

CHEHALIS CITY COUNCIL AGENDA

CITY HALL

350 N MARKET BLVD | CHEHALIS, WA 98532

Anthony E. Ketchum, Sr., District 3
Mayor

John Six, District 1
Daryl J. Lund, Mayor Pro Tem, District 2
Jody Kyes, District 4

Kate McDougall, Position at Large No. 1
Kevin Carns, Position at Large No. 2
Robert J. Spahr, Position at Large No. 3

Regular Meeting of Tuesday, May 28, 2024

5:00 p.m.

To access this meeting via Zoom:

Meeting ID: 834 4212 6653

Pass Code: 674890

1. Call to Order
2. Pledge of Allegiance
3. Approval of Agenda

PRESENTATIONS/PROCLAMATIONS

CONSENT CALENDAR

ADMINISTRATION RECOMMENDATION

PAGE

- | | | |
|--|---------|---|
| 4. <u>Minutes of the Regular Meeting May 13, 2024</u> (City Clerk) | APPROVE | 1 |
| 5. <u>Vouchers and Transfers- Accounts Payable in the Amount of \$815,908.10</u> (Finance Director) | APPROVE | 5 |
| 6. <u>Appointment of Mayor Pro Tem Lund, Councilor McDougall, and City Manager Stacy Denham as the City's Voting Delegate to the 2024 AWC Annual Business Meeting</u> (City Clerk) | APPROVE | 7 |
| 7. <u>Chehalis-Centralia Airport Memorandum of Understanding (MOU) with Washington Military Department 2024</u> (Airport Director) | APPROVE | 9 |

PUBLIC HEARINGS

ADMINISTRATION RECOMMENDATION

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| 8. <u>Public Hearing on Resolution No. 10-2024, 2025-2030 Six-Year Transportation Improvement Plan</u> (Capital Projects Manager) | CONDUCT
PUBLIC
HEARING | 19 |
|---|------------------------------|----|

Citizens may participate in person or submit comments for the public hearings by:

Submitting through the City website – <https://www.ci.chehalis.wa.us/contact>.
Contacting City Clerk Kassi Mackie at 360-345-1042 or kmackie@ci.chehalis.wa.us to provide verbal comments or to sign up to log-in via Zoom to comment directly to the City Council.

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 Kassi Bateman at 360-345-1042 or at kmackie@ci.chehalis.wa.us. Public comments will be limited to five (5) minutes per person.

UNFINISHED BUSINESS	ADMINISTRATION RECOMMENDATION	PAGE
9. <u>Second Reading of Ordinance No. 1097-B, Adoption of CMC 17.10 International Building Codes with Amendments to the International Residential Code</u> (Interim Community Development Director)	APPROVE	21

NEW BUSINESS	ADMINISTRATION RECOMMENDATION	PAGE
10. <u>Resolution No. 10-2024, Adopting the City of Chehalis 2025-2030 Six-Year Transportation Improvement Program</u> (Capital Projects Manager)	APPROVE	39
11. <u>Consideration of Offer to Lease Tract 16-B at 1815 NW Louisiana Ave, to Halle Properties, LLC of Scottsdale, Arizona</u> (Airport Director)	APPROVE	45
12. <u>Task Order No. 3 Create a Building Information Model & Airport Visualization Scope of Services</u> (Airport Director)	APPROVE	71
13. <u>Consider PILOT Program for Tax Exempt Buildings within Chehalis for Fire Protection Fees</u> (Fire Chief)	APPROVE	77
14. <u>First Reading of Ordinance No. 1096-B, Historic Preservation Code Amendments</u> (Interim Community Development Director)	APPROVE	85

ADMINISTRATION AND CITY COUNCIL REPORTS	ADMINISTRATION RECOMMENDATION	PAGE
<u>Administration Reports</u> <ul style="list-style-type: none"> • City Manager Update • 2024 Q1 Financial Report <u>Councilor Reports/Committee Updates</u> (City Council)	For Information Only	101

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

NEXT REGULAR CITY COUNCIL MEETINGS

MONDAY, JUNE 10, 2024- 5:00 P.M.

MONDAY, JUNE 24, 2024- 5:00 P.M.

NEXT SPECIAL CITY COUNCIL MEETING

Chehalis City Council
Regular Meeting Minutes
May 13, 2024
5:00 p.m.

Council Present: Mayor Ketchum, Mayor Pro Tem Lund, Councilor Spahr, Councilor McDougall, Councilor Kyes, Councilor Six and Councilor Carns.

Council Absent: None

Staff Present: Lance Bunker, Interim City Manager; Kevin Nelson, City Attorney; Kassi Bateman, City Clerk; Nicholle Stanhope, Finance Director; Randy Kaut, Police Chief; Justin Phelps, Wastewater Superintendent; Sally Saxton, Fiscal Analyst; Fritz Beierle, Streets Superintendent; Celest Wilder, Capital Projects Manager; Lilly Wall, Parks and Recreation Director; Adam Fullbright, Fire Chief; Malissa Paulsen, Interim Community Development Director

Press Present: Owen Sexton, The Chronicle

1. Call to Order

Mayor Ketchum called the meeting to order at 5:00 p.m.

2. Pledge of Allegiance

Councilor Spahr led the flag salute.

3. Approval of Agenda

Item #4 was removed from the agenda.

A motion was made by Councilor Spahr, seconded by Mayor Pro Tem Lund, to approve the agenda as amended. Motion carried unanimously.

PRESENTATIONS/PROCLAMATIONS

CONSENT CALENDAR

- 4. Minutes of the Regular City Council Meeting of April 22, 2024** (City Clerk)
- 5. Vouchers and Transfers—Accounts Payable in the Amount of \$598,756.15** (Finance Director)
- 6. Vouchers and Transfers—Payroll in the Amount of \$970,920.70** (Finance Director)
- 7. Resolution No. 09-2024, Amending the Resolution Numbering for Previously Adopted Resolution No. 05-2024 to 08-2024 Declaring Surplus Property** (City Clerk)
- 8. Amendment to Resolution No. 11-2022, Interlocal Agreement with Lewis County for Fire Investigation Services** (Fire Chief)

9. **Setting May 28, 2024, at 5:00 p.m. to Conduct a Public Hearing on the 2025-2030 Transportation Improvement Plan** (Public Works Director)
10. **Second Reading of Ordinance No. 1089-B, Amendments to Chehalis Municipal Code Section 13.12.060-Service Call Charges** (Water Superintendent)
11. **Extension of Interlocal Agreement with Lewis County** (Interim Community Development Director)

A motion was made by Councilor Spahr, seconded by Mayor Pro Tem Lund to approve the items on the Consent Calendar as presented. The motion carried unanimously.

PUBLIC HEARINGS

None.

CITIZENS BUSINESS

None.

UNFINISHED BUSINESS

None.

NEW BUSINESS

12. **FY2023 Transportation Benefit District Annual Report** (Streets Superintendent)
Streets Superintendent Fritz Beierle presented.

A motion was made by Councilor Spahr, seconded by Mayor Pro Tem Lund to approve the Fiscal Year 2023 Transportation Benefit District Annual Report. The motion carried unanimously.

13. **First Reading of Ordinance No. 1097-B, Adoption of CMC 17.10 International Building Codes with Amendments to the International Residential Code** (Interim Community Development Director)
Interim Community Development Director Malissa Paulsen presented.

A motion was made by Councilor Spahr, seconded by Councilor Six to approve Ordinance No. 1097-B on first reading. The motion was carried with Mayor Pro Tem Lund, Councilor Carns and Councilor McDougall opposing.

ADMINISTRATION REPORTS

CITY MANAGER UPDATE

Interim City Manager Lance Bunker provided a brief update on the 2024 Community Clean-up Event and provided the public with a reminder that the next meeting has been rescheduled to Tuesday, May 28 from Monday, May 27 due to the Memorial Day holiday.

COUNCILOR REPORTS/COMMITTEE UPDATES

Councilor McDougall reported attendance at the Homeless Committee, Transitional Housing, Experience Chehalis, Board of Health and Public Health and Social Services meetings.

Mayor Ketchum reported attendance at the Homeless Committee, Firemen’s Pension Board, LEOFF-1 and Experience Chehalis meetings as well as the ribbon cutting for Sweet Dough Cookie Co. Mayor Ketchum recognized Mike and Sue Austin for the donation of the new statue and also recognized staff for National Police Week.

EXECUTIVE SESSION

14. 42.30.110(1)(g)- E

Mayor Ketchum recessed the regular meeting and called the executive session to order at 5:40 for 15 minutes after providing 5 minutes for the public to exit or until 6:00 p.m.

Mayor Ketchum adjourned the executive session at 6:00 p.m.

ADJOURNMENT

Mayor Ketchum adjourned the regular meeting at 6:00 p.m.

Anthony Ketchum, Sr., Mayor

Attest: Kassi Bateman, City Clerk

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Lance Bunker, Interim City Manager

BY: Nicholle Stanhope, Finance Director
Clare Roberts, Accounting Tech III

MEETING OF: May 28, 2024

SUBJECT: 2024 Vouchers and Transfers – Accounts Payable in the Amount of \$815,908.10.

ISSUE

City Council approval is requested for 2024 Vouchers and Transfers dated May 15, 2024.

DISCUSSION

The May 15, 2024, 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 Claim Vouchers including Electronic Funds Transfer Checks No. 3658 – 3687, 154 - 156 and Voucher Checks No. 138922 - 139038 in the amount of \$815,908.10 dated May 15, 2024, which included the transfer of:

- \$ 203,793.85 from the General Fund
- \$ 18,145.47 from the Street Fund
- \$ 7,059.95 from the Transportation Benefit District Fund
- \$ 1,308.60 from the LEOFF 1 OPEB Reserve Fund
- \$ 595.00 from the Public Facilities Reserve Fund
- \$ 209,268.43 from the Automotive Equipment Reserve Fund
- \$ 81,094.14 from the Wastewater Fund
- \$ 35,204.31 from the Water Fund
- \$ 3,109.30 from the Storm & Surface Water Utility Fund
- \$ 7,922.93 from the Airport Fund
- \$ 7,059.94 from the Wastewater Capital Fund
- \$ 12,174.94 from the Water Capital Fund

- \$ 216,328.36 from the Stormwater Capital Fund
- \$ 291.86 from the Airport Capital Fund
- \$ 5,399.75 from the Custodial Court Fund
- \$ 7,151.27 from the Custodial Other Agency Fund

RECOMMENDATION

It is recommended that the City Council approve the Claim Vouchers including Electronic Funds Transfer Checks No. 3658 – 3687, 154 - 156 and Voucher Checks No. 138922 - 139038 in the amount of \$815,908.10 dated May 15, 2024.

SUGGESTED MOTION

I move that the City Council approve the Claim Vouchers including Electronic Funds Transfer Checks No. 3658 – 3687, 154 - 156 and Voucher Checks No. 138922 - 139038 in the amount of \$815,908.10 dated May 15, 2024.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Lance Bunker, Interim City Manager

BY: Kassi Bateman, City Clerk

MEETING OF: May 28, 2024

SUBJECT: Appointment of Mayor Pro Tem Lund, Councilor McDougall, and City Manager Stacy Denham as the City’s Voting Delegate to the 2024 AWC Annual Business Meeting

ISSUE

The annual business meeting of the Association of Washington Cities (AWC) will be held at the annual conference in Vancouver on June 20. In order to have a vote at the annual business meeting, the City Council is required to appoint up to three voting delegate(s). Mayor Pro Tem Lund, Councilor McDougall and City Manager Denham will be attending the conference and annual business meeting.

DISCUSSION

The 2024 AWC annual business meeting is scheduled for June 20 in conjunction with AWC’s annual conference. AWC bylaws allow each city to appoint up to three voting delegates. Voting delegates have the opportunity to influence the operations of AWC by:

- Electing the members of the AWC Board of Directors
- Engaging on issues that impact cities; and
- Considering bylaw amendments

It is proposed that the City Council appoint Mayor Pro Tem Lund, Councilor McDougall, and City Manager Stacy Denham as the City’s voting delegates to the 2024 AWC annual business meeting. The Council may also decide to appoint only one or two representatives if it wishes to.

FISCAL IMPACT

There is no fiscal impact associated with the appointments.

RECOMMENDATION

It is recommended that the City Council appoint up to three voting delegates for the 2024 AWC annual business meeting from the three representatives of the City that will be in attendance: Mayor Pro Tem Lund, Councilor McDougall and City Manager Denham. Council is encouraged to discuss and determine a motion that pleases the majority, however a suggested motion including all three delegates has been prepared as well.

SUGGESTED MOTION

I move that the City Council appoint Mayor Pro Tem Lund, Councilor McDougall, and City Manager Denham as the City's AWC voting delegates to represent Chehalis at the 2024 AWC annual business meeting.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Lance Bunker, Interim City Manager

BY: Brandon Rakes, Airport Director

MEETING OF: May 28, 2024

SUBJECT: Chehalis-Centralia Airport Memorandum of Understanding (MOU) with Washington Military Department 2024

ISSUE

Recently it has come to our attention the existing Memorandum of Understanding (MOU) with the Washington State Military Department, Emergency Management Division has expired. The MOU allows the use of the Chehalis-Centralia Airport property as a State Staging Area for emergency or disaster preparation, response, and recovery activities.

Discussion

The MOU is critical for enhancing the State's capacity to efficiently manage and distribute essential resources during emergencies or disasters. The key justifications are:

1. **Strategic Preparedness:** Establishing a pre-planned staging area at our airport enhances the state's preparedness for emergencies, ensuring rapid deployment of resources.
2. **Resource Management:** The staging area will facilitate the efficient receipt, sorting, storage, and distribution of lifesaving commodities, such as water, food, and medical supplies.
3. **Historical Precedent:** Past disasters have demonstrated the effectiveness of pre-designated staging areas in ensuring timely and organized disaster response and recovery operations.
4. **Community Safety:** The MOU aligns with our commitment to community safety and resilience, providing a critical infrastructure to support emergency response efforts.

Key Provisions of the MOU

- **Authority:** Both parties are authorized to enter into the MOU under various state RCWs, ensuring legal compliance.
- **Owner's Obligations:**
 - Allow use of the property for staging area activities upon notification.
 - Ensure 24/7 access to the property during activation periods.
 - Maintain the property in good repair and provide necessary utilities and security access.
 - Allow temporary modifications for operational needs and ensure cooperation during de-activation and restoration efforts.

- **Department's Obligations:**
 - Notify the Owner of intent to activate the property as a staging area.
 - Reimburse reasonable costs associated with property use.
 - Assume responsibility for operational costs, including utilities and security.
 - Restore the property to its original condition post-activation, excluding reasonable wear and tear.
- **Duration and Termination:** The MOU is effective until November 30, 2029, with provisions for extension and termination by either party with proper notice.

FISCAL IMPACT

The MOU outlines the reimbursement of reasonable costs associated with the use of the property, including utilities and any temporary modifications required for the staging area operations. These costs will be documented and submitted for reimbursement to ensure the airport's financial interests are protected.

RECOMMENDATION

It is recommended that the City Council approve the MOU with the Washington State Military Department, Emergency Management Division and authorize the Interim City Manager to execute the document.

SUGGESTED MOTION

I move that the City Council approve the MOU with the Washington State Military Department, Emergency Management Division and authorize the Interim City Manager to execute the document.

**MEMORANDUM OF UNDERSTANDING
STAGING AREA USE**

Washington Military Department
Emergency Management Division
Building #20, M.S. TA-20
Camp Murray, WA 98430-5122

AND

City of Chehalis-Centralia Airport
880 NW Airport Rd
Chehalis, WA 98532

253-208-6507; FAX: (253) 512-7207
Contact Person: Aidi Sudirjo
E-mail : suaidi.sudirjo@mil.wa.gov

Phone : 360-748-1230 FAX: (360) 740-0954
Contact Person: Brandon Rakes
E-mail : brakes@ci.chehalis.wa.us

Beginning Date: **Upon Execution**

Expiration Date: **60 months from execution**

I. PURPOSE

- A. This Memorandum of Understanding (MOU) is made and entered into by and between the State of Washington, through the Washington State Military Department, Emergency Management Division (hereinafter referred to as the "Department"), and City of Chehalis (hereinafter referred to as "Owner"), owner of the property described in Exhibit A attached to this MOU (hereinafter referred to as the "Property"). The Department desires to obtain permission from the Owner to use the Property as necessary for a State Staging Area for emergency or disaster preparation, response, and recovery activities as described herein.
- B. An emergency or disaster often results in a significant response of personnel and equipment. Staging Areas are needed for receiving, staging, repackaging and distributing lifesaving and life sustaining commodities, including, but not limited to, water, food, ice and generators, in response to resource shortages. Large quantities of resources may be brought into the state or relocated within a geographic region within the state to satisfy these needs. Past disasters throughout the United States have proven that pre-planned staging areas contribute to the efficient receipt, sorting, storage, and distribution of resources until normal distribution channels are restored. Past practice has also demonstrated that preparation contributes to effective response and recovery activities.
- C. In consideration of the mutual covenants and promises contained below, the sufficiency of which is acknowledged, the Owner and the Department agree to the terms contained herein.

II. AUTHORITY

The Department has authority to enter into this MOU pursuant to RCW 38.52.005, RCW 38.52.020, RCW 38.52.030 and RCW 38.52.050. The Owner has authority to enter into this MOU pursuant to RCW 14.08.020 and RCW 14.08.120

III. OBLIGATIONS OF THE OWNER

- A. The Owner agrees to allow the Department to use the Property as a Staging Area for emergency or disaster preparation, response and recovery activities as described herein; provided, however, that use of the Property after receipt of the Department's notification of intent to activate the Property as a Staging Area is subject to the following:
1. The parties reach agreement regarding the extent of the intended use of the Property, as described in Exhibit A and attached hereto, and the terms for payment by the Department of reasonable costs for use of the Property, if any, as described in Exhibit B and attached hereto; and
 2. The Owner may elect to refuse the Department access to the Property for use as a Staging Area due to unavailability, damage, conflict with commercial interest, or any other condition that renders the site unsuitable for Staging Area operations. Any such denial of access will not operate to terminate this MOU or otherwise apply to future notifications of intent to activate the Property as a Staging Area.
- B. If the Owner has agreed to allow the Department to activate the Property for use as a Staging Area, the Owner will ensure that the Department has access to the Property twenty-four (24) hours per day, seven (7) days per week during the period of that activation. The Owner will supply the Department with two (2) copies of all pertinent keys to the Property, and all pertinent access security codes.
- C. If the Owner has agreed to allow the Department to activate the Property for use as a Staging Area, the Owner will ensure that the Property is in good repair and all utilities are in good working order.
- D. If the Owner has agreed to allow the Department to activate the Property for use as a Staging Area, and if the parties have identified costs for use of the Property in attached Exhibit B, the Owner will submit monthly signed, approved invoice vouchers (state form A-19) that identify and document the charges billed in accordance with Exhibit B. These invoices must be submitted to Washington Military Department, Attention: Accounts Payable at Building 1, Camp Murray, WA 98430. A-19 forms will be available from the State Staging Area Manager on site and must include reference to this MOU by number.
- E. If the Owner has agreed to allow the Department to activate the Property for use as a Staging Area, the Owner will allow the Department to erect temporary facilities, utilities, telecommunications lines, security measures, make reasonable alterations as needed and other temporary measures necessary to operate the Staging Area, at the Department's expense.
- F. If the Owner has agreed to allow the Department to activate the Property for use as a Staging Area, the Owner will cooperate with the Department's reasonable efforts during de-activation to repair and/or restore the Property to substantially the same condition as it existed at the time of initial occupancy, at the Department's expense, reasonable wear and tear excepted. If the Owner is dissatisfied with the Department's efforts, the Owner may submit a written request for repairs to the Washington Military Department, State EOC Logistics Section, Building 20, MS: TA-20, Camp Murray, WA 98430-5122. If the Owner is dissatisfied with the response of the Department, the Owner may file a claim for damages with the Washington State Office of Risk Management within the Department of Enterprise Services pursuant to applicable state law.

- G. In the event the Owner sells or lists the Property for sale, the Owner agrees to notify the Department immediately.

IV. OBLIGATIONS OF THE DEPARTMENT

- A. If the Department desires to activate the Property as a Staging Area for purposes of emergency or disaster preparation, response or recovery, the Department will notify the Owner as soon as practicable.
- B. The Department's notification of intent to activate the Property as a Staging Area shall be in writing, unless impracticable, in which case the Department will provide oral notice with subsequent written confirmation of notice. The parties understand that, while notification may be provided over seventy-two (72) hours prior to desired use, such notice may also be provided less than twenty-four (24 hours) prior to desired use due to exigent need for the Property. The notice will include a projected timeline for use of the Property, including a requested start date and hour.
- C. After the Department's notification of intent to activate the Property for use as a Staging Area, the parties will use their best efforts to reach agreement regarding the extent of the intended use of the Property and the terms for payment by the Department of reasonable costs for use of the Property, if any. Such terms will be described in Exhibit B and attached hereto.
- D. If the Owner has agreed to allow the Department to activate the Property for use as a Staging Area, and if the parties have identified costs for use of the Property in attached Exhibit B, the Department will reimburse the Owner within thirty (30) days of receipt of signed, dated, and approved invoice vouchers (state form A-19), based upon adequate documentation of costs, as applicable and in accordance with Exhibit B.
- E. It is anticipated that the Department's use of the Property as a Staging Area will normally be for a period not to exceed 365 days from the Department's entry on to the Property.
- F. The Department will provide Owner written notice of its intent to vacate the Property at least seven (7) days in advance.
- G. If the Owner has agreed to allow the Department to activate the Property for use as a Staging Area, the Department will make reasonable efforts during de-activation to repair and/or restore the Property to substantially the same condition as it existed at the time of initial occupancy, at the Department's expense, reasonable wear and tear excepted. The Owner and Department will cooperate in these efforts. If the Owner is dissatisfied with the Department's efforts and submits a written request for repairs to the Department in accordance with Section III(F), the Department will review and make a good faith attempt to resolve any such request.
- H. The Department will assume financial responsibility for cost of operations, including building utilities and sanitation required for the Staging Area.
- I. The Department will be responsible for the cost of installation, maintenance, and removal of telecommunication equipment and lines installed for use and in support of the Staging Area.

- J. The Department will be responsible for providing security for the resources, personnel, and facilities in the Staging Area as necessary, which may include erecting temporary fencing.
- K. The Department retains ownership of all equipment brought by the Department to the Staging Area for operations.

V. POINTS OF CONTACT

- A. Owner's Point of Contact:
Name: Brandon Rakes
Title: Airport Director
Address: 880 NW Airport Road
City, State, Zip: Chehalis, WA 98532
Phone 360-748-1230
Cell Phone 360-219-5283
Fax 360-740-0954
E-mail: brakes@ci.chehalis.wa.us
- B. Washington State Emergency Management Division Point of Contact:
Aidi Sudirjo
Logistics Program Coordinator
Washington State Emergency Management Division
Building 20, MS: TA-20
Camp Murray, WA 98430-5122
Desk: 253.512.7058
Cell: 253.208.6507
E-mail: aidi.sudirjo@mil.wa.gov
- C. FAA Safety and Standards Branch (for air usage questions):
Carol Suomi
Manager, Safety & Standard Branch (Airports Division)
Desk: 425.227.2606
Cell: 206.890.6274
E-mail: carol.suomi@faa.gov

VI. EFFECTIVE DATE, DURATION AND MODIFICATION

- A. The period of performance of this MOU shall commence as of the final dated signature of the parties to this MOU and end on November 30, 2029, approximately sixty (60) months from that start date. This MOU may be extended at any time by mutual written consent of both parties.
- B. This MOU may be amended at any time by mutual written amendment to this MOU. No alteration or variation of the terms of this MOU shall be valid unless made in writing and signed by the parties hereto, and any oral understanding or agreements not incorporated herein shall not be binding.

VII. TERMINATION

- A. Termination for Convenience. Either party may terminate this MOU by giving no less than thirty (30) calendar days' written notice to the other party.

- B. Termination for Cause. Either party may terminate this MOU for cause if the other party fails to comply with any of the terms and conditions of this MOU in a timely and acceptable manner, including failure to comply with all federal, state, and local health and safety laws and regulations. The terminating party shall notify the other party in writing of the need to take corrective action. If the default or violation is not corrected after ten (10) days or within a reasonable timeframe as determined by the terminating party, the MOU shall be deemed terminated. The terminating party reserves the right to suspend all or part of the MOU during investigation of the alleged compliance breach and pending corrective action by the terminating party or a decision by the terminating party to terminate the MOU. The rights and remedies of the parties provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law.
- C. In the event this MOU is terminated, the Department will be given reasonable time and access to the Property to remove any equipment, cache, supplies or improvements.

VIII. LEGAL RELATIONS

To the fullest extent permitted by law, each party to this Agreement shall be responsible for injury to persons or damage to property resulting from negligent acts or omissions on the part of itself, its employees, agents or officers. Each party shall defend, protect, and hold harmless the other party from and against all claims, actions, costs, damages, or expenses of any nature arising out of or incident to that party's negligent performance or failure to perform this agreement. Neither party assumes any responsibility to the other party for the consequences of any act or omission of any third party.

IN WITNESS HEREOF, the parties hereto have executed this Memorandum of Understanding the _____ day of _____, 2024.

By: _____ Date _____
 Lance Bunker
 Interim City Manager
 City of Chehalis

By: _____ Date _____
 Regan Hesse
 Chief Financial Officer
 Washington Military Department

BOILERPLATE APPROVED AS TO FORM:
 Dierk Meierbachtol 10/7/2022
 Assistant Attorney General

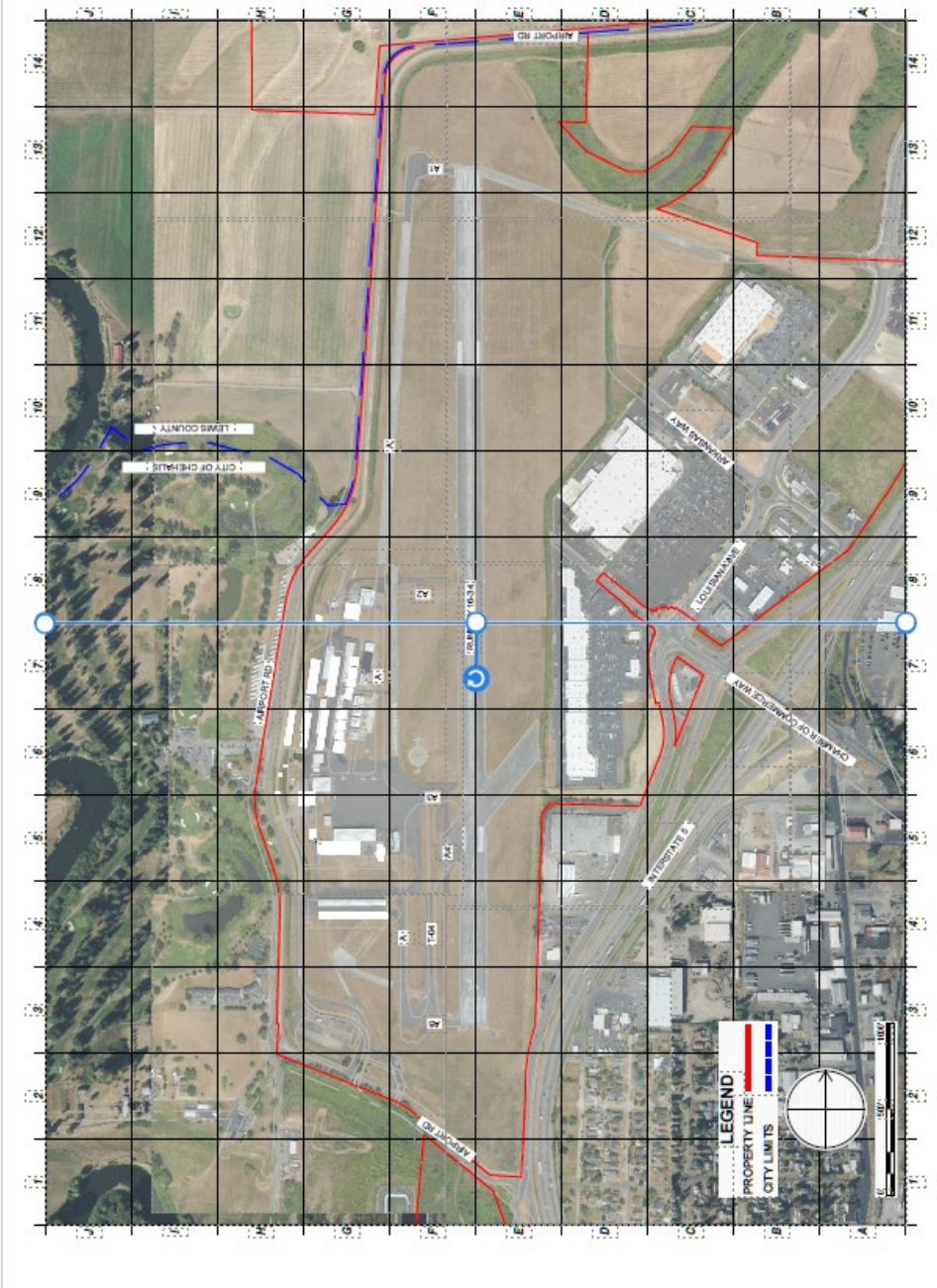
Exhibit A
Site Details

Event:	
MOU Number:	Date:
Site Owner:	
Address:	
Beginning Date:	Estimated Ending Date:

Narrative Description of Area to be Used

This site offers rotary aviation operations and limited fixed winged capabilities. Available areas and/or buildings will be identified upon an activation request. The Owner will conduct normal business practices and will attempt to satisfy the Department's request for space requirements upon an activation request, at that time, a new Exhibit "A" & "B" will be agreed upon and signed by both parties.

