



## WENATCHEE CITY COUNCIL

Thursday, February 9, 2017

Wenatchee City Hall

129 South Chelan

Wenatchee, WA 98801

### AGENDA

#### 4:00 p.m. Special Meeting

- Sewer Comprehensive Plan Presentation

#### 5:00 p.m. Executive Session

Executive session to discuss with legal counsel representing the agency matters relating potential litigation to which the agency is likely to become a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency. RCW 42.30.110(1)(i).

#### 5:15 p.m. Regular Meeting

##### 1. Call to Order, Pledge of Allegiance, and Roll Call.

##### 2. Consent Items:

- Motion to approve agenda, vouchers, and minutes from previous meetings.

###### Vouchers:

Wires #1407 and #1408 in the amount of \$38,758.31 for January 26, 2017

Claim checks #180568 through #180628 in the amount of \$418,580.97 for January 26, 2017

Payroll distribution (retirees) in the amount of \$12,709.70 for January 31, 2017

Claim checks #180629 through #180640 in the amount of \$3,614.50 for January 27, 2017

Benefit/deduction checks in the amount of \$714,575.88 for January 31, 2017

Claim checks #180659 through #180709 in the amount of \$417,487.42 for February 2, 2017

Payroll distribution in the amount of \$393,623.84 for February 3, 2017

Payroll distribution in the amount of \$1,512.30 for February 3, 2017

##### 3. Citizen Requests/Comments.

The "Citizen Comments" period is to provide the opportunity for members of the public to address the Council on items either not on the agenda or not listed as a public hearing. The Mayor will ask if there are any citizens wishing to address the Council. When recognized, please step up to the microphone, give your name and mailing address, and state the matter of your interest. If your interest is an agenda item, the Mayor may suggest that your comments wait until that time. Citizen comments will be limited to three minutes.

##### 4. Presentations.

None.

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Mayor's office at (509) 888-6204 (TTY 711). Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (28 CFR 35.102-35.104 ADA Title 1.)*

## 5. Action Items.

- A. Sage Hills Gateway Acquisition Purchase and Sale Agreement  
Presented by David Erickson, Parks and Recreation Director

*Motion to authorize the Mayor to sign the agreement with the Chelan Douglas Land Trust for the Sage Hills Gateway Project.*

*Resolution No. 2017-13, authorizing the Mayor to sign a real estate purchase and sale agreement with the Chelan-Douglas Land Trust for the Sage Hills Gateway properties.*

- B. Hale Park Phase One Construction Agreement  
Presented by David Erickson, Parks and Recreation Director

*Motion for City Council to authorize the Mayor to sign a standard construction agreement with Selland Construction in the amount of \$554,641.61 for the construction of the Hale Park Phase One Project.*

- C. Saddle Rock Gateway Construction  
Presented by David Erickson, Parks and Recreation Director

*Motion for City Council to authorize the Mayor to sign a standard construction contract with Hurst Construction in the amount of \$762,632.75 for construction of the first phase of the Saddle Rock Gateway Project.*

- D. Memorandum of Understanding with the Association of Washington Cities for the Participatory Leadership Pilot Project  
Presented by Allison Williams, Executive Services Director

*Motion for City Council to approve and authorize the Mayor to sign the Memorandum of Understanding with the Association of Washington Cities Participatory Leadership Pilot Project.*

- E. Lodging Tax Recommendations/Wenatchee Valley Chamber of Commerce Municipal Services Agreement for Tourism Marketing  
Presented by Allison Williams, Executive Services Director

*Motion for City Council to approve the Mayor's signature on a one year Municipal Services Agreement with the Wenatchee Valley Chamber of Commerce to carry out the regional tourism marketing effort on behalf of the City of Wenatchee, and authorize staff to carry out improvements at the Wenatchee Convention Center through an interfund loan.*

- F. 2016-2017 Homeless Grant Changes  
Presented by Steve King, Community & Economic Development Director

*Motion for City Council to accept the Homeless Steering Committee's recommendations outlined above and authorize the Mayor to:*

- 1. Amend the City's CHG agreement and subsequent sub grants to support funding adjustments to existing coordinated entry grants.*
- 2. Amend the Parkside sub grant agreement with Women's Resource Center to allow a funding transfer between existing budget line items.*

## **6. Public Hearings.**

The Mayor will call the Public Hearing to order and state the ground rules, the purpose of the hearing, the action that the hearing body may take on the matter, will address the appearance of fairness doctrine, and will state the manner in which the hearing will proceed. Staff will first give a report, followed by testimony of experts and/or the applicant, followed then by public testimony. All speakers must speak into the microphone and clearly state their names and addresses. All comments should be addressed to the hearing body, should be relevant to the application, and should not be of a personal nature. Public testimony may be limited to three minutes, unless further time is granted by the Mayor. If there are a large number of speakers, a representative may be appointed to speak on behalf of the group.

- G. Grace City Church Annexation  
Presented by Steve King, Community & Economic Development Director and Matt Parsons, Associate Planner

*Ordinance No. 2017-04, providing for the annexation of property in the vicinity of Melody Lane and Alvista Place, subject to the provisions of Ordinance No. 2007-34 and all subsequent amendments thereto.*

- H. Amendment of the Multi-Family Tax Exemption Program – Residential Target Area  
Presented by Steve King, Community & Economic Development Director and John Ajax, Senior Planner

*Ordinance No. 2017-01, amending Ordinance No. 2008-23, and any amendments thereto, relating to property tax exemptions for multi-family housing improvements in the designated urban center.*

## **7. Reports.**

- a. Mayor's Report
- b. Reports/New Business of Council Committees

## **8. Announcements.**

## **9. Adjournment.**



## WENATCHEE CITY COUNCIL MEETING

Thursday, January 26, 2017

Wenatchee City Hall  
129 South Chelan  
Wenatchee, WA 98801

**DRAFT**

### MINUTES

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**In attendance:**

**Mayor Frank Kuntz**  
**Councilmember Jim Bailey**  
**Councilmember Ruth Esparza**  
**Councilmember Lyle Markhart**  
**Councilmember Keith Huffaker (via phone)**  
**Councilmember Mark Kulaas**  
**Councilmember Linda Herald**  
**Councilmember Mike Poirier**

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**Staff in attendance:**

Executive Services Director Allison Williams  
Assistant City Attorney Danielle Marchant  
City Clerk Tammy Stanger  
IS Support Tim McCord  
Accountant Deanne McDaniel  
Community & Economic Development Director Steve King  
Senior Planner John Ajax  
Police Chief Steve Crown  
Associate Planner Matt Parsons  
Senior Engineer – Utilities Jeremy Hoover  
Public Works Director Matt Leonard  
Planning Manager Glen DeVries

The Mayor called the meeting to order at 4:30 p.m. for the purpose of meeting in executive session.

#### **4:30 p.m. Executive Session**

Executive session to consider the selection of a site or the acquisition of real estate by lease of purchase when public knowledge regarding such consideration would cause a likelihood of increased price. RCW 42.30.110(1)(b); and to discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency. RCW 42.30.110(1)(i).

**Motion to convene in executive session for a time period not to exceed 45 minutes with legal counsel present by Councilmember Jim Bailey. Councilmember Lyle Markhart seconded the motion. Motion carried (5-0).** Councilmembers Ruth Esparza and Keith Huffaker were absent.

Councilmember Ruth Esparza arrived at 4:32 p.m. and joined the executive session.

Council adjourned from executive session at 5:02 p.m.

