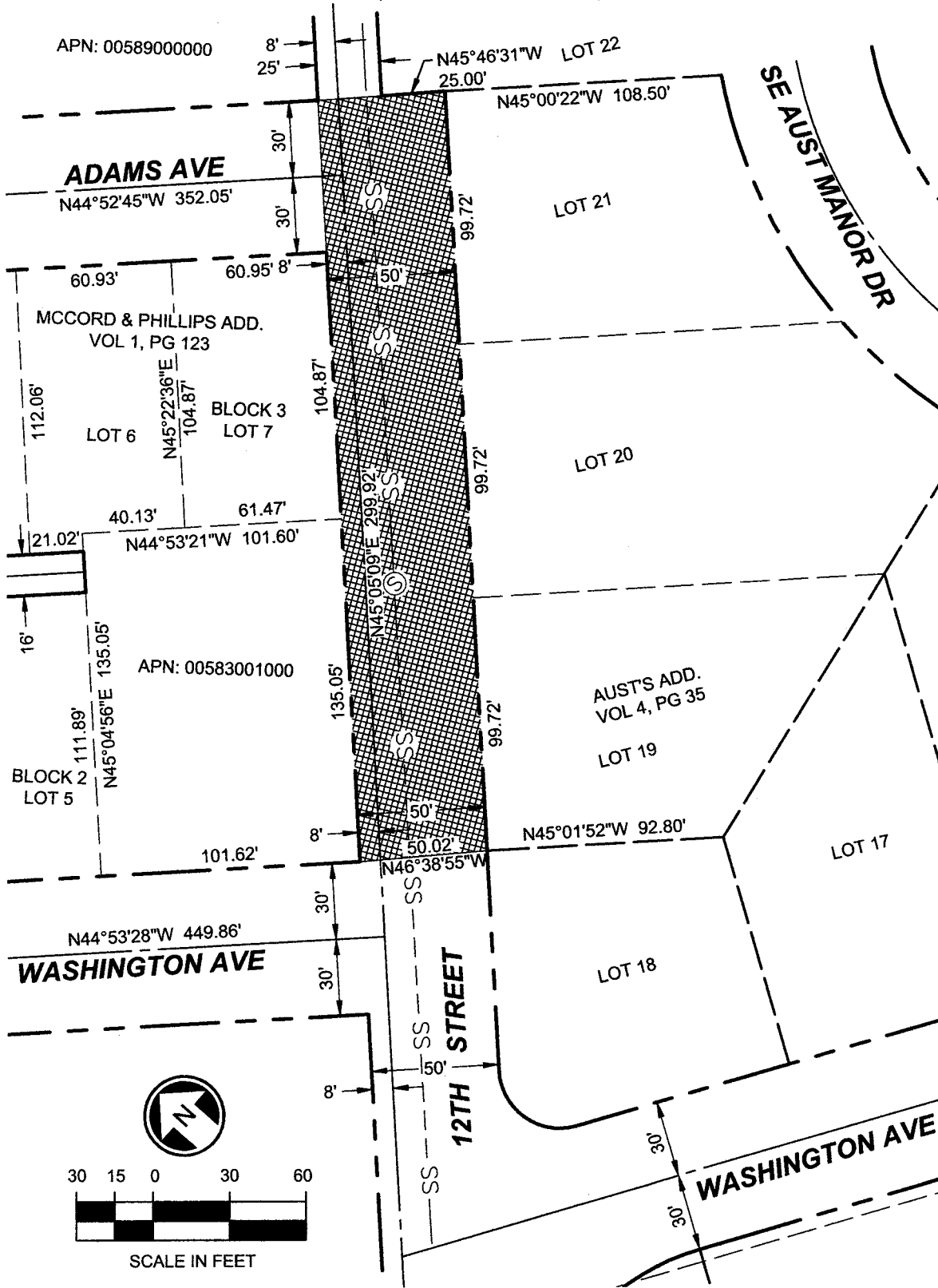
BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 5, BLOCK 2 AS SURVEYED ON RECORD OF SURVEY RECORDED UNDER LEWIS COUNTY AUDITOR'S FILE NO. 3531692, IN VOLUME 33 OF SURVEYS AT PAGE 138;
THENCE N44°53'03"W ALONG THE SOUTHWESTERLY MARGIN OF ALLEY ALONG ABUTTING SAID LOTS 5 AND 4 OF BLOCK 2 A DISTANCE OF 142.10 FEET TO THE MOST NORTHERLY CORNER OF SAID LOT 4, BLOCK 2;
THENCE N45°05'11"E A DISTANCE OF 16.00 FEET TO THE MOST WESTERLY CORNER OF SAID LOT 4, BLOCK 3;
THENCE S44°53'03"E ALONG THE NORTHEASTERLY MARGIN OF ALLEY ALONG SAID LOTS 4, 5 AND 6, BLOCK 3 A DISTANCE OF 142.10 FEET TO AN ANGLE POINT IN THE SOUTHWESTERLY LOT LINE OF SAID LOT 6, BLOCK 3;
THENCE S45°04'56"W A DISTANCE OF 16.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 2,274 SQUARE FEET MORE OR LESS