Site Map (Area to be Used is Highlighted)



Cost for Site Use as State Staging Area

Event:	
MOU Number:	Date:
Site Owner:	
Address:	
Beginning Date:	Estimated Ending Date:

A. Utility Costs (Initial appropriate box(es)):

- Utility costs, if any, are included in the Cost per Square Foot listed below.
- The following utility costs will be billed for reimbursement by the Department
- Sewage
 Water
 Electric
 Gas
 Garbage
 Phone

B. Building Costs, If Any:

Building #	Square Feet	Cost per Sq Ft	Total
	0	Current Rate	\$ 0.00
	0	\$0.00	\$ 0.00
	0	\$0.00	\$ 0.00
Total Building Costs			\$ 0.00

C. Ramp Space Costs:

Location	Square Feet	Cost per Sq Ft	Total
	0	Current Rate	\$ 0.00
	0	\$0.00	\$ 0.00
	0	\$0.00	\$ 0.00
Total Open Space Costs			\$ 0.00

D. Cost of Equipment Available for Use, If Any:

Type of Equipment	Cost
	\$0.00
	\$0.00
	\$0.00
	\$0.00
Total Equipment Costs	\$ 0.00

E. Other Costs (Explain in Remarks):

\$0.00

Grand Total

\$ 0.00

Remarks

Accepted By (Owner):	Signature:
Title:	Date:
Accepted By (Department):	Signature:
Title:	Date:

The Owner of the Property certifies that the totals for each category are correct and complete for use of the site by the Department as a Staging Area. Any additional costs shall be documented and submitted as a claim to be considered for reimbursement.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Lance Bunker, Interim City Manager

BY: Celest Wilder, Capital Improvement Project Manager

MEETING OF: May 28, 2024

SUBJECT: Public Hearing for the 2025-2030 Six-Year Transportation Improvement Program

ISSUE

The proposed 2025-2030 Transportation Improvement Program (TIP) has been prepared for the purpose of receiving public comment this evening, and for City Council consideration as a business item later in the agenda for the May 28th City Council meeting.

DISCUSSION

The City of Chehalis annually updates and adopts a Six-Year Transportation Improvement Program (TIP) as required by state law. Adopting the TIP is the first step in the annual process required by WSDOT of all local agencies to create project funding eligibility. After projects are adopted on the local TIP, they are qualified to receive federal or state transportation funding. The TIP may be amended by staff at any time to add or delete projects and/or change funding sources and amounts after approval by City Council and following a public hearing on the proposed amendments. After a locally adopted transportation project is funded, it is placed on the Statewide Transportation Program, commonly known as the "STIP".

The administration continues to identify aspects of the City's transportation system needing improvement for the safety and convenience of Chehalis residents, businesses, and visitors. Provided is a list of projects for the 2025-2030 TIP that the administration will continue to pursue funding sources for, including funding by the Transportation Benefit District.

FISCAL IMPACT

There is no fiscal impact associated with the public hearing.

RECOMMENDATION

It is recommended that the City Council receive public testimony by conducting the public hearing at this meeting and consider adoption of a resolution approving the 2025-2030 Six-Year Transportation Improvement Program.

SUGGESTED MOTION

There is no motion needed separate from those associated with the opening and closing of the public hearing.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Lance Bunker, Interim City Manager

BY: Josh McDrummond, Building Official / Malissa Paulsen, Interim Community Development Director

MEETING OF: May 28, 2024

SUBJECT: Second reading of Ordinance No. 1097-B, Adoption of CMC 17.10 International Building Codes with Amendments to the International Residential Code

ISSUE

The State Legislature recently adopted the 2021 International Building Code, prompting municipalities to formally adopt the 2021 International Building Code to ensure that the City’s adopted codes meet the minimum requirements to ensure compliance and promote safety and efficiency in construction practices within our jurisdiction. This item was presented for first reading at the May 13th meeting and is presented here for second reading and consideration of adoption.

DISCUSSION

Building codes are critical regulatory tools aimed at safeguarding public health, safety, and general welfare. They establish minimum requirements for design, construction, and occupancy of buildings and structures. Regular updates to the building codes are necessary to reflect advancements in technology, materials, construction methods, and to address emerging safety concerns.

The International Code Council (ICC) periodically revises and updates the IBC, which serves as the foundation for most state and local building codes in the United States. The 2021 edition of the IBC incorporates numerous revisions and enhancements compared to the previous editions, addressing new challenges, improving clarity, and promoting sustainability and resilience in building design and construction.

We propose updating the adopted building code in the Chehalis Municipal Code from the 2018 edition to the 2021 edition of the International Building Code. This transition aligns with the recent action taken by the state legislature and ensures consistency with statewide standards. The following key factors support this proposal:

- Compliance with State Law:

The state legislature has adopted the 2021 International Building Code, mandating municipalities to update their building codes accordingly. Failure to comply may result in legal ramifications and jeopardize eligibility for state funding and assistance programs.

- Enhanced Safety and Resilience:

The 2021 edition of the IBC incorporates updated provisions related to fire safety, structural integrity, accessibility, energy efficiency, and disaster resilience. By adopting these latest standards, we demonstrate our commitment to protecting the lives and property of our residents and enhancing the community's overall resilience to natural and man-made hazards.

- Improved Clarity and Usability:

The 2021 IBC includes revisions aimed at improving clarity, usability, and consistency in code language and organization. These enhancements facilitate easier interpretation and enforcement by building officials, architects, engineers, contractors, and other stakeholders, streamlining the construction process, and reducing potential conflicts or misunderstandings.

- Support for Innovation and Sustainability:

The 2021 IBC integrates provisions that promote innovation, sustainability, and environmental responsibility in building design and construction. By embracing these advancements, we encourage the adoption of eco-friendly practices, renewable energy technologies, and resilient building materials, contributing to the long-term sustainability and livability of our community.

FISCAL IMPACT

No fiscal impact expected.

RECOMMENDATION

We recommend that the Chehalis City Council adopt Ordinance No. 1097-B, on second reading. This action reflects our commitment to promoting safety, resilience, and sustainability in construction practices and ensures compliance with state law and industry best practices.

SUGGESTED MOTION

I move that the City Council adopt Ordinance No. 1097-B on second reading.

ORDINANCE NO. 1097-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AMENDING SECTION 17.10 OF THE CHEHALIS MUNICIPAL CODE CONCERNING ADOPTION OF INTERNATIONAL BUILDING CODES AND STANDARD SPECIFICATIONS

WHEREAS, the City of Chehalis has the responsibility and is compelled to adopt the most current edition of the international codes adopted by the State, and;

WHEREAS, the affected chapters are critical to development within the City of Chehalis making it crucial that the regulations therein are accurate and clear,

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

Section 1. Section 17.10 of the Chehalis Municipal Code shall be, and the same hereby are amended to read as presented in the attached Exhibit A.

Section 2. The Effective date of this ordinance shall be the ____ day of _____.

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

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

EXHIBIT A

17.10.010 Codes adopted – Copies on file.

A. The International Building Code, ~~2018~~ 2021 Edition, as amended by Chapter 51-50 WAC, including the Appendix Chapters G, Flood Resistant Construction; I, Patio Covers; and J, Grading.

1. The following sections of the International Building Code, ~~2018~~ 2021 Edition, are amended to read as follows:

a. Section 101.1.

These regulations shall be known as the Building Code of the City of Chehalis, Washington, hereinafter referred to as “this code.”

b. Section 101.4.1, Electrical.

The provisions of the 2017 National Electric Code as adopted in City of Chehalis Municipal Code Chapter 17.10.010(C) shall apply to the installation of electrical systems, including alterations, repairs, replacement, equipment, appliances, fixtures, fittings, and appurtenances thereto.

c. Section 101.4.4, Plumbing.

The provisions of the ~~2018~~ 2021 Uniform Plumbing Code as adopted by City of Chehalis Municipal Code Chapter 17.10.010(D) shall apply to the installation, alteration, repair and replacement of plumbing systems, including equipment, appliances, fixtures, fittings and appurtenances, and where connected to a water or sewage system and all aspects of a medical gas system. The provisions of the State of Washington requirements for private sewage disposal shall apply to private sewage disposal systems.

d. Section 101.4.5, ~~2018~~ 2021 International Property Maintenance Code.

The provisions of the ~~2018~~ 2021 International Property Maintenance Code as adopted by City of Chehalis Municipal Code Chapter 17.10.010(F) shall apply to existing structures and premises; equipment and facilities; light, ventilation, space heating, sanitation, life and fire safety hazards, responsibilities of owners, operators and occupants; and occupancy of existing premises and structures.

e. Section 101.4.7, ~~2018~~ 2021 Washington State Energy Code.

The provisions of the ~~2018~~ 2021 Washington International Energy Conservation Code/Washington State Energy Code adopted by City of Chehalis Chapter 17.10.010(G) shall apply to all matters governing the design and construction of buildings for energy efficiency and will be known as the Washington State Energy Code.

f. Section 105.5, Expiration.

Every permit issued shall become invalid unless the work authorized by such permit is inspected within 180 days after its issuance, and within 180 days thereafter for all required inspections per section 109. If the work authorized by such permit is suspended or abandoned for a period of 180 days after the last required inspection the building official is authorized to grant, in writing, up to two free extensions of time, for periods not more than 180 days each. The extension shall be requested in writing and justifiable cause demonstrated. Extensions shall be requested within two weeks prior to the expiration of the permit in question. Any extension after the second shall incur a fee in the amount of the original building permit fee.

g. Section 108.3 shall have a new sentence added to the end of the paragraph as follows:

The value for commonly built structures shall be determined by using the Building Code and Permit fees as established in Chehalis Municipal Code 17.10.020.

h. Section 109.3.9, Special inspections.

Special inspections required by this code and Section 1704 shall be made by Special Inspection Labs and Inspectors certified and approved by Washington Association of Building Officials (WABO) or based upon adequate documentation and approved national certification, the Building Official can approve an Agency for inspection and testing work.

2. The following sections of the International Building Code, ~~2018~~ 2021 Edition, are deleted:

- a. Section 112 – Board of appeals.
- b. Section 113.2 – Notice of violation.
- c. Section 113.3 – Prosecution of violation.
- d. Section 113.4 – Violation penalties.

Penalties. Penalties for noncompliance with orders and notices shall be as set forth in CMC Chapter 17.10.040.

B. The International Residential Code, ~~2018~~ 2021 Edition, as amended by Chapter 51-51 WAC, including Appendix Chapters G, Swimming Pools, Spas, and Hot Tubs; H, Patio Covers; U, Dwelling Unit Fire Sprinkler Systems; and V, Fire Sprinklers, excluding nonmandatory provisions for sprinkling systems.

The following sections of the International Residential Code are amended to read as follows:

1. Section 105.5, Expiration.

Every permit issued shall become invalid unless the work authorized by such permit is inspected within 180 days after its issuance, and within 180 days thereafter for all required inspections per section 109. If the work authorized by such permit is suspended or abandoned for a period of 180 days after the last required inspection the building official is authorized to grant, in writing, up to two free extensions of time, for periods not more than 180 days each. The extension shall be requested in writing and justifiable cause demonstrated. Extensions shall be requested within two weeks prior to the expiration of the permit in question. Any extension after the second shall incur a fee in the amount of the original building permit fee.

2. R109.2, Inspection agencies.

The building official is authorized to accept reports of approved agencies, provided such agencies satisfy the requirements as to qualifications and reliability as required by Washington Association of Building Officials (WABO) requirements for Special Inspection Agencies or based upon adequate documentation and approved national certification the Building Official can approve an Agency for inspection and testing work.

3. Table R301.2(a), Climatic and Geographic Design Criteria, to be filled in as follows:

Ground Snow Load: 25 psf. Minimum design is 25 psf.

Wind Speed (mph): 110 mph 3-second gust

Seismic Design Category: D1

Subject to Damage From Weathering: Moderate

Frost Line Depth: 12"

Termite: Slight to moderate

Decay: moderate to severe

Winter Design Temp.: 25° F

Air Freezing Index: 172

Mean Annual Temperature: 52° F

C. The National Electric Code, 2017 Edition.

D. The Uniform Plumbing Code, ~~2018~~ 2021 Edition.

E. The International Mechanical Code, ~~2018~~ 2021 Edition.

F. The International Property Maintenance Code, ~~2018~~ 2021 Edition. The following sections of the International Property Maintenance Code, 2018 Edition, are amended:

1. Section 103.1, General.

[A] 103.1 General. The department of property maintenance inspection is hereby created and the executive official in charge thereof shall be known as the Director of Community Development (or equivalent position) or his/her designee. All references to “code official” shall mean the Director of Community Development (or equivalent position) or his/her designee.

2. Section 103.2, Appointment.

[A] 103.2 Appointment. The Director of Community Development (or equivalent position) is hereby appointed as the “code official.”

3. Section 106, Violations, shall be reinstated in its entirety with the following amendments:

[A] 106.3 Prosecution of violation. Any person failing to comply with a notice of violation or order served in accordance with Section 107 shall be deemed guilty of a misdemeanor or civil infraction as indicated in CMC Chapter 17.10.040, and the violation shall be deemed a strict liability offense. If the notice of violation is not complied with, the code official shall institute the appropriate proceeding at law or in equity to restrain, correct or abate such violation, or to require the removal or termination of the unlawful occupancy of the structure

in violation of the provisions of this code or of the order or direction made pursuant thereto. Any action taken by the authority having jurisdiction on such premises shall be charged against the real estate upon which the structure is located and shall be a lien upon such real estate.

[A] 106.4 Violation penalties. Any person who shall violate a provision of this code, or fail to comply therewith, or with any of the requirements thereof, shall be prosecuted in accordance with CMC Chapter 17.10.040. Each day that a violation continues after due notice has been served shall be deemed a separate offense.

4. Section 107, Notices and orders, shall be reinstated in its entirety with the following amendment:

[A] 107.5 Penalties. Penalties for noncompliance with orders and notices shall be as set forth in CMC Chapter 17.10.040.

5. Section 111, Means of appeals.

[A] 111.1 Application for appeal. Any person directly affected by a decision of the code official or a notice or order issued under this code shall have the right to appeal to the Hearings Examiner, provided that a written application for appeal is filed within 20 days after the day the decision, notice or order was served. An application for appeal shall be based on a claim that the true intent of this code or the rules legally adopted thereunder have been incorrectly interpreted, the provisions of this code do not fully apply, or the requirements of this code are adequately satisfied by other means.

[A] 111.4 Open hearing. Hearings before the Hearings Examiner shall be open to the public. The appellant, the appellant's representative, the code official and any person whose interests are affected shall be given an opportunity to be heard.

[A] 111.5 Postponed hearing. Postponement or continuance of an appeal maybe requested by either Party to the matter. All postponements or continuances of a hearing shall be approved or denied by the Hearings Examiner.

[A] 111.6.1 Records and copies. The decision of the Hearings Examiner shall be recorded. Copies shall be furnished to the appellant and to the code official.

[A] 111.6.2 Administration. The code official shall take immediate action in accordance with the decision of the board.

[A] 111.7 Court review. Any person, whether or not a previous party of the appeal, shall have the right to apply to the appropriate court for a writ of certiorari to correct errors of law. Application for review shall be made in the manner and time required by law following the filing of the decision in the office of the chief administrative officer.

[A] 111.8 Stays of enforcement. Appeals of notice and orders (other than Imminent Danger notices) shall stay the enforcement of the notice and order until the appeal is heard by the Hearings Examiner.

G. The ~~2018~~ 2021 Washington International Energy Conservation Code as adopted by the state.

H. The International Mechanical Code, ~~2018~~ 2021 Edition, as amended by Chapter 51-52 WAC, published by the International Code Council, and the International Fuel Gas Code, ~~2018~~ 2021 Edition, except that the standards for liquefied petroleum gas installations shall be NFPA 58 (Storage and Handling of Liquefied Petroleum Gases) and ANSI Z223.1/NFPA 54 (National Fuel Gas Code), as the mechanical code of the city.

I. The Uniform Plumbing Code, ~~2018~~ 2021 Edition, as amended by Chapter 51-56 WAC, published by the International Association of Plumbing and Mechanical Officials, including Appendix M as amended; provided, that any provisions of such code affecting fuel gas piping are not adopted, is adopted as the plumbing code for the city.

J. The International Existing Building Code, ~~2018~~ 2021 Edition, published by the International Code Council.

K. The ~~2018~~ 2021 Edition of the International Fire Code, as amended.

L. The International Fire Code, ~~2018~~ 2021 Edition, as amended by Chapter 51-54 WAC, including those standards of the National Fire Protection Association specifically referenced in the International Fire Code; provided, that, notwithstanding any wording in this code, participants in religious ceremonies shall not be precluded from carrying handheld candles. Section 308.3.1, Open-flame cooking devices, is deleted in its entirety. Section 503, Fire apparatus access roads, is also adopted. Finally, such adoption shall include appendices.

1. The following sections of the International Fire Code are amended to read as follows:

a. Section 101.1, Title.

These regulations shall be known as the Fire Code of the City of Chehalis hereinafter referred to as “this code.”

- i. Wherever the word “jurisdiction” is used in the International Fire Code, it means the City of Chehalis.
- ii. Wherever the term “corporate counsel” is used in the International Fire Code, it means the attorney for the City of Chehalis.
- iii “Fire Department” means the Chehalis Fire Department.
- iv. “Fire Chief” means the chief of the Chehalis Fire Department or his/her designee.

- b. Section 3404.2.9.5.1, Locations where above-ground tanks are prohibited.

The limits referred to in Section 3404.2.9.5.1 of the International Fire Code in which storage of Class I and Class II liquids outside in aboveground storage tanks is prohibited, are established as critical areas, except for tanks that comply with Section 3404.2.8 Vaults.

- c. Section 3804.2, Maximum capacity within established limits.

The limits referred to in Section 3804.2 of the International Fire Code in which liquefied petroleum gas is restricted are established in Table 3804.3 when referring to above-ground containers.

- d. Appendix B, Section B105, Fire-Flow Requirements for Buildings.

B105.1 One and two family dwellings. Water tender credit, as established by the Washington Surveying and Rating Bureau, shall be permitted to satisfy the minimum fire-flow and flow duration requirements for one and two family dwellings in the Urban Growth Area (UGA).

2. The following sections of the International Fire Code are deleted:

- a. Section 108, Board of appeals.
- b. Section 109.2, Notice of violation.
- c. Section 109.2.1, Service.
- d. Section 109.2.2, Compliance with orders and notices.

e. Section 109.2.3, Prosecution of violations.

f. Section 109.3, Violation penalties.

g. Section 109.3.1, Abatement of violations.

M. International Urban-Wildland Interface Code, as amended by Chapter 51-54 RCW and upon completion of the statewide mapping of the wildland urban interface areas consistent with the following parts of the ~~2018~~ 2021 International Wildland Urban Interface Code, which are adopted by reference:

1. The following parts of Section 504 class 1 ignition-resistant construction:

a. Section 504.2 Roof covering. Roofs shall have a roof assembly that complies with class A rating when testing in accordance with American society for testing materials E 108 or underwriters laboratories 790. For roof coverings where the profile allows a space between the roof covering and roof decking, the space at the eave ends shall be fire stopped to preclude entry of flames or embers, or have one layer of seventy-two pound mineral-surfaced, nonperforated camp sheet complying with American society for testing materials D 3909 installed over the combustible decking.

b. The roof covering on buildings or structures in existence prior to the adoption of the wildland urban interface code under this section that are replaced or have fifty percent or more replaced in a twelve month period shall be replaced with a roof covering required for new construction based on the type of ignition-resistant construction specified in accordance with section 503 of the International Wildland Urban Interface Code.

c. The roof covering on any addition to a building or structure shall be replaced with a roof covering required for new construction based on the type of ignition-resistant construction specified in accordance with section 503 of the International Wildland Urban Interface Code.

2. Section 504.5, Exterior walls.

Exterior walls of buildings or structures shall be constructed with one of the following methods. Such materials shall extend from the top of the foundation to the underside of the roof sheathing:

a. Materials approved for not less than one hour fire-resistance rated construction on the exterior side;

- b. Approved noncombustible materials;
- c. Heavy timber or log wall construction;
- d. Fire retardant-treated wood on the exterior side. The fire retardant-treated wood shall be labeled for exterior use and meet the requirements of section 2303.2 of the International Building Code; or
- e. Ignition-resistant materials on the exterior side.

3. Section 504.7, Appendages and projections.

Unenclosed accessory structures attached to buildings with habitable spaces and projections, such as decks, shall not be less than one hour fire-resistance rated construction, heavy timber construction, or constructed of one of the following. This section does not apply to an unenclosed accessory structure attached to buildings with habitable spaces and projections, such as decks, attached to the first floor of a building if the structure is built with building materials at least two inches nominal depth and the area below the unenclosed accessory structure is screened with wire mesh screening to prevent embers from coming in from underneath.

- a. Approved noncombustible materials;
- b. Fire retardant-treated wood identified for exterior use and meeting the requirements of section 2303.2 of the International Building Code; or
- c. Ignition-resistant building materials in accordance with section 503.2 of the International Wildland Urban Interface Code.

4. Section 403.2 Driveways.

Driveways shall be provided where any portion of an exterior wall of the first story of the building is located more than one hundred fifty feet from a fire apparatus access road. Driveways in excess of three hundred feet in length shall be provided with turnarounds and driveways in excess of five hundred feet in length and less than twenty feet in width shall be provided with turnouts and turnarounds. The City of Chehalis will define the requirements for a turnout or turnaround as required in this subsection.

[Ord. 1018B, 2021.]

17.10.020 Building code review and permit fees.

The determination of value or valuation under any of the provisions of this code shall be made by the building official based on the valuation data established by the International Code Council (ICC) or other nationally recognized building organizations under the provisions of building standards valuation data for commercial projects, and as established in the city of Chehalis standardized table for residential projects. The value to be used in computing the building and building plan review fees shall be the total of all construction work for which the permit is issued as well as all finish work, painting, roofing, electrical, plumbing, heating, air conditioning, elevators, and other permanent equipment.

All building code review and permit fees are established by the ordinance by the city council as currently adopted or amended in the future. [Ord. 1018B, 2021.]

17.10.030 Fire code permit, plan review and inspection fees.

A. For installation or alteration of any of the following systems or devices, the fee will be based on the Chehalis fee schedule as adopted by the city council or amended in the future.¹

1. Fire alarm systems.
2. Fire extinguishing systems.
3. Smoke removal systems.
4. Kitchen hood and duct systems.
5. Dust removal systems.
6. Flammable/combustible liquids.
7. Application of flammable/combustible finishes.
8. Commercial drying ovens.
9. Compressed gas systems.
10. Explosives/magazines.
11. LPG installations.
12. Hazardous materials storage.
13. Refrigeration systems.

14. Technical assistance provisions of UFC 103.1.1.

15. All other fire protection requirements such as access, calculation of fire flow or life safety requirements or other reviews conducted pursuant to the international codes, standards and ordinances adopted by the city. [Ord. 1018B, 2021.]

17.10.040 Violations, abatement and penalties.

A. Investigation of Complaint. Upon receipt of information or upon personal observation that a violation exists as defined in this chapter, the enforcement officer shall cause an investigation of the matter and premises involved. All entries upon premises for the purpose of this chapter shall be subject to subsection (I) of this section.

B. Abatement Procedure. After having made a finding that a violation exists, the enforcement officer shall require the owner of the premises involved, as listed by the Lewis County assessor's office, to abate the violation at his or her own cost and expense, in whole or in part. The enforcement officer shall give written notice to the owner describing the property involved, the condition to be corrected, and a specified reasonable time within which the owner must correct the condition, which shall not be less than 14 days from the date of service by mail as evidenced by the postmark on the notice. In the event of an emergency condition, of which the enforcement officer shall be the sole judge, the time of compliance may be reduced to 24 hours. The notice must further specify:

1. That if the owner fails to abate the violation within the specified period of time, the city shall cause the work to be performed and shall assess all or any portion of the cost thereof against the owner;
2. That the owner may be liable for civil penalties for each day or part of day that the condition continues to exist following the notice; and
3. That the owner additionally may be liable to criminal prosecution, as provided in this chapter.

C. Service of Notice of Violation. The notice given by the enforcement officer to the owner shall be deposited in the United States mail by certified mail with a return receipt requested or shall be personally served by delivering a copy thereof to the owner or by leaving the same with a person of suitable age (18 years or older) and discretion at the owner's place of residence. If the owner is not a resident of the city, the notice shall be served by leaving the same with the tenant in possession of the property or, if there is no such tenant, by posting a copy of the notice in a conspicuous place on the property involved, and by mailing a copy thereof to the owner at his or her last known address as listed by the Lewis County

assessor's office, if any. Service by mail will be deemed complete at the end of the third full day following its deposit in the U.S. mail, postage prepaid.

D. Failure to Comply with Notice of Violation. After the time for compliance and a notice of violation has expired, the code enforcement officer shall reinspect the premises and determine if the violation has been abated as required in the notice of violation. In the event of no action or insufficient action to abate the violation, the code enforcement officer may take any and all means necessary to enforce the applicable code, including but not limited to: issuance of civil infractions, issuance of criminal citations, commencement of civil, criminal, and equitable proceedings with the assistance of the city attorney to abate a violation and have the violation abated by the city.

E. Liability for Costs of Abatement. The property owner shall be liable for all costs and expenses associated with a violation abatement conducted by the city of any building, structure or on the premises. In all cases where the city abates any such violation, the enforcement officer shall keep an account of all costs and expenses attending such abatement. The amount of the cost of such abatement shall be assessed against the real property upon which such cost was incurred unless such amount is previously paid. Upon certification to the Lewis County treasurer by the finance director of the city of Chehalis, the treasurer shall enter the amount of such assessment upon the tax rolls against the property for the current year and the same shall become a part of the general taxes for that year to be collected at the same time and with interest at such rates and in such manner as provided for delinquent taxes, and when collected to be deposited to the credit of the general fund of the municipality. The assessment shall constitute a lien against the property which shall be of equal rank with state, county and municipal taxes. The city shall reserve the right to negotiate with property owners to recover the costs of abatement.

F. Liability for Continuing Violation. Every successive owner or occupant of property who neglects to abate a continuing violation upon or in the use of such property caused by a former owner is liable thereof in the same manner as the owner who created it.

G. Cumulative Effect of Chapter. The provisions of this chapter shall be cumulative and in addition to the provisions of the now existing ordinances of the city, and shall not have the effect of repealing any ordinance of the city now in effect.

H. Violations – Civil Infraction – Misdemeanor – Gross Misdemeanor.

1. Any person, firm or corporation who knowingly violates or fails to comply with any term or provision of this chapter shall be deemed to have committed the following:

- a. First Offense. Constitutes a Class 1 civil infraction with the maximum assessment not to exceed the amount of \$250.00, not including statutory assessments.
- b. Second Offense. Constitutes a misdemeanor and, if found guilty, shall be subject to a fine not to exceed \$1,000, plus costs and assessments, and/or imprisonment not to exceed ninety days or to both such fine and imprisonment. A second offense shall mean a violation of this chapter which is committed at the same location by the same individual within one calendar year of the first offense.
- c. Third or Subsequent Offenses. Constitutes a gross misdemeanor and, if found guilty, shall be subject to a fine not to exceed \$5,000, plus costs and assessments, and/or imprisonment not to exceed 365 days or both such fine and imprisonment. A third or subsequent offense shall mean a violation of this chapter which is committed at the same location by the same individual within one calendar year of the first offense.

I. Right of Entry for Inspection and Code Enforcement. Whenever necessary to make an inspection to enforce any provision of this code, or whenever there is reasonable cause to believe that there exists a violation of this code in any building or upon any premises within the jurisdiction of the city, any authorized official of the city may, upon presentation of proper credentials, enter such building or premises at all reasonable times to inspect the same or to perform any duty imposed upon him or her by this code; provided, that except in emergency situations, he or she shall first give the owner and/or occupant, if they can be located after reasonable effort, 72 hours' written notice of the authorized official's intention to inspect. In the event the owner and/or occupant refuses entry, the official is empowered to seek assistance from any court of competent jurisdiction in obtaining such entry. [Ord. 1018B, 2021.]

17.10.050 Hearing examiner – Powers and duties.

All appeals authorized by the codes shall be to the city's hearing examiner as established by Chapter [2.50](#) CMC. The hearing examiner shall utilize the procedures and penalties set forth in this chapter. The hearing examiner shall serve in lieu of all boards of appeals mentioned or described in the codes as adopted and amended by the city. [Ord. 1018B, 2021.]

17.10.060 Conflicts.

The penalties provided in this chapter are intended to be in addition to, and not to supersede, any penalties provided in any of the codes adopted in CMC [17.10.010](#). In the event of a conflict between the penalty provisions of this chapter and the penalty provisions in any of the codes, this chapter shall control. [Ord. 1018B, 2021.]

17.10.070 Definition of code official.

The term “code official” for purposes of all codes within this chapter shall mean the director of community development (or equivalent position) or his/her designee.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Lance Bunker, Interim City Manager

BY: Celest Wilder, Capital Improvement Project Manager

MEETING OF: May 28, 2024

SUBJECT: Resolution No. 10-2024 Adopting the City of Chehalis 2025-2030 Six-Year Transportation Improvement Program

ISSUE

A resolution adopting the proposed 2025-2030 Transportation Improvement Program (TIP) has been prepared for consideration by the City Council. The City Council Agenda for the meeting of May 28th includes a public hearing on the proposed 2025-2030 TIP. The resolution has been prepared for consideration by the City Council at the same meeting if the City Council desires to act on the matter this evening.

DISCUSSION

The City of Chehalis annually updates and adopts a Six-Year Transportation Improvement Program (TIP) as required by state law. Adopting the TIP is the first step in the annual process required by WSDOT of all local agencies to create project funding eligibility. After projects are adopted on the local TIP, they are qualified to receive federal or state transportation funding. The TIP may be amended by staff at any time to add or delete projects and/or change funding sources and amounts after approval by City Council and following a public hearing on the proposed amendments. After a locally adopted transportation project is funded, it is placed on the Statewide Transportation Improvement Program, commonly known as the "STIP".

The administration continues to identify aspects of the City's transportation system needing improvement for the safety and convenience of Chehalis residents, businesses, and visitors. The list of projects that make up the TIP is attached.

FISCAL IMPACT

There is no fiscal impact associated with adoption of the resolution; however, the projects included in the TIP will require the allocation of financial resources when initiated by separate action of the City Council through the budgeting process.

RECOMMENDATION

It is recommended that the City Council approve Resolution No. 10-2024 adopting the 2025-2030 Six-Year Transportation Program.

SUGGESTED MOTION

I move that the City Council approve Resolution No. 10-2024 adopting the 2025-2030 Six-Year Transportation Improvement Program.

RESOLUTION NO. 10-2024

**A RESOLUTION OF THE CITY OF CHEHALIS, WASHINGTON,
ADOPTING THE 2025-2030 SIX-YEAR TRANSPORTATION
IMPROVEMENT PROGRAM FOR THE CITY OF CHEHALIS**

WHEREAS, pursuant to RCW 35.77.010, a public hearing was held by the City Council on the 28th day of May 2024, to consider the 2025-2030 Six-Year Transportation Improvement Program for the City; and

WHEREAS, the City Council is desirous of adopting a Six-Year Transportation Improvement Program, now, therefore,

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

Section 1. The 2025-2030 Six-Year Transportation Improvement Program for the City, hereto attached and by this reference incorporated herein, shall be, and the same hereby is, adopted as the 2025-2030 Six-Year Transportation Improvement Program for the City effective the reporting year 2024-2025.