### **5:15 p.m. Regular Meeting**

#### **1. Call to Order, Pledge of Allegiance, and Roll Call.**

Mayor Frank J. Kuntz called the regular meeting to order at 5:15 p.m. Councilmember Lyle Markhart led the Pledge of Allegiance. All Councilmembers were present, with Councilmember Keith Huffaker participating via phone conference.

#### **2. Consent Items:**

- Motion to approve agenda, and add an additional item under the consent agenda authorizing the Mayor's signature on a separation and release agreement, approving the vouchers and minutes from previous meetings.
- Resolution No. 2017-08, confirming the mayoral appointment of Brad Posenjak to the position of Finance Director/City Treasurer.
- Resolution No. 2017-09, designating voting representatives on behalf of the City to various community boards, councils and organizations.
- Resolution No. 2017-14, authorizing the Mayor, Finance Director and Accountant to submit bids and to sign documents to purchase the property at 301 Yakima Street, Wenatchee, Washington.
- Motion to approve the Mayor's signature on a separation and release agreement.

**Motion to approve the consent items by Councilmember Mark Kulaas. Councilmember Ruth Esparza seconded the motion. Motion carried (7-0).**

#### **3. Citizen Requests/Comments.**

Family and friends of missing person Rudy Martinez Hernandez asked the Mayor and City Council to help local law enforcement agencies with finding her son who has been missing since November 2016. The Mayor said he will ask our Police Chief to contact Sheriff Burnett to see what they can do to assist with the case.

Dori Foster, new CEO of the local YMCA, introduced herself to the Council and said she looked forward to serving the community.

Members of the Bethlehem Striking Coalition for Justice spoke to raise their concerns to the public about their current labor dispute with Bethlehem Construction.

#### 4. Presentations.

- Town Toyota Center Annual Report – Mark Miller, General Manager of the Town Toyota Center presented his annual report to the Council. Jeremy Anders and Jennifer Bushong were also present. Highlights of the report included reporting on the economic impact to the region, the success of the Public Facilities District sales tax, upcoming events, and successes of the arena.

#### 5. Action Items.

##### A. Moratorium – Small Cell Wireless Communication Facilities

*Ordinance No. 2017-02, adopting a six (6) month moratorium within the City of Wenatchee on the establishment, siting, location, permitting, or licensing of microcell, minor facilities and/or small cell facilities, as defined by RCW 80.36.375 or the federal Communications Act of 1934, as amended, located in the public right of ways*

Senior Planner John Ajax presented the staff report. An updated Ordinance was provided to the Council. Council asked questions.

**Motion to approve by Councilmember Linda Herald. Councilmember Jim Bailey seconded the motion. Motion carried (7-0).**

##### B. Amendment to Wenatchee City Code regarding the penalty for unlawful hunting within City limits

*Ordinance No. 2017-03, amending Wenatchee City Code 6A.10.080 related to the penalty for unlawful hunting within the City limits*

Police Chief Steve Crown presented the staff report. Council asked questions. Assistant City Attorney Danielle Marchant provided additional clarification.

**Motion to approve by Councilmember Mike Poirier. Councilmember Linda Herald seconded the motion. Motion carried (7-0).**

##### C. Setting time for public hearing on petition for annexation (Grace City Church)

*Resolution No. 2017-10, fixing time for public hearing on petition for annexation of an unincorporated area north of Melody Lane and west of the Hutchinson's Subdivision known as the Grace City Church Annexation Area*

Associate Planner Matt Parsons presented the staff report. Council asked questions.

**Motion to approve by Councilmember Mark Kulaas. Councilmember Linda Herald seconded the motion. Motion carried (7-0).**

The Mayor called for a short recess at 5:55 p.m. The meeting resumed at 5:58 p.m.

D. Lodging Tax Advisory Committee Appointment (Linda Haglund)

*Resolution No. 2017-11, appointing a member to the Lodging Tax Advisory Committee to fill a vacancy for a term ending December 31, 2017 (Linda Haglund)*

Executive Services Director Allison Williams presented the staff report. Councilmember Linda Herald recused herself due to a conflict of interest.

**Motion to approve by Councilmember Ruth Esparza. Councilmember Jim Bailey seconded the motion. Motion carried (6-0; Herald recuse).**

E. Diversity Advisory Committee Appointment (Paula Arno Martinez)

*Resolution No. 2017-12, appointing a member to the Diversity Advisory Committee for a two (2) year term (Paula Arno Martinez)*

Executive Services Director Allison Williams presented the staff report.

**Motion to approve by Councilmember Mike Poirier. Councilmember Mark Kulaas seconded the motion. Motion carried (7-0).**

F. West Springwater Avenue Sewer Extension Project #1612 Final Acceptance

*Motion for City Council to accept the work performed by the contractor, Hurst Construction, LLC, on the West Springwater Avenue Sewer Extension Project #1612, and further authorize the Mayor to sign the Final Contract Voucher Certification on behalf of the City of Wenatchee*

Senior Engineer of Utilities Jeremy Hoover presented the staff report. Council asked questions.

**Motion to approve by Councilmember Linda Herald. Councilmember Jim Bailey seconded the motion. Motion carried (7-0).**

G. Convention Center Improvements Project #1413 Final Acceptance

*Motion for City Council to accept the work performed by the contractor McKinstry Essention, LLC, for the Convention Center Upgrades Project #1413 and further authorize the Mayor to sign the Final Contract Voucher Certification on behalf of the City of Wenatchee*

Public Works Director Matt Leonard presented the staff report. Councilmember Linda Herald recused herself due to a conflict of interest.

**Motion to approve by Councilmember Jim Bailey. Councilmember Mike Poirier seconded the motion. Motion carried (6-0; Herald recuse).**

**6. Reports.**

a. Mayor's Report

- The Mayor reported on Chelan County's proposed Flood Control Zoning District plan and that staff has some concerns with the language in the plan and will comment during the official comment period. Public Works Director Matt Leonard and Planning Manager Glen DeVries spoke about some of the highlights of the plan and their concerns.
- The downtown parking study presentation is scheduled for the February 9 meeting.
- The Sewer Comprehensive Plan is coming to Council on February 9.

b. Reports/New Business of Council Committees

- Linda Herald will be absent on February 9.
- Jim Bailey will participate in the February 9 phone call via phone as he will be attending an RMSA meeting in Olympia that day.

**7. Announcements.** None.

**8. Adjournment.** With no further business the meeting adjourned at 6:19 p.m.

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Frank J. Kuntz, Mayor

Attest:

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Tammy L. Stanger, City Clerk





# MEMO

Parks, Recreation and Cultural Services Department

To: Mayor Kuntz and City Council  
From: Dave Erickson, Parks, Recreation and Cultural Services Director  
Re: Sage Hills Gateway Acquisition Purchase Sale Agreement  
Date: February 3, 2017

***TWO SEPARATE ACTIONS REQUESTED:***

***Motion to authorize the Mayor to sign the agreement with the Chelan Douglas Land Trust for the Sage Hills Gateway Project.***

***Move approval of Resolution 2017-13 authorizing the Mayor to sign the purchase sale agreement with the Chelan Douglas Land Trust for Sage Hills Gateway Property.***

***AGREEMENT BACKGROUND:***

Over the last several years the City and Chelan Douglas Land Trust (Land Trust) have partnered together to complete several property acquisition projects in the Wenatchee foothills to among other things, provide opportunities for outdoor recreation and protect critical habitats for the benefit of current and future generations. These acquisitions have included: Saddle Rock (2010), Lower Castle Rock (2012), Foothills North (2014/15) and the Sage Hills Gateway. The property acquisitions were funded through successful grant applications to the State Recreation Conservation Office (RCO) and the fundraising efforts of the Chelan Douglas Land Trust.

