



Community Development Department

1321 S Market Blvd. Chehalis, WA 98532

(360) 345-2229 / Fax: (360) 345-1039

www.ci.chehalis.wa.us email: comdev@ci.chehalis.wa.us

CHEHALIS PLANNING COMMISSION AGENDA

Regular meeting of April 11, 2023

6:00 PM - Chehalis City Hall Council Chamber, 350 N Market Boulevard

Position 1	Gladis Mendez	Staff:	Tammy Baraconi, Planning and Building Manager
Position 2	Melissa Cox, Chair		Laura Fisher, Permit Technician
Position 3	Aubrey Anderson		
Position 4	Kyle McKerricher		
Position 5	David Fitzpatrick		
Position 6	Scott Forsman		
Position 7	Derek Dodd, Vice-chair		

AGENDA ITEMS:

1. Call to Order
2. Roll Call
3. Approval of minutes from March 14, 2023.
4. Citizen Business for items not listed elsewhere on the agenda.
5. Commission Business
6. Public Hearing
 - a. Cryptocurrency Ordinance CMC 17.03. The Planning Commission will hear a proposal for a new cryptocurrency ordinance. After taking public testimony and careful deliberations, the Planning Commission will make a recommendation to the City Council.
7. Adjourn Meeting
 - a. Next meeting will be on May 9, 2023.

Join Zoom Meeting

<https://us06web.zoom.us/j/89231546078?pwd=cDI5ZWQzeGZ6SUxMVTZHRy9objVnZz09>

Meeting ID: 892 3154 6078

Passcode: 970285

1 **Planning Commission**

2 **Meeting Minutes 3-14-2023**

3

4 Kyle McKerricher calls meeting to order at 6:05pm

5 Roll is taken. Present: Kyle McKerricher, David Fitzpatrick, Aubrey Anderson, Melissa Cox, Derek Dodd

6 Approval of minutes from November 8th meeting.

7 No citizen business.

8 Commission Business. Election of Chair and Vice Chair for 2023. Kyle McKerricher asks to step down

9 and nominates Melissa. David Fitzpatrick would like to elect Derek as the Vice Chair. Vote passes

10 unanimously for Melissa Cox to be nominated as Chair. Vote passes unanimously for Derek Dodd to be

11 the new Vice Chair for 2023.

12 6:09pm Work plan for 2023. Tammy Baraconi provides instruction on the importance of the email

13 assignment for commissioners and why.

14 The work plan consists of creating the Mixed Residential Commercial Code, updating the Critical Areas

15 Ordinance along with two codes on the agenda tonight to look at. There will be Comp Plan updates.

16 She is working on getting a contract in place to have the floodplain documentation updated for the

17 Critical Areas Ordinance. This helps regulate the floodplain, geologically hazardous areas such as slopes

18 on the hill, critical aquifer areas, wetlands, and shorelines. The shoreline is already done and will go to

19 Council and then off to Ecology. The last Critical Areas Ordinance was written in 2010. There are a lot of

20 changes.

21 6:15pm Kyle McKerricher moves to the Public Workshop.

22 Tammy Baraconi speaks to the Landscaping Code and additions to be made. Landscaping Plans are

23 defined at the state level under licensing for architects and engineers. It is required that you be a

24 Licensed Landscape Architect, Certified Landscaper, or Certified Nurseryman in order to do a

25 landscaping plan for anything other than a single-family home. Single family homes are exempt. The

26 code will be updated to be consistent with state law. Josh McDrummond the Building Inspector who

27 has a strong background in landscaping will be crafting language for the code regarding types of trees

28 and how to plant them properly.

29 David Fitzpatrick asks Tammy if this applies to a duplex. It seems a little onerous to apply to a duplex.

30 Tammy Baraconi confirms it does apply to a duplex. She provides examples of when this code would
31 apply to permitting based on the size of the project. Discussion is had regarding an additional dwelling
32 unit on a single-family home. A Licensed Landscape Architect is required right now through the SEPA
33 process. Another option would be to have a prescribed method established for applicants. State law
34 says that anyone who has more than 7 years' experience landscaping is considered to be an acceptable
35 candidate.

36 6:27pm Kyle McKerricher moves to agenda item 6. b) Cryptocurrency Ordinance.

37 Tammy Baraconi went to the Council in July asking for a moratorium on Cryptocurrency due to issues
38 with a Cryptocurrency Mining facility over at Yard Birds. Staff has copied the proposed ordinance from
39 the city of Wenatchee who has received national recognition for their work on cryptocurrency. She
40 explains what is preferred as to the location of a farming facility or mining facility being not in a single-
41 family home but in an appropriate commercial building. Tammy has discussed this with the attorney for
42 the PUD. The code will state that Lewis County PUD will be required to approve of the cryptocurrency
43 project with a letter.

44 Melissa is aware that it can also be a fire hazard. If they were to be in an apartment unit they are
45 endangering all the residents at that point.

46 Tammy speaks about a previous experience in the city with a cryptocurrency farming project that ended
47 up leaving due to inadequate power.

48 Derek asks for clarification on the definition of farming cryptocurrency. Discussion is had amongst
49 commissioners regarding what that entails. Suggestion is made that the code include that definition.

50 Tammy provides further considerations to include in this discussion. She shares that when the PUD is
51 reviewing the process they will want to see electrical plans, transformer locations, where the lines are
52 located and what the make is and dimensions. She is willing to ask the PUD about the average
53 megawatts a single family home uses on average in the city. The Wenatchee program is so well liked
54 because they are repurposing the heat from the servers, recycling that heat to heat other things. There
55 are ways to be creative to use this energy to recycle as much as possible. She will bring the
56 cryptocurrency ordinance to the planning commission at the next meeting for the public hearing process
57 with an additional definition of cryptocurrency mining included.