ADOPTED by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this 28th day of May 2024.

Tony Ketchum, Mayor

Attest:

Kassi Bateman, City Clerk

Approved as to form and content:

Kevin Nelson, City Attorney

CITY OF CHEHALIS - 2025-2030 SIX YEAR TRANSPORTATION IMPROVEMENT PROGRAM

Project	General Description	Funding Source	Start Year	Prior Years	2025	2026	2027	2028	2029	2030	Future	Total Cost
Citywide Preservation Program	Chip-sealing, HMA preleveling, patching	Arterial Street/TBD	N/A		\$ 210,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 300,000.00		\$ 1,510,000.00
Citywide Sidewalk Safety Program	Sidewalk installation, repair, and replacement	Grants/Arterial Street/TBD	N/A		\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00		\$ 600,000.00
Guardrail	Various locations throughout city	Grants/Arterial Street/TBD	N/A								\$ 150,000.00	\$ 150,000.00
Winchester Hill Dr.	Spot repair/ double chip seal or overlay	Arterial Street/TBD	2025		\$ 84,000.00							\$ 84,000.00
SW 13th St. S Market to SW Interstate	Grind and inlay	TIB/TBD	2025		\$ 767,000.00							\$ 767,000.00
N Market and S Market NW Park to SW/SE 11th	Grind and Inlay	TIB/TBD	2026			\$ 1,128,000.00						\$ 1,128,000.00
Coal Creek Road N National to City Limits	Grind and Inlay	TIB/TBD	2026			\$ 517,920.00						\$ 517,920.00
SW Riverside Drive/SW Newaukum Ave Highway 6 to Shorey Road	Grind and Inlay	TIB/TBD	2027				\$ 782,000.00					\$ 782,000.00
NE Washington Avenue (Downtown Loop)	Grind and Inlay	TIB/TBD	2027				\$ 264,000.00					\$ 264,000.00
NW Pacific Avenue (Downtown Loop)	Grind and Inlay	TIB/TBD	2027				\$ 182,400.00					\$ 182,400.00
NE Cascade Avenue (Market to Washington)	Grind and Inlay	TIB/TBD	2027				\$ 104,000.00					\$ 104,000.00
Park Street (Pacific to Market)	Grind and Inlay	TIB/TBD	2027				\$ 165,600.00					\$ 165,600.00
NW Front Way (Market to Pacific)	Grind and Inlay	TIB/TBD	2027				\$ 62,880.00					\$ 62,880.00
SW 20th St. Market to Salsbury	Grind and inlay	TIB/TBD	2028					\$ 594,000.00				\$ 594,000.00
S Market Blvd SW/SE 11th to City Limits	Grind and Inlay	TIB/TBD	2028					\$1,010,880.00				\$ 1,010,880.00
SW Cascade Avenue W Main to SW William	Grind and inlay	TIB/TBD	2029						\$ 737,000.00			\$ 737,000.00
SW William SW Cascade to SW 13th St	Grind and inlay	TIB/TBD	2029						\$ 90,500.00			\$ 90,500.00
SW 16th St S Market to SW Snively	Grind and inlay	TIB/TBD	2030							\$ 621,000.00		\$ 621,000.00
NW Louisiana Avenue Chamber Way to Home Depot	Grind & inlay, traffic control	TIB/TBD	2030						\$ 500,000.00			\$ 500,000.00
Chamber Way Bridge Replacement	Replace Bridge	Grants/Arterial Street/TBD	2025		\$ 6,000,000.00		\$ 56,000,000.00					\$62,000,000.00
NE Coal Creek Road Bridge improvements	Bridge Improvements	Grants/Arterial Street/TBD	2026			\$ 240,000.00	\$ 3,000,000.00					\$ 3,240,000.00
Market Blvd 11th to city limits	Reconstruction	Grants/Arterial Street/TBD/Utility Funds	2026			\$ 3,600,000.00	\$ 5,400,000.00					\$ 9,000,000.00
Exhibitor Road Bridge Improvements	Replace Bridge	Grants/Arterial Street/TBD	2027				\$ 150,000.00	\$2,000,000.00				\$ 2,150,000.00

Chehalis Avenue NW Pacific to W Main	Reconstruction	Grants/Arterial Street/TBD	2028					\$ 150,000.00	\$2,000,000.00			\$ 2,150,000.00			
SW 3rd St Market to Chehalis	Reconstruction	Grants/Arterial Street/TBD/Utility Funds	2028					\$ 90,000.00	\$1,500,000.00			\$ 1,590,000.00			
SW 21st St Jackson Highway to Salsbury	reconstruction, pedestrian improvements	Grants/Arterial Street/TBD/Utility Funds	2029						\$ 275,000.00	\$2,500,000.00		\$ 2,775,000.00			
SW Snively Avenue SW 16th to SW 20th	Reconstruction	Grants/Arterial Street/TBD/Utility Funds	2030							\$ 300,000.00	\$3,200,000.00	\$ 3,500,000.00			
NW Louisiana Avenue (Post i5 Improvements)	Widening/realignment south of Chamber	Grants/Arterial Street/TBD	Future								\$ 90,000.00	\$ 90,000.00			
NW Louisiana Ave Repairs (Post West Street Replacement)	Spot repair & overlay Hwy 6 North	Grants/Arterial Street/TBD	Future								\$ 540,000.00	\$ 540,000.00			
								\$ 7,161,000.00	\$ 5,835,920.00	\$ 66,460,880.00	\$4,194,880.00	\$5,452,500.00	\$3,821,000.00	\$3,980,000.00	\$96,906,180.00

Current Year (2024) Projects	
N National Avenue - Chamber Way to NE Washington	
SW 13th St - S Market To SW William	
N Market Boulevard Renaissance Streetscape Planning	
Citywide Preservation Program - various locations	
Chamber Way Bridge - Design Engineering/Scoping/Feasibility	
Push to Cross Sidewalk Signage and Lighting - various locations	
Pavement Striping - various locations	

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Lance Bunker, Interim City Manager

BY: Brandon Rakes, Airport Director

DATE: May 28, 2024

SUBJECT: Consideration of Offer to Lease Tract 16-B at 1815 NW Louisiana Ave, to Halle Properties, LLC of Scottsdale, Arizona

ISSUE

The Chehalis-Centralia Airport has received an offer to lease Tract 16-B by Halle Properties, LLC., to construct a Discount Tire store. This parcel is located on the Airport’s property at 1815 NW Louisiana Ave, north of Taco Bell and east of Home Depot.

INTRODUCTION

Josh Parnell of First Western Properties, representing Discount Tire, approached the Chehalis-Centralia Airport in June of 2023 about leasing ground for a new Discount Tire location. Since then, conversations and negotiations have taken place to draft an agreement favorable to the Chehalis-Centralia Airport and Discount Tire.

Discount Tire sells tires, wheels, and related services, including tire rotations, balancing, and flat tire repair.

Discount Tire is headquartered in Scottsdale, Arizona. They operate approximately 1,157 stores in 38 states. In 2023, the company had a revenue of approximately \$8.9 billion.

KEY TERMS OF THE PROPOSAL

Multiple determinations of market rent from the immediate area have been used to negotiate the final Lease submitted for consideration at this time. Halle Properties has agreed to the current Lease, which includes provisions for the following:

- ***Rent Commencement Date:*** The Rent Commencement Date shall occur upon the earlier of (i) the first date that Lessee opens its business on the Premises to the public; or (ii) eighteen (18) months after the Lease Commencement Date. Notwithstanding the foregoing, Lessee shall be obligated to pay Washington State Leasehold Excise Tax during the Development Period.
- ***Financial Security:*** The City will receive the amount of \$20,000 which, shall be credited towards the payment of rent as described in section 5.3.
- ***Early Termination Option (allows for inspection):*** Lessee shall be entitled to terminate this Lease during the first one-hundred eighty (180) days of the Term for any reason or no reason by providing written notice to Lessor of the same (the “Termination Notice”). Said

termination shall relieve Landlord and Tenant of all duties under this Lease, except those expressly or necessarily surviving termination, without penalty or fee.

- **Rent:** The amount of rent and rent commencement date are described in Article III, Compensation, Rental Adjustment, of the proposed Lease. Rent will begin when the Tenant commences retail commercial use of any portion of the property, but **no later than 18 months** after the Commencement Date.
- **Term:** The length of the lease term is 15 years with 7 additional 5-year optional terms.
- **Commission Agreement:** Non-exclusive lease commission agreement with First Western Properties-Tacoma, Inc., 6402 Tacoma Mall Blvd., Tacoma, WA 98409. The Brokerage Commission shall be calculated and paid to First Western Properties – Tacoma, Inc. as follows: Four Percent (4.0%) of the Gross Rent Amount for the original term of the lease for fifteen years (15 years). To be paid one-half (1/2) within thirty (30) days of the later of: mutual lease execution and all conditions and/or contingencies removed & Tenant has commenced construction and the second half upon Tenant opening for Business and payment of rent to the Landlord.

Attorney Seth Woolson of CSD Attorneys at Law has carefully reviewed the agreement and made modifications as needed to protect the rights of the City.

FISCAL IMPACT

If the proposed lease is accepted, the City will receive lease revenue in the amount of \$40,000 annually, which would be restricted for the operation of the Chehalis-Centralia Airport. This initial amount will increase as prescribed by the lease agreement.

RECOMMENDATION

It is recommended that the City Council approve acceptance of the Lease for Tract 16-B at 1815 NW Louisiana Avenue by Halle Properties, LLC., to establish a Discount Tire and authorize the City Manager to execute all necessary documents.

SUGGESTED MOTION

I move that the City Council approve acceptance of the Lease for Tract 16-B at 1815 NW Louisiana Avenue by Halle Properties, LLC., to establish a Discount Tire and authorize the City Manager to execute all necessary documents.

AIRPORT GROUND LEASE

This **AIRPORT GROUND LEASE** ("Lease") is made and entered into this _____ day of _____, 20____, by and between the **CITY OF CHEHALIS**, operator of the Chehalis-Centralia Airport (hereinafter referred to as "Lessor"), and **HALLE PROPERTIES, L.L.C.**, an Arizona limited liability company (hereinafter referred to as "Lessee").

ARTICLE I
Summary of Lease Terms and Definitions

Lessor/Landlord: City of Chehalis
Lessor's Address: Chehalis-Centralia Airport
P.O. Box 1344
Chehalis, WA 98532

Lessee/Tenant: Halle Properties, LLC
Lessee's Address: 20225 N Scottsdale Rd
Scottsdale, Arizona 85255
Attn: Real Estate Dept.

Premises: Parcel No. 005605016002

Authorized Use: Automobile/truck tire and wheel sales, installation, repair, and related services

Exhibits: Exhibit A - Legal Description of Premises
Exhibit B - Map of Premises
Exhibit C - Permitting Authorization

Commencement Date: _____

Term: Commencing upon the Commencement Date and expiring on the "Termination Date" Fifteen (15) years thereafter.

Renewals: Seven (7) Consecutive Five (5)-Year Renewal Options

Base Rent: \$40,000 per year, plus Washington State leasehold excise tax

Rent Commencement Date: As set forth above

Initial Amount of Deposit: \$20,000

ARTICLE II
Premises, Term, Renewals

2.1 **PREMISES.** Lessor, in consideration of the rents hereinafter reserved, and of the covenants and conditions herein set forth to be performed by Lessee, does hereby lease to Lessee the Premises.

2.2 **TERM.** The "Term" of this Lease shall be for fifteen (15) years, beginning on the Commencement Date through _____, 2039. If Lessee takes possession of the Premises before the Commencement Date set forth above, Lessee shall pay the pro rata rent for the period prior to commencement of the Lease Term.

2.2.1 **EARLY TERMINATION OPTION.** Lessee shall be entitled to terminate this Lease during the first one-hundred eighty (180) days of the Term for any reason or no reason by providing written notice to Lessor of the same (the "Termination Notice"). Said termination shall relieve Landlord and Tenant of all duties under this Lease, except those expressly or necessarily surviving termination, without penalty or fee.

2.3 **RENEWALS.** Subject to the terms and conditions herein, Lessee shall have the right to renew this Lease for seven (7) consecutive five (5)-year periods by giving written notice of such intention to Lessor at least one hundred twenty (120) days prior to the expiration of the Term of this Lease, or any renewal thereof. Lessee shall not be entitled to renew this Lease unless the Lease is in good standing at the time of renewal and the Lessee is not in default under the terms of this Lease, or any other lease or agreement with the Lessor. The terms and conditions of any renewal shall be the same as set forth in this Lease, except that Rent, as defined herein, shall be recalculated as provided herein, and the terms of this Lease shall be updated to be consistent with the terms and conditions then existing in the Lessor's standard form Commercial Lease.

ARTICLE III
Compensation, Rent Adjustment

3.1 **RENT.** The term "Rent" as used herein includes Base Rent, Additional Rent (plus applicable Washington State leasehold excise tax), and other fees and charges assessed herein. Except as expressly provided elsewhere herein, Rent and all other sums payable by Lessee pursuant to this Lease shall be paid without the requirement that Lessor provide prior notice or demand, and shall not be subject to any counterclaim, setoff, deduction, defense, or abatement.

3.1.1. **Rent Paid in Advance – Late Charges.** Rent shall be paid monthly in advance on or before the first (1st) day of each month beginning on the Commencement Date (Lessee shall have a five (5) day grace period, without penalty, to make said Rent payment). A late charge of one percent (1%) per month will be assessed against past due Rent from the date such Rent became due. Additionally, if Rent is not received by the fifth (10th) day of any month, Lessee shall pay Lessor an additional fee of One Hundred Dollars (\$100) or five percent (5%) of the delinquent payment, whichever is greater, to defray costs of collecting and handling such late payment. All accrued interest and late charges shall be paid no later than the first (1st) day of the month following that month in which such interest or late charges accrued.

3.1.2 **Rent Commencement Date.** Lessee shall not be obligated to pay Base Rent

from the Commencement Date until the “Rent Commencement Date” (the “Development Period”). The Rent Commencement Date shall occur upon the earlier of (i) the first date that Lessee opens its business on the Premises to the public; or (ii) eighteen (18) months after the Commencement Date. Notwithstanding the foregoing, Lessee shall be obligated to pay Washington State Leasehold Excise Tax during the Development Period.

3.2. **BASE RENT ADJUSTMENTS.** As set forth in this Section, the Base Rent shall be adjusted by a fixed percentage every five (5) years and by appraisal every twenty (20) years during the Term of the Lease.

3.2.1 **Five-Year Adjustments.** Base Rent for the Premises shall be increased by ten percent (10%) on every fifth (5th) anniversary of the Commencement Date, except on every twentieth (20th) anniversary of the Commencement Date when Base Rent shall be adjusted pursuant to Paragraph 3.2.2, below.

3.2.2 **Twenty-Year Adjustments.** On each twentieth (20th) anniversary of the Commencement Date, the Base Rent will be adjusted to the fair market rental value. For purposes of this Paragraph, the fair market rental value shall equal ten percent (10%) of the fair market value of the Premises based upon vacant unimproved land exclusive of all Tenant Improvements made to the Premises after the Commencement Date of this Lease. The parties agree to renegotiate the fair market value of the Premises and, if possible, to agree on the fair market value of the Premises no later than ninety (90) days prior to each twentieth (20th) anniversary of the Commencement Date (hereinafter such ninety (90)-day period shall be referred to as the “Renegotiation Deadline”). If the parties cannot agree on the fair market value of the Premises before the Renegotiation Deadline, then the Lessor shall engage an independent MAI certified appraiser to appraise the fair market value of the Premises as vacant unimproved property. If Lessee disagrees with the value of Lessor's appraiser, Lessee may, at its expense, obtain a separate independent MAI certified appraisal for Lessor's consideration. If Lessor and Lessee cannot agree on the fair market value of the Premises, the appraisers shall select a third (3rd) independent MAI certified appraiser to review the two (2) appraisals and set the fair market value for the Premises, which value shall be utilized to calculate the fair market rental value of the Premises and which shall be binding upon the parties. The cost of a third (3rd) appraiser shall be borne equally by the two (2) parties. Once determined, the adjusted Base Rent shall relate back to the applicable anniversary of the Commencement Date. Regardless of the way the new Base Rent is determined, the adjusted Base Rent shall not be (i) less than the Base Rent for the preceding Lease year; or (ii) more than a twenty percent (20%) increase than the preceding Lease year. For clarity, if the Base Rent is \$53,240 in year 20, then in year 21 the Base Rent cannot be less than \$53,240 or more than \$63,888.

ARTICLE IV

Use of Premises, Condition of Property,

Improvements, Removal of Property, Maintenance, and Utilities,

Federal Aviation Requirements, Fire Protection, and Off-Street Parking

4.1 **LESSEE'S USE OF PREMISES.** Lessee shall only conduct the following activity on the Premises: The Sale, installation, or repair of automobile and light truck tires, wheels, and other parts or services (including alignments) under the name Discount Tire, America's Tire, or other trade name (the “Authorized Use”).

4.1.1 **Default – Unauthorized Use.** Lessee shall be in default under this Lease if it (i) ceases conducting the Authorized Use for any period exceeding ninety (90) days; or (ii) conducts any other business or activity on the Premises without first obtaining a validly executed lease modification. In conducting the Authorized Use, Lessee shall serve the public during Lessee's normal hours of operation .

4.1.2 **No Flammable or Dangerous Materials.** Notwithstanding the foregoing described use, the Premises shall not be used to store, distribute, or otherwise handle flammable or dangerous materials, excepting only such uses which are necessary to conduct the Authorized Use.

4.2 **LESSEE INSPECTION – CONDITION OF PROPERTY.** Prior to the expiration of the Early Termination Option, Lessee has fully and carefully inspected the Premises. Lessee accepts the Premises, including all existing improvements thereon, "as is" without further maintenance liability on the part of the Lessor, except as specifically noted herein. Lessee is not relying on any representations of Lessor as to condition, suitability, zoning restrictions, or usability, except Lessor's right to grant a lease of the Premises. After the Commencement Date, and before the expiration of the Early Termination Option, Tenant shall be able to conduct all inspections and tests Tenant deems necessary on the Premises. Said inspections may include invasive environmental testing. In the event Tenant terminates this Lease on or before the expiration of the Early Termination Option, Tenant shall restore the Premises to substantially the same condition it was in before the invasive testing. Landlord shall allow Tenant, and Tenant's vendors, engineers, contractors, employees, and representatives, to enter the Premises to conduct such inspections. Landlord shall also allow Tenant to apply for various entitlements with the appropriate authorities for its Authorized Use (see **Exhibit C** attached hereto).

4.2.1 **Development of Premises.** Lessee shall be solely responsible for any and all costs associated with (i) the development of the Premises, including, but not limited to, any connection to public roadways; (ii) detention for storm water and quality treatment and flow of storm water (which shall be accomplished on the Premises or off Lessor's property); (iii) construction of parking to meet regulatory requirements; and (iv) any and all other costs as may be required for the development of the Premises.

4.3 **CONSTRUCTION OF TENANT IMPROVEMENTS.** The Lessee and Lessor shall abide by the following terms with regard to making tenant improvements on the Premises ("Tenant Improvements"):

4.3.1 **Tenant Improvements.** Subject to obtaining Lessor's prior written approval, Lessee may make and install, at its own expense, such Tenant Improvements as are normal and customary in connection with the Authorized Use set forth herein. Lessee shall develop the Premises consistent with regulatory requirements, including, but not limited to, zoning, permitting, Federal Aviation Administration ("FAA") requirements, and Lessor requirements. The Lessor shall not be required to make any improvements whatsoever. Lessee's contractor, if any, shall be subject to Lessor's approval, not unreasonably withheld. Lessee shall submit plans to and obtain written approval from Lessor before commencing any Tenant Improvements. Lessor shall have a reasonable period to review such plans prior to issuing a decision. Lessor may charge Lessee a reasonable fee for staff, consultant, or attorney time required to review the plans. All improvements by Lessee shall conform to the requirements of the Americans With Disabilities Act of 1990, 42 U.S.C. §12101 et seq. (the "ADA").

4.3.2 Intentionally Omitted.

4.3.3 **Unauthorized Improvements.** Any Tenant Improvements made on the Premises without Lessor's prior written consent, or which are not in conformance with the plans submitted to and approved by the Lessor ("Unauthorized Improvements"), shall immediately become the property of Lessor, unless Lessor elects otherwise. Regardless of the ownership of Unauthorized Improvements, Lessor may, at its option, require Lessee to sever, remove, and dispose of them and return the Premises to its prior condition at Lessee's sole cost and expense; charge Lessee rent for the use of them; or both.

4.3.4 **Construction Period.** The Lessee shall provide security fencing systems suitable to surround the entire Premises for the duration of construction of its Tenant Improvements. In addition, during construction, Lessee shall manage construction of its Tenant Improvements in a manner that minimizes the impact on the Chehalis-Centralia Airport's (the "Airport") operations.

4.4 **REMOVAL OF PERSONAL PROPERTY AND TENANT IMPROVEMENTS AT END OF LEASE.** Title to all Tenant Improvements shall revert to the Lessor upon conclusion or earlier termination of this Lease; however, prior to the conclusion of the Lease, and at Lessor's option, Lessee shall remove the following from the Premises:

- a. All equipment; and
- b. All personal property.

4.4.1 **Lessor's Remedies.** If any of the foregoing items are not removed from the Premises by the conclusion of the Lease or earlier termination of the Lease, then Lessor may, at its sole option, elect any or all the following remedies:

- a. To remove any or all the items and to dispose of them without liability to Lessee. Lessor shall not be required to mitigate its damages, to dispose of the items in a commercially reasonable manner, or to make any effort whatsoever to obtain payment for such items. Lessee agrees to pay Lessor's reasonable costs and damages associated with Lessee's failure to remove such items, including, but not limited to, the following: storage, demolition, removal, transportation, and lost rent (collectively "Disposal Costs"); provided, however, that any net proceeds recovered by Lessor in excess of its Disposal Costs will be deducted from Lessee's financial obligation set forth herein. Lessee's financial obligations herein shall survive the termination of this Lease.
- b. To have the title to any or all such items revert to Lessor.
- c. To commence suit against Lessee for damages or for specific performance.

The foregoing remedies are cumulative and in addition to any other remedies provided by law, and Lessor shall not be required to elect its remedies. Notwithstanding the foregoing, Lessor may not commence any of the above remedies until ten (10) days after receipt by Lessee of a written request from Lessor for Lessee to remove the items.

4.5 MAINTENANCE OF PREMISES. Maintenance and repair of the Premises, and all improvements thereon, is the sole responsibility of Lessee, including, but not limited to, maintenance and repair of any damage to the Premises from unforeseen or unexpected events or Acts of God. Without limiting the generality of the foregoing, Lessee shall maintain the Premises in good condition, including, without limitation, repairing all walls, floors, ceiling, interior doors, and interior and exterior windows and fixtures, as well as damage caused to any portion of the Premises or Lessor's property by Lessee, and/or its employees, agents, licensees, invitees, or anyone on the Premises or Lessor's property as a result of Lessee's activities.

4.6 UTILITIES AND SERVICES. Lessee will arrange and pay for all utility connections and services, and the distribution of such utilities and services, including, but not limited to, all costs associated with hook up, and other fees and charges related to use of such utilities and services. At the conclusion of this Lease, Lessee shall arrange for such utility services to be terminated and for the final bill to be sent to Lessee. Lessee shall be liable for all utility charges that accrue if it fails to so terminate services.

4.7 FIRE PROTECTION. The Lessee understands that the Lessor has no responsibility to provide fire protection for the Lessee's buildings, property, or equipment located in or upon the leased Premises. It shall be the exclusive responsibility of the Lessee to provide for its own fire protection, including, but not limited to, promptly paying all fire district service charges when due. In this regard, the Lessee understands that it is the Lessee's responsibility and duty to include the value of its buildings, property, and equipment to appropriate Lewis County authorities for personal property tax purposes. Failure of the Lessee to accurately list its improvements, or to promptly pay personal property tax when due, shall be a breach of this Lease, and shall be grounds for the Lessor to terminate this Lease agreement. The Lessee shall promptly provide the Lessor with a copy of its personal property declaration within fifteen (15) business days from the time such declaration is made to the Lewis County Assessor.

4.8 OFF-STREET PARKING. Lessee agrees to provide space for the parking of vehicles in the number necessary to comply with applicable regulations and otherwise to accommodate its normal business requirements on the Premises included within this Lease; and not use any public streets, rights-of-way, or other properties not included in this Lease for the parking of said vehicles.

4.9 FEDERAL AVIATION REQUIREMENTS. The Lessee agrees that its use of the Premises will be accomplished in accordance with all FAA rules and regulations, including, but not limited to, the following covenants:

4.9.1 Takeoff/Landing Interference. Lessee shall prevent any use of the Premises which would interfere with the landing or taking off of aircrafts at the Airport, or otherwise constitute an airport hazard.

4.9.2 Electromagnetic Interference. Lessee shall prevent any operation on the Premises which would produce electromagnetic radiations of a nature which would cause interference with any air navigational or communications aid, now or in the future to be installed, to serve the Airport, or which would create any interfering or confusing light, or would cause any restrictions to visibility at the airport.

4.9.3 **Airspace Reservation.** Lessor retains the public right of flight for the passage of aircrafts in the airspace above the surface of the Premises hereinbefore described, together with the right to cause in said airspace such noise as may be inherent in the operation of aircrafts, now known or hereafter used for navigation of or flight in said airspace, and for use of said airspace for landing on, taking off from, or operating on the Airport.

4.9.4 **Minority Business Enterprises.** Lessee understands that it is the policy of the U.S. Department of Transportation that minority business enterprises as defined in 49 CFR, Part 23, shall have the maximum opportunity to participate in the performance of this Lease as defined in 49 CFR, Section 23.5, and that this Lease is subject to 49 CFR, Part 23, as applicable. Lessee hereby assures that no person shall be excluded from participation in, denied the benefits of, or otherwise discriminated against in connection with 49 CFR, Part 23, on the grounds of race, color, national origin, or sex.

ARTICLE V

Insurance and Financial Security

5.1 **CASUALTY LOSS OF LESSEE.** The parties hereto agree that the Lessor and its commissioners, employees, insurance carrier, and casualty policy ("Lessor Parties") shall not be responsible to the Lessee for any property loss or damage done to the Lessee's property, whether real, personal, or mixed, occasioned by reason of any fire, storm, or other casualty whatsoever. It shall be the Lessee's sole responsibility to provide its own protection against casualty losses of whatsoever kind or nature, regardless of whether or not such loss is occasioned by the acts or omissions of the Lessor, Lessee, a third party, or act of nature. Lessee hereby releases and discharges the Lessor and its commissioners, employees, insurance carrier, and casualty policy from any claims for loss or damage to Lessee's property.

5.2 **INSURANCE.** Lessee shall procure and maintain a Comprehensive General liability policy covering all claims for personal injury (including death) and property damage (including all real and self-insure personal property located on the Premises or Lessor's property) arising on the Premises or Lessor's property as a result of or arising out of Lessee's operations under this Lease. The limits of liability shall be not less than Two Million Dollars (\$2,000,000.00) for each occurrence and in the aggregate Two Million Dollars (\$2,000,000.00) unless the Lessee requests, and Lessor approves in writing, a lesser liability limit. Lessor may impose reasonable changes in the limits of liability (i) on any Adjustment Date; (ii) as a condition of approval of assignment or sublease of this Lease; (iii) upon any breach of the environmental liability provision herein; or (iv) upon a change in the Authorized Use. If the liability limits are changed, Lessee shall obtain new or modified insurance coverage within thirty (30) days after changes in the limits of liability are required by Lessor. The liability policies shall contain a cross-liability provision such that the policy will be construed as if separate policies were issued to Lessee and to Lessor. Lessee may, at its sole election, satisfy the insurance requirements under this Lease through self-insurance; however, the Lessor reserves the right to require Lessee purchase insurance from a third-party insurer in the event Lessor has reasonable concerns regarding the financial stability of the Lessor, the condition of the Tenant Improvements on the Premises, and/or Lessee's compliance with the terms of this Lease. In the event Lessor exercises its right to require Lessee to obtain insurance from a third-party insurer under this section, the Lessor shall provide Lessee sixty (60) days prior written notice and Lessee shall obtain such insurance prior to the end of that sixty (60) day period.

5.2.1 Policy Provisions. The foregoing insurance policy shall name Lessor as an additional insured. Lessee shall provide certificates of insurance and, if requested after an event which may give rise to a claim under such insurance, copies of the applicable policy to Lessor. Receipt of such certificate or policy by Lessor does not constitute approval by Lessor of the terms of such policy. Furthermore, the policy of insurance required herein shall (i) be written as a primary policy; (ii) expressly provide that such insurance may not be nonrenewed or canceled with respect to Lessor except upon thirty (30) days' prior written notice from the insurance company to Lessor; (iii) contain an express waiver of any right of subrogation by the insurance company against Lessor and Lessor's elected officials, employees, or agents; (iv) intentionally omitted; (v) the Comprehensive General liability policy shall contain a separation of insureds provision such that the policy applies separately to each insured that is subject of a claim or suit; (vi) not contain a cross-claim, cross-suit, or other exclusion that eliminates coverage by one insured against another; and (vii) provide for coverage for damage to the Lessor's real property caused by the Lessee.

5.2.2 Failure to Obtain and Maintain Insurance. If Lessee fails to procure and maintain the insurance described above, Lessor shall have the right, but not the obligation, to procure and maintain substitute insurance and to pay the premiums. Upon demand, Lessee shall pay to Lessor the full amount paid by Lessor.

5.2.3 Prudent Business Insurance. The Lessee believes and states that the insurance obligation herein does not exceed that which the Lessee would otherwise normally place upon itself and obtain in order to operate its business in a prudent manner.

5.3 FINANCIAL SECURITY. On or before the Commencement Date, the Lessee shall deposit cash in the amount of Twenty Thousand Dollars (\$20,000.00) with Lessor (the "Deposit"). The Deposit shall be applied to Rent due and owing hereunder starting on the Rent Commencement Date until such Deposit is exhausted.