To facilitate the completion of the acquisitions, the City, RCO and Land Trust have entered into project and grant agreements. The day before the Foothills North acquisition was set to close in 2014, the RCO expressed a new interpretation of their policy that excludes the Land Trust from holding conservation easements on properties purchased with certain grant funds. The new interpretation came as the result of some issues with projects elsewhere in the State. The Land Trust is an eligible entity to hold conservation easements in several RCO grant programs, but now not the two programs that the City was successful in obtaining funding from previously. The conservation easements that were proposed had language that was entirely consistent with RCO criteria and had been approved by the RCO prior to being implemented.

Because of the new policy interpretation, staff, the Land Trust and State worked for several months to reach a solution that satisfies the States concerns and still meets the intent and project goals. An agreement was prepared that removed the contemplated conservation easements until either the Land Trust becomes an eligible entity or if another eligible entity is agreeable to hold the easements. In 2015, the City and Land Trust approved the agreement for the Foothills North Project and implemented the agreement.

Since it's taken so long to realize the Sage Hills Gateway Project, an agreement similar to the Foothills North Project is needed. The attached agreement for the Sage Hills Gateway Project allows the City to remain in compliance with RCO policy and the Land Trust with their charter.

The agreement was approved by the Chelan Douglas Land Trust Board on January 10, 2017 and was reviewed by the City Attorney.

Staff recommends approval of the agreement.

***SAGE HILLS GATEWAY ACQUISITION PROJECT BACKGROUND:***

The Parks, Recreation and Open Space Comprehensive Plans (2006 and 2012), Foothills Trails Plan (2007) and Wenatchee Foothills Community Strategy (2010) contain several Wenatchee Foothills related partnership projects ranging from trailhead development to habitat and open space acquisition projects. Work to prepare these plans and realize the projects contained within the documents began in 2002. One of these projects, the Sage Hills Gateway Acquisition, meets 24 goals, objectives and priority actions contained within the plans.

Highlights of these include: The priority goal of acquiring and developing an interconnected system of multi-functional trails, and open spaces; partnering with community organizations to realize projects; obtaining grant funding to complete acquisition projects; and acquiring the Sage Hills Gateway property.

The Sage Hills Gateway property is 138.53 acres of land to be used for habitat preservation and non-motorized outdoor recreation. It is located in the central portion of the foothills.

Since 2008, project partners, the Trust for Public Lands and Chelan Douglas Land Trust, met with land owners to facilitate the acquisition process. When the project reached a point in discussions that it seemed that it might be plausible to accomplish it, the project was presented to City Council to determine their interest in continuing. From the comments received and direction provided by Council at their November 7, 2013 meeting, the project was advanced.

On February 27, 2014 the City Council approved resolution 2014-13 which authorized staff to submit a Recreation and Conservation Office (RCO) grant application for the project. To formalize roles and responsibilities for the project, a project agreement with the Chelan Douglas Land Trust was prepared and approved by the City Council on July 10, 2014 by Resolution 2014-40. In July 2015 notification was received by the City that the \$510,000 Urban Wildlife Habitat grant was successful and on October 22, 2015 the City Council approved Resolution 2015-60, accepting the grant agreement.

Property negotiations continued through September 2016 when the Trust for Public Lands and Chelan Douglas Land Trust secured a portion of the gateway property from the private property owner. Also in 2016 the City selected contractors to complete the Phase One Environmental Site Assessment, Cultural Resources Report, appraisal, review appraisal and boundary survey for the properties. A draft purchase sale agreement was prepared and provided to the Land Trust for review and comment. On January 10, 2017 the Land Trust Board recommended approval of the agreement.

Approval of the agreement will allow for the property transaction to close in the next month with project and grant completion scheduled for late Spring.

Staff recommends approval.

### Agreement to Protect the Public Trust

This agreement is between the City of Wenatchee (“the City”), a Washington municipality, and the Chelan-Douglas Land Trust (“CDLT”), a Washington public Benefit corporation, pursuant to the “Modification of Foothills Agreements” entered into by the parties on February 12, 2015, a copy of which is attached hereto as Exhibit A and incorporated herein by reference.

The City of Wenatchee hereby recognizes that the City has been able to acquire, improve and maintain lands for public benefit of the people of the City of Wenatchee, Chelan County and surrounding areas as the result of matching contributions provided CDLT for the property acquisition by the City under grants from the Washington Wildlife and Recreation Program administered by the State of Washington Recreation and Conservation Office (“RCO”) (Saddle Rock Acquisition #10-1082A, Lower Castle Rock Acquisition #12-1044A, Foothills North Acquisition Phase 1 #12-1042, and Sage Hills Gateway Acquisition #14-1130). Further, CDLT has provided invaluable additional donations of funds, services, labor, and volunteers for trailheads, trails and natural areas serving the properties acquired, greatly enhancing their natural resource and community values, all for public benefit.

In consideration for these contributions, the City hereby agrees that it will not sell or dispose of any portion of the property acquired pursuant to the grants listed above and described on the attached Exhibit “A” (the “Property”), without ensuring that permanent protections are put in place to ensure the continued protection of habitat and providing non-motorized public recreation in the same or greater protections which would be provided if the above described properties were subject to the Conservation Easement attached as Exhibit “B” (the “Conservation Easement Protections”). In the event that any portion of the property acquired pursuant to the grants listed above is proposed for voluntary or involuntary sale or transfer, the City will notify CDLT in writing at least sixty (60) days in advance of any contemplated action, so the CDLT can review the terms of the proposed transaction to ensure the above Conservation Easement Protections are in place on or before such sale or disposition. In the event that CDLT determines that the above protections are not in place or will not be in place at the time of such transfer or disposition, the City agrees that CDLT may participate in determining how best to restore or replace the affected property, and has standing to pursue an action against the City for any available remedies including injunction, specific performance, damages, rescission of any sale or disposition, of the above property. The parties agree that at the point in time when the City is able to convey to CDLT, if ever, a Conservation Easement on the Property with the restrictions and protections set forth on the attached Exhibit “B” without violating (i) the terms of the Deed of Right placed upon such Property in favor of the State of Washington, and (ii) any applicable grants used to fund in whole or in part the above acquisitions, that the City will do so. CDLT is entitled to specifically enforce this Agreement. The interests of CDLT herein shall be assigned to any subsequent holder of the assets of CDLT and shall run in perpetuity, or the maximum term as authorized by law, if shorter.

The City waives any claims that CDLT lacks standing to pursue the actions set forth above and specifically consents to CDLT being a party to any court proceeding involving any of said Properties, and to represent the interests its members, donors, and the public trust with regard to said properties. The parties agree that this Agreement to Protect the Public Trust does not convey a property right or interest to CDLT.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2017.

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Frank Kuntz  
Mayor, City of Wenatchee

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David Visser  
President, Board of Directors  
Chelan-Douglas Land Trust

## **RESOLUTION NO. 2017-13**

**A RESOLUTION,** authorizing the Mayor to sign a real estate purchase and sale agreement with the Chelan-Douglas Land Trust for the Sage Hills Gateway properties.