EXHIBIT B

12TH STREET VACATION

PORTION OF THE GOVERNMENT LOT 5
(NE 1/4 SE 1/4) SEC 32, T 14 N, R 2 W, W.M.
CITY OF CHEHALIS, LEWIS COUNTY, WASHINGTON



LEGEND	
	SECTION SUBDIVISION LINE
	STREET RIGHT-OF-WAY LINE
	STREET CENTER LINE
	PROPERTY LINE
	PLAT LOT LINE
	STREET VACATION AREA

STREET VACATION AREA AREA: 14,974 S.F.

ASSESSOR NO: N/A DATE: 05/25/2021

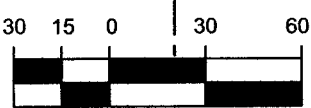
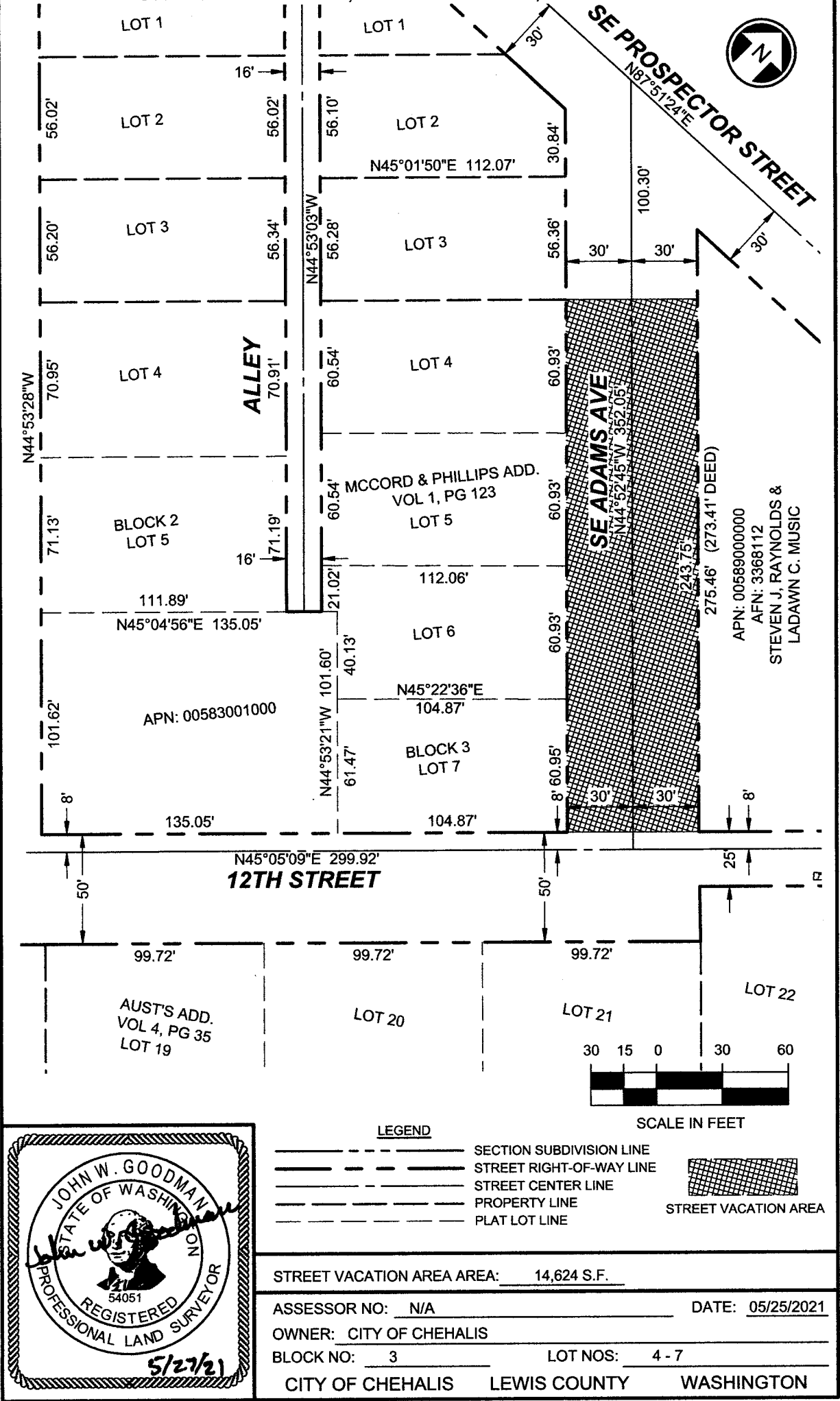
OWNER: CITY OF CHEHALIS