ARTICLE VI

Environmental Liability

6.1 ENVIRONMENTAL INDEMNIFICATION. Lessee shall defend (with legal counsel suitable to Lessor), indemnify, and hold Lessor harmless from any and all claims, demands, judgments, orders, or damages resulting from Hazardous Substances on the Premises or Lessor's property to the extent caused by the activity of the Lessee, its agents, subtenants, or any other person or entity (i) on the Premises as a result of, arising out of, or relating to Lessee's operations under this Lease, or any previous lease or agreement; or (ii) on the Lessor's property as a result of, arising out of, or relating to Lessee's operations under this Lease, or any previous lease or agreement. It is the intent of the parties that Lessee shall be responsible for, and shall defend and hold Lessor harmless from, any Hazardous Substances that have or may occur on the Premises or Lessor's property as a result of, arising out of, or relating to Lessee's operations since Lessee first occupied the Premises or other portion of the Lessor's property through this Lease, or any previous lease or agreement by Lessee with Lessor. Lessee shall have no duty to indemnify Lessor for any and all claims, demands, judgments, orders, or damages resulting from Hazardous Substances on the Premises or Lessor's property to the extent caused by Lessor or Lessor Parties. The term "Hazardous Substances" as used herein shall mean any substance heretofore or hereafter designated as hazardous under the Resource Conservation and Recovery Act, 42 USC Sec. 6901 et seq.; the Federal Water Pollution Control Act, 33 USC Sec. 1251 et seq.; the Clean Air Act, 42 USC Sec.

7401 et seq.; the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 USC Sec. 9601 et seq.; or the Hazardous Waste Cleanup-Model Toxics Control Act, RCW 70A.305, all as amended and subject to all regulations promulgated thereunder. Under no circumstances shall this Section 6.1 be construed to restrict the use of tires, wheels, and related products necessary to conduct business under the Authorized Use on the Premises.

6.1.1 Unconditional Environmental Obligations. Lessee's defense and indemnity obligations under this article are unconditional, shall not be discharged or satisfied by Lessor's re-entry of the Premises or exercise of any other remedy for Lessee's default under this Lease, shall continue in effect after any assignment or sublease of this Lease, and shall continue in effect after the expiration or earlier termination of this Lease.

6.1.2 Environmental Investigations. Although Lessee shall not be liable for any Hazardous Substances on the Premises that were not caused—in whole or in part—by the activity of the Lessee, its agents, subtenants, or any other person or entity on the Premises as a result of, arising out of, or relating to Lessee's operations under this Lease, or any previous lease or agreement, Lessee shall be responsible for the costs of any environmental investigations or remediation arising from the development or use of the Premises by Lessee, and Lessee hereby releases the Lessor from any contribution claim for those costs. By way of example only, if the Lessee excavates soil on the Premises which contains Hazardous Substances, then the Lessee will be responsible for the cost associated with disposing of those soils regardless of when or how the Hazardous Substances were released into those soils.

6.2 CURRENT CONDITIONS AND DUTY OF LESSEE. Lessor makes no representation about the condition of the Premises. Hazardous Substances may exist in, on, under, or above the Premises. Lessee should, but is not required to, conduct environmental assessments or investigations of the Premises prior to or during the Term of this Lease to determine the existence, scope, and location of any Hazardous Substances. If there are any Hazardous Substances in, on, under, or above the Premises as of the Commencement Date, Lessee shall exercise the utmost care with respect to the Hazardous Substances, the foreseeable acts or omissions of third parties affecting the Hazardous Substances, and the foreseeable consequences of those acts or omissions.

6.2.1 Prior Notice of Environmental Investigation. Prior to conducting any environmental investigation of the subsurface of the Premises, the Lessee shall provide prior written notice to the Lessor. Lessee shall provide the Lessor with the results of all such investigations.

6.3 NOTIFICATION AND REPORTING. Lessee shall immediately notify Lessor if Lessee becomes aware of any of the following:

a. A release or threatened release of Hazardous Substances in, on, under, or above the Premises, any adjoining property, or any other property subject to use by Lessee in conjunction with its use of the Premises;

b. Any problem or liability related to or derived from the presence of any Hazardous Substance in, on, under, or above the Premises, any adjoining property, or any other property subject to use by Lessee in conjunction with its use of the Premises;

c. Any actual or alleged violation of any federal, state, or local statute, ordinance, rule, regulation, or other law pertaining to Hazardous Substances with respect to the Premises, any adjoining property, or any other property subject to use by Lessee in conjunction with its use of the Premises; or

d. Any lien or action with respect to any of the foregoing.

6.3.1 Copies of All Environmental Reports. Lessee shall, at Lessor's request, provide Lessor with copies of any and all reports, studies, or audits which pertain to environmental issues or concerns with the Premises, and which are or were prepared by or for Lessee and submitted to any federal, state, or local authorities pursuant to any federal, state, or local permit, license, or law. These permits include, but are not limited to, any National Pollution Discharge and Elimination System permit, any Army Corps of Engineers permit, any State Hydraulics permit, any State Water Quality certification, or any Substantial Development permit.

ARTICLE VII

Miscellaneous Provisions

7.1 LESSEE WILL OBTAIN PERMITS. Lessee agrees to obtain and comply with all necessary permits for any Tenant Improvements and to conduct the Authorized Use. If Lessee fails to obtain and comply with such permits, then Lessee accepts full responsibility for any and all costs incurred by Lessor, including actual attorneys' fees. In this way, Lessee agrees to be solely responsible for all damages, costs, and expenses incurred as a result of Lessee's failure to fully comply with any necessary permit process and requirements.

7.2 LIENS. Lessee agrees to keep the Premises described herein free and clear of all liens and charges whatsoever. Lessee shall not allow any mechanics and materialmen's liens, or other any other liens, to be placed upon the leased Premises. If such a lien is placed or recorded, Lessee shall cause it to be discharged of record, at its own expense, within fifteen (15) days of Lessor's demand. Failure to comply with Lessor's demand within fifteen (15) days shall be a default under the terms of this Lease.

7.3 INDEMNIFICATION AND HOLD HARMLESS. The Lessee agrees that it will defend (with legal counsel acceptable to Lessor), indemnify, and hold harmless the Lessor, and its officers, employees, and agents, from any and all demands, claims, judgments, or liability for loss or damage arising as a result of accidents, injuries, or other occurrences on the Premises or on Lessor's property (i) occasioned by either the negligent or willful conduct of the Lessee or its agents; or (ii) made by any person or entity holding under the Lessee, or any person or entity on the Premises or on the Lessor's property as a result of Lessee's activity, regardless of who the injured party may be. This indemnification and hold harmless shall not apply to the extent the damages were caused by the negligence or willful misconduct of the Lessor or Lessor Parties.

7.4. LIMITED WAIVER OF IMMUNITY UNDER WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW, AND OTHER SIMILAR INDUSTRIAL INSURANCE SCHEMES. For purposes of the foregoing indemnification provision, and only to the extent of claims against Lessee by Lessor under such indemnification provision, Lessee specifically waives any immunity it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW, The United States Longshore and Harbor Workers Compensation Act, 33 USC §901-950, or any other similar workers' compensation schemes. The indemnification obligation

under this Lease shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable to or for any third party under workers' compensation acts, disability benefit acts, or other employee benefit acts. The foregoing provision was specifically negotiated and agreed upon by the parties hereto.

7.5 LAWS AND REGULATIONS. Lessee agrees to conform to and abide by all applicable rules, codes, laws, regulations, and Lessor policies in connection with its use of the Premises, the construction of improvements, and the operation of Lessee's business thereon; and not to permit said Premises to be used in violation of any applicable rule, code, law, regulation, Lessor policy, or other authority.

7.5.1 Environmental Laws and Regulations. Lessee's obligations herein shall include, but in no way be limited to, the obligation to comply with all state and federal environmental laws and regulations. Lessee shall defend (with legal counsel acceptable to Lessor), indemnify, and hold harmless the Lessor from any fine, penalty, or damage imposed by any lawful authority, which may arise as a result of the Lessee's failure to comply with the obligations of this article.

7.6 WASTE AND REFUSE. Lessee agrees not to allow conditions of waste and refuse to exist on the Premises, and to keep the Premises in a neat, clean, and orderly condition.

7.7 TAXES AND ASSESSMENTS. Lessee agrees to pay all taxes assessed against the leasehold interest and a pro rata share of any assessments made against the Premises for installation of public utility systems, based upon a reasonable overall sharing program among all properties within the assessment area. Upon commencement of this Lease, the Premises were exempt from real property taxes pursuant to RCW 84.36.010; however, the Rent collected hereunder is subject to Washington's leasehold excise tax, which excise tax must be paid by Lessee. In the event the Premises is ever subjected to real property tax, Tenant shall have the right to dispute property tax directly with the taxing authority.

7.8 SIGNS. No signs shall be installed without the prior written permission of Lessor. In the event that an unauthorized sign has been installed, and after twenty-four (24) hours' notification to remove the sign by the Lessor, Lessee shall pay the Lessor a penalty of One Hundred Dollars (\$100.00) per day for each day the sign remains in place after such notification. The penalty shall automatically resume, without notice, if the sign is reinstalled after having been removed. The penalty accrued shall be paid with the next month's Base Rent. In addition, the Lessor reserves the right to provide notice of, and treat an unauthorized sign as, a non-monetary default of this Lease.

7.9 EQUAL OPPORTUNITY. Lessee agrees that in the conduct of activities on the Premises, it will be an equal opportunity employer in accordance with Title VII of the Civil Rights Act of 1964, 42 USC §2000 et seq., and shall comply with all requirements of the ADA.

7.10 LITIGATION. In the event Lessor shall be made a party to any litigation commenced by or against Lessee (other than actions commenced by Lessee or Lessor concerning the interpretation or enforcement of any of the terms and conditions of this Lease), then Lessee agrees to pay all costs, expert witness fees, and attorneys' fees, including all customary charges incurred by Lessor in connection with such litigation. However, if Lessor is made a party defendant and Lessee undertakes the defense of the action on behalf of Lessor, then no

obligation for costs and attorneys' fees will be chargeable against Lessee by Lessor for costs arising out of such undertaking.

7.11 ASSIGNMENT OF LEASE. Lessee shall not assign, rent, or sublease any portions of this Lease, or any extension thereof, without the prior written consent of Lessor, and no rights hereunder in or to said Premises shall pass by operation of law or other judicial process, or through insolvency proceedings. Otherwise, the rights and obligations hereof shall extend to and be binding upon their respective successors, representatives, and assigns, as the case may be. Lessee shall furnish Lessor with copies of all such subassignment, sublease, or rental documents. For the purposes of this Lease, any change of ownership including sale, liquidation, or other disposition of some or all of the corporate stock or limited liability company units will be considered an assignment. Should the Lessor consent to an assignment made by the Lessee for the purposes of obtaining a loan or other consideration from a third party, then, if Lessor has a standard consent form for these purposes, the Lessor's consent shall be made in accordance with that form. If Lessor has a standard consent form, a copy of this consent form shall be provided by Lessor upon request of Lessee.

7.11.1 Permitted Sublease. Notwithstanding the foregoing, Lessee shall be entitled to sublease all or a portion of the Premises to a wholly owned subsidiary operating entity of Lessee, or to any Discount Tire, America's Tire, Tire Rack, or Dunn Tire entity, without prior written approval of the Lessor so long as Lessee provides written notice to Lessor.

7.11.2 Remedy If Lessor Denies Assignment. If Lessor refuses to consent to an assignment, Lessee's sole remedy shall be the right to bring a declaratory judgment action to determine whether Lessor was entitled to refuse such assignment under the terms of this Lease.

7.11.3 No Waiver of Future Consents. No consent by Lessor to any assignment or sublease shall be a waiver of the requirement to obtain such consent with respect to any other or later assignment or sublease. Acceptance of Rent or other performance by Lessor following an assignment or sublease, whether or not Lessor has knowledge of such assignment or sublease, shall not constitute consent to the same nor as a waiver of the requirement to obtain consent to the same.

7.11.4 Transfer Fee. An administrative handling and transfer fee ("Transfer Fee") of Three Hundred Dollars (\$300.00) shall be payable by Lessee to Lessor if Lessee requests the Lessor's consent to a proposed assignment (including an assignment to a creditor for security purposes) or sublease. Such Transfer Fee shall be submitted to the Lessor at the same time that Lessee requests the Lessor's consent to the proposed sublease or assignment. The Transfer Fee shall not apply to the sublease authorized under Paragraph 7.11.1, above.

7.11.5 Attorneys' Fees. In addition to the Transfer Fee, Lessee shall pay Lessor's reasonable and customary attorneys' fees (not to exceed \$2,500) incurred relating to the Lessee's request for Lessor's consent to a proposed assignment or in the event Lessee seeks to modify the Lease during the Term of the Lease or any renewals thereof. Lessee's failure to remit this amount within sixty (60) days of the mailing of the notice of such charges shall constitute a default under this Lease. Notwithstanding anything to the contrary herein, the Lessee shall not be obligated to reimburse the Lessor in any case where an assignment or sublease is not accomplished due to total refusal on the part of Lessor to grant its consent to the

request. This subsection shall not apply to the sublease authorized under Paragraph 7.11.1, above.

7.11.6 Lessee's Liability on Assignment or Sublease. If this Lease is assigned, the underlying beneficial interest of Lessee is transferred, or if the Premises or any part thereof is sublet to or occupied by anybody other than Lessee, then in the event Lessee defaults hereunder the Lessor may collect Rent from the assignee, subtenant, or occupant, and apply the net amount collected to the Rent herein reserved; but no such assignment, subletting, occupancy, or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant, or occupant as tenant, or a release of Lessee from the further performance by Lessee of covenants on the part of Lessee herein contained. No assignment or subletting shall affect the continuing primary liability of Lessee (which, following assignment, shall be joint and several with the assignee), and Lessee shall not be released from performing any of the terms, covenants, and conditions of this Lease.

7.11.7 Proceed Against Lessee. Notwithstanding any assignment or sublease, any indulgences, waivers, or extensions of time granted by Lessor to any assignee or sublessee, or the failure of Lessor to take action against any assignee or sublease, Lessee hereby agrees that Lessor may, at its option, proceed against Lessee without having taken action against or joined such assignee or sublessee, except that Lessee shall have the benefit of any indulgences, waivers, and extensions of time granted to any such assignee or sublessee.

7.11.8 Assignee/Sublessee Insurance. In the event the Lessor approves an assignment or sublease hereunder, such assignee or sublessee shall provide Lessor with insurance certificates and/or endorsements evidencing such assignee or sublessee's compliance with the insurance provisions set forth herein, including, but not limited to, the endorsement of Lessor as an additional insured under such policy or policies.

7.12 DEFAULT, CROSS DEFAULT, AND REMEDIES.

7.12.1 Monetary Defaults. Failure to pay Rent or any other monetary obligations by the fifth (5th) day of each month shall constitute a default under the terms of this Lease. If Lessee is in default in the payment of Rent or other monetary obligations, then, at Lessor's sole option, and upon ten (10) days' written notice and opportunity to cure from Lessor's provision of such notice pursuant to the requirements of RCW 59.12.040, this Lease may be terminated, and Lessor may enter upon and take possession of the Premises. Without limiting the generality of the foregoing, Lessee expressly authorizes Lessor to obtain a prejudgment writ of restitution in the event of default by Lessee. This remedy is in addition to, and is not exclusive of, any other remedies provided either by this Lease or by law.

7.12.2 Non-monetary Defaults. If Lessee shall fail to perform any term or condition of this Lease, other than the payment of Rent or other monetary obligations, then Lessor, upon providing Lessee thirty (30) days' written notice of such default and opportunity to cure from Lessor's provision of such notice pursuant to the requirements of RCW 59.12.040, may terminate this Lease and enter upon and take possession of the Premises. This remedy is in addition to, and is not exclusive of, any other remedies provided either by this Lease or by law.

7.12.3 Other Defaults. The following shall also constitute a default under the terms of this Lease: (i) a default by Lessee under any other agreement or lease with the Lessor; (ii) insolvency of Lessee; (iii) an assignment by Lessee for the benefit of creditors; (iv) the filing by

Lessee of a voluntary petition in bankruptcy; (v) an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; (vi) the filing of an involuntary petition of bankruptcy and failure of Lessee to secure a dismissal of the petition within thirty (30) days after filing; (vii) attachment of or the levying of execution on the leasehold interest; and (viii) failure of Lessee to secure a discharge of the attachment or release of the levy of execution within fifteen (15) days.

7.12.4 Multiple Defaults in a Year. *Intentionally Omitted.*

7.12.5 Cross-Default. A default under this Lease shall constitute a default under any other lease or agreement which Lessee has with Lessor (hereinafter such other agreements shall be referred to as "Collateral Agreements"). Likewise, any material breach or default under a Collateral Agreement shall be deemed a material breach or default under the terms of this Lease. If a Collateral Agreement is terminated for a material breach or default of Lessee, then Lessor shall, without limiting any other remedies it may have, be entitled to terminate this Lease upon ten (10) days' written notice to Lessee.

7.12.6 Other Remedies. In addition to the foregoing remedies specified in this Section, Lessor may exercise any remedies or rights under the laws of the State of Washington, including, but not limited to, recovering damages for past due Rent, future Rent, costs to re-let the Premises, and costs to restore the Premises to its prior condition (reasonable wear and tear excepted). Under no circumstances shall Lessor be held liable for damages or otherwise by reason of any lawful re-entry or eviction. Lessor shall not, by any re-entry or other act, be deemed to have accepted any surrender by Lessee of the Premises, to have otherwise terminated this Lease, or to have relieved Lessee of any obligation hereunder. Lessor shall be under no obligation to observe or perform any covenant of this Lease after the date of any material default by Lessee unless and until Lessee cures such default. A fee of Five Hundred Dollars (\$500.00) shall be assessed to Lessee for each Default Notice issued to Lessee to defray the costs associated with preparing, issuing, and serving such notice. This fee shall be payable on the first (1st) day of the month following the issuance of the Default Notice.

7.13 TERMINATION. The Lessor shall be entitled to terminate this Lease for default if Lessee fails to cure any default within the time provided for herein. Upon termination of this Lease, or any extension thereof, whether by expiration of the stated Term or sooner termination thereon, as herein provided, Lessee shall surrender to Lessor the Premises peaceably and quietly. Lessee shall restore the Premises to the condition existing at the time of initiation of this Lease, except for (i) normal wear and tear; and (ii) any improvements which Lessor permits to remain on the Premises.

7.14 NON-WAIVER. Neither the acceptance of Rent nor any other act or omission of Lessor after a default by Lessee or termination shall operate as a waiver of any past or future default by Lessee, or be construed to deprive Lessor of its right to terminate this Lease or to prevent Lessor from promptly exercising any other right or remedy it has under this Lease. Any waiver by Lessor shall be in writing and signed by Lessor in order to be binding on Lessor.

7.15 NOTICES. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party shall be in writing addressed to the other party at the addresses set forth in Article I, above, or such address as may have been specified by notifying the other party of the change of address. Notice shall be deemed served

on the date of actual delivery or the first (1st) attempted delivery as shown on the return receipt if mailed with the United States Postal Service by certified mail, return receipt requested.

7.16 **AGENT FOR SERVICE.** *Intentionally Omitted.*

7.17 **SECURITY.** Lessee specifically acknowledges that Lessor has no duty to provide security for any portion of the Premises or Lessor's property. Lessee assumes sole responsibility and liability for the security of itself, its employees, customers, and invitees, and their respective property in or about the Premises or Lessor's property. Lessee agrees that to the extent Lessor elects to provide any security, Lessor is not warranting the effectiveness of any such security personnel, services, procedures, or equipment, and that Lessee is not relying and shall not hereafter rely on such security personnel, services, procedures, or equipment. Lessor shall not be responsible or liable in any manner for failure of any such security personnel, services, procedures, or equipment to prevent or control, or to apprehend anyone suspected of personal injury or property damage in, on, or around the Premises or Lessor's property.

7.18 **QUIET ENJOYMENT.** Lessor acknowledges that it has ownership of the Premises and that it has the legal authority to lease the Premises to Lessee. Lessor covenants that Lessee shall have quiet enjoyment of the Premises during the Term of this Lease so long as Lessee complies with this Lease and subject to Lessor's right of entry onto the Premises as set forth herein.

7.18.1 **Easements.** The Lessor reserves the right to grant easements and other land uses on the Premises to others when the easement or other land uses applied for will not unduly interfere with the Lessee's Authorized Use or with the approved plan of development for the Premises. Lessee shall not incur any expense related to Lessor's grant of easements to parties other than Lessee, unless requested by Lessee for Lessee's benefit.

7.18.2 **Closure by Government Order.** Lessee understands that various federal agencies, including the Department of Homeland Security and the U.S. Coast Guard, have the authority to restrict access to certain areas on property owned by Lessor in order to counter a terrorist or other threat. Such restrictions could impact Lessee's ability to access the Premises for an indefinite period of time. Since such restrictions on access are outside the control of Lessor, Lessee agrees that such interruptions shall not be deemed a violation of this Lease or the Covenant of Quiet Enjoyment.

7.19 **LESSOR MAY ENTER PREMISES.** It is agreed that the duly authorized officers or agents of Lessor may enter to view said Premises at any time upon forty-eight (48) hours' prior notice, and if the business or normal function of Lessor should at any time require that it enter upon the Premises to perform any work or make any improvements, it may do so, but not in such manner as to materially interfere with Lessee's Authorized Use.

7.20 **TIME.** It is mutually agreed and understood that time is of the essence of this Lease, and that a waiver of any default of Lessee shall not be construed as a waiver of any other default.

7.21 **INTERPRETATION.** This Lease has been submitted to the scrutiny of the parties hereto and their counsel, if desired. In any dispute between the parties, the language of this Lease shall, in all cases, be construed as a whole according to its fair meaning and not for or against

either the Lessor or the Lessee. If any provision is found to be ambiguous, the language shall not be construed against either the Lessor or Lessee solely on the basis of which party drafted the provision. If any word, clause, sentence, or combination thereof, for any reason, is declared by a court of law or equity to be invalid, illegal, or unenforceable against one party or the other, then such finding shall in no way affect the remaining provisions of this Lease.

7.22 HOLDING OVER. If the Lessee remains in possession of said Premises after the date of expiration of this Lease without Lessor's prior written consent, such holding over shall constitute and be construed as tenancy at sufferance only, at a monthly rent equal to one hundred fifty percent (150%) of the Base Rent owed during the final month of the Term of this Lease, and otherwise upon the terms and conditions in this Lease. If Lessee holds over with Lessor's prior written consent, then, until such time as a new written Lease is executed by the parties hereto, Lessee shall continue to make payments to Lessor on a month-to-month basis as provided for in this Lease. Such authorized holdover tenancy may be terminated by either party at the end of any such monthly period by sending written notice not less than thirty (30) days before the end of such period. Such authorized holdover tenancy shall be subject to all terms and conditions contained herein.

7.23 SURVIVAL. Paragraphs 4.4, 4.6, 5.1, 7.1, 7.2, 7.3, 7.4, 7.5.1, 7.10 and Article VI shall survive beyond the expiration or earlier termination of this Lease.

7.24 GOVERNING LAW. This Lease, and the rights of the parties hereto, shall be governed by and construed in accordance with the laws of the State of Washington, and the parties agree that in any such action, jurisdiction and venue shall lie exclusively in Lewis County, Washington, and not in any federal court.

7.25 ATTORNEYS' FEES – LEASE ENFORCEMENT. The substantially prevailing party in any action to enforce any term or condition of this Lease shall be entitled to an award of their reasonable costs and attorneys' fees.

7.26 ESTOPPEL CERTIFICATES. At Lessee's request, Lessor agrees to execute and deliver to Lessee or its lender(s) a customary estoppel certificate in a form acceptable to the Lessor which shall set forth the following information: (i) the terms and conditions of this Lease; (ii) the status of the Rent payments under the Lease; and (iii) Lessor's knowledge of any breaches or anticipated breaches of the Lease. Lessor shall have no obligation to execute an estoppel certificate which requests any information other than as set forth above. Lessee agrees to reimburse Lessor (not more than \$2,500) for all staff time incurred and attorneys' fees paid by Lessor for the review and opinion of such attorney acting on the request for such estoppel certificate and in negotiating acceptable language in the estoppel certificate; failure to reimburse Lessor within sixty (60) days of the mailing of notice of such charges shall constitute a default under the terms of this Lease.

7.27 ATTORNTMENT. In the event the Premises are sold, Lessee shall attorn to the purchaser upon the sale; provided, however, that the purchaser expressly agrees in writing that, so long as Lessee is not in default under the Lease, Lessee's possession and occupancy of the Premises will not be disturbed and that such purchaser will perform all obligations of Lessor under the Lease.

7.28 COUNTERPARTS AND ELECTRONIC TRANSMISSION. This Agreement may be signed in counterparts. Electronic transmission of any signed original document, and

retransmission of any signed electronic transmission, shall be the same as delivery of an original document.

7.29 **ENTIRE AGREEMENT.** This Lease contains all of the understandings between the parties. Each party represents that no promises, representations, or commitments have been made by the other as a basis for this Lease which have not been reduced to writing herein. No oral promises or representations shall be binding upon either party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Lease and executed with all necessary legal formalities by the Lessor's Council.

7.30 **VALIDATION. IN WITNESS WHEREOF,** Lessor has caused this instrument to be signed by its _____ by authority of the Lessor's Council, and this instrument has been signed and executed by Lessee, the day and year first above written.

THIS LEASE CONTAINS INDEMNIFICATIONS FROM THE LESSEE TO THE LESSOR, RELEASES BY THE LESSEE AND A LIMITED WAIVER OF IMMUNITY UNDER THE WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW, OR ANY OTHER SIMILAR WORKERS' COMPENSATION SCHEMES, WHICH WERE SPECIFICALLY NEGOTIATED.

LESSEE:

HALLE PROPERTIES, L.L.C.

By: _____
Its: _____

LESSOR:

CITY OF CHEHALIS

By: _____
Its: _____

[notaries on subsequent page]

STATE OF WASHINGTON)
) ss.
COUNTY OF LEWIS)

On this day before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared, _____, to me known to be the _____ of the **CITY OF CHEHALIS**, and acknowledged the said instrument to be the free and voluntary act and deed of said city, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the said instrument on behalf of the city.

GIVEN under my hand and official seal this ____ day of _____, 202_.

Print Name: _____
NOTARY PUBLIC in and for the
State of Washington, residing at _____
My commission expires: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On this day before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared, _____, to me known to be the _____ of HALLE PROPERTIES, L.L.C., and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the said instrument on behalf of the corporation.

GIVEN under my hand and official seal this ____ day of _____, 202_.

Print Name: _____
NOTARY PUBLIC in and for the
State of Washington, residing at _____
My commission expires: _____

EXHIBIT A
LEGAL DESCRIPTION OF PREMISES

SECTION 19 TOWNSHIP 14N RANGE 02W PT E2 SE TRACT 16-B AMENDED BSP 3449004

EXHIBIT B
MAP OF PREMISES

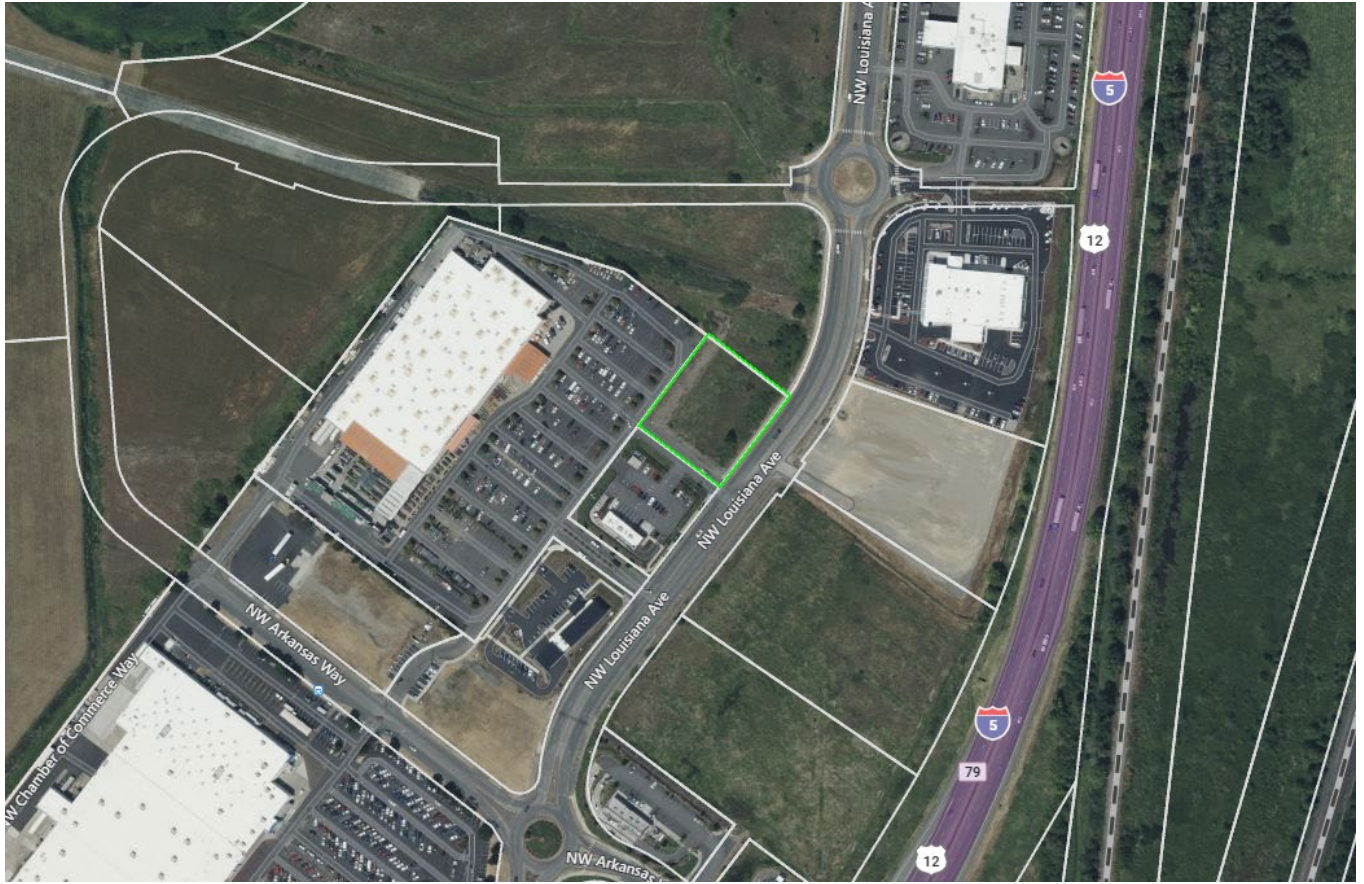


EXHIBIT C

Authorization

The undersigned, as owner of the Property located in Chehalis, Washington of Lewis County and described or otherwise below hereby authorizes the filing of any application needed for the intended use of the Property and permitting processes needed in connection with the intended use of the Property by Halle Properties, L.L.C., an Arizona limited liability company, or its successors and assigns.

Property Description:

A facsimile, PDF, or other electronic copy of this Authorization shall serve the same as an original document.