**WHEREAS,** the community has identified the Wenatchee foothills as an important resource for habitat, open space, recreation, tourism and quality of life; and

**WHEREAS,** the public involvement process used to develop the 2006 and 2012 Parks, Recreation and Open Space Comprehensive Plans included the goal of working with the Chelan-Douglas Land Trust to acquire properties in the Wenatchee foothills for the benefit of the community; and

**WHEREAS,** seeking grant funding and alternative sources of revenue for park and open space acquisition projects is a goal contained in the Parks, Open Space and Recreation Comprehensive Plan; and

**WHEREAS,** on February 27, 2014 the City Council approved Resolution 2014-13 authorizing staff to complete a Washington Wildlife and Recreation Program grant application through the State of Washington for the Sage Hills Gateway Acquisition Project; and

**WHEREAS,** on July 10, 2014 Resolution 2014-40 authorized the Mayor to enter into a project agreement with Chelan Douglas Land Trust for the Sage Hills Gateway Project; and

**WHEREAS,** the City applied to the State Recreation and Conservation Office (RCO) for grant funding to reimburse up to 50% of the acquisition costs; and

**WHEREAS,** the Sage Hills Gateway Project was recommended to receive funding and on October 22, 2015 Resolution 2015-60 was approved, accepting the grant and authorizing execution of the project agreement with the State of Washington; and

**WHEREAS**, the property value was determined through an appraisal and review appraisal, environmental and cultural reviews completed and a purchase and sale agreement was prepared with the Chelan-Douglas Land Trust; and

**NOW, THEREFORE, BE IT RESOLVED BY** the City Council of the City of Wenatchee that the Mayor shall be and hereby is authorized to sign the real estate purchase and sale agreement with the Chelan-Douglas Land Trust in the form attached hereto as Exhibit “A” for the properties incorporated in the Sage Hills Gateway Project.

**PASSED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE** at a regular meeting thereof this 9th day of February 2017.

CITY OF WENATCHEE, a Municipal Corporation

By: \_\_\_\_\_  
FRANK KUNTZ, Mayor

ATTEST:

By: \_\_\_\_\_  
TAMMY STANGER, City Clerk

APPROVED:

By: \_\_\_\_\_  
STEVE D. SMITH, City Attorney

**REAL ESTATE PURCHASE AND SALE AGREEMENT**

Wenatchee, Washington

1. SELLER. CHELAN-DOUGLAS LAND TRUST, a Washington public benefit corporation.

2. PURCHASER. CITY OF WENATCHEE, a Washington municipality.

3. AGREEMENT. The Seller agrees to sell and the Purchaser agrees to purchase the real property described herein on the terms set forth herein.

4. PROPERTY. The following described properties located in the County of Chelan, State of Washington, legally described as follows (the "Property"), as fully described on Exhibit A hereto:

TOWNSHIP 22N RANGE 20EWM SECTION 06 GOV L 1 LOT 4 SS# 2207 LOT A BA #01-100, ACRES 32.1200.

TOWNSHIP 22N RANGE 20EWM SECTION 06 LOT B BLA 2014-374 LOT 1 SP 2008-107, ACRES 65.5300.

TOWNSHIP 22N RANGE 20EWM SECTION 06 GOV L 2, ACRES 40.8800.

TOGETHER WITH all water rights appurtenant to or presently being used on the property described herein.

Tax Parcel Nos. 222006110000, 2220061200020 and 222006100050

5. CONSIDERATION. The total consideration for the Property is: Payment to Seller of 50% of the fair market value of the property (\$405,000) as determined by appraisal and appraisal review (the "Purchase Price") meeting the requirements of Purchaser's grant #14-1130 Sage Hills Gateway Acquisition ("the Grant") from the State of Washington Recreation and Conservation Office. Seller agrees to donate the balance of the value to Purchaser as match for the Grant.

6. AGREEMENT. Purchaser ratifies and approves its commitments set forth in Agreement to Protect the Public Trust, between Purchaser and Seller dated \_\_\_\_\_, .

7. PAYMENT OF PURCHASE PRICE. The Purchase Price shall be payable in cash at Closing.

8. PURCHASER'S REPRESENTATION. Purchaser represents that Purchaser has sufficient funds available to close this sale in accordance with this Agreement, and is not relying on any contingent source of funds unless otherwise set forth in this Agreement.

9. TITLE. Unless otherwise specified in this Agreement, title to the Property shall be marketable at Closing. Rights, reservations, covenants, conditions, and restrictions, presently of

1 record, easements and encroachments not materially affecting the value of the property or unduly  
2 interfering with Purchaser's intended use of the Property shall not cause the title to be considered  
unmarketable. Encumbrances to be discharged by Seller shall be paid by Seller on or before Closing.

3  
4 10. TITLE INSURANCE. Buyer authorizes closing agent, at Buyer's expense, to  
5 apply for a standard form owner's policy of title insurance to be issued by North Meridian Title &  
6 Escrow. The title policy shall contain no exceptions other than those contained in said standard form  
7 and those not inconsistent with this Agreement. If title is not so insurable and cannot be made so  
8 insurable prior to closing, Purchaser may elect either to waive such encumbrances or defects, or to  
9 terminate this Agreement. PURCHASER ACKNOWLEDGES THAT A STANDARD FORM OF TITLE  
10 INSURANCE DOES NOT INSURE THE LOCATION OF BOUNDARIES AND THAT AN EXTENDED  
11 FORM OF INSURANCE IS AVAILABLE AT ADDITIONAL COSTS TO PURCHASER.

12  
13 11. CONVEYANCE. Title shall be conveyed by Statutory Warranty Deed free of  
14 encumbrances and defects except those included in this Agreement or otherwise acceptable to  
15 Purchaser. Seller shall transfer to Purchaser at closing the Seller's interest in any permits, licenses  
16 or water rights, if any, appurtenant to the Property.

17 12. SELLER'S DISCLOSURES, REPRESENTATIONS AND DISCLAIMERS.

18 (a) Utilities: The property is presently not served by utilities. The term "served by"  
19 means (except in the case of a well and irrigation water rights) that a main or line capable of  
adequately serving the entire property abuts or adjoins the property at some point.

20 (b) Governmental Utilities: Pursuant to RCW 60.80, Purchaser and Seller do not  
21 request the escrow/closing agent to administer the disbursement of closing funds necessary to satisfy  
22 unpaid utility charges affecting the Property.

23 (c) Property Condition. Seller agrees to maintain the property in its present condition  
24 until the time Purchaser is entitled to possession. Purchaser accepts the property in its present  
25 condition to be acquired under the Grant as suitable for the intended purpose as a City park area.  
26 Seller further represents and warrants that:

27 (i) To the best of Seller's actual knowledge, Seller has not received any  
28 notice of any violation of any Environmental Laws;

(ii) To the best of Seller's actual knowledge, no tanks used for the storage  
of any Hazardous Material above or below ground are present or were at any time present on or about  
the Real Property;

(iii) To the best of Seller's actual knowledge, no action has been  
commenced or threatened regarding the presence of any Hazardous Material on or about the Real  
Property; and

(iv) Seller has not released or waived and will not release or waive the  
liability of any previous owner, lessee or operator of the Real Property or any party who may be  
potentially responsible for the presence or removal of Hazardous Material on or about the Real  
Property. Seller has made no promises of indemnification regarding Hazardous Material to any party.



1                   13. CLOSING. This sale shall be closed not later than February 28, 2017, by North  
2 Meridian Title & Escrow. "Closing" means the date on which all documents are recorded and the  
3 sale proceeds are available for disbursement to Seller. Purchaser and Seller shall deposit with  
4 closing agent all documents and monies required to complete this sale in accordance with this  
5 Agreement.