BLOCK NO: 3 LOT NOS: 7 & 19 - 21

CITY OF CHEHALIS LEWIS COUNTY WASHINGTON

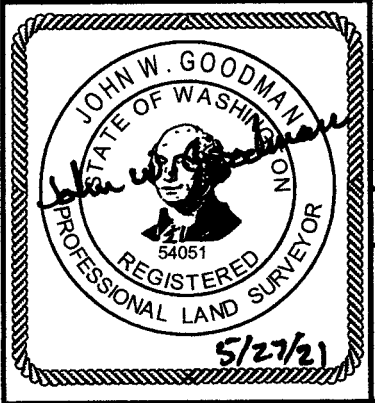
EXHIBIT B SE ADAMS STREET VACATION

PORTION OF THE GOVERNMENT LOT 5
(NE 1/4 SE 1/4) SEC 32, T 14 N, R 2 W, W.M.
CITY OF CHEHALIS, LEWIS COUNTY, WASHINGTON



LEGEND

- SECTION SUBDIVISION LINE
- STREET RIGHT-OF-WAY LINE
- STREET CENTER LINE
- PROPERTY LINE
- PLAT LOT LINE
- STREET VACATION AREA



STREET VACATION AREA AREA: 14,624 S.F.

ASSESSOR NO: N/A DATE: 05/25/2021

OWNER: CITY OF CHEHALIS

BLOCK NO: 3 LOT NOS: 4 - 7

CITY OF CHEHALIS LEWIS COUNTY WASHINGTON

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Trent Lougheed, Public Works Director

MEETING OF: October 11, 2021

SUBJECT: Acceptance and Closeout of the 12th & Williams Rechannelization Project

ISSUE

The construction of the 12th & Williams Rechannelization Project is complete. It is recommended that the City Council accept the project as complete and release the retainage to KBH Construction after all statutory requirements have been met.

DISCUSSION

This project removed the non-conforming “triangle” intersection at this location and created a 90-degree intersection, which allowed the development of an additional paved parking area for Recreation Park. The improvements resulted in an intersection that meets the requirements of the WSDOT Design Manual and the Manual for Uniform Traffic Control Devices (MUTCD) and will provide an additional 20 parking spaces.

The paving and improvements on the park property were paid for with funds donated by the Chehalis Foundation, and the Right-of-Way improvements were paid for with Transportation Benefit District Funds.

In October 2020, the City awarded a contract to KBH Construction, and the project is now complete. The administration recommends that the project be closed-out and the retainage released when all statutory requirements have been met.

With the final acceptance of the project by Council and when the Public Works Director verifies that all statutory requirements have been met, the retainage will be released to KBH Construction.

FISCAL IMPACT

The City Council authorized a budget of \$148,168 when the project was awarded, which included a contract amount of \$134,698 and a contingency amount of \$13,470.00. A change order was brought to Council for approval on March 8, 2021 increasing the budget by \$6,068.82 and increasing the budget authority to \$154,236.82.

The increase was due to three change order items, which included: additional asphalt removal and imported rock, additional irrigation, and additional parking lot striping.

The final cost of the project was \$150,940.42 which is within the amount authorized by the City Council.

RECOMMENDATION

It is recommended that the Council accept the 12th & Williams Rechannelization Project as complete and release the retainage to KBH Construction after all statutory requirements have been met.

SUGGESTED MOTION

I move that the Council accept the 12th & Williams Rechannelization Project as complete and release the retainage to KBH Construction after all statutory requirements have been met.



DESIGN → PERMIT → MANAGE

September 7, 2021

Trent Lougheed
Development Director
City of Chehalis
1321 S. Market Blvd.
Chehalis, WA 98532
tlougheed@ci.chehalis.wa.us

Re: Williams Ave. and 13th Street Intersection Reconfiguration – Project Closeout
RBE No. 20065

Dear Trent:

We conducted a final review of the site improvements with Lilly and the Contractor. All constructed improvements meet the intent of the approved construction plans prepared by our office. A copy of the record drawings is attached for you records.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Balmelli", written over the typed name and title.

Robert W. Balmelli PE
President

Cc: Project file

Enclosure: Record Drawings – 11x17