SELLER/LANDLORD:

By: _____
Name: _____
Title: _____

March 7, 2024

Airport Director
c/o Brandon Rakes
1321 S Market
Chehalis, WA 98532

Re: Discount Tire-Commission Agreement
Chehalis, WA

Dear Brandon:

This Commission Agreement ("Agreement") is made and entered into as of the _____ of _____ by and between **First Western Properties - Tacoma, Inc. (Broker)**, having office at 6402 Tacoma Mall Blvd., Tacoma, WA 98409 and **Chehalis Airport** for the Lease Agreement ("Lease") between Landlord and **Halle Properties LLC (DBA Discount Tire)** for the leased premises (approximately 50,530 +/- square foot land area) located at 1815 NW Louisiana Ave, Chehalis, Washington.

1. Lease. Agent and/or its designated affiliate has been integrally and actively involved in the negotiations of the Lease consummated, or to be consummated, between Landlord and Tenant. Landlord and Tenant may also extend, renew or expand the Lease (together, such extension, renewal, or expansion shall hereinafter be referred to as the "Renewal").

2. Commission. Landlord has agreed to pay a leasing commission to **First Western Properties - Tacoma, Inc.** (above), in connection with the Lease as calculated and described herein. The Landlord's agrees to pay tenant broker according to terms/amounts described herein.

3. Calculation and Payment. The Brokerage Commission shall be calculated and paid to First Western Properties - Tacoma, Inc. as follows: Four Percent (4.0%) of the Gross Rent Amount for the original term of the lease for fifteen years (15 years). To be paid one-half (1/2) within thirty (30) days of the later of: mutual lease execution and all conditions and/or contingencies removed & Tenant has commenced construction and the second half upon Tenant opening for Business and payment of rent to the Landlord.

4. Payment Default. In the event of a failure by Landlord to pay the commission amount in the manner and at the time set forth above, then Landlord shall owe First Western Properties - Tacoma, Inc. the commission amount set forth herein plus an additional fee of fifteen percent (15%) of the commission amount due. If Landlord fails to pay the commission amount due to First Western Properties - Tacoma, Inc. or its designated affiliate, as provided herein, then Tenant shall pay such

amount to First Western Properties – Tacoma, Inc. or its designated affiliate and Tenant shall be entitled to an abatement of rent for the amount of commission it pays to First Western Properties – Tacoma, Inc. or its designated affiliate.

5. Successors or Assigns. The terms and provisions of this Agreement shall be binding on the parties hereto and to their successors and assigns.

6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State in which the Premises is located.

7. Invalidity of Provisions. The invalidity, illegality or unenforceability of any one or more provisions of the Agreement shall not affect the remainder of this Agreement.

8. Attorneys’ Fees. The parties agree that the prevailing party shall be entitled to all costs and expenses including, without limitation, court costs and reasonable attorneys’ fees, in any action commenced to enforce the provisions herein.

9. Late Fees. All commissions not paid, as set forth herein, shall bear interest from the date due at the rate of eighteen (18%) percent per annum.

10. Entire Agreement. This Agreement constitutes the entire agreement between the parties. This Agreement may be modified only by a writing signed by both parties.

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed by their duly authorized officer as of the date set forth above.

**Best Regards,
First Western Properties – Tacoma, Inc.**

**Josh Parnell
Partner**

Accepted:

By _____

By _____

Justin Holmes, Designated Broker

Its _____

Its _____

Chehalis Airport

First Western Properties - Tacoma, Inc.

Date _____

Date _____

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Lance Bunker, Interim City Manager

BY: Brandon Rakes, Airport Director

MEETING OF: May 28, 2024

SUBJECT: Task Order No. 3 Create a Building Information Model & Airport Visualization Scope of Services

ISSUE

The proposed scope of work under Task Order 3, titled "CLS Visualization," is critical for enhancing stakeholder engagement, outreach, and economic development at the Chehalis-Centralia Airport. The visualization project aims to leverage advanced Building Information Modeling (BIM) and Lumion visualization software to create detailed and realistic visual representations of the airport's future development plans. This project, carried out by The Aviation Planning Group, LLC (APG) and their subconsultant EXP, will provide valuable tools for decision-making and communication with stakeholders. The use of advanced visualization techniques will not only improve decision-making and planning processes but also position the airport as a leader in innovative infrastructure development.

Discussion

The purpose of this report is to request authorization from the City Council for the proposed scope of work under Task Order 3, issued pursuant to the Professional Services Master Task Order Agreement between the City of Chehalis and The Aviation Planning Group, LLC (APG). This task order, titled "CLS Visualization," aims to develop detailed visualizations for stakeholder engagement and economic development purposes at the Chehalis-Centralia Airport.

FISCAL IMPACT

Task Order No. 3 issued under the authority of Professional Services Master Task Order Agreement Number CLS-0002 would authorize reimbursement to the Aviation Planning Group on a lump sum basis of \$37,280. These funds will come directly from the Airport's budget and not the General Fund.

RECOMMENDATION

It is recommended that the City Council approve Professional Services Agreement Task Order No. 3 with The Aviation Planning Group and authorize the Interim City Manager to execute the document.

SUGGESTED MOTION

I move that the City Council approve Professional Services Agreement Task Order No. 3 with The Aviation Planning Group and authorize the Interim City Manager to execute the document.

Exhibit A to Master Task Order Agreement for Professional Services Task Order 3

TASK ORDER 1

Task Order No.: 3

Issued under the authority of Professional Services Master Task Order Agreement Number: CLS-0002

Task Order Title: CLS Visualization

Effective Date: May 8, 2024

This Task Order is issued under the provisions of the above Professional Services Master Task Order Agreement dated March 1, 2024 between City of Chehalis (SPONSOR) and The Aviation Planning Group, LLC, (APG).

The following representatives have been designated for the work performed under this Task Order:

SPONSOR: Brandon Rakes

APG : Leah Whitfield

SCOPE OF WORK:

Project Overview

The purpose of the project is to create a visualization for stakeholder engagement, outreach, and economic development.

Scope of Work

The Consultant (APG) and their SubConsultant (EXP) will:

- Create BIM Modeling & Airport Visualization
 - Provide a Preliminary Site Verification & Data Collection
 - Revisit Modeling
 - Export into Lumion Visualization

See Attachment 1 for the detailed scope of services.

COMPENSATION:

APG shall be reimbursed on a Lump sum basis not to exceed \$37,280. APG shall invoice no more often than monthly for services provided in the prior month.

The provisions of the Professional Services Master Task Order Agreement and any Special Terms and Conditions and/or Exhibits or Attachments to this Task Order shall govern the Work.

IN WITNESS WHEREOF, the parties authorized to commit resources of the companies have executed this Task Order:

City of Chehalis

The Aviation Planning Group, LLC

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Fed. ID. No. 84-4339523

Attachment 1.

Scope of Services

This project will be completed in one task: BIM Modeling & Airport Visualization

Task 1: BIM Modeling & Airport Visualization

Building Information Modeling (BIM) is a workflow process used for planning, design, construction, and management of building and infrastructure projects. EXP will utilize this BIM software to model the preferred design alternative of the CLS Airport Master Plan and develop two (2) visualizations for the Airport.

Task 1.1 – Preliminary Site Verification & Data Collection

APG will provide the final preferred alternative CAD drawings and all associated files to the EXP Team.

The purpose of this task is to verify the accuracy and adequacy of information including program drawings, planning layouts, etc. furnished to the EXP Team by CLS and APG. The BIM design process will begin with an in-depth analysis of site requirements and considerations, including factors such as traffic flow and other client aesthetic preferences.

Task 1.2 – Revit Modeling

Autodesk Revit allows architects, engineers, and construction professionals to model shapes, structures, and systems in 3D with parametric accuracy, precision, and ease. EXP architects and engineers will utilize Revit software to meticulously create a detailed 3D model of the airport, incorporating elements such as runways, terminals, hangars, and support buildings. This Revit model serves as the basis for design, allowing for precise planning and coordination of various Airport Master Plan Preferred Alternative components.

This Revit Model will be the basis for design for subsequent Tasks 2 and 3.

Task 1.3 – Lumion Visualization

Once the Revit Model is complete, the EXP Team will export the 3D Model into Lumion, a powerful visualization software tool that adds depth and realism to the project. In Lumion, materials are assigned to different elements of the airport, ensuring that surfaces accurately reflect their real-world counterparts. Lighting, landscaping, and atmospheric effects are then added to enhance the overall visual impact. The EXP Team will then produce two (2) compelling visualizations (video presentations) and a collection of impressive images for the Airport to effectively communicate the design concept to relevant stakeholders.

Visualization 1: Multi-modal transportation traffic flow in and out of the Chehalis-Centralia Airport, starting at the I-5 off-ramp, and heading towards the northeast corner of the Airport.

Visualization 2: Total (aerial) overview of the Airport featuring the property's southwest corner and existing / proposed development along this section of the Airport.

These visualizations will serve as powerful tools for decision-making and stakeholder engagement, allowing the Airport to visualize the potential of the Airport Master Plan and make timely decisions to enhance and/or improve future designs.

Project Management

Project Management will be covered under each individual task from a budget perspective, but includes the Kick-Off Meeting and Ongoing Project Coordination and Management.

APG will lead a kickoff meeting with the Airport and EXP Team. The main objective of this meeting is to discuss the project schedule, points of contact, and items needed by the EXP Team to meet the proposed Project deadline. EXP will conduct ongoing project coordination to ensure timely submission of task deliverables, as needed.

QA/QC

EXP, as standard practice, will conduct a QA/QC session that will review the project deliverables in their entirety to ensure internal quality standards are met. APG will provide QA/QC reviews of all deliverables at each stage of the project to ensure accuracy. Dedicated personnel from the design team will perform this task and set up proper stance for the upcoming stages of the project.

Assumption(s):

- Final Deliverables will not include interior detail or design; this Project is focused on exterior 3D Modeling of the Airport.
- This Scope of Work assumes one (1) round of QA/QC for Task 1.

Professional Service Fee

The Fixed Lump Sum fee of \$37,280 includes fees for APG and EXP as described is based on the scope outlined in this document and in the Professional Services Agreement. Please see the below task/fee summary and attached proposal fee breakout.

Task 1 – BIM Modeling & Airport Visualization	\$37,280
Total	\$37,280

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Lance Bunker, Interim City Manager

BY: Adam Fulbright, Fire Chief

DATE: May 28, 2024

SUBJECT: Considering PILOT Payment In Lieu of Taxes for Tax Exempt Buildings Within the City of Chehalis Jurisdiction.

ISSUE

There are several buildings within the City of Chehalis that are tax exempt and therefore not contributing to fire protection fees, creating a burden on the Fire Departments operations and tax paying citizens of Chehalis.

DISCUSSION

Tax exempt building, such as county and state government-owned properties, Nursing, assisted living, schools, or non-profit organizations, have significant impacts on fire budgets and citizens within the community. These buildings often don't contribute property taxes, which are primary revenue source for funding for essential services like fire/EMS departments.

Staff is requesting authorization to begin negotiations with tax exempt entities for the purpose of establishing a fair and equitable distribution of fees to minimize impacts to the residents of Chehalis while maintaining the current level of service from the Chehalis Fire Department.

FISCAL IMPACT

Reduced Revenue: The presence of tax-exempt buildings results in a reduction of revenue for the fire department, impacting our operational budget. This shortfall may lead to higher taxes or a cutback in services, placing a financial burden on residents.

Increased Burden: The financial responsibility for providing fire/EMS protection services to tax-exempt buildings is borne by the remaining taxpayers, potentially resulting in increased taxes or diminished services elsewhere. Citizens may frequently highlight disparities in the provisions of fire service.

Budget constraints: Fire departments often face budget constraints, which limit our ability to invest in equipment, training and hiring adequate personnel to meet the growing demands for services. This limitation in resources affects emergency response times and overall quality of fire protection services for all citizens and the safety of our personnel.

ADDRESSING THE ISSUE

Addressing these challenges involve exploring alternative funding mechanism, negotiating payment in lieu of taxes (PILOT) agreements with all tax-exempt entities, or working towards equitable solution that ensures adequate fire protection services for all while distributing the financial burden more fairly across the community, as is done with the Green Hill School.

RECOMMENDATION/COUNCIL ACTION DESIRED

It is recommended that the City Council authorize the City Manager, Fire Chief and City Attorney to enter negotiation with all tax-exempt entities within the City of Chehalis. Establishing a fair and equitable payment in lieu of taxes for fire protection services.

SUGGESTED MOTION

I move that the City Council authorize the City Manager, Fire Chief and City Attorney to enter into negotiations with all tax-exempt entities within the City of Chehalis for the purpose of establishing an appropriate payment in lieu of taxes agreement for Fire protections services.

**FIRE PROTECTION AGREEMENT:
INTERAGENCY AGREEMENT BETWEEN
THE CITY OF CHEHALIS FIRE DEPARTMENT
AND
LEWIS COUNTY**

This Agreement is made pursuant to RCW 39.34 and entered between The City of Chehalis Fire Department, a municipal corporation, "Fire Department", and Lewis County a municipal corporation "County".

RECITALS

1. The Fire Department is a fire protection district organized and operating pursuant to Title 52 RCW with the responsibility to provide fire protection and emergency medical services within its geographical boundaries.
2. Lewis County is a public agency that owns certain tax-exempt lands, buildings and equipment "Properties" located in the City.
3. RCW 52.30.020 requires local governments to contract for fire protection and emergency medical services for Properties owned by the county within the boundaries of a fire protection district.
4. It is the purpose of this Agreement to provide fire protection and emergency medical services to the county within the city boundaries; to comply with RCW 52.30.020 regarding County owned properties; and to comply with chapter 39.34 RCW, the Interlocal Cooperation Act.

AGREEMENT

To carry out the purposes of this Agreement and in consideration of the benefits to be received by each Party, it is agreed as follows:

1. **Effective Date and Termination of Agreement.** This Agreement shall be effective January 1, 2025, to cover services provided from that date forward and shall be automatically renewed on January 1 of each subsequent year unless written notice of termination is given by a Party to the other Party prior to the first day of September of the calendar year in which this contract shall terminate.
2. **Termination for Cause.** If for any cause, either party does not fulfill in a timely and proper manner its obligations of this Agreement, or if either party violates any of these terms and conditions, they aggrieved party shall give the other party written notice of such failure or violation. The responsible party will be given the opportunity to correct the violation or failure within fifteen working days. If failure or violation is not corrected, this Agreement may be terminated immediately by written notice of the aggrieved party to the other.

3. **Services** The City agrees to furnish fire protection and emergency medical services to all County properties located within the City and the persons residing, working or visiting within those properties. Such fire and emergency medical services shall be rendered on the same basis as such protection is rendered to other areas within the city or with which the city has contracts, but the city assumes no liability for failure to do so by reason of any circumstances beyond its control. In the event of simultaneous fires or medical aid calls whereby facilities of the city are taxed beyond its ability to render equal protection, the officers and agents of the city shall have discretion as to which call shall be answered first. The city shall be the sole judge as to the most expeditious manner of handling and responding to emergency calls. All services shall be provided in a manner consistent with federal, state and local mandates and service protocols.
 - 3.1. The Fire Department shall coordinate with the county on at least an annual basis or as otherwise needed for any pre-fire planning to ensure timely and effective fire suppression, building evacuation and delivery of services. Such coordination shall at a minimum include:
 - 3.2. As needed training activities for the firefighters of the Fire Department on the county owned properties. The training shall include but not limited to familiarizing firefighters with the layout of the buildings, location of fire control systems, access routes and hazards specific to each building.
4. **Properties Served.** The Properties covered by this Agreement are identified in **Exhibit A**.
5. **Payment by County for Services.** In exchange for and in recognition of the rendition of services by the city, the County shall pay to the city an amount calculated as follows:
 - 5.1. Total Assessed Valuation of Properties determined on an annual basis time the city's regular cost of providing fire protection as finally determined by Lewis County for the year of assessment. The parties agree the total rate shall not exceed \$2.00 per thousand assessed valuations.
 - 5.2. The annual amount shall be calculated by the Fire Department and an invoice shall be delivered to Lewis County prior to March 1 of the service year. Monetary payments by the County to the City shall be made on or before May 1 of the service year.
6. **Insurance.** Each party shall provide general liability and property insurance for all operations, buildings and equipment conducted in the performance of this Agreement. Each party shall provide a Certificate of Insurance showing proof of coverage upon execution of this Agreement.
7. **Dispute resolution (including disputes as to valuation of the county property).** Disputes between the Parties shall first be addressed through discussion and negotiation by representatives of each. Should resolution via discussion and negotiation be unsuccessful, the

Parties shall agree upon a third party to provide non-binding mediation of the issue prior to institution of litigation. Each Party shall bear its own costs.

8. **Governance.** This Agreement is entered into pursuant to and under the authority granted by the laws of the state of Washington and any applicable federal laws. The provisions of this Agreement shall be construed to conform to those laws. In the event of an inconsistency in the terms of this Agreement, or between the terms and any applicable statute or rule, the inconsistency shall be resolved by giving precedence in the following order:
 - 8.1. Applicable state and federal statutes and rules.
 - 8.2. Scope of services; and
 - 8.3. Any other provisions of the Agreement, including materials incorporated by reference.
9. **Agreement Changes, Modifications and Amendments.** This Agreement may be changed, modified, or amended by written agreement executed by authorized personnel of both parties. This Agreement shall be subject to re-negotiation in the event of a statutory or regulatory change that materially affects this Agreement or party's performance of this Agreement.
10. **Notices.** All notices, requests, demands and other communications required by this agreement shall be in writing and shall be deemed to have been given at the time of delivery if personally delivered or three days after mailing if mailed by first class, postage pre-paid and addressed to the Party at its address as stated in this Agreement or at such address as any Party may designate at any time in writing.
11. **Benefits.** This agreement is entered into for the benefit of the parties to this agreement only and shall confer no benefits, direct or implied, on any third persons. Specifically, and without limiting the foregoing, this Agreement shall not create or be construed as creating an exception to the Public Duty Doctrine.
12. **No Separate Entity Created.** This Agreement does not establish a separate legal entity, joint board, or administrative section for the purpose of acquiring, managing, or disposing of property, or any other financial obligation allowed under the Act.
13. **Administration.** Unless the parties otherwise agree, there shall be no lead agency responsible for the administration of this Agreement. The chief officers of the respective parties shall administer this Agreement jointly.
14. **Assignment** The work to be provided under this Agreement, and any claim arising thereunder, is not assignable or delegable by either party in whole or in part, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.
15. **Property Ownership.** This Agreement does not provide for jointly owned property. All property presently owned or hereafter acquired by the party to enable it to perform the services

required under this agreement shall remain the property of the acquiring party in the event of the termination of this agreement.

- 16. **Filing/Web Site. Filing/Web Site.** This Agreement shall either be filed with the County Auditor or by listing on either of the party’s websites in accordance with RCW 39.34.040.
- 17. **Non-Waiver of Breach.** The failure of either party to insist upon strict performance of any of the covenants and agreements contained in this Agreement, or to exercise any option conferred by this Agreement in one or more instances shall not be construed to be a waiver or relinquishment of those covenants, agreements, or options, and the same shall be and remain in full force and effect.
- 18. **Entire Agreement.** The written terms and provisions of this Agreement, together with any Exhibits attached hereto, shall supersede all prior communications, negotiations, representations, or agreements, either verbal or written of any officer or other representative of each party, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner this Agreement. All the Exhibits are hereby made part of this Agreement.
- 19. **Severability.** If any section of this Agreement is adjudicated to be invalid, such action shall not affect the validity of any section not so adjudicated.

CITY OF CHEHALIS

LEWIS COUNTY

By: _____
Stacy Denham, City Manager

By: _____
Ryan Barret, County Manager

DATE: _____

DATE: _____

NOTICES TO BE SENT TO:
350 NW Market Blvd.
Chehalis WA 98532
Phone 360-345-1042

NOTICES TO BE SENT TO:
351 NW North St.
Chehalis, WA 98532
Phone 360-748-9121

EXHIBIT A

<i>Lewis County improved Properties 2024</i>		Based on LC Assessor Office Valuation			Calculation by CFD			
PARCEL #	DESCRIPTION	TOTAL LAND VALUE	TOTAL BUILDING VALUE	TOTAL VALUE	Fire Protection Rate	EMS Rate	Total Protection Rate. 1.85	TOTAL OWED TO City @ \$1.85
3742000000	476 W Main St	\$232,000	\$167,800	\$399,800	\$ 1.50	\$ 0.35	\$ 1.85	\$739.63
3775001000	345 W Main St (Court House)	\$871,300	\$15,788,000	\$16,659,300	\$ 1.50	\$ 0.35	\$ 1.85	\$30,819.71
3695001000	585 NW Center St	\$345,800	\$635,100	\$98,900	\$ 1.50	\$ 0.35	\$ 1.85	\$182.97
3767000000	351 NW North St	\$264,000	\$3,192,000	\$3,456,000	\$ 1.50	\$ 0.35	\$ 1.85	\$6,393.6
3797000000	360 NW Niorth ST	\$216,600	\$555,000	\$771,600	\$ 1.50	\$ 0.35	\$ 1.85	\$1,427.46
3744002000	435 NW Center St	\$374,900	\$66,300	\$441,200	\$ 1.50	\$ 0.35	\$ 1.85	\$816.22
3872000000	17 SW Cascade Ave	\$65,000	\$156,900	\$221,900	\$ 1.50	\$ 0.35	\$ 1.85	\$410.52
3874000000	19 SW Cascade Ave	\$35,000	\$188,600	\$223,600	\$ 1.50	\$ 0.35	\$ 1.85	\$413.66
3876000000	232 SW Alfred St	\$37,000	\$133,300	\$170,300	\$ 1.50	\$ 0.35	\$ 1.85	\$315.06
3796001000	156 NW Chehalis Ave	\$109,500	\$11,500	\$224,500	\$ 1.50	\$ 0.35	\$ 1.85	\$415.33
3752000000	185 NW Chehalis Ave	\$84,000	\$99,300	\$183,300	\$ 1.50	\$ 0.35	\$ 1.85	\$339.11
3699000000	571 NW Prindle St	\$212,000	\$456,500	\$668,500	\$ 1.50	\$ 0.35	\$ 1.85	\$1,236.73
3902000000	269 SW Alfred St	\$44,400	\$84,200	\$128,600	\$ 1.50	\$ 0.35	\$ 1.85	\$237.91
18520000000	0 Water St,	\$32,200	\$25,000	\$57,200	\$ 1.50	\$ 0.35	\$ 1.85	\$105.8
3742000000	476 W Main ST	\$232,000	\$167,800	\$399,800	\$ 1.50	\$ 0.35	\$ 1.85	\$739.63
3868001000	0 W Main St	\$676,000	\$45,000	\$721,000	\$ 1.50	\$ 0.35	\$ 1.85	\$1,333.85
3801001000	0 NW Pacific	\$110,000	\$10,000	\$120,000	\$ 1.50	\$ 0.35	\$ 1.85	\$222.0
17054002001	109 Forest Napavine RD E	\$64,400	\$736,100	\$800,500	\$ 1.50	\$ 0.35	\$ 1.85	\$1,480.93
3882000000	57 W Main St.	\$147,000	\$850,000	\$997,000	\$ 1.50	\$ 0.35	\$ 1.85	\$1,844.45
TOTALS		\$4,153,100	\$23,368,400	\$26,743,000				\$49,474.55

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Lance Bunker, Interim City Manager

BY: Malissa Paulsen, Interim Community Development Manager

MEETING OF: May 28, 2024

SUBJECT: First Reading of Ordinance No. 1096-B, Historic Preservation Code Amendments

ISSUE

The current Historic Preservation Code (Chehalis Municipal Code Chapter 2.66) is not compliant with the requirements of the Department of Archeology and Historic Preservation’s guidelines to maintain our Certified Local Government status.

DISCUSSION

The City’s Historic Preservation Commission has been working closely with the Department of Archeology and Historic Preservation (DAHP) to update Chapter 2.66 Historic Preservation. DAHP provided a model ordinance which was reviewed and modified to ensure compliance with the goals and powers bestowed to the Historic Preservation Commission by the City Council. The amended chapter was recommended to the City Council for approval by the Historic Preservation Commission at their November 2023 meeting.

FISCAL IMPACT

No fiscal impact expected.

RECOMMENDATION

I recommend that the City Council approve Ordinance No. 1096-B, amending the Chehalis Municipal Code Chapter 2.66 Historic Preservation on first reading.

SUGGESTED MOTION

I move the City Council approve Ordinance No. 1096-B, amending the Chehalis Municipal Code Chapter 2.66 Historic Preservation on first reading.

ORDINANCE NO. 1096-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AMENDING, AND REMOVING SECTIONS OF CHEHALIS MUNICIPAL CODE TITLE 2.66, KNOWN AS THE HISTORIC PRESERVATION ORDINANCE INCLUDING AMENDING CMC 2.66.010 TITLE; AMENDING CMC 2.66.030 DEFINITIONS; AMENDING CMC 2.66.050 RELATING TO COMMISSION COMPOSITION; AMENDING CMC 2.66.070 RELATING TO COMMISSION POWERS AND DUTIES; AMENDING CMC 2.66.090 RELATING TO RULES AND OFFICERS; AMENDING CMC 2.66.110 RELATING TO DESIGNATION IN CHEHALIS REGISTER; AMENDING CMC 2.66.120 RELATING TO PROPERTIES NOMINATED FOR THE NATIONAL REGISTER; REMOVING CMC 2.66.020 FINDINGS AND PURPOSE; REMOVING CMC 2.66.040 COMMISSION – CREATION AND SIZE; REMOVING CMC 2.66.060 COMMISSION – TERMS; REMOVING CMC 2.66.080 COMMISSION – COMPENSATION; REMOVING CMC 2.66.100 COMMISSION – STAFF; REMOVING CMC 2.66.130 THROUGH CMC 2.66.200 RELATING TO THE PROCESSES, REVIEW, AND FACTORS TO BE CONSIDERED BY THE HISTORIC PRESERVATION COMMISSION.

WHEREAS, the original text was approved and adopted by City Council by Ordinance 508B, Creating a Historic Preservation Program, on June 28, 1993.

WHEREAS, the Historic Preservation Commission approved a motion to recommend approval of the amended CMC 2.66 Historic Preservation code on November 16, 2023.

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

Section 1. Chapter 2.66.010 of the Chehalis Municipal Code shall be and the same hereby replaced to read as follows:

The purpose of this ordinance is to provide for the identification, evaluation, designation, and protection of designated historic and prehistoric resources within the boundaries of the City of Chehalis and preserve and rehabilitate eligible historic properties within the City of Chehalis for future generations through special valuation, a property tax incentive, as provided in Chapter 84.26 RCW in order to:

- A. Safeguard the heritage of the City of Chehalis as represented by those buildings, districts, objects, sites and structures which reflect significant elements of the City of Chehalis history;
- B. Foster civic and neighborhood pride in the beauty and accomplishments of the past, and a sense of identity based on the City of Chehalis history;
- C. Stabilize or improve the aesthetic and economic vitality and values of such sites, improvements and objects;

D. Assist, encourage and provide incentives to private owners for preservation, restoration, redevelopment and use of outstanding historic buildings, districts, objects, sites and structures;

E. Promote and facilitate the early identification and resolution of conflicts between preservation of historic resources and alternative land uses; and,

F. Conserve valuable material and energy resources by ongoing use and maintenance of the existing built environment.

CMC 2.66.030 Title

The following sections shall be known and may be cited as the “historic preservation ordinance of the City of Chehalis.”

CMC 2.66.050 Definitions

The following words and terms when used in this ordinance shall mean as follows, unless a different meaning clearly appears from the context:

A. The City of Chehalis Historic Inventory” or “Inventory” means the comprehensive inventory of historic and prehistoric resources within the boundaries of the City of Chehalis.

B. “The City of Chehalis Historic Preservation Commission” or “Commission” means the commission created by CMC 2.66.070 herein.

C. “The City of Chehalis Register of Historic Places”, “Local Register”, or “Register” means the listing of locally designated properties provided for in CMC 2.66.090 herein.

D. “Actual Cost of Rehabilitation” means costs incurred within twenty four months prior to the date of application and directly resulting from one or more of the following: a) improvements to an existing building located on or within the perimeters of the original structure; or b) improvements outside of but directly attached to the original structure which are necessary to make the building fully useable but shall not include rentable/habitable floor-space attributable to new construction; or c) architectural and engineering services attributable to the design of the improvements; or d) all costs defined as “qualified rehabilitation expenditures” for purposes of the federal historic preservation investment tax credit.

E. A “building” is a structure constructed by human beings. This includes both residential and nonresidential buildings, main and accessory buildings.

F. “Certificate of Appropriateness” means the document indicating that the commission has reviewed the proposed changes to a local register property or within a local register historic district and certified the changes as not adversely affecting the historic characteristics of the property which contribute to its designation.

G. “Certified Local Government” or “CLG” means the designation reflecting that the local government has been jointly certified by the State Historic Preservation Officer and the National Park Service as having established its own historic preservation commission and a program meeting Federal and State standards.

H. “Class of properties eligible to apply for Special Valuation in the City of Chehalis” means all historic properties listed on the National Register of Historic Places or certified as contributing to a National Register Historic District which have been substantially rehabilitated at a cost and within a time period which meets the requirements set forth in Chapter 84.26 RCW, until the City of Chehalis becomes a

Certified Local Government (CLG). Once a CLG, the class of properties eligible to apply for Special Valuation in the City of Chehalis means all historic properties listed on the City of Chehalis Register of Historic Places which have been substantially rehabilitated at a cost and within a time period which meets the requirements set forth in Chapter 84.26 RCW.

I. “Cost” means the actual cost of rehabilitation, which cost shall be at least twenty five percent of the assessed valuation of the historic property, exclusive of the assessed value attributable to the land, prior to rehabilitation.

J. A “district” is a geographically definable area urban or rural, small or large—possessing a significant concentration, linkage, or continuity of sites buildings, structures, and/or objects united by past events or aesthetically by plan or physical development.

K. “Emergency repair” means work necessary to prevent destruction or dilapidation to real property or structural appurtenances thereto immediately threatened or damaged by fire, flood, earthquake or other disaster.

L. “Historic property” means real property together with improvements thereon, except property listed in a register primarily for objects buried below ground, which is listed in a local register of a Certified Local Government or the National Register of Historic Places.

M. “Incentives” are such rights or privileges or combination thereof which the Chehalis City Council, or other local, state, or federal public body or agency, by virtue of applicable present or future legislation, may be authorized to grant or obtain for the owner(s) of Register properties. Examples of economic incentives include but are not limited to tax relief, conditional use permits, rezoning, street vacation, planned unit development, transfer of development rights, facade easements, gifts, preferential leasing policies, beneficial placement of public improvements or amenities, or the like.