6                   14. CLOSING COSTS AND PRORATION. Seller and Purchaser shall each pay  
7 one-half of the customary escrow fees. Buyer will pay the real estate excise tax on the Purchase  
8 Price. Taxes for the current year shall be prorated as of Closing.

9                   15. POSSESSION. Purchaser shall be entitled to possession on Closing.

10                  16. ASSIGNMENT. Purchaser's rights under this Agreement may not be assigned.

11                  17. FIRPTA COMPLIANCE. If Purchaser does not intend to use the property as a  
12 principal residence, or if the purchase price exceeds \$300,000, then this sale may be subject to the  
13 withholding and reporting requirements of the Foreign Investment In Real Property Tax Act (FIRPTA),  
14 unless Seller furnishes to Purchaser an affidavit of nonforeign status. Seller and Purchaser agree to  
15 comply with FIRPTA, if applicable.

16                  18. NOTICES. All notices shall be in writing.

17                  All notices to be given to Seller may be delivered as follows:

18                               Served on Curt Soper, Executive Director, on behalf of Chelan-Douglas Land  
19 Trust personally, or

20                               By sending notice by U. S. Mail, postage prepaid, or recognized national  
21 courier addressed as follows:

22                                       Chelan-Douglas Land Trust  
23                                       c/o Mr. Curt Soper  
24                                       18. N. Wenatchee Avenue  
25                                       P.O. Box 4461  
26                                       Wenatchee, WA 98807-4461

27                  or,

28                                       By facsimile sent to: Curt Soper at: 1-509-667-0719

29                  or,

30                               By e-mail sent to:

31                                       Curt Soper at: Curt@cdlandtrust.org

32                  or at such other place, address, fax number or e-mail address as Purchaser may  
33 direct in writing, with a copy to:

34                                       Todd M. Kiesz, attorney for Purchaser  
35                                       Jeffers, Danielson, Sonn & Aylward, P.S.  
36                                       P.O. Box 1688

1 Wenatchee, WA 98807-1688  
2 Facsimile: (509)662-8972  
3 E-Mail: [toddk@jdsalaw.com](mailto:toddk@jdsalaw.com)

4 All notices to be given to Purchaser may be delivered as follows:

5 City of Wenatchee  
6 Parks, Recreation and Cultural Services Director  
7 PO Box 519  
8 Wenatchee, WA 98807

9 Notice shall be deemed delivered on the date of delivery if personally delivered or two days after the  
10 date of postmark if mailed, or two days after deposit with a recognized national courier for overnight  
11 delivery or within 24 hours of being sent by fax or e-mail. All notice periods shall begin and end on  
12 midnight. Unless specified as business days, all notice periods set out as a number of days shall mean  
13 calendar days. If any notice period expires on Saturday, Sunday or legal holiday under Washington  
14 state law, the notice period shall be deemed extended to the next day which is not a Saturday, Sunday  
15 or such legal holiday.

16 The parties agree that this Agreement may be transmitted between them by facsimile  
17 machine. The parties intend that faxed signatures constitute original signatures and that a faxed  
18 agreement containing the signatures (original or faxed) of all the parties is binding on the parties. For  
19 purposes of this provision, the term "fax," "faxed," and "facsimile" shall include e-mail, provided such  
20 is sent as an image of the original signed document via a PDF or other similar electronic format.

21 19. COMPUTATION OF TIME. Unless otherwise expressly specified herein, any  
22 period of time specified in this Agreement shall expire at 5:00 p.m. of the last calendar day of the  
23 specified period of time, unless the last day is Saturday, Sunday or a legal holiday, as prescribed in  
24 RCW 1.16.050, in which event the specified period of time shall expire at 5:00 p.m. of the next  
25 business day. Any specified period of five (5) days or less shall include business days only.

26 20. ATTORNEYS FEES AND VENUE. In the event that Purchaser or Seller shall  
27 commence proceedings or institute action to enforce any rights hereunder, the venue for any such  
28 proceeding or action shall be in Chelan County, Washington, and the substantially prevailing party  
shall be entitled to costs and reasonable attorney's fees, including those for appeal.

21 21. DEFAULT. If either party defaults (that is, fails to perform the acts required of  
22 them) in their contractual performance herein, the nondefaulting party may seek specific performance  
23 pursuant to the terms of this agreement, damages or rescission.

24 22. GENERAL PROVISIONS. Time is of the essence. There are no verbal  
25 agreements which modify this Agreement. This Agreement constitutes the full understanding  
26 between Seller and Purchaser. Purchaser has personally observed the property and has reached  
27 Purchaser's own conclusion as to the adequacy and acceptability of the property based upon such  
28 personal inspection. Unless otherwise expressly specified herein, square footage, dimensions,  
and/or boundaries used in marketing the property are understood to be approximations and are not  
intended to be relied upon to determine the fitness or value of the property.

23 23. LEGAL AND TAX IMPLICATIONS. This Agreement affects your legal rights  
and obligations and will have tax implications. If you have any questions regarding this agreement

1 and the addendums, attachments or other related documents, you should consult an attorney or tax  
2 advisor.

3 24. AUTHORITY TO SIGN. The parties signing this instrument hereby  
4 acknowledge that they are authorized to execute the instrument on behalf of the entities they are  
5 signing for and acknowledge it to be the free and voluntary act of such parties for the uses and  
6 purposes mentioned in the instrument.

7 25. FACSIMILE/E-MAIL COPIES/COUNTERPARTS. The parties agree that this  
8 Agreement may be executed in counterparts, each of which shall be deemed an original and all of  
9 which together shall constitute one and the same agreement, and may be transmitted between them  
10 electronically or by facsimile machine. The parties intend that electronically transmitted or faxed  
11 signatures constitute original signatures and that agreements containing the signatures (original, e-  
12 mailed or faxed) of all the parties shall constitute a fully executed original and shall be binding on the  
13 Parties.  
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"SELLER"

CHELAN-DOUGLAS LAND TRUST  
A Washington Nonprofit Corporation

By \_\_\_\_\_

Date: \_\_\_\_\_, 2016

Phone No. \_\_\_\_\_

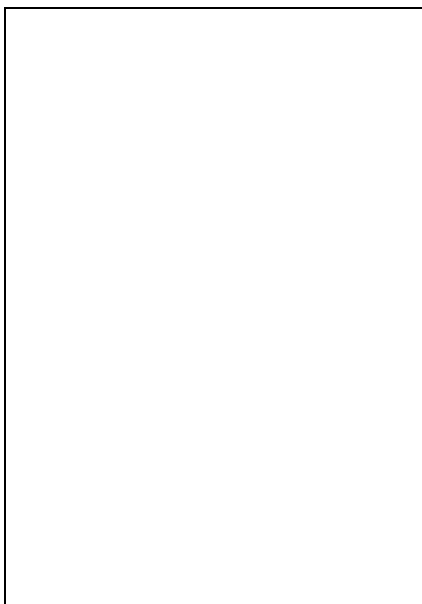
STATE OF WASHINGTON )

) ss.

COUNTY OF CHELAN )

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of the Chelan-Douglas Land Trust to be the free and voluntary act of such Party for the uses and purposes mentioned in the instrument.