58 6:41pm Kyle motions to adjourn the meeting. None opposed. Motion passed unanimously.

59 Approved by: _____

60 Kyle McKerricher, Chair

61 Recorded by: _____

62 Laura Fisher, Permit Technician

City of Chehalis
Planning Commission
Staff Report
April 11, 2023

To: Planning Commission
From: Tammy Baraconi
Date: April 11, 2023
Subject: Create CMC 17.03.103 Cryptocurrency mining and data centers.

Background

Staff is recommending the creation of code to regulate cryptocurrency mining and data centers in the City of Chehalis. While the City currently allows data centers, there are no regulations discussing how they should be created. And there is no language in the code addressing cryptocurrency mining operations.

Cryptocurrency mining purchase, accept in exchange for goods and services, or mine new bitcoin. Bitcoin is a form of internet currency. And much like data centers, cryptocurrency mining requires multiple high functioning servers. These servers, when grouped together, use a massive amount of energy. In some areas, this energy consumption has caused brown outs because the local power company is unable to provide the required service and must start rationing power supplies. Locally, a cryptocurrency mining operation caused damage to a neighborhood power transformer, impacting the neighboring businesses until the transformer could be replaced.

Mining and data centers also produce a large amount of heat. To counteract this effect, high-powered air-conditioning systems are used. This just increases the demand on the power grid.

A secondary issue associated with cryptocurrency mining and data centers is that in some communities cryptocurrency miners rent residential apartments, converting the apartments from residential use. While on the surface this may appear to be harmless, the heat from the servers begins to create a fire hazard for the neighboring apartments as well as an increase in utility bills, trying to keep apartments cool from the effects of the servers.

In an effort to provide an orderly growth in the cryptocurrency mining and data center business, staff has proposed the code attached as Exhibit A.

Public Notification and Comment

Public notification of the hearing has been published in The Chronicle and the code has been available on the City's website.

Environmental Review

A Determination of Non-significance (DNS) will be issued after this public hearing and before it goes to the Council for action.

Staff Analysis and Recommendation

Staff finds that the proposed changes to CMC 17.03.103 Cryptocurrency mining and data farming is consistent with the Chehalis Comprehensive Plan and recommend approval as submitted.

Suggested language

If Approve

Make the motion to CMC 17.03.103 Cryptocurrency mining and data centers a POSITIVE recommendation to the City Council subject to the following condition(s):

If Deny

Make the motion to CMC 17.03.103 Cryptocurrency mining and data centers a NEGATIVE recommendation to the City Council for the following reason(s):

If Table

Make the motion to TABLE CMC 17.03.103 Cryptocurrency mining and data centers for the following reason(s):

Exhibit A: CMC 17.03.103 Cryptocurrency mining and data farming

17.03.103 Cryptocurrency mining and data centers.

Cryptocurrency mining and data centers are described as three (3) or more servers used in conjunction to provide services or goods on or from the internet. All cryptocurrency mining and data center operations are allowed in commercial and industrial zones. They are prohibited in all residential and mixed residential commercial zones and shall meet the following standards unless otherwise regulated within this code:

(A) Applications for a business license shall be processed as a Type I administrative review under CMC 17.09.050. A change of occupancy may be required and will be processed as a Type I administrative review under CMC 17.09.050.

(B) The use of cargo containers, railroad cars, semi-truck trailers and other similar storage containers for any component of the operation is strictly prohibited.

(C) Prior to approving the business license, the applicant shall provide written verification from the Lewis County Public Utility District (PUD) stating the following:

(1) Adequate capacity is available on the applicable supply lines and substation to ensure that the capacity available to serve the other needs of the planning area is consistent with the normal projected load growth envisioned by the PUD.

(2) Utility supply equipment and related electrical infrastructure are sufficiently sized and can safely accommodate the proposed use.

(3) The use will not cause electrical interference or fluctuations in line voltage on and off the operating premises.

(D) Prior to any cryptocurrency mining, a copy of the Washington State Department of Labor and Industries electrical permit and written verification that the electrical work has passed a final inspection shall be provided to the city and the PUD.

(E) Data centers and cryptocurrency mining operations shall not occupy the grade level commercial street frontage to a depth of 50 feet from the front property line, except within the industrial zoning district.

(F) All cryptocurrency mining and data center operations, including all ancillary equipment/operations for purposes such as cooling, shall be designed, constructed, operated, and maintained so as not to cause the dissemination of dust, smoke, glare, heat, vibration, or noise in excess of the maximum environmental noise level established by Chapter 173-60 WAC beyond the property line or affecting adjacent buildings. Violation of these established noise levels will result in revocation of a city business license pursuant to Chapter 5.04 CMC and any other applicable penalties.

(G) The project proponent shall provide to the city within 30 days of commencing operations an affidavit that includes the following information:

(1) Name and qualifications of the person who measured the decibel levels.

(2) Equipment used.

(3) Location of the noise measurements depicted on a scaled site plan. The points of measurement shall be at all property lines and generally at the points on those property lines most susceptible to noise from the applicable equipment.

(4) Decibel levels measured at each property line.

(5) A description of the operating conditions of the applicable equipment when the measurements were taken.

(6) Time and duration of measurements.

(7) A statement attesting to the accuracy of the information provided and a guarantee that the project proponent will not run their equipment at a more intense or noisier state than when they made the measurements.

The city reserves the right to require independent verification of noise measurements and/or to request additional measurements at different points on the property. All measurements must comply with the noise levels established in Chapter 173-60 WAC.