N. “Local Review Board”, or “Board” used in Chapter 84.26 RCW and Chapter 254 20 WAC for the special valuation of historic properties means the commission created in CMC 2.66.070 herein.

O. “National Register of Historic Places” means the national listing of properties significant to our cultural history because of their documented importance to our history, architectural history, engineering, or cultural heritage.

P. An “object” is a thing of functional, aesthetic, cultural, historical, or scientific value that may be, by nature or design, movable yet related to a specific setting or environment.

Q. “Ordinary repair and maintenance” means work for which a permit issued by the City of Chehalis is not required by law, and where the purpose and effect of such work is to correct any deterioration or decay of or damage to the real property or structure appurtenance therein and to restore the same, as nearly as may be practicable, to the condition prior to the occurrence of such deterioration, decay, or damage.

R. “Owner” of property is the fee simple owner of record as exists on the Lewis County Assessor’s records.

S. “Significance” or “significant” used in the context of historic significance means the following: a property with local, state, or national significance is one which helps in the understanding of the history or prehistory of the local area, state, or nation (whichever is applicable) by illuminating the local, statewide, or nationwide impact of the events or persons associated with the property, or its architectural type or style in information potential. The local area can include the City of Chehalis, Lewis County, or

the southwest region of Washington, or a modest geographic or cultural area, such as a neighborhood. Local significance may apply to a property that illustrates a theme that is important to one or more localities; state significance to a theme important to the history of the state; and national significance to property of exceptional value in representing or illustrating an important theme in the history of the nation.

T. A “site” is a place where a significant event or pattern of events occurred. It may be the location of prehistoric or historic occupation or activities that may be marked by physical remains; or it may be the symbolic focus of a significant event or pattern of events that may not have been actively occupied. A site may be the location of ruined or now non-existent building or structure of the location itself possesses historic cultural or archaeological significance.

U. “Special Valuation for Historic Properties” or “Special Valuation” means the local option program which when implemented makes available to property owners a special tax valuation for rehabilitation of historic properties under which the assessed value of an eligible historic property is determined at a rate that excludes, for up to ten years, the actual cost of the rehabilitation. (Chapter 84.26 RCW).

V. “State Register of Historic Places” means the state listing of properties significant to the community, state, or nation but which may or may not meet the criteria of the National Register.

W. A “structure” is a work made up of interdependent and interrelated parts in a definite pattern of organization. Generally constructed by man, it is often an engineering project.

X. “Universal Transverse Macerator” or “UTM” means the grid zone in metric measurement providing for an exact point of numerical reference.

Y. “Waiver of a Certificate of Appropriateness” or “Waiver” means the document indicating that the commission has reviewed the proposed whole or partial demolition of a local register property or in a local register historic district and failing to find alternatives to demolition has issued a waiver of a Certificate of Appropriateness which allows the building or zoning official to issue a permit for demolition.

Z. “Washington State Advisory Council’s Standards for the Rehabilitation and Maintenance of Historic Properties” or “State Advisory’s Council’s Standards” means the rehabilitation and maintenance standards used by the City of Chehalis Historic Preservation Commission as minimum requirements for determining whether or not an historic property is eligible for special valuation and whether or not the property continues to be eligible for special valuation once it has been so classified.

CMC 2.66.070 The City of Chehalis Historic Commission

A. Creation and Size

There is hereby established a City of Chehalis Historic Preservation Commission, consisting of seven (7) members, as provided in CMC 2.66.070(B) below. Members of the City of Chehalis Historic Preservation Commission shall be appointed by the Mayor and approved by the City Council and shall be residents of the City of Chehalis except as provided in CMC 2.66.070(B)(2) below.

B. Composition of the Commission

1. All members of the commission must have a demonstrated interest and competence in historic preservation and possess qualities of impartiality and broad judgement.

2. The commission shall always include at least three (3) professionals who have experience in identifying, evaluating, and protecting historic resources and are selected from among the disciplines of architecture, history, architectural history, planning, prehistoric and historic archaeology, folklore, cultural anthropology, curation, conservation, and landscape architecture, American studies, law, real estate, construction, or related disciplines. Two (2) positions shall be citizens at large with preference given to property owners with ownership of an historic structure.

The commission action that would otherwise be valid shall not be rendered invalid by the temporary vacancy of one or all of the professional positions, unless the commission action is related to meeting Certified Local Government (CLG) responsibilities cited in the Certification Agreement between the City of Chehalis represented by the City Manager, and the State Historic Preservation Officer on behalf of the State. Furthermore, exception to the residency requirement of commission members may be granted by the Mayor and City Council in order to obtain representatives from these disciplines.

3. In making appointments, the city council may consider names submitted from any source, which shall notify history- and development- related organizations of vacancies so that names of interested and qualified individuals may be submitted by such organizations for consideration along with names from any other source.

C. Terms

Appointments for new terms shall be made for a three (3) year term. Vacancies shall be filled by the City Council for the balance of an unexpired term in the same manner as the original appointment.

D. Powers and Duties

The major responsibility of the Historic Preservation Commission is to identify and actively encourage the conservation of the Chehalis historic resources by initiating and maintaining a register of historic places and reviewing proposed changes to register properties; to raise community awareness of the city's history and historic resources; and to serve as the primary resource in matters of history, historic planning, and preservation.

In carrying out these responsibilities, the Historic Preservation Commission shall engage in the following:

1. Conduct and maintain a comprehensive inventory of historic resources within the boundaries of the City of Chehalis and known as the City of Chehalis Historic Inventory and publicize and periodically update inventory results. Properties listed on the inventory shall be recorded on official zoning records with an "HI" (for historic inventory designation). This designation shall not change or modify the underlying zone classification.

2. Maintain the Chehalis Register of Historic Places. This official register shall be compiled of buildings, structures, sites, objects, and districts identified by the commission as having historic significance worthy of recognition and protection by the City of Chehalis and encouragement of efforts by owners to maintain, rehabilitate, and preserve properties.

3. Review nominations to the Chehalis Register of Historic Places according to criteria in CMC 2.66.090 of this ordinance and adopt standards in its rules to be used to guide this review make a recommendation to the City Council for placement on the Chehalis Register of Historic Places.

4. Review proposals to construct, change, alter, modify, remodel, move, demolish, or significantly affect properties or districts on the register as provided in CMC 2.66.110, adopt standards in

its rules to be used to guide this review and make a recommendation to the building official to issue a certificate of appropriateness or waiver.

5. Provide for the review either by the commission or its staff of all applications for approvals, permits, environmental assessments or impact statements, and other similar documents pertaining to identified historic resources or adjacent properties.

6. Conduct all commission meetings in compliance with Chapter 42.30 RCW, Open Public Meetings Act, to provide for adequate public participation and adopt standards in its rules to guide this action.

7. Participate in, promote, and conduct public information, educational and interpretive programs pertaining to historic and prehistoric resources.

8. Establish liaison support, communication and cooperation with federal, state, and other local government entities which will further historic preservation objectives, including public education, within the City of Chehalis area.

9. Review and advise the City of Chehalis on environmental assessments, land use, housing and development, municipal improvement, and other types of planning and programs undertaken by the city, other neighboring communities, the county, and the state or federal governments, as they relate to historic resources of the city and as required by the Environmental Protection Act (Chapter 43.21C RCW), the Historic Preservation Act (Chapter 27.34 RCW), the Indian Graves and Records Act (Chapter 27.44 RCW), the Rehabilitation Incentive Act (Chapter 84.29 RCW) and other historic conservation legislation.

10. Advise the City Council generally on matters of Chehalis history and historic preservation.

11. Perform other related functions assigned to the Commission by the Chehalis City Council.

12. Provide information to the public on methods of maintaining and rehabilitating historic properties. This may take the form of pamphlets, newsletters, workshops, or similar activities.

13. Officially recognize excellence in the rehabilitation of historic buildings, structures, sites and districts, and new construction in historic areas; and encourage appropriate measures for such recognition.

14. Be informed about and provide information to the public and Chehalis city departments on incentives for preservation of historic resources including legislation, regulations and codes which encourage the use and adaptive reuse of historic properties.

15. Review nominations to the State and National Registers of Historic Places and make a recommendation for approval or denial.

16. Investigate and report to the Chehalis City Council on the use of various federal, state, local or private funding sources available to promote historic resource preservation in the City of Chehalis.

17. Serve as the local review board for Special Valuation and:

a) Make determination concerning the eligibility of historic properties for special valuation;

b) Verify that the improvements are consistent with the Washington State Advisory Council's Standards for Rehabilitation and Maintenance:

- c) Enter into agreements with property owners for the duration of the special valuation period as required under WAC 254 20 070(2);
- d) Approve or deny applications for special valuation;
- e) Monitor the property for continued compliance with the agreement and statutory eligibility requirements during the 10-year special valuation period; and
- f) Adopt bylaws and/or administrative rules and comply with all other local review board responsibilities identified in Chapter 84.26 RCW.

18. The commission shall adopt rules of procedure to address items 3, 4, 6, and 17 inclusive.

E. Compensation

All members of the commission shall serve without compensation.

F. Rules and Officers

The commission shall establish and adopt its own rules of procedure and shall select from among its membership a chairperson and such other officers as may be necessary to conduct the commission's business.

G. Commission Staff

Commission and professional staff assistance shall be provided by the City of Chehalis or other qualified professional as identified by the Council with additional assistance and information to be provided by other City of Chehalis departments as may be necessary to aid the commission in carrying out its duties and responsibilities under this ordinance.

CMC 2.66.090 Chehalis Register of Historic Places

A. Criteria for Determining Designation in the Register

Any building, structure, site, object, or district may be designated for inclusion in the Chehalis Register of Historic Places if it is significantly associated with the history, architecture, archaeology, engineering, or cultural heritage of the community; if it has integrity; is at least 50 years old, or is of lesser age and has exceptional importance; and if it falls in at least one of the following categories.

- 1. Is associated with events that have made a significant contribution to the broad patterns of national, state, or local history.
- 2. Embodies the distinctive architectural characteristics of a type, period, style, or method of design or construction, or represents a significant and distinguishable entity whose components may lack individual distinction.
- 3. Is an outstanding work of a designer, builder, or architect who has made a substantial contribution to the art.
- 4. Exemplifies or reflects special elements of the Chehalis' cultural, special, economic, political, aesthetic, engineering, or architectural history.
- 5. Is associated with the lives of persons significant in national, state, or local history.

6. Has yielded or may be likely to yield important archaeological information related to history or prehistory.

7. Is a building or structure removed from its original location, but which is significant primarily for architectural value, or which is the only surviving structure significantly associated with an historic person or event.

8. Is a birthplace or grave of an historical figure of outstanding importance and is the only surviving structure or site associated with that person.

9. Is a cemetery which derives its primary significance from age, from distinctive design features, or from association with historic events, or cultural patterns.

10. Is a reconstructed building that has been executed in an historically accurate manner on the original site.

11. Is a creative and unique example of folk architecture and design created by persons not formally trained in the architectural or design professions, and which does not fit into formal architectural or historical categories.

B. Process for Designating Properties or Districts to the Chehalis Register of Historic Places

1. Only property owners may nominate a building, district, or place for nomination to the Chehalis Register of Historic Places. Members of the public, elected officials, or appointed commissioners may nominate a city owned building or place for inclusion on the Chehalis Register of Historic Places. In its designation decision, the commission shall consider the City of Chehalis Comprehensive Plan.

2. In the case of individual properties, the designation shall include the UTM reference and all features—interior and exterior—and outbuildings that contribute to its designation.

3. In the case of districts, the designation shall include description of the boundaries of the district; the characteristics of the district justifying its designation; and a list of all properties including features, structures, sites, and objects contributing to the designation of the district.

4. The Historic Preservation Commission shall consider the merits of the nomination, according to the criteria in CMC 2.66.090(A) and according to the nomination review standards established in rules, at a public meeting. Adequate notice will be given to the public, the owner(s) and the authors of the nomination, if different, and lessees, if any, of the subject property prior to the public meeting according to standards for public meetings established in rules and in compliance with Chapter 42.30 RCW, Open Public Meetings Act. Such notice shall include publication in a newspaper of general circulation in Lewis County and any other form of notification deemed appropriate by The City of Chehalis. If the commission finds that the nominated property is eligible for the Chehalis Register of Historic Places, the commission make recommendation to the Chehalis City Council to place the building, district, or site in the Chehalis Register of Historic Places and that the property be listed in the Register with the property owner's consent. In the case of historic districts, the commission shall consider a simple majority to be adequate for owner consent. Owner consent and notification procedures in the case of districts shall be further defined in rules. The public, property owner(s) and the authors of the nomination, if different, and lessees, if any, shall be notified of the listing.

5. Properties listed on the Chehalis Register of Historic Places shall be recorded on official zoning records with an "HR" (for Historic Register) designation. This designation shall not change or modify the underlying zone classification.

C. Removal of Properties from the Register

In the event that any property is no longer deemed appropriate for designation to the Chehalis Register of Historic Places, the commission may initiate removal from such designation by the same procedure as provided for in establishing the designation, CMC 2.66.110(B) A property may be removed from the Chehalis Register of Historic Places by the City Council with a recommendation from the Historic Preservation Commission and without the owner's consent.

D. Effects of Listing on the Register

1. Listing on the Chehalis Register of Historic Places is an honorary designation denoting significant association with the historic, archaeological, engineering, or cultural heritage of the community. Properties are listed individually or as contributing properties to an historic district.

2. Prior to the commencement of any work on a register property, excluding ordinary repair and maintenance and emergency measures defined in CMC 2.66.050(Q) the owner must request and receive a Certificate of Appropriateness from the commission for the proposed work. Violation of this rule shall be grounds for the commission to review the property for removal from the register.

3. Prior to whole or partial demolition of a register property, the owner must request and receive a waiver of a Certificate of Appropriateness.

4. As a Certified Local Government (CLG) the City's buildings, districts, or sites may be listed on the Chehalis Register of Historic Places may be eligible for Special Tax Valuation on their rehabilitation.

2.66.110 REVIEW OF CHANGES TO CHEHALIS REGISTER OF HISTORIC PLACES PROPERTIES

A. Review Required

No person shall change the use, construct any new building or structure, or reconstruct, alter, restore, remodel, repair, move, or demolish any existing property on the Chehalis Register of Historic Places or within an historic district on the Chehalis Register of Historic Places without review by the commission and without receipt of a Certificate of Appropriateness, or in the case of demolition, a waiver, as a result of the review.

The review shall apply to all features of the property, interior and exterior, that contribute to its designation and are listed on the nomination form. Information required by the commission to review the proposed changes are established in rules.

B. Exemptions

The following activities do not require a Certificate of Appropriateness or review by the Commission: ordinary repair and maintenance—which includes painting—or emergency measures defined in CMC 2.66.050.

C. Review Process

1. Requests for Review and Issuance of a Certificate of Appropriateness or Waiver

The building or zoning official shall report any application for a permit to work on a designated building, district, or site found on the Chehalis Register of Historic Places Register property historic district

to the commission. If the activity is not exempt from review, the commission or professional staff shall notify the applicant of the review requirements. The building or zoning official shall not issue any such permit until a Certificate of Appropriateness or a waiver is received from the commission but shall work with the commission in considering building and fire code requirements.

2. Commission Review

The owner or his/her agent (architect, contractor, lessee, etc.) shall apply to the commission for a review of proposed changes on a Chehalis Register of Historic Places property or within a Chehalis Register of Historic Places historic district and request a Certificate of Appropriateness or, in the case of demolition, a waiver. Each application for review of proposed changes shall be accompanied by such information as is required by the commission established in its rules for the proper review of the proposed project.

The commission shall meet with the applicant and review the proposed work according to the design review criteria established in rules. Unless legally required, there shall be no notice, posting, or publication requirements for action on the application, but all such actions shall be made at regular meetings of the commission. The commission shall complete its review and make its recommendations within thirty (30) calendar days of the date of receipt of the application. If the commission is unable to process the request, the commission may ask for an extension of time.

The commission's recommendations shall be in writing and shall state the findings of fact and reasons relied upon in reaching its decision. Any conditions agreed to by the applicant in this review process shall become conditions of approval of the permits granted. If the owner agrees to the commission's recommendations, a Certificate of Appropriateness shall be awarded by the commission according to standards established in the commission's rules.

The commission's recommendations and, if awarded, the Certificate of Appropriateness shall be transmitted to the building or zoning official.

3. Demolition

A waiver of the Certificate of Appropriateness is required before a permit may be issued to allow whole or partial demolition of a designated Chehalis Register of Historic Places property or in a historic district. The owner or his/her agent shall apply to the commission for a review of the proposed demolition and request a waiver. The applicant shall meet with the commission in an attempt to find alternatives to demolition. These negotiations may last no longer than 45 calendar days from the initial meeting of the commission, unless either party requests an extension. If no request for an extension is made and no alternative to demolition has been agreed to, the commission shall act and advise the official in charge of issuing a demolition permit of the approval or denial of the waiver of a Certificate of Appropriateness. Conditions in the case of granting a demolition permit may include allowing the commission up to 45 additional calendar days to develop alternatives to demolition. When issuing a waiver the board may require the owner to mitigate the loss of the Chehalis Register of Historic Places property by means determined by the commission at the meeting. Any conditions agreed to by the applicant in this review process shall become conditions of approval of the permits granted. After the property is demolished, the commission shall initiate removal of the property from the register.

4. Appeal of Approval or Denial of a Waiver of a Certificate of Appropriateness.

The commission's decision regarding a waiver of a Certificate of Appropriateness may be appealed to the Chehalis Council within ten days. The appeal must state the grounds upon which the appeal is based.

The appeal shall be reviewed by the council only on the records of the commission. Appeal of Council's decision regarding a waiver of a Certificate of Appropriateness may be appealed to Superior Court.

CMC 2.66.120 Review and Monitoring of Properties for Special Property Tax Valuation

A. Timelines

1. Applications shall be forwarded to the commission by the assessor within 10 calendar days of filing.

2. Applications shall be reviewed by the commission before December 31 of the calendar year in which the application is made, unless received within seven (7) days prior to the December meeting.

3. Commission decisions regarding the applications shall be certified in writing and filed with the assessor within ten (10) calendar days of issuance.

B. Procedure

1. The assessor forwards the application(s) to the commission.

2. The commission reviews the application(s), consistent with its rules of procedure, and determines if the application(s) are complete and if the properties meet the criteria set forth in WAC 254 20 070(1) and listed in CMC 2.66.070 of this ordinance.

a. If the commission finds the properties meet all the criteria, then, on behalf of the City of Chehalis it enters into an Historic Preservation Special Valuation Agreement (set forth in WAC 254 20 120 and in CMC 2.66.120(D) of this ordinance) with the owner. Upon execution of the agreement between the owner and commission, the commission approves the application(s).

b. If the commission determines the properties do not meet all the criteria, then it shall deny the application(s).

3. The commission certifies its decisions in writing and states the facts upon which the approvals or denials are based and files copies of the certifications with the assessor.

4. For approved applications:

a. The commission forwards copies of the agreements, applications, and supporting documentation (as required by WAC 254 20 090 (4) and identified in 2.66.120(C) of this ordinance) to the assessor,

b. Notifies the state review board that the properties have been approved for special valuation, and

c. Monitors the properties for continued compliance with the agreements throughout the 10-year special valuation period.

5. The commission determines, in a manner consistent with its rules of procedure, whether or not properties are disqualified from special valuation either because of

a. The owner's failure to comply with the terms of the agreement or

b. Because of a loss of historic value resulting from physical changes to the building or site.

6. For disqualified properties, in the event that the commission concludes that a property is no longer qualified for special valuation, the commission shall notify the owner, assessor, and state review board in writing and state the facts supporting its findings.

C. Criteria

1. Historic Property Criteria:

As a Certified Local Government (CLG), the class of property eligible to apply for Special Valuation in the City of Chehalis means only buildings, districts, or sites listed on the Chehalis Register of Historic Places or properties certified as contributing to a Chehalis Register Historic District which have been substantially rehabilitated at a cost and within a time period which meets the requirements set forth in Chapter 84.26 RCW.

2. Application Criteria:

Complete applications shall consist of the following documentation:

- a. A legal description of the historic property,
- b. Comprehensive exterior and interior photographs of the historic property before and after rehabilitation,
- c. Architectural plans or other legible drawings depicting the completed rehabilitation work, and
- d. A notarized affidavit attesting to the actual cost of the rehabilitation work completed prior to the date of application and the period of time during which the work was performed and documentation of both to be made available to the commission upon request, and
- e. For properties located within historic districts, in addition to the standard application documentation, a statement from the secretary of the interior or appropriate local official, as specified in local administrative rules or by the local government, indicating the property is a certified historic structure is required.

3. Property Review Criteria:

In its review the commission shall determine if the properties meet all the following criteria:

- a. The property is historic property;
- b. The property is included within a class of historic property determined eligible for Special Valuation by the City of Chehalis under CMC 2.66.120(C) of this ordinance;
- c. The property has been rehabilitated at a cost which meets the definition set forth in RCW 84.26.020(2) within twenty four months prior to the date of application; and
- d. The property has not been altered in any way which adversely affects those elements which qualify it as historically significant as determined by applying the Washington State Advisory Council's Standards for the Rehabilitation and Maintenance of Historic Properties (WAC 254 20 100(1)).

4. Rehabilitation and Maintenance Criteria:

The Washington State Advisory Council’s Standards for the Rehabilitation and Maintenance of Historic Properties in WAC 254 20 100 shall be used by the commission as minimum requirements for determining whether or not an historic property is eligible for special valuation and whether or not the property continues to be eligible for special valuation once it has been so classified.

D. Agreement:

The historic preservation special valuation agreement in WAC 254 20 120 shall be used by the commission as the minimum agreement necessary to comply with the requirements of RCW 84.26.050(2).

E. Appeals:

Any decision of the commission acting on any application for classification as historic property, eligible for special valuation, may be appealed to Superior Court under Chapter 34.05.510 -34.05.598 RCW in addition to any other remedy of law. Any decision on the disqualification of historic property eligible for special valuation, or any other dispute, may be appealed to the County Board of Equalization.

Section 2. If any section, sentence, clause or phrase of this Ordinance shall be held to be unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 3. The effective date of this Ordinance shall be the _____ day of _____, 2024.

PASSED by the City Council of the City of Chehalis, Washington, and **APPROVED** by its Mayor at a regularly scheduled open public meeting thereof this ____ day of _____, 2024.

Mayor

Attest:

City Clerk

Approve as to form:

City Attorney

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Lance Bunker, Interim City Manager

BY: Nicholle Stanhope, Finance Director

MEETING OF: May 28, 2024

SUBJECT: 2024 First Quarter Financial Report

DISCUSSION

This document provides a summary review of the City’s financial activities and status for the quarter ending 3/31/2024.

The attached financial statements include 1) a City-wide summary of all city funds with beginning fund balances, revenues & transfers in, expenditures & transfers out, changes in fund balances, and estimated ending fund balances 2) two-year comparative financial statements for City-wide all funds combined and 3) two-year comparative financial statements for the General Fund and the major proprietary funds.

The financial statements have been formatted to be consistent with the budget for ease of comparison and review of information. Comparisons and variances shown are based on straight line projections. **The YTD target for March is 25% (3 of 12 months).**

CITY-WIDE OVERVIEW

The below table provides the overview of the city-wide (all funds combined) financial status with the budget to actual comparison for the period ending March 31, 2024:

City of Chehalis Revenues, Expenditures, and Changes in Fund Balance City-wide, All Funds Combined - Budget to Actual For the First Quarter Ending March 31, 2024				
	2024		YTD % of Budget	Variance YTD vs.
	Amended Budget	YTD Actual 3/31/2024		Target Positive (Negative)
City-Wide, All Funds				
Beginning Fund Balance	\$ 34,443,235	\$ 34,443,235	100.0%	\$ (0)
Revenues	32,862,652	6,957,861	21.2%	(1,257,802)
Other Fund Resources	1,662,857	340,377	20.5%	(75,337)
Transfers In	5,649,768	2,431,117	43.0%	1,018,675
Total Revenues & Other Fund Resources	40,175,277	9,729,356	24.2%	(314,464)
Expenditures	40,827,178	6,826,832	16.7%	3,379,960
Other Use of Fund Resources	790,300	13,616	1.7%	183,959
Transfers Out	5,649,768	2,431,117	43.0%	(1,018,675)
Total Expenditures & Other Use of Fund Resources	47,267,246	9,271,566	19.6%	2,545,244
Increase (Decrease) in Fund Balance	(7,091,969)	457,790	-6.5%	2,230,780
Ending Fund Balance	\$ 27,351,266	\$ 34,901,025	127.6%	\$ 2,230,780

Revenues and Other Fund Resources:

Total revenues is composed of taxes, licenses and permits, intergovernmental revenues, charges for goods and services, fines and forfeitures, and other miscellaneous revenues such as investment interest earnings. The City collected 21.2% of the 2024 revenue budget through March, which is about 3.8% or \$1.26 million short of the YTD target. The variance is primarily due to receipt timing of semi-annual property tax receipts and project dependent grant reimbursements. The majority of property taxes are received in May and November.

Other fund resources includes short-term interfund loans, debt proceeds, and other proceeds that are not included in the revenues. Quarter to date, capital asset sale proceeds are at 84% of budget, offsetting inactivity for interfund loans and debt funding targets.

Expenditures and Use of Other Fund Resources:

Total expenditures is composed of operating, debt service, and capital outlays. The City expensed 16.7% of the 2024 expenditures budget through March, which is 8.3% or \$3.38 million less than the YTD target. Overall operating activities are within target. Timing of debt repayment and capital spending create most of the target surplus.

Other use of fund resources includes interfund loan repayments and other disbursements. The 2024 budget includes \$700K issue/repayment of short-term interfund loan for a grant reimbursable project scheduled to start in the fall.

The General Fund and enterprise funds (utilities and airport) make up about 87% of the City’s 2024 revenue budget and 86% of expenditures. Additional information on the revenues and expenditures for the General Fund and the major proprietary funds are explained in more detail in the fund overview section below.

The City operated within normal budget parameters.

GENERAL FUND (CURRENT EXPENSE) OVERVIEW

2024 YTD revenues and expenditures compared to the budget and one prior year is provided below.

General Fund Summary	2024		YTD % of Budget	^Variance YTD vs.Target		YTD Actual 3/31/2023	2024-2023	
	Amended Budget	YTD Actual 3/31/2024		Positive (Negative)	% Variance		Incr. (Decr.)	% Change
Beginning Fund Balance	\$ 3,586,011	\$ 3,586,011	100.0%	2,689,508	1	\$ 2,713,504	\$ 872,507	32.2%
Revenues	13,473,695	3,042,994	22.6%	(325,431)	-2.4%	2,693,632	349,362	13.0%
Transfers-In	104,970	105,267	100.3%	79,024	75.3%	15,000	90,267	601.8%
Revenues and Transfers in	13,578,665	3,148,262	23.2%	(246,406)	-1.8%	2,708,632	439,630	16.2%
Expenditures	13,033,721	3,141,609	24.1%	116,822	0.9%	2,852,849	288,760	10.1%
Transfers-out	2,734,688	1,597,107	58.4%	(913,435)	-33.4%	494,884	1,102,223	222.7%
Expenditures and Transfers Out	15,768,409	4,738,716	30.1%	(796,613)	-5.1%	3,347,733	1,390,982	41.5%
Revenues Over (Under) Expenditures	(2,189,744)	(1,590,454)	72.6%	(1,043,019)	47.6%	(639,101)	(951,353)	148.9%
Ending Fund Balance	\$ 1,396,267	\$ 1,995,557	142.9%	\$ 1,646,489	117.9%	\$ 2,074,403	\$ (78,846)	-3.8%
Ending Fund Balance % of Revenue	10.4%	65.6%						

The General Fund’s 2024 total YTD revenues appear under target for the first quarter due to timing of property tax receipts. Total YTD transfers out exceed target due to one-time fund transfers at 100% budget and totaling \$1.3 million.

General Fund Revenues:

The below table provides additional information on the City’s General Fund revenues by major sources.

General Fund Revenues	2024	YTD Actual 3/31/2024	YTD % of Budget	Variance	YTD Actual 3/31/2023	2023-2022 Incr. (Decr.)	%
	Amended Budget			YTD Target vs. Actual			
Tax Revenues:							
Property Tax	\$ 2,229,100	\$ 97,428	4.4%	\$ (459,847)	\$ 86,130	\$ 11,297	13.1%
Sales & Use Tax	6,535,100	1,630,531	25.0%	(3,244)	1,775,338	(144,806)	-8.2%
Utility Business Tax	2,368,600	631,750	26.7%	39,600	414,356	217,394	52.5%
Other Taxes	62,000	16,069	25.9%	569	16,345	(276)	-1.7%
Subtotal for Tax Revenues	11,194,800	2,375,777	21.2%	(422,923)	2,292,169	83,609	3.6%
Licenses & Permits	473,000	248,723	52.6%	130,473	66,577	182,146	273.6%
Intergovernmental	836,624	119,166	14.2%	(89,991)	153,543	(34,377)	-22.4%
Charges for Goods & Services	533,471	148,708	27.9%	15,340	51,163	97,545	190.7%
Fines & Forfeitures	102,600	25,195	24.6%	(455)	35,525	(10,330)	-29.1%
Other miscellaneous	333,200	125,424	37.6%	42,124	94,655	30,770	32.5%
Subtotal for Non-Tax Revenues	2,278,895	667,217	29.3%	97,492	401,464	265,753	66.2%
Transfers-in	104,970	105,267	100.3%	79,024	15,000	90,267	601.8%
Total Revenues	\$ 13,578,665	\$ 3,148,262	23.2%	\$ (246,406)	\$ 2,708,632	\$ 439,630	16.2%

Total tax revenues make up about 75.5% of total General Fund revenues received YTD 2024. This is a decrease over the same period last year due to an increase in non-tax revenues due to 2024 increases in service charges and building permit fees.

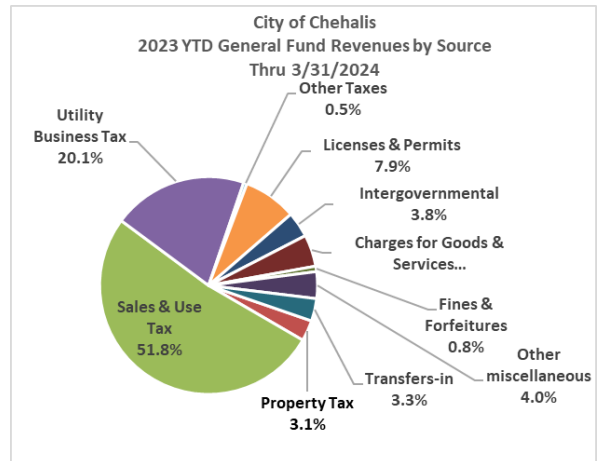
Property Tax: Total property tax includes general levy and EMS levy. Property tax is the second largest revenue source for the General Fund. Revenue to the City is largely recorded in May and November.