Dated: \_\_\_\_\_



\_\_\_\_\_  
Notary Public

Print Name \_\_\_\_\_

My commission expires \_\_\_\_\_

“PURCHASER”

1 CITY OF WENATCHEE

2  
3 By: \_\_\_\_\_

4 Its: \_\_\_\_\_

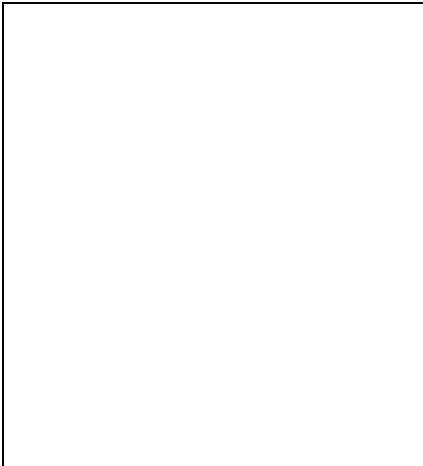
5  
6  
7 STATE OF WASHINGTON )

8 ) ss.

9 COUNTY OF CHELAN )

10  
11 I certify that I know or have satisfactory evidence that  
12 \_\_\_\_\_ is the person who appeared before me, and said person  
13 acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to  
14 execute the instrument and acknowledged it as the \_\_\_\_\_ of the City of  
15 Wenatchee to be the free and voluntary act of such Party for the uses and purposes mentioned in the  
16 instrument.

17 Dated: \_\_\_\_\_



18  
19 \_\_\_\_\_  
20 Notary Public

21 Print Name \_\_\_\_\_

22 My commission expires \_\_\_\_\_  
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## EXHIBIT A – LEGAL DESCRIPTION

**[INSERT LEGAL]**



# MEMO

Parks, Recreation and Cultural Services Department

To: Mayor Kuntz and City Council  
From: Dave Erickson, Parks, Recreation and Cultural Services Director  
Re: Hale Park Phase One Construction Agreement  
Date: February 3, 2017

## ***ACTION REQUESTED:***

**Motion to authorize the Mayor to sign a standard construction agreement with Selland Construction in the amount of \$554,641.61 for the construction of the Hale Park Phase One Project.**

## ***BACKGROUND:***

The Hale family approached the City in early 2013 about donating five parcels of land totaling 4.97 acres for a future City Park. A review of the 2012-2018 PROS Plan and the parcels determined that accepting the properties was consistent with the goals and objectives contained in the plan. Also early in 2013, staff prepared a waiver of retroactivity request to the Washington State Recreation Conservation Office (RCO) and National Parks Service in the event the donation of the property was accepted by the City. This waiver allows for the reimbursement of certain acquisition related expenses and the use of the value of the property for grant match if a future successful grant application was made to either agency. The waiver of retroactivity was approved on by the State on March 29, 2013.

Following the completion of appraisals and environmental and cultural reviews, the City Council approved Resolution 2013-23 on April 25, 2013 which accepted the donation of the property for the park.

For the remainder of 2013 a park design process which included workshops, community meetings and surveys was conducted to develop a conceptual plan for the park area. The concept plan was then used to prepare a funding strategy for the park.

On March 13, 2014 the City Council authorized the submittal of a grant application to the state Recreation Conservation Office for the project. At that time, the funding request was anticipated to be in the \$450,000-\$500,000 range with specific design elements to be determined during the development of the grant application to match available funding, positive scoring ability and required elements. Elements targeted included: Parking, lighting, acquisition costs, fencing, ADA accessible walkways, utilities and the first phase of the off leash recreation area. Over the next six months during the grant application process as the project and available budget was refined, the scope of the project was also narrowed. The major



project elements included: Property acquisition, project engineering, off leash recreation area, fencing, water system, signs and landscaping. The project budget as contained in the 2014 grant was:

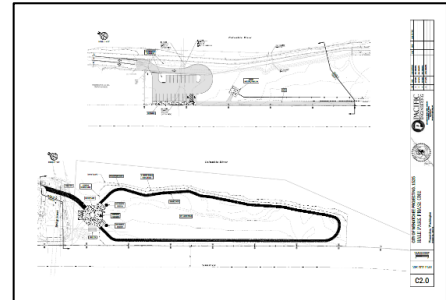
Land/Incidentals	\$463,353
Administrative	\$5,000
Development	\$509,581
Architectural and Engineering	<u>\$76,989</u>
Total Cost Estimate	\$1,054,923

On July 1, 2015 staff received notification from the state that the grant application was successful and to be fully funded with a total grant award of \$523,000.

The grant requires a 50% match. The match for this grant is coming from a variety of sources including: The appraised value of the donated property, the costs associated with three successful Utilities and Transportation Commission grants received for the project in 2014 and 2015, City Force Account (staff time, materials and equipment), and fundraising efforts that have been completed for the off leash recreation area by City staff and FIDO.

On October 22, 2015 the City Council approved Resolution 2015-59 authorizing the Mayor to sign the grant agreement with the State and the construction phase of the project began.

From October through December 2015 a request for proposals (RFP) solicitation was prepared to obtain proposals for project final engineering, and construction bidding and management. From this process, Pacific Engineering was selected to complete the project and a consultant agreement was approved by City Council on February 25, 2016. Final details and engineering was completed over the next 10 months.



On January 16, 2017 the phase one construction project was advertised. A contractor site visit was conducted on January 24<sup>th</sup> and the bids were due back on February 1st at 12:00pm. The following base bids were received:

- Selland Construction \$400,273.00
- Strider Construction \$442,218.95
- KRCI \$472,269.06
- Smith Excavation \$546,608.00

(Base bids do not include sales tax or alternative bid items)

The current construction budget breakdown is as follows (numbers rounded to the nearest dollar):

<b>Expense:</b>		<b>Revenues:</b>	
Primary construction	\$433,896	RCO Grant match in match bank*	\$477,508
Alternative item	\$120,746	RCO Grant	\$22,992
Secondary construction	\$10,000	City Property Sale to WSD proceeds	<u>\$77,980</u>
Architecture and engineering	<u>\$13,838</u>	Total Revenues	\$578,480
Total Cost Estimate	\$578,480		



\* RCO grant match already satisfied through UTC grants, staff time, property donation value, dog bone sign sales, Community Foundation of North Central Washington Grant and Cascade Auto Center Grant and FIDO donation.

Bids were reviewed by Pacific Engineering and department staff. ***Following this review, Selland Construction is recommended to be awarded the construction contract. Staff is requesting that the Mayor be authorized to sign the standard construction contract so that the project may commence.***

If everything goes smoothly, construction is projected to be completed by the end of June and the grant closed by the middle of summer. Primary construction elements will include: Parking, lighting, grass picnic area, dog off leash recreation area, landscaping, storm water treatment, utilities, signs and section of a walkway.

**What's next after this phase is complete?**

Over a ten month period in 2016, two additional grant applications, (Federal Land and Water Conservation Fund and State Washington Wildlife and Recreation Program) for the construction of phase two of the park were completed. Based on project rankings, both grants totaling \$914,500 should be fully funded with grant contracts coming later this year. If the grants are accepted by the City, the final phase of the park construction would be completed in 2018/19. That phase would construct the children's play area, picnic shelter, skate park, security cameras, restrooms and additional landscaping.



# MEMO

Parks, Recreation and Cultural Services Department

To: Mayor Kuntz and City Council  
From: Dave Erickson, Parks, Recreation and Cultural Services Director  
Re: Saddle Rock Gateway Construction  
Date: February 3, 2017

## ***ACTION REQUESTED:***

**Motion to authorize the Mayor to sign a standard construction contract with Hurst Construction in the amount of \$762,632.75 for construction of the first phase of the Saddle Rock Gateway Project.**

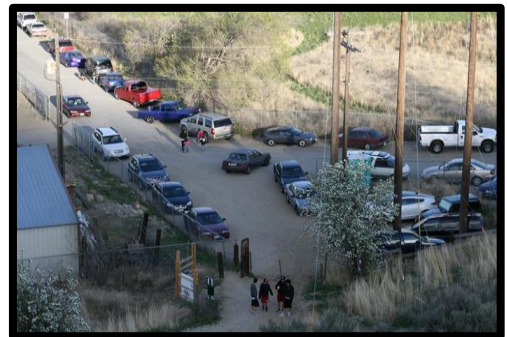
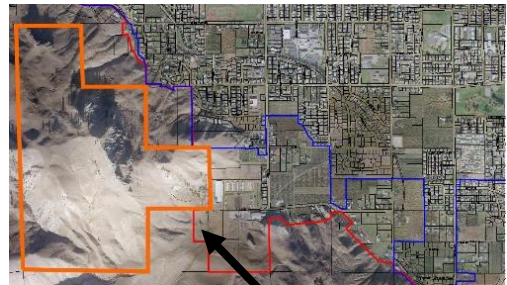
## ***BACKGROUND:***

This project has been seen by the City Council on many occasions previously from as early as 2006 when the Foothills Trails Plan and the Parks, Recreation and Open Space Comprehensive Plans were developed which identified a need to acquire and improve access to Saddle Rock; through the design process for the trailhead led by the Land Trust in 2010-13 (concept plan is at bottom right); the grant application process in 2010 through 2012 for the acquisition of Saddle Rock; and again for the grant application processes in 2012 and 2014 for the development of the gateway and outdoor education area project. It was also discussed during the resolution of the Appleatchee encroachment issue and finally through the acquisition of the project site from 2013-2015. If desired, staff can provide more detailed information about each of those processes.

Specifically for this grant construction project, City Council approved Resolution 2014-12 on March 13, 2014 which authorized a grant application to the State within the Washington Wildlife and Recreation Programs Local Parks Development Grant Program. The project is designed to construct the first phase of a permanent trailhead at Saddle Rock to improve existing parking conditions, provide ADA access, new outdoor classroom opportunities, restrooms and interpretive opportunities.

Through the competitive grant process, this project ranked first in the State, was featured during funding board meetings with legislators and was the subject of several State awards.

On July 1, 2015 staff received official notification that the grant



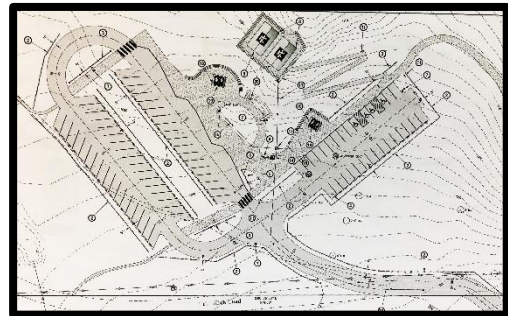
application was successful and received full funding with a total grant award of \$480,648. The project budget prepared in 2014 as part of the grant contemplated the following:

Development	\$851,296
Architecture and engineering	<u>\$110,000</u>
Total Cost Estimate	\$961,296

The 50% grant match required for this project is derived from: The Chelan Douglas Land Trust contribution, a successful Lowes Foundation grant, Alcoa Foundation grant (through CDLT) city funds received through related property transactions, a 2017 city budget allocation and city staff time. An additional funding request for City Paths and trails fund and Our Valley What’s Next Grant application are pending.

On October 22, 2015 the City Council approved Resolution 2015-61 authorizing the Mayor to sign the grant agreement with the State and the project continued to the development phase.

From October through December 2015 a request for proposals (RFP) solicitation was prepared to obtain proposals from qualified firms to complete final project engineering, bidding and construction management. On February 25, 2016 the City Council approved the selection of Pacific Engineering and final engineering commenced. It was completed in December 2016 and construction bid documents were prepared. Construction documents were reviewed and approved by the State.



On January 16, 2017 the gateway construction project was advertised. A contractor site visit was conducted on January 24<sup>th</sup> and the bids were due back on February 1st at 12:00pm. Bids were received and opened. They included:

• Hurst Construction	\$695,235.75
• Selland Construction	\$737,499.00
• Pipkin Construction	\$793,140.00
• Smith Excavation	\$808,328.00
• KRCI	\$817,731.50
• Strider Construction	\$817,720.25
• Whitebird	\$1,040,733.96

(Base bids do not include sales tax or alternative bid items)

The current construction budget breakdown is as follows (rounded to the nearest dollar):

<b>Expense:</b>		<b>Revenues:</b>	
Primary construction	\$762,633	RCO Grant	\$469,052
Secondary construction	\$20,000	Lowes Foundation*	\$50,000
Architecture and engineering	<u>\$57,418</u>	Alcoa Foundation – CDLT*	\$86,000
Total Cost Estimate	\$840,051	2017 City General Fund**	\$80,000
		CDLT Capital Account*	\$80,000

Donation to CDLT*	\$20,000
Our Valley Grant* (pending)	\$5,000
City Property Sale to Appleatchee*	<u>\$151,000</u>
Total Revenues	\$941,052

\* Outside sources are used to match RCO grant on a 1 to 1 basis.

Bids were reviewed by Pacific Engineering and department staff. ***Following this review, Hurst Construction is recommended to be awarded the construction contract. Staff is requesting that the Mayor be authorized to sign the standard construction contract so that the project may commence.***

If everything goes smoothly, construction is projected to be completed by Memorial Day weekend and the grant closed by the middle of Summer.

**What's next after this phase is complete?**

Future phases of the project include: Improving the main trail to the top of Saddle Rock, restoring habitat and removing unsustainable trails, and improving Circle Street and pedestrian access from Miller Street.

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**COUNCIL AGENDA REPORT**

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**TO:** Frank Kuntz, Mayor  
City Council Members

**FROM:** Allison Williams, Executive Services Director

**SUBJECT:** Memorandum of Understanding with AWC

**DATE:** February 6, 2017

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**Background:** Because of the City's leadership around the issue of housing, last fall AWC Center for Quality Communities began a discussion with staff to see if we would like to be a part of the Participatory Leadership Pilot Project with two other cities to train our staff and several community leaders in this model and hold a community dialogue around homelessness/housing issues. Following this memo is an overview from AWC about what this project is and what it isn't. Staff believes that participating in this training and bringing several community leaders along in the training to lead conversations like this one will be critical to us for our future. This will also provide our City with the opportunity to develop a relationship with Vancouver and Olympia who are the other participating cities. In fact, Vancouver housing leaders recently attended training in Austin with our health/housing leaders to work through the early adoption of the Medicaid waiver. Housing is said to be a solution to many community needs including overuse of health care, emergency room and jail resources.

**Finance Committee Review:** This project was reviewed by the Finance Committee in January. There was some worry about staff time commitment, but they did recommend moving forward. There is a \$5000 commitment of staff time and a \$5000 cash commitment. The cash commitment will come from the Mayor/Admin budget and the Mayor directed community resources fund at the Community Foundation.

**Action Requested:** City Council motion to approve and authorize the Mayor to sign the Memorandum of Understanding with the Association of Washington Cities Participatory Leadership Pilot Project.