Sales and Use Tax: This total includes the 1.0% local regular and optional sales tax, 0.1% county imposed criminal justice sales tax that is shared with cities and brokered natural gas sales tax. Sales tax is the City’s largest revenue source for the General Fund.

Utility Business Tax: Sources include electric, gas, garbage, water, telephone, cable, and sewer utility taxes collections.

Licenses and Permits: This amount includes business licenses fees, franchise fees, building permit fees, and other permit fees. (i.e., animal licenses and gun permits).

Intergovernmental Revenue: This category includes intergovernmental grants, state shared revenues, and the Main Street B&O Tax Credit.



Charges for goods and services: This category includes charges for fire and police services, plan check review fees, and recreation program fees.

General Fund Expenditures and Transfers-out

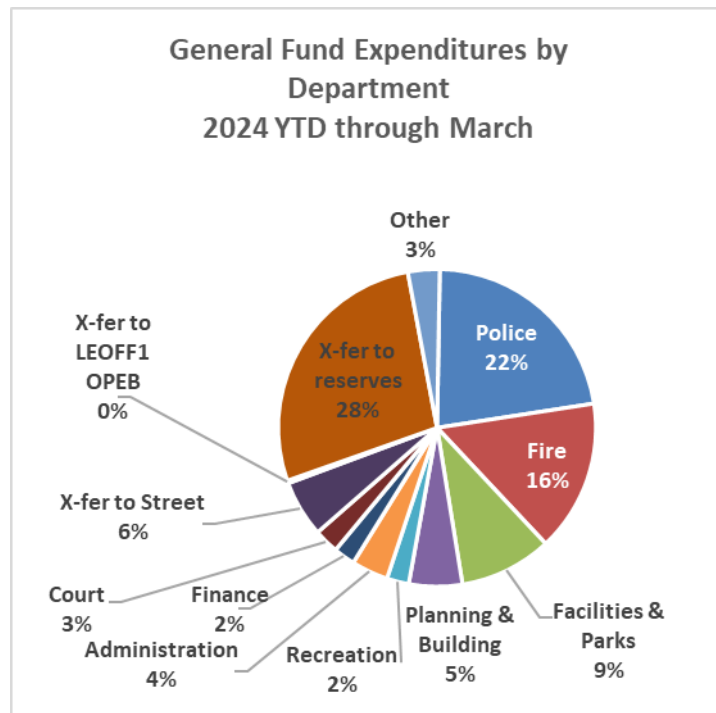
Generally, departments operated within the budget parameters. A notable variance was Non-departmental transfers to new and existing sub-funds were at 100% budget and totaling \$1.3 million.

General Fund Expenditures by Department	2024 Amended Budget	YTD Actual 3/31/2024	YTD % of Budget	Variance YTD vs. Target Positive (Negative)	YTD Actual 3/31/2023	Changes YTD 2023-2022
City Council	\$ 98,483	\$ 23,990	24.4%	\$ 631	37,833	(13,843)
Municipal Court	480,378	119,780	24.9%	315	92,561	27,219
City Manager	233,060	53,020	22.7%	5,245	56,537	(3,517)
Finance	453,620	103,487	22.8%	9,918	88,007	15,480
City Clerk	118,366	36,675	31.0%	(7,083)	31,516	5,159
Legal Service	103,700	21,138	20.4%	4,787	19,683	1,455
Facilities and Parks	1,776,118	446,341	25.1%	(2,311)	413,834	32,507
Non-Departmental	3,108,497	1,739,891	56.0%	(962,767)	532,444	1,207,447
Human Resources	185,321	42,337	22.8%	3,993	42,718	(381)
Police	4,281,289	1,055,515	24.7%	14,807	977,605	77,910
Fire	2,831,620	732,801	25.9%	(24,896)	774,347	(41,546)
Planning & Building	1,581,928	257,162	16.3%	138,320	183,705	73,457
Recreation	516,029	106,578	20.7%	22,429	96,944	9,634
Total expenditures	\$ 15,768,409	\$ 4,738,715	30.1%	\$ (796,612)	\$ 3,347,734	\$ 1,390,981

Police and Fire combined make up about 38% of the YTD 2024 General Fund expenditures, which are the largest expenditures for the General Fund, followed by the reserve transfers mentioned above at 28%.

Total YTD actual salaries and benefits make up about 61% of the General Fund's YTD total expenditures and transfers out (excluding non-recurring, one-time transfers to the reserve funds).

Overall, the General Fund operated within the budget parameters.



General Fund Sub-Funds

In addition to the General Fund (Current Expense Fund), the City maintains several sub-funds that are mainly funded by the general fund revenues through transfers in. The combined total revenues and expenditures, excluding transfers between the General Fund and its sub-funds, and fund balances are summarized below:

	2024	2024	Net Revenue	Fund Balance
General Fund and Sub-funds:	Revenues*	Expenditures*	(Expenditure)	3/31/2024
General Fund (Current Expense)	\$ 3,130,358	\$ 3,008,836	\$ 121,523	\$ 1,756,930
Sub-Funds:				
Street Fund	136,299	278,708	(142,409)	388,112
Building Abatement Fund	696	-	696	55,542
Emergency Fund	-	-		416,146
Sales Tax Stablization Fund	-	-		407,912
Compensated Absences Fund	2,366	-	2,366	275,576
LEOFF 1 OPEB Reserve Fund	3,537	25,076	(21,539)	282,294
Automotive/Equip. Reserve Fund	13,913	72,645	(58,732)	1,343,503
Total for Sub-funds	156,811	376,428	(219,617)	3,169,085
Total General Fund and Sub-Funds	\$ 3,287,169	\$ 3,385,264	\$ (98,094)	\$ 4,926,015

*Exclude interfund transfers between the General Fund and its sub funds.

UTILITIES FUND OVERVIEW

The City owns and operates its own municipal wastewater, water, and storm & surface water utilities. The below table summarizes the revenues and expenditures and fund balances for all utilities funds.

Combined Total Utilities	Wastewater	Water	Storm Water	2023 Total
Beginning Fund Balance 1/1/2024	\$ 6,419,849	\$ 8,020,053	\$ 2,014,274	\$ 16,454,176
Revenues*	\$ 1,411,861	\$ 764,357	\$ 209,483	\$ 2,385,701
Expenditures*	\$ 1,421,256	\$ 763,496	\$ 144,205	\$ 2,328,958
Revenues Over (Under) Expenditures	\$ (9,396)	\$ 861	\$ 65,278	\$ 56,744
Total Ending Fund Balance 3/31/2024	\$ 6,410,453	\$ 8,020,914	\$ 2,079,552	\$ 16,510,920

* Exclude interfund transfers

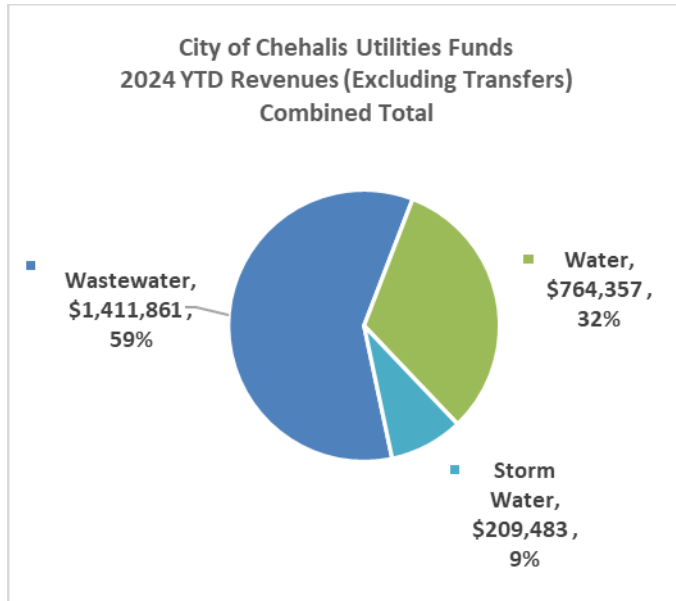
Utility funds’ main revenue sources are charges for services and intergovernmental grants for capital projects. The total combined revenues for all utilities funds are summarized below:

Combined Total Utilities Revenues (Exclude Transfers)	2024 Amended Budget	2024 YTD Actual	YTD Actual % of Budget
Inter-governmental	\$ 2,292,809	\$ -	0.0%
Charges for Goods and Services	\$ 9,980,200	\$ 2,197,409	22.0%
Late Fees & Misc. Other	\$ 994,650	\$ 188,292	18.9%
Total	\$ 13,267,659	\$ 2,385,701	18.0%

2024 YTD total utility revenues is made up of Wastewater 59.2%, Water 32.0%, and Storm & Surface Water 8.8%.

Charges for goods and services include utility billing rate charges, connection charges, and other service fees. YTD 2024 utility billing rate revenues are at 22% of budget. Hookup/connection fee revenue is 8.7% of the 2024 budget.

Intergovernmental revenue is budgeted at \$2.3 million for the anticipated grant reimbursements. The Bishop Road Watermain Loop project completed in 2023 estimates \$679K in costs to be billed to the distressed county grant. An additional \$1.6 million is expected for the Chehalis River water intake project funded by a FEMA grant.



The total combined expenditures for all utilities funds are summarized below:

Combined Total Utilities Expenditures (exclude Transfers)	2024 Amended Budget	2024 YTD Actual	YTD Actual % of budget
Operating	\$ 9,137,163	\$ 2,212,153	24.2%
Debt Service	\$ 2,010,983	\$ 105,012	5.2%
Capital Outlay	\$ 1,303,180	\$ 11,792	0.9%
Total	\$ 12,451,326	\$ 2,328,958	18.7%

Operating expenditures YTD 2024 are 24.2% of budget, while capital outlay is 0.9%.

The combined YTD fund balance for all three utility funds is \$16,815,076. It is recommended that 3 ½ months of operating expenditures and annual debt service is reserved in the each of the O&M fund and transfer out the excess to the capital project funds. The reserve balance will be evaluated periodically.

Ending Fund Balance	O&M & Debt Svc	Capital Reserve	Total
Wastewater	\$ 4,046,954	\$ 2,514,977	\$ 6,561,930
Water	\$ 1,668,939	\$ 6,508,945	\$ 8,177,884
Storm Water	\$ 429,059	\$ 1,646,203	\$ 2,075,262
Total	\$ 6,144,951	\$ 10,670,125	\$ 16,815,076

AIRPORT FUND

Airport O & M Fund

Airport fund's main revenue sources are fuel sales and ground leases. 2024 YTD fuel sales revenues is \$154k. 2024 YTD rents and leases revenue is \$337k. Both sources are just below the 2024 target. The current year budget includes an additional \$450K for grant reimbursement, of which \$269k was received to the Airport Fund and \$104k was received to the Airport Capital Fund.

Total YTD expenditures amount to \$668k or 22.2% of the 2024 Budget, which includes \$268k transfers out to the Airport Capital Fund.

The ending fund balance as of March 31, 2024, is \$957,520.

Airport Capital Fund

The main revenue sources for the Airport Capital Fund are intergovernmental grants for airport capital projects, investment earnings, and transfer in from the Airport O&M fund. 2024 YTD total revenue is \$395k or 35.4% of the 2024 budget. 2024 YTD capital expenditures totaled \$365k primarily for land acquisition.

The ending fund balance as of March 31, 2024, is \$1,977,786.

TREASURER'S REPORT – CASH AND INVESTMENTS

The City's total cash, deposits, and investments as of March 31, 2024, is \$34,809,025. About 93.3% of the City's cash is invested and earns interest. The remaining 6.7% is deposited in checking accounts to cover on-going cash flow needs.

Please note that the General Fund's share of the total cash and investment balance as of March 31, 2024 is only 5.0% or \$1,754,402. Other than the General Fund, all other funds are restricted funds which account for specific revenues or resources that are legally restricted or designated to finance particular activities of the city, such as transportation benefit district, lodging tax, federal grant fund, utilities, and Airport funds.

A summary of cash and investments are as follows:

City of Chehalis Cash, Deposits & Investments - Total Combined All City Funds		
Account Type	Balance 3/31/2024	% of Total
Checking & Revolving Cash Fund	\$ 2,342,511	6.71%
Local Government Investment Pool (LGIP)	26,065,276	74.68%
US Govt Agency Securities (Bonds)	6,493,238	18.61%
Total	\$ 34,901,025	100.00%

As of March 31, 2024, the City also holds an additional \$56,817 in the City's checking account for custodial funds for moneys to be disbursed to other agencies (i.e., sales and leasehold taxes and state court revenues).

Investment interest earnings totaled \$354k YTD March 31, 2024 and \$274k YTD March 31, 2023. The average LGIP net earnings rates for YTD periods 2024 and 2023 were 5.42% and 4.50%, respectively.

Investment Interest Earnings	Interest YTD	LGIP AVG Net
2024 YTD	\$ 354,172	5.42%
2023 YTD	\$ 273,699	4.50%
Increase (Decrease)	\$ 80,473	0.92%

FISCAL IMPACT

As shown.

RECOMMENDATION

It is recommended that the City Council review this information and let staff know if there are any questions.

SUGGESTED MOTION

N/A

City of Chehalis



Quarterly Council Financial Report First Quarter 2024

For the Period Ending
March 31, 2024
(January through March)

The City of Chehalis, Washington

City of Chehalis
Revenues, Expenditures, and Fund Balances - Budget to Actual Summary
2024 First Quarter Financial Statements - All Funds
As of March 31, 2024

Fund Type/Name	Beginning Fund Balance		Revenues & Transfers			Expenditures & Transfers			Changes in Fund Balance		Ending Fund Balance	
	2024 Amended Budget	Actual 1/1/2024	2024 Amended Budget	YTD 3/31/2024 Actual	YTD % of Budget	2024 Amended Budget	YTD 3/31/2024 Actual	YTD % of Budget	2024 Amended Budget	YTD 3/31/2024 Actual	2024 Amended Budget	YTD 3/31/2024 Actual
General Fund & Sub-Funds:												
General Fund	3,365,287	\$ 3,365,287	13,570,665	\$ 3,130,358	23.1%	15,768,809	\$ 4,738,716	30.1%	\$ (2,198,144)	\$ (1,608,357)	1,167,143	\$ 1,756,930
General Fund Sub-funds:												
Street Fund	351,921	\$ 351,921	1,275,548	314,899	24.7%	1,480,874	278,708	18.8%	(205,326)	36,191	146,595	388,112
Building Abatement Fund	54,846	\$ 54,846	1,200	696	58.0%	-	-	0.0%	1,200	696	56,046	55,542
Emergency Fund	-	\$ -	414,400	416,146	100.4%	-	-	0.0%	414,400	416,146	414,400	416,146
Sales Tax Stabilization Fund	-	\$ -	406,200	407,912	100.4%	-	-	0.0%	406,200	407,912	406,200	407,912
Compensated Absences Fund	143,210	\$ 143,210	135,300	132,366	97.8%	24,300	-	0.0%	111,000	132,366	254,210	275,576
LEOFF 1 OPEB Trust Fund	290,402	\$ 290,402	279,888	16,968	6.1%	142,475	25,076	17.6%	137,413	(8,108)	427,815	282,294
Automotive/Equip. Reserve Fund	1,052,234	\$ 1,052,234	369,700	363,913	98.4%	540,500	72,645	13.4%	(170,800)	291,268	881,434	1,343,503
Total General Fund and Sub-Funds	5,257,900	5,257,900	16,452,901	4,783,258	105.8%	17,956,958	5,115,144	48.9%	(1,504,057)	(331,885)	3,753,843	4,926,015
Special Revenue Funds:												
Arterial Street Fund	-	\$ -	-	-	0.0%	-	-	0.0%	-	-	-	-
Transportation Benefit Dist. Fund	4,627,778	\$ 4,627,778	2,452,400	417,276	17.0%	1,528,981	96,967	6.3%	923,419	320,309	5,551,197	4,948,087
Tourism Fund	236,044	\$ 236,044	334,700	62,474	18.7%	374,720	132,773	35.4%	(40,020)	(70,299)	196,024	165,745
Community Block Grant Fund	1,794	\$ 1,794	-	23	0.0%	150	-	0.0%	(150)	23	1,644	1,817
HUD Block Grant Fund	3,079	\$ 3,079	-	39	0.0%	400	-	0.0%	(400)	39	2,679	3,119
Federal Advance Grant Fund	1,878,471	\$ 1,878,471	49,100	23,853	48.6%	1,833,450	-	0.0%	(1,784,350)	23,853	94,121	1,902,324
Total Special Revenue Funds	6,747,166	6,747,166	2,836,200	503,664	17.8%	3,737,701	229,740	6.1%	(901,501)	273,924	5,845,665	7,021,090
Debt Service Funds:												
2011 G.O. Bond Fund	13	\$ 13	298,310	100,793	33.8%	298,305	100,793	33.8%	5	-	18	13
Total Debt Service Fund	13	13	298,310	100,793	33.8%	298,305	100,793	33.8%	5	-	18	13
Capital Project Funds:												
Public Facilities Reserve Fund	1,060,905	\$ 1,060,904	16,200	13,471	83.2%	420,991	-	0.0%	(404,791)	13,471	656,114	1,074,376
Park Improvement Fund	249,153	\$ 249,153	1,044,900	13,420	1.3%	1,016,000	18,232	1.8%	28,900	(4,811)	278,053	244,342
First Quarter REET Fund	306,528	\$ 306,528	150,000	34,880	23.3%	130,000	64,720	49.8%	20,000	(29,840)	326,528	276,689
Second Quarter REET Fund	437,773	\$ 437,772	506,100	36,755	7.3%	446,490	-	0.0%	59,610	36,755	497,383	474,528
Total Capital Project Funds	2,054,359	2,054,358	1,717,200	98,527	5.7%	2,013,481	82,951	4.1%	(296,281)	15,575	1,758,078	2,069,934
Proprietary Funds:												
Garbage Fund	8,567	\$ 8,567	-	-	0.0%	8,270	8,567	103.6%	(8,270)	(8,567)	297	-
Wastewater Fund	4,153,743	\$ 4,153,743	6,046,950	1,392,181	23.0%	7,189,917	1,498,970	20.8%	(1,142,967)	(106,789)	3,010,776	4,046,954
Water Fund	1,914,606	\$ 1,914,606	3,531,000	709,804	20.1%	4,371,578	955,471	21.9%	(840,578)	(245,667)	1,074,028	1,668,939
Storm & Surface Water Fund	462,375	\$ 462,375	742,000	189,389	25.5%	1,026,551	222,705	21.7%	(284,551)	(33,317)	177,824	429,059
Airport Fund	853,708	\$ 853,708	2,696,150	771,376	28.6%	3,010,230	667,564	22.2%	(314,080)	103,812	539,628	957,520
Wastewater Capital Fund	2,266,106	\$ 2,266,106	535,077	260,682	48.7%	1,303,280	11,812	0.9%	(768,203)	248,871	1,497,903	2,514,976
Water Capital Fund	6,105,447	\$ 6,105,447	3,822,389	412,008	10.8%	4,739,469	8,510	0.2%	(917,080)	403,498	5,188,367	6,508,946
Storm & Surface Water Capital Fund	1,551,899	\$ 1,551,899	347,200	98,595	28.4%	1,139,831	4,291	0.4%	(792,631)	94,304	759,268	1,646,203
Airport Capital Fund	1,947,784	\$ 1,947,784	1,116,400	394,865	35.4%	464,475	364,863	78.6%	651,925	30,002	2,599,709	1,977,786
Total Proprietary Funds	19,264,235	19,264,236	18,837,166	4,228,899	22.4%	23,253,601	3,742,753	270.2%	(4,416,435)	486,146	14,847,800	19,750,382
Fiduciary Funds: (Exclude Custodial Funds)												
Firemen's Pension Fund	1,119,562	\$ 1,119,562	33,500	14,215	42.4%	7,200	185	2.6%	26,300	14,029	1,145,862	1,133,591
Total Fiduciary Funds	1,119,562	1,119,562	33,500	14,215	42.4%	7,200	185	2.6%	26,300	14,029	1,145,862	1,133,591
TOTAL ALL CITY FUNDS	\$ 34,443,235	\$ 34,443,235	\$ 40,175,277	\$ 9,729,356	24.2%	\$ 47,267,246	\$ 9,271,566	19.6%	\$ (7,091,969)	\$ 457,790	\$ 27,351,266	\$ 34,901,025

City of Chehalis
Revenues, Expenditures, and Fund Balance - City-wide, All Funds Combined
For the First Quarter Ending March 31, 2024 and 2023

	YTD Target		25%		Variance YTD			
	2024 Amended Budget	YTD Actual 3/31/2024	YTD % of Budget	vs. Target Positive (Negative)	YTD Actual 3/31/2023	Incr. (Decr.) 2024-2023	% Change	
City-wide All Funds								
BEGINNING CASH & INVESTMENTS	\$ 34,443,235	\$ 34,443,235	100.0%	(0)	\$ 32,347,983	\$ 2,095,252	6.5%	
REVENUES:								
<u>Taxes (310):</u>								
Property Taxes	2,229,100	97,428	4.4%	(459,847)	86,130	11,297	13.1%	
Local Retail Sales and Use Tax	6,297,500	1,569,761	24.9%	(4,614)	1,704,630	(134,869)	-7.9%	
Brokered Natural Gas Sales & Use Tax	51,600	16,318	31.6%	3,418	24,827	(8,509)	-34.3%	
Criminal Justice Sales Tax	186,000	44,452	23.9%	(2,048)	45,880	(1,428)	-3.1%	
Public Transportation Sales Tax	1,485,800	369,351	24.9%	(2,099)	400,807	(31,456)	-7.8%	
Hotel/Motel Tax	330,000	60,051	18.2%	(22,449)	66,956	(6,905)	-10.3%	
Utility Tax	2,368,600	631,750	26.7%	39,600	414,356	217,394	52.5%	
Leasehold Tax	62,000	16,069	25.9%	569	16,345	(276)	-1.7%	
REET	285,000	61,926	21.7%	(9,324)	38,206	23,720	62.1%	
Total Taxes (310)	13,295,600	2,867,106	21.6%	(456,794)	2,798,138	68,968	2.5%	
<u>Licenses and Permits (320):</u>								
Business Licenses & Permits	119,300	28,781	24.1%	(1,044)	30,640	(1,859)	-6.1%	
Non-Business Licenses & Permits	358,700	219,942	61.3%	130,267	35,937	184,004	512.0%	
Total Licenses and Permits (320)	478,000	248,723	52.0%	129,223	66,577	182,146	273.6%	
<u>Intergovernmental Revenues (330):</u>								
Federal Grant	1,020,000	374,290	36.7%	119,290	-	374,290	0.0%	
Federal Grant - FEMA	1,613,700	-	0.0%	(403,425)	-	-	0.0%	
State Grant	1,470,850	62,657	4.3%	(305,055)	150,529	(87,872)	-58.4%	
State Shared Revenues	448,822	87,612	19.5%	(24,594)	72,617	14,994	20.6%	
Local Grants	679,309	5,365	0.8%	(164,462)	45	5,320	11875.8%	
Total Intergovernmental (330)	5,232,681	529,924	10.1%	(778,246)	223,191	306,733	137.4%	
<u>Charges for Goods & Services (340):</u>								
General Government	17,700	2,818	15.9%	(1,607)	1,730	1,088	62.9%	
Public Safety	92,311	14,059	15.2%	(9,018)	9,352	4,708	50.3%	
Utilities	9,954,700	2,197,409	22.1%	(291,266)	2,146,032	51,377	2.4%	
Transportation/Airport	2,229,000	490,558	22.0%	(66,692)	537,379	(46,822)	-8.7%	
Economic Environment	207,700	117,690	56.7%	65,765	26,983	90,707	336.2%	
Culture & Recreation	215,760	14,140	6.6%	(39,800)	13,098	1,042	8.0%	
Total Charges for Goods & Services (340)	12,717,171	2,836,675	22.3%	(342,618)	2,734,574	102,101	3.7%	
<u>Fines & Penalties (350):</u>								
Civil & Criminal Fines & Penalties	102,500	25,105	24.5%	(520)	35,525	(10,420)	-29.3%	
Other Fines - Late Fees	106,500	25,343	23.8%	(1,282)	28,015	(2,673)	-9.5%	
Total Fines & Penalties (350)	209,000	50,448	24.1%	(1,802)	63,541	(13,093)	-20.6%	
<u>Miscellaneous Revenues (360):</u>								
Interest Earnings	672,950	379,481	56.4%	211,243	279,938	99,542	35.6%	
Rents and Leases	159,950	39,110	24.5%	(877)	49,391	(10,281)	-20.8%	
Contributions/Donations	30,000	1,122	3.7%	(6,378)	455	667	146.7%	
Miscellaneous	67,300	5,272	7.8%	(11,553)	8,285	(3,013)	-36.4%	
Total Miscellaneous Revenues (360)	930,200	424,985	45.7%	192,435	338,069	86,916	25.7%	
TOTAL REVENUES	32,862,652	6,957,861	21.2%	(1,257,802)	6,224,091	733,770	11.8%	
OTHER FUND RESOURCES								
Interfund Loans (381)	700,000	-	0.0%	(175,000)	-	-	0.0%	
Refundable Deposits (382)	62,900	4,466	7.1%	(11,259)	27,865	(23,399)	-84.0%	
Debt Proceeds (391-393, 596)	500,000	-	0.0%	(125,000)	-	-	0.0%	
Other Resources (395,398)	399,957	335,911	84.0%	235,922	5,000	330,911	6618.2%	
Total Other Fund Resources	1,662,857	340,377	20.5%	(75,337)	32,865	307,512	935.7%	
TOTAL BEFORE INTERFUND TRANSFERS	34,525,509	7,298,239	21.1%	(1,333,139)	6,256,956	1,041,283	16.6%	
Transfers-In (397)	5,649,768	2,431,117	43.0%	1,018,675	1,066,541	1,364,576	127.9%	
TOTAL REVENUES & OTHER FUND RESOURCES	40,175,277	9,729,356	24.2%	(314,464)	7,323,497	2,405,859	32.9%	

City of Chehalis
Revenues, Expenditures, and Fund Balance - City-wide, All Funds Combined
For the First Quarter Ending March 31, 2024 and 2023

	YTD Target		25%		Variance YTD		
	2024 Amended Budget	YTD Actual 3/31/2024	YTD % of Budget	vs. Target Positive (Negative)	YTD Actual 3/31/2023	Incr. (Decr.) 2024-2023	% Change
City-wide All Funds							
EXPENDITURES							
Operating Expenditures:							
General Government (510)	3,359,138	848,364	25.3%	(8,580)	777,298	71,066	9.1%
Public Safety (520)	7,336,911	1,827,454	24.9%	6,773	1,780,987	46,467	2.6%
Utilities (530)	9,066,863	2,212,195	24.4%	54,520	1,740,349	471,846	27.1%
Transportation & Airport (540)	3,303,611	632,525	19.1%	193,377	558,837	73,688	13.2%
Natural/Economic Environment (550)	1,671,052	304,002	18.2%	113,761	139,392	164,610	118.1%
Social Services (560)	14,100	1,139	8.1%	2,386	1,088	52	4.7%
Cultural & Recreation (570)	942,514	199,144	21.1%	36,485	179,153	19,990	11.2%
Total Operating Expenditures	25,694,189	6,024,824	23.4%	398,722	5,177,104	847,720	16.4%
Debt Service (591-593)	2,439,641	227,871	9.3%	382,039	227,516	354	0.2%
Capital Expenditures (594-595)	12,693,348	574,138	4.5%	2,599,199	1,286,392	(712,254)	-55.4%
Total Expenditures	40,827,178	6,826,832	16.7%	3,379,960	6,691,013	135,820	2.0%
OTHER FUND USES							
Other Uses (581, 582, 584)	790,300	13,616	1.7%	183,959	31,789	(18,172)	-57.2%
TOTAL BEFORE INTERFUND TRANSFERS	41,617,478	6,840,449	16.4%	3,379,960	6,691,013	135,820	2.0%
Transfers-Out (597)	5,649,768	2,431,117	43.0%	(1,018,675)	1,066,541	1,364,576	127.9%
TOTAL EXPENDITURES AND OTHER USE	47,267,246	9,271,566	19.6%	2,545,244	7,789,342	1,482,223	19.0%
Increase (Decrease) in Cash & Investments	(7,091,969)	457,790	-6.5%	2,230,780	(465,845)	923,636	-198.3%
ENDING CASH & INVESTMENTS	\$ 27,351,266	\$ 34,901,025	127.6%	2,230,780	\$ 31,882,138	\$ 3,018,888	9.5%

City of Chehalis
 Comparative Revenues, Expenditures, and Fund Balances - Budget to Actual
 Period Ending Through March 31, 2024 and 2023
General Fund

0 25.0%

General Fund (001)	2024		YTD % of Budget	YTD Target 3/31/2024	^Variance YTD vs. Target		YTD Actual 3/31/2023	Incr. (Decr.) 2024-2023
	Amended Budget	YTD Actual 3/31/2024			Positive (Negative)	Target		
Beginning Fund Balance	\$ 3,586,011	\$ 3,586,011	100.0%	\$ 3,586,011	\$ -	\$ -	\$ 2,713,504	\$ 872,507
Revenues:								
Taxes:								
Property Taxes	\$ 2,229,100	\$ 97,428	4.4%	\$ 557,275	\$ (459,847)	\$ -	\$ 86,130	\$ 11,297
Sales and Use Taxes	6,535,100	1,630,531	25.0%	1,633,775	(3,244)	-	1,775,338	(144,806)
Utility Taxes	2,368,600	631,750	26.7%	592,150	39,600	-	414,356	217,394
Other Taxes	\$62,000	\$16,069	25.9%	15,500	569	-	16,345	(276)
Total Taxes	11,194,800	2,375,777	21.2%	2,798,700	(422,923)	-	2,292,169	83,609
Non-Tax Revenues:								
Business Licenses and Permits	\$ 119,300	\$ 28,781	24.1%	29,825	\$ (1,044)	\$ -	\$ 30,640	\$ (1,859)
Non-Business Licenses and Permits	353,700	219,942	62.2%	88,425	131,517	-	35,937	184,004
Intergovernmental Grants	532,050	64,341	12.1%	133,013	(68,672)	-	114,505	(50,163)
State Shared Revenues	304,574	54,825	18.0%	76,144	(21,319)	-	39,039	15,786
Charges for Goods & Services	533,471	148,708	27.9%	133,368	15,340	-	51,163	97,545
Fines and Forfeitures	102,600	25,195	24.6%	25,650	(455)	-	35,525	(10,330)
Interest Earnings	97,100	40,458	41.7%	24,275	16,183	-	38,896	1,562
Rents & Leases	154,300	39,110	25.3%	38,575	535	-	45,121	(6,011)
Miscellaneous	73,800	27,953	37.9%	18,450	9,503	-	10,638	17,315
Other Proceeds	8,000	17,904	223.8%	2,000	15,904	-	-	17,904
Total Non-Tax Revenues	2,278,895	667,217	29.3%	569,725	97,492	-	401,464	265,753
Transfers-in	104,970	105,267	100.3%	26,243	79,024	-	15,000	90,267
Total Revenues	\$ 13,578,665	\$ 3,148,262	23.2%	\$ 3,394,668	\$ (246,406)	\$ -	\$ 2,708,632	\$ 439,630
Expenditures								
City Council	\$ 98,483	\$ 23,990	24.4%	\$ 24,621	\$ 631	\$ -	\$ 37,833	\$ (13,843)
Municipal Court	480,378	119,780	24.9%	120,095	315	-	92,561	27,219
City Manager	233,060	53,020	22.7%	58,265	5,245	-	56,537	(3,517)
Finance	453,620	103,487	22.8%	113,405	9,918	-	88,007	15,480
City Clerk	118,366	36,675	31.0%	29,592	(7,083)	-	31,516	5,159
Legal Service	103,700	21,138	20.4%	25,925	4,787	-	19,683	1,455
Facilities and Parks	1,776,118	446,341	25.1%	444,030	(2,311)	-	413,834	32,507
Non-Departmental	3,108,897	1,739,891	56.0%	777,224	(962,667)	-	532,444	1,207,447
Human Resources	185,321	42,337	22.8%	46,330	3,993	-	42,718	(381)
Police	4,281,289	1,055,515	24.7%	1,070,322	14,807	-	977,605	77,910
Fire	2,831,620	732,801	25.9%	707,905	(24,896)	-	774,347	(41,546)
Planning & Building	1,581,928	257,162	16.3%	395,482	138,320	-	183,705	73,457
Recreation	516,029	106,578	20.7%	129,007	22,429	-	96,944	9,634
Total Expenditures	\$ 15,768,809	\$ 4,738,715	30.1%	3,942,203	\$ (796,512)	\$ -	\$ 3,347,734	\$ 1,390,981
Revenues Over (Under) Expenditures	\$ (2,190,144)	\$ (1,590,454)	72.6%	(547,536)	\$ (1,042,919)	\$ -	\$ (639,102)	\$ (951,352)
Ending Fund Balance	\$ 1,395,867	\$ 1,995,557	143.0%	\$ 3,038,475	\$ (1,042,919)	\$ -	\$ 2,074,402	\$ (78,845)

63.4%

Foot Note:

* The target percentage of budget is calculated as the month of reporting (ex. 3 for March, 12 for December) divided by the number of months (12) in the year.

^ Variance from YTD actual vs. Target . Positive if YTD actual revenue>target amount and YTD actual expenditure<target amount.

City of Chehalis
Expenditures by Category - Budget to Actual
Period Ending Through March 31, 2024 and 2023
General Fund

YTD Target % * 25.00%

GENERAL FUND (#001)					<u>^Variance</u>	
	<u>2024</u>				<u>YTD vs.</u>	
	<u>Amended</u>	<u>YTD Actual</u>	<u>YTD % of</u>	<u>Positive</u>	<u>YTD Actual</u>	<u>Incr. (Decr.)</u>
	<u>Budget</u>	<u>3/31/2024</u>	<u>Budget</u>	<u>(Negative)</u>	<u>3/31/2023</u>	<u>2024-2023</u>
Expenditures by Category:						
Salaries	\$ 6,229,038	\$ 1,461,868	23.5%	\$ 95,392	\$ 1,335,985	\$ 125,883
Benefits	2,704,138	634,012	23.4%	42,023	607,327	26,685
Total Payroll	8,933,176	2,095,879	23.5%	137,415	1,943,312	152,567
Supplies	667,520	93,126	14.0%	73,754	74,611	18,515
Services	3,838,300	1,109,918	28.9%	(150,343)	848,462	261,456
Capital Outlay	142,042	7,242	5.1%	28,269	32,253	(25,011)
Debt Service & LT Lease	37,083	4,498	12.1%	4,773	4,073	425
Non-expense (582.589*.00)	20,000	13,616	68.1%	(8,616)	6,243	7,373
Interfund Charges - Contra Expense	(604,000)	(182,671)	30.2%	31,671	(56,105)	(126,566)
Total operating expenditures	13,034,121	3,141,609	24.1%	116,922	2,852,849	288,760
Transfers-out:						
Recurring Transfers - Street O&M	1,113,700	272,786	24.5%	5,639	485,134	(212,349)
Recurring Transfers - LEOFF I OPEB	275,988	13,431	4.9%	55,566	9,750	3,681
Recurring Transfers - Transportation Benefit District (TBD)	44,400	10,290	23.2%	810	-	10,290
Subtotal for recurring transfers	1,434,088	296,507	20.7%	62,015	494,884	(198,377)
One-time Transfers - Emergency Fund	414,400	414,400	100.0%	(310,800)	-	414,400
One-time Transfers - Sales Tax Stabilization Fund	406,200	406,200	100.0%	(304,650)	-	406,200
One-time Transfers - Compensated Absences	130,000	130,000	100.0%	(97,500)	-	130,000
One-time Transfers - Transportation Benefit District (TBD)	-	-	0.0%	-	-	-
One-time Transfers - Auto/Equip Reserve	350,000	350,000	100.0%	(262,500)	-	350,000
Subtotal for one-time transfers	1,300,600	1,300,600	100.0%	(975,450)	-	1,300,600
Total Transfers Out	2,734,688	1,597,107	58.4%	(913,435)	494,885	1,102,223
Total Expenditures	\$ 15,768,809	\$ 4,738,716	30.1%	\$ (796,513)	\$ 3,347,734	\$ 1,390,982

Foot Note:

* The target percentage of budget is calculated as the month of reporting (ex. 3 for March, 12 for December) divided by the number of months (12) in the year.

^ Variance from YTD actual vs. Target . Positive if YTD actual revenue>target amount and YTD actual expenditure<target amount.

City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
Period Ending Through March 31, 2024 and 2023
Wastewater Fund

YTD Target % * 25.0%

Wastewater Fund (404)	<u>2024</u>		<u>YTD % of</u> <u>Budget</u>	<u>^Variance</u> <u>YTD vs.</u> <u>Target</u>		<u>YTD Actual</u> <u>3/31/2023</u>	<u>Incr. (Decr.)</u> <u>2024-2023</u>
	<u>Amended</u> <u>Budget</u>	<u>YTD Actual</u> <u>3/31/2024</u>		<u>Positive</u> <u>(Negative)</u>	<u>YTD Actual</u> <u>3/31/2023</u>		
Beginning Fund Balance	\$ 4,153,743	\$ 4,153,743	100.0%	\$ -	\$ 4,113,238	\$ 40,505	
Revenues:							
Intergovernmental Grants	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	-
Charges for Goods & Services:							
Charges for Services	5,387,200	1,285,045	23.9%	(61,755)	1,268,065	16,980	
Hookup/Connection -CFC Fee	187,000	18,180	9.7%	(28,570)	9,090	9,090	
Capacity Charge (Cost Share)	277,400	34,672	12.5%	(34,678)	-	34,672	
Total Charges for Goods & Services	5,851,600	1,337,898	22.9%	(125,002)	1,277,155	60,743	
Other Revenues:							
Late Payment Fees	57,000	15,319	26.9%	1,069	16,055	(736)	
Interest Earnings	59,250	38,835	65.5%	24,022	27,925	10,910	
Miscellaneous Other	4,100	128	3.1%	(897)	4,541	(4,413)	
Total Other Revenues	120,350	54,283	45.1%	24,195	48,522	5,761	
Total Revenues	5,971,950	1,392,181	23.3%	(100,808)	1,325,677	66,503	
Other Fund Sources:							
Debt Issue Proceeds	-	-	0.0%	-	-	-	
Other Proceeds	75,000	-	0.0%	(18,750)	-	-	
Total Other Fund Source	75,000	-	0.0%	(18,750)	-	-	
Total Revenues & Other Fund Sources	\$ 6,046,950	\$ 1,392,181	23.0%	\$ (119,558)	\$ 1,325,677	\$ 66,503	
Expenditures:							
Operating Expenditures:							
Wages	\$ 1,256,350	\$ 298,761	23.8%	\$ 15,327	\$ 261,819	\$ 36,942	
Benefits	616,563	147,876	24.0%	6,265	129,827	18,050	
Supplies	528,500	110,594	20.9%	21,531	96,201	14,394	
Services	2,651,519	748,374	28.2%	(85,494)	482,975	265,398	
Total Operating Expenditures:	5,052,932	1,305,605	25.8%	(42,371)	970,821	334,784	
Other Expenditures:							
Capital Outlays	-	-	0.0%	-	-	-	
Debt Service & Long-Term Lease	1,778,885	103,840	5.8%	340,881	103,784	55	
Total Other Expenditures	1,778,885	103,840	5.8%	340,881	103,784	55	
Other Funding Use							
Refunds of Customer Deposits	-	-	0.0%	-	-	-	
Interfund Transfers Out to Capital	358,100	89,525	25.0%	-	113,625	(24,100)	
Total Other Funding Use	358,100	89,525	25.0%	-	113,625	(24,100)	
Total Expenditures	\$ 7,189,917	\$ 1,498,970	20.8%	\$ 298,510	\$ 1,188,231	\$ 310,739	
Revenues Over (Under) Expenditures	\$ (1,142,967)	\$ (106,789)	9.3%	\$ 178,953	\$ 137,447	\$ (244,236)	
Ending Fund Balance	\$ 3,010,776	\$ 4,046,954	134.4%	\$ 178,953	\$ 4,250,685	\$ (203,731)	

* The target percentage of budget is calculated as the month of reporting (ex. 3 for March, 12 for December) divided by the number of months (12) in the year.

^ Variance from YTD actual vs. Target . Positive if YTD actual revenue>target amount and YTD actual expenditure<target amount.

City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
Period Ending Through March 31, 2024 and 2023
Wastewater Capital Fund

YTD Target % * 25.0%

Wastewater Capital Fund (414)	<u>2024</u> <u>Amended</u> <u>Budget</u>	<u>YTD Actual</u> <u>3/31/2024</u>	<u>YTD % of</u> <u>Budget</u>	<u>^Variance</u> <u>YTD vs.</u> <u>Target</u> <u>Positive</u> <u>(Negative)</u>	<u>YTD Actual</u> <u>3/31/2023</u>	<u>Incr. (Decr.)</u> <u>2024-2023</u>
Beginning Fund Balance	\$ 2,266,106	\$ 2,266,106	100.0%	\$ -	\$ 2,127,688	\$ 138,418
Revenues:						
Intergovernmental Grants	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -
Other Revenues:						
Interest Earnings	25,500	19,680	77.2%	13,305	14,058	5,622
Miscellaneous other	-	-	0.0%	-	-	-
Total Other Revenues	25,500	19,680	77.2%	13,305	14,058	5,622
Total Revenues	25,500	19,680	77.2%	13,305	14,058	5,622
Other Fund Sources:						
Debt Issue Proceeds	-	-	0.0%	-	-	-
Interfund Transfers in from Operating Fund	358,100	89,525	25.0%	-	113,625	(24,100)
Other Proceeds	151,477	151,477	100.0%	113,608	-	151,477
Total Other Fund Source	509,577	241,002	47.3%	-	113,625	(24,100)
Total Revenues & Fund Sources	\$ 535,077	\$ 260,682	48.7%	\$ 13,305	\$ 127,683	\$ (18,478)
Expenditures:						
Operating Expenditures:						
Supplies	-	-	0.0%	-	-	-
Services	\$ 100	\$ 20	19.9%	\$ 5	\$ 20	\$ -
Total Operating Expenditures:	100	20	19.9%	5	20	-
Other Expenditures:						
Capital Outlay	1,303,180	11,792	0.9%	314,003	-	11,792
Debt Service	-	-	0.0%	-	-	-
Total Other Expenditures	1,303,180	11,792	0.9%	314,003	-	11,792
Other Funding Use						
Interfund Transfers	-	-	0.0%	-	-	-
Total Other Funding Use	-	-	0.0%	-	-	-
Total Expenditures	\$ 1,303,280	\$ 11,812	0.9%	\$ 314,008	\$ 20	\$ 11,792
Revenues Over (Under) Expenditures	\$ (768,203)	\$ 248,871	-32.4%	\$ 327,314	\$ 127,663	\$ (30,270)
Ending Fund Balance	\$ 1,497,903	\$ 2,514,977	167.9%	\$ 327,314	\$ 2,255,351	\$ 108,149

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^ Variance from YTD actual vs. Target . Positive if YTD actual revenue>target amount and YTD actual expenditure<target amount.

City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
Period Ending Through March 31, 2024 and 2023
Water Fund

YTD Target % * 25.0%

Water Fund (405)	2024		YTD % of Budget	^Variance YTD vs. Target		YTD Actual 3/31/2023	Incr. (Decr.) 2024-2023
	Amended Budget	YTD Actual 3/31/2024		Positive (Negative)	YTD Actual 3/31/2023		
Beginning Fund Balance	\$ 1,914,606	\$ 1,914,606	100.0%	\$ -	\$ 2,091,950	\$ (177,344)	
Revenues:							
Intergovernmental Grants	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	
Charges for Goods & Services:							
Charges for Services	3,181,500	664,794	20.9%	\$ (130,581)	677,443	(12,650)	
Hookup/Connection-CFC Fee	197,600	13,797	7.0%	(35,603)	6,213	7,584	
Total Charges for Goods & Services	3,379,100	678,591	20.1%	(166,184)	683,656	(5,066)	
Other Revenues:							
Late Payment Fees	41,500	8,111	19.5%	(2,264)	9,076	(965)	
Interest Earnings	60,000	22,419	37.4%	7,419	20,459	1,960	
Miscellaneous other	1,000	683	68.3%	433	-	683	
Total Other Revenues	102,500	31,213	30.5%	5,588	29,534	1,679	
Total Revenues	3,481,600	709,804	20.4%	(160,596)	713,191	(3,387)	
Other Funding Source							
Debt Issue Proceeds	-	-	0.0%	-	-	-	
Refundable Deposits	49,400	-	0.0%	(12,350)	25,546	(25,546)	
Interfund Loan Repayment	-	-	0.0%	-	-	-	
Other Proceeds	-	-	0.0%	-	5,000	(5,000)	
Total Other Fund Source	49,400	-	0.0%	(12,350)	30,546	(30,546)	
Total Revenues & Other Fund Sources	\$ 3,531,000	\$ 709,804	20.1%	\$ (172,946)	\$ 743,737	\$ (33,933)	
Operating Expenditures							
Wages	\$ 1,076,532	\$ 241,870	22.5%	27,263	\$ 194,050	47,820	
Benefits	582,567	124,475	21.4%	21,167	93,761	30,714	
Supplies	474,314	44,389	9.4%	74,190	68,844	(24,455)	
Services	1,169,777	351,746	30.1%	(59,302)	284,592	67,154	
Total Operating Expenditures	3,303,190	762,480	23.1%	63,318	641,246	121,234	
Other Expenditures							
Transfers Out	-	-	0.0%	-	-	-	
Capital Outlays	-	-	0.0%	-	-	-	
Debt Service & Long-Term Lease	230,188	1,016	0.4%	56,531	741	275	
Interfund Loan Disbursements	-	-	0.0%	-	-	-	
Total Other Expenditures	230,188	1,016	0.4%	56,531	741	275	
Other Funding Use							
Refunds of Customer Deposits	70,300	-	0.0%	17,575	25,546	(25,546)	
Interfund Transfers Out to Capital	767,900	191,975	25.0%	-	217,075	(25,100)	
Total Other Funding Use	838,200	191,975	22.9%	17,575	242,621	(50,646)	
Total Expenditures	\$ 4,371,578	\$ 955,471	21.9%	\$ 137,424	\$ 884,608	\$ 70,863	
Revenues Over (Under) Expenditures	\$ (840,578)	\$ (245,667)	29.2%	\$ (310,370)	\$ (140,872)	\$ (104,796)	
Ending Fund Balance	\$ 1,074,028	\$ 1,668,939	155.4%	\$ (310,370)	\$ 1,951,078	\$ (282,140)	

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City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
Period Ending Through March 31, 2024 and 2023
Water Capital Fund

YTD Target % * 25.0%

Water Capital Fund (415)					^Variance	
	<u>2024</u>	<u>YTD Actual</u>	<u>YTD % of</u>	<u>YTD vs.</u>	<u>YTD Actual</u>	<u>Incr. (Decr.)</u>
	<u>Budget</u>	<u>3/31/2024</u>	<u>Budget</u>	<u>Target</u>	<u>3/31/2023</u>	<u>2024-2023</u>
				<u>Positive</u>		
				<u>(Negative)</u>		
Beginning Fund Balance	\$ 6,105,447	\$ 6,105,447	100.0%	\$ -	\$ 6,223,241	\$ (117,794)
Revenues:						
Intergovernmental Grants	\$ 2,292,809	\$ -	0.0%	\$ (573,202)	\$ -	\$ -
Other Revenues:						
Interest Earnings	96,200	54,553	56.7%	30,503	44,853	9,700
Miscellaneous other	-	-	0.0%	-	-	-
Total Other Revenues	96,200	54,553	56.7%	30,503	44,853	9,700
Total Revenues	2,389,009	54,553	2.3%	(542,699)	44,853	9,700
Other Funding Source						
Debt Issue Proceeds	500,000	-	0.0%	(125,000)	-	-
Interfund Transfers in from Operating	767,900	191,975	25.0%	-	217,075	(25,100)
Other Proceeds	165,480	165,480	100.0%	124,110	-	165,480
Total Other Fund Source	1,433,380	357,455	24.9%	(125,000)	217,075	(25,100)
Total Revenues & Other Fund Sources	\$ 3,822,389	\$ 412,008	10.8%	\$ (667,699)	\$ 261,928	\$ (15,400)
Expenditures						
Supplies	-	-	0.0%	-	-	-
Services	-	42	0.0%	(42)	-	42
Total Operating Expenditures	-	42	-	(42)	-	42
Other Expenditures						
Capital Outlays	\$ -	\$ -	0.0%	\$ -	\$ 517,074	\$ (517,074)
Debt Service	-	-	0.0%	-	-	-
Total Other Expenditures	-	-	0.0%	-	517,074	(517,074)
Other Funding Use						
Interfund Transfers	4,739,469	8,468	0.2%	1,176,399	-	8,468
Total Other Funding Use	4,739,469	8,468	0.2%	1,176,399	-	8,468
Total Expenditures	\$ 4,739,469	\$ 8,510	0.2%	\$ 1,176,357	\$ 517,074	\$ (508,564)
Revenues Over (Under) Expenditures	\$ (917,080)	\$ 403,498	-44.0%	\$ (1,844,056)	\$ (255,146)	\$ 493,164
Ending Fund Balance	\$ 5,188,367	\$ 6,508,945	125.5%	\$ (1,844,056)	\$ 5,968,095	\$ 375,370

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City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
Period Ending Through March 31, 2024 and 2023
Storm & Surface Water Fund

YTD Target % * 25.0%

Storm Water Fund (406)	<u>2024</u>		<u>YTD % of</u> <u>Budget</u>	<u>^Variance</u> <u>YTD vs.</u> <u>Target</u>		<u>YTD Actual</u> <u>3/31/2023</u>	<u>Incr. (Decr.)</u> <u>2024-2023</u>
	<u>Amended</u> <u>Budget</u>	<u>YTD Actual</u> <u>3/31/2024</u>		<u>Positive</u> <u>(Negative)</u>	<u>YTD Actual</u> <u>3/31/2023</u>		
Beginning Fund Balance	\$ 462,375	\$ 462,375	100.0%	\$ -	\$ 361,034	\$ 101,341	
Revenues:							
Intergovernmental Grants	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	
Charges for Goods & Services:							
Charges for Services	715,500	176,422	24.7%	(2,453)	183,420	(6,998)	
Hookup/Connection Fee	8,500	4,499	52.9%	2,374	489	4,010	
Total Charges for Goods & Services	724,000	180,921	25.0%	(79)	183,909	(2,988)	
Other Revenues:							
Late Payment Fees	7,900	1,675	21.2%	(300)	2,884	(1,209)	
Interest Earnings	10,100	5,917	58.6%	3,392	3,922	1,996	
Miscellaneous other	-	-	0.0%	-	-	-	
Total Other Revenues	18,000	7,592	42.2%	3,092	6,806	787	
Total Operating Revenues	742,000	188,513	25.4%	3,013	190,715	(2,202)	
Other Fund Sources:							
Debt Issue Proceeds	-	-	0.0%	-	-	-	
Other Proceeds	-	875	0.0%	875	-	875	
Total Other Fund Sources	-	875	0.0%	875	-	875	
Total Revenues & Fund Sources	\$ 742,000	\$ 189,389	25.5%	\$ 3,889	\$ 190,715	\$ (1,326)	
Expenditures:							
Operating Expenditures:							
Wages	\$ 275,957	\$ 48,607	17.6%	\$ 20,382	\$ 60,041	\$ (11,434)	
Benefits	154,191	33,024	21.4%	5,524	30,104	2,920	
Supplies	92,700	4,314	4.7%	18,861	6,455	(2,141)	
Services	187,793	58,103	30.9%	(11,155)	31,662	26,441	
Total Operating Expenditures	710,641	144,049	20.3%	33,611	128,262	15,787	
Other Expenditures:							
Capital Outlays	-	-	0.0%	-	-	-	
Debt Service & Long-Term Lease	1,910	156	8.2%	322	101	55	
Total Other Expenditures	1,910	156	8.2%	322	101	55	
Other Funding Use							
Refunds of Customer Deposits	-	-	0.0%	-	-	-	
Interfund Transfers Out to Capital	314,000	78,500	25.0%	-	41,075	37,425	
Total Other Funding Use	314,000	78,500	25.0%	-	41,075	37,425	
Total Expenditures	\$ 1,026,551	\$ 222,705	21.7%	\$ 33,933	\$ 169,438	\$ 53,267	
Revenues Over (Under) Expenditures	\$ (284,551)	\$ (33,317)	11.7%	\$ (30,044)	\$ 21,277	\$ (54,594)	
Ending Fund Balance	\$ 177,824	\$ 429,059	241.3%	\$ (30,044)	\$ 382,311	\$ 46,747	

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City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
Period Ending Through March 31, 2024 and 2023
Storm & Surface Water Capital Fund

YTD Target % * 25.0%

Storm Water Capital Fund (416)	<u>2024</u> <u>Amended</u> <u>Budget</u>	<u>YTD Actual</u> <u>3/31/2024</u>	<u>YTD % of</u> <u>Budget</u>	<u>^Variance</u> <u>YTD vs.</u> <u>Target</u> <u>Positive</u> <u>(Negative)</u>	<u>YTD Actual</u> <u>3/31/2023</u>	<u>Incr. (Decr.)</u> <u>2024-2023</u>
Beginning Fund Balance	\$ 1,551,899	\$ 1,551,899	100.0%	\$ -	\$ 1,403,758	\$ 148,141
Revenues:						
Intergovernmental Grants	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -
Other Revenues:						
Interest Earnings	33,200	20,095	60.5%	11,795	14,452	5,643
Total Other Revenues	33,200	20,095	60.5%	11,795	14,452	5,643
Total Revenues	33,200	20,095	60.5%	11,795	14,452	5,643
Other Fund Sources:						
Debt Issue Proceeds	-	-	0.0%	-	-	-
Interfund Transfers in from Operating	314,000	78,500	25.0%	-	41,075	37,425
Total Other Fund Sources	314,000	78,500	25.0%	-	41,075	37,425
Total Revenues & Other Fund Sources	\$ 347,200	\$ 98,595	28.4%	\$ 11,795	\$ 55,527	\$ 43,068
Expenditures:						
Supplies	-	-	0.0%	-	-	-
Services	-	-	0.0%	-	-	-
Total Operating Expenditures	-	-	0.0%	-	-	-
Other Expenditures						
Capital Outlay	\$ -	\$ -	0.0%	\$ -	\$ 17,763	\$ (17,763)
Debt Service	-	-	0.0%	-	-	-
Total Other Expenditures	-	-	0.0%	-	17,763	(17,763)
Other Funding Use						
Interfund Transfers	1,139,831	4,291	0.4%	280,667	-	4,291
Total Other Funding Use	1,139,831	4,291	0.4%	280,667	-	4,291
Total Expenditures	1,139,831	4,291	0.4%	280,667	17,763	(13,473)
Revenues Over (Under) Expenditures	\$ (792,631)	\$ 94,304	-11.9%	\$ (268,873)	\$ 37,763	\$ 56,541
Ending Fund Balance	\$ 759,268	\$ 1,646,203	216.8%	\$ (268,873)	\$ 1,441,521	\$ 204,682

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City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
Period Ending Through March 31, 2024 and 2023
Airport Fund

YTD Target % * 25.0%

Airport Fund (407)	<u>2024</u> <u>Amended</u> <u>Budget</u>	<u>YTD Actual</u> <u>3/31/2024</u>	<u>YTD % of</u> <u>Budget</u>	<u>^Variance</u> <u>YTD vs.</u> <u>Target</u> <u>Positive</u> <u>(Negative)</u>	<u>YTD Actual</u> <u>3/31/2023</u>	<u>Incr. (Decr.)</u> <u>2024-2023</u>
Beginning Fund Balance	\$ 853,708	\$ 853,708	100.0%	\$ -	\$ 340,200	\$ 513,508
Revenues:						
Intergovernmental Grants	\$ 450,000	\$ 268,925	59.8%	\$ 156,425	\$ -	\$ 268,925
Charges for Goods & Services:						
Fuel sales	677,000	154,035	22.8%	(15,215)	175,150	(21,116)
Rents & Leases	1,554,050	336,523	21.7%	(51,990)	362,229	(25,706)
Miscellaneous other	-	147	0.0%	147	150	(3)
Total Charged for Goods & Services	2,231,050	490,705	22.0%	(67,058)	537,529	(46,824)
Interest Earnings	15,100	11,746	77.8%	7,971	4,919	6,827
Total Revenues	2,246,150	502,451	22.4%	(59,087)	542,449	(39,998)
Other Fund Sources:						
Debt Proceeds (Bonds/Loans)	-	-	0.0%	-	-	-
Total Other Fund Sources	-	-	0.0%	-	-	-
Total Revenues & Fund Sources	\$ 2,696,150	\$ 771,376	28.6%	\$ 97,338	\$ 542,449	\$ 228,927
Expenditures:						
Wages	\$ 365,221	\$ 92,163	25.2%	\$ (858)	\$ 71,177	\$ 20,986
Benefits	164,783	43,254	26.2%	(2,058)	38,298	4,956
Supplies	680,200	89,006	13.1%	81,044	103,223	(14,217)
Services	654,794	168,473	25.7%	(4,774)	120,509	47,965
Total Operating Expenditures	1,864,998	392,897	21.1%	73,353	333,207	59,691
Other Expenditures:						
Debt Service	73,432	6,716	9.1%	11,642	6,716	-
Interfund Loan Payment	-	-	0.0%	-	-	-
Total Other Expenditures	73,432	6,716	9.1%	11,642	6,716	-
Other Funding Use						
Interfund Transfers out to Capital	1,071,800	267,950	25.0%	-	20,950	247,000
Total Other Funding Use	1,071,800	267,950	25.0%	-	20,950	247,000
Total Expenditures	\$ 3,010,230	\$ 667,564	22.2%	\$ 84,994	\$ 360,873	\$ 306,691
Revenues Over (Under) Expenditures	\$ (314,080)	\$ 103,812	-33.1%	\$ 12,343	\$ 181,575	\$ (77,763)
Ending Fund Balance	\$ 539,628	\$ 957,520	177.4%	\$ 12,343	\$ 521,775	\$ 435,745

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City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
Period Ending Through March 31, 2024 and 2023
Airport Capital Fund

YTD Target % * 25.00%

Airport Capital Fund (417)	<u>2024</u> <u>Amended</u> <u>Budget</u>	<u>YTD Actual</u> <u>3/31/2024</u>	<u>YTD % of</u> <u>Budget</u>	<u>^Variance</u> <u>YTD vs.</u> <u>Target</u> <u>Positive</u> <u>(Negative)</u>	<u>YTD Actual</u> <u>3/31/2023</u>	<u>Incr. (Decr.)</u> <u>2024-2023</u>
Beginning Fund Balance	\$ 1,947,784	\$ 1,947,784	100.0%	\$ -	\$ 1,974,125	\$ (26,341)
Revenues:						
Intergovernmental - Capital Grants	\$ -	\$ 103,682	0.0%	\$ 103,682	\$ -	\$ 103,682
Interest Earnings	44,600	23,234	52.1%	12,084	20,342	2,891
Total Revenues	44,600	126,915	284.6%	115,765	20,342	106,573
Other Fund Sources:						
Debt Proceeds (Bonds/Loans)	-	-	0.0%	-	-	-
Interfund Transfers in from Operating	1,071,800	267,950	25.0%	-	20,950	247,000
Total Other Fund Sources	1,071,800	267,950	25.0%	-	20,950	247,000
Total Revenues & Fund Sources	\$ 1,116,400	\$ 394,865	35.4%	\$ 115,765	\$ 41,292	\$ 353,573
Expenditures:						
Capital Outlays						
Capital Outlays	\$ -	\$ -	0.0%	\$ -	\$ 2,168	\$ (2,168)
Miscellaneous Other	-	-	0.0%	-	-	-
Custodial Activities	-	-	0.0%	-	-	-
Interfund Loan Payment	-	-	0.0%	-	-	-
Total Expenditures	-	-	0.0%	-	2,168	(2,168)
Other Funding Use						
Interfund Transfers	464,475	364,863	78.6%	(248,744)	-	364,863
Total Other Funding Use	464,475	364,863	78.6%	(248,744)	-	364,863
Total Expenditures	\$ 464,475	\$ 364,863	78.6%	\$ (248,744)	\$ 2,168	\$ 362,696
Revenues Over (Under) Expenditures	\$ 651,925	\$ 30,002	4.6%	\$ 364,510	\$ 39,125	\$ (9,123)
Ending Fund Balance	\$ 2,599,709	\$ 1,977,786	76.1%	\$ 364,510	\$ 2,013,250	\$ (35,464)

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