## Participatory Leadership for Washington Communities

### What this project is and what it isn't

We are not talking about launching and facilitating a new strategic planning process, or creating or refining a planning process that is already underway. We are talking about one-year pilot project *to build more participatory processes and collaborative leadership capacities into Washington communities while catalyzing innovation to address the issue of homelessness* (and the related issue of addressing the challenge of housing those that need it). We sometimes refer to this project as a learning journey or learning laboratory.

The belief of the project partners is that the issue of homelessness (and getting people housed) is highly complex in nature. Our orientation is that problems of this sort are (1) not "solvable", (2) that there are, in fact, few best practices, and (3) that no single individual or entity has the solution. Addressing complex issues like homelessness requires a systemic and continually adaptive approach, rather than a predict-and-control approach that anticipates that more information will be available and that every decision can and should be revisited for the situation (think of a dynamic steering). Such an approach requires high levels of participation, collaboration, co-creation, along with inquiry and on-going learning.

Participatory Leadership is particularly helpful when the status quo is no longer acceptable. We sometimes hear that an issue or a system is stuck. This might mean that people or organizations have simply hit a wall in their ability to innovate. This might also mean that that progress has completely broken down. A such times, people become frustrated, distrustful of others, at odds, and often less likely to want to collaborate, which obviously stifles progress and change. From a systems perspective, one could say that systems are perfectly designed to get the results they are getting. Technically speaking, the system isn't broken (though it may well be stuck), but it is no longer delivering the results we want or that we can live with.

Rather than trying to make incremental changes to existing systems or patterns of engagement, the Participatory Leadership approach creates the potential for stakeholders to work together to transform the status quo, shifting from short-term fixes, tactical or event-based approaches, and competitive or "polite" engagement in order to create the future they want to see.

Participatory Leadership emphasizes 'strategic convening.' Relying on a variety of affiliated frameworks, models and methodologies, it invites the various people involved in the system to step out of their silos and their often competitive and at times even adversarial agendas and to engage in the process co-learners (as opposed to "knowers"). To do this, an environment that cultivates trust and that invites real participation and that allows ideas to emerge and take shape organically needs to be

created. This will not only support the generation of innovative ideas, decisions, and actions, it will also create wide scale buy-in.

What the project offers, in addition to the core team training and coaching, and the facilitation of the community gathering(s) or conversation(s), is a collaborative platform or enabling infrastructure that we think can support change going forward. Having a strong local hosting team will make a big difference in the success of the project.

The four project goals are as follows.

1. Build a high level of capacity among a core group of passionate and committed individuals from each of the three communities (core teams) to design and host strategic gatherings that emphasize effective dialogue, foster relationships of mutual trust, make best use of the collective wisdom that exists within diverse groups of individuals, and catalyzes wise action.
2. Build greater capacity among a broader group of community stakeholders (or participants of the gatherings/community conversations) for working together well in complexity, change, and uncertainty.
3. Increase community understanding on the complex issue of homelessness, support better local coordination, and catalyze new partnerships and new local actions.
4. Create a learning eco-system across the three pilot communities to support the local work.

At its most basic level, we're talking about people coming together to learn, grow the collaborative leadership capacities, and become better equipped to address complex issues in our communities such as homelessness.

## **Memorandum of understanding \_ DRAFT Participatory Leadership Pilot Project**

Project: Participatory Leadership Pilot Project  
Organization: City of Wenatchee  
Address: P.O. Box 519, Wenatchee WA 98807-0519  
Contact: Allison Williams  
Phone: (509)888-3616  
Email: [awilliams@wenatcheewa.gov](mailto:awilliams@wenatcheewa.gov)

This memorandum of understanding is between the Center for Quality Communities, a 501(c)(3) non-profit organization housed within the Association of Washington Cities, (hereinafter CQC) and the City of Wenatchee.

The CQC is the sponsor of a one-year pilot project on the principles and methods of Participatory Leadership. The City of Wenatchee will be the host of a pilot project in consultation with CQC's consultant on a community conversation (or series of conversations) focusing on the issue of homelessness.

The term of this agreement is from the date last signed below or project completion, whichever is first through December 31, 2017.

### **Anticipated outcomes of the Pilot Project**

1. A higher level of capacity among a core group of passionate and committed individuals from the City of Wenatchee community (the core team) for hosting or stewarding an on-going change process that includes but is not limited to a community conversation on a highly complex issue – in this specific case, homelessness. Core team members will learn how to design and host community conversations that foster effective dialogue, build relationships of mutual trust, make best use of the collective wisdom that exists within their communities, and catalyze wise action.
2. Increased capacity among the different stakeholders or participants of the community conversations in working in more participative ways.
3. Healthy new local partnerships to address the issue of homelessness and any new local, context specific actions.
4. An emerging learning eco-system across the three pilot communities to support the local work while also providing insights and ideas to refine and improve the project in subsequent years.



### **Services and activities the CQC agrees to contribute to the Project**

The Center for Quality Communities (CQC), a 501(c)(3) non-profit organization housed within the Association of Washington Cities, is the sponsor of the one-year pilot project. It has hired the Olympia, WA based consulting firm The Athena Group (project lead) to coordinate 100% of the pilot project activities and logistics. This will include supporting the formation of, and providing training and coaching support to a core group of individuals from the Wenatchee, WA community (including one City of Wenatchee staff member) in the principles and methods of Participatory Leadership (otherwise known as the Art of Participatory Leadership or the Art of Hosting) as they design and host a community conversation (or in some cases a series of conversations) focusing on the issue of homelessness. The project lead will also coordinate an all-day Participatory Leadership for Washington Communities Summit (will require travel).

CQC will coordinate with core faculty from the Masters in Public Administration Program at the Evergreen State College to design and conduct the project evaluation.

### **Services and activities the City of Wenatchee agrees to contribute to the Project**

The City of Wenatchee will demonstrate its enthusiasm for, and commitment to, the project, in the form of support from clear, unambiguous support from top city administration (Council, City Administrator, etc.). This support will include the following.

- Supporting the meaningful participation of one city staff member as a project Core Team member (Core Team member commitment summarized below under *Project time and travel commitments of community core team members*)
- **Designating the city staff member to communicate and participate in meetings, emails and phone calls with the CQC, project lead as needed, and with other pilot project communities to refine and define the participatory leadership project in future years.**
- Contributing ideas about other possible project Core Team members<sup>1</sup>
- Providing letters of support to potential foundation funders as needed
- Participating in the project evaluation conducted by the Evergreen State College

### **Financial, material and labor resources the CQC will contribute to the Project**

The Association of Washington Cities (AWC) will contribute a minimum of \$15,000 to CQC for its contribution to the project resources. The AWC will also commit financial and in-kind resources to support efforts to raise additional funds for the project. This will include direct financial support to a part-time grant writer who will continue to help CQC raise funds for the project as well as any in-kind staff hours to oversee the work of the primary contractor (The Athena Group).

### **Financial, material and labor resources the City of Wenatchee will contribute to the Project**

The City of Wenatchee will commit \$5,000 funding to support the project and \$5,000 for in-kind staff resources. The City of Wenatchee agrees to designate one city staff member as a project Core Team member to provide meaningful participation and to participate in training and meetings, emails and phone calls with the consultant as needed. The City of Wenatchee agrees to participate in an all-day Participatory Leadership for Washington Communities Summit at the conclusion of the pilot.

### **Consent of use**

Participation in the CQC project constitutes an agreement that participant name, title, business address, and any photographs, video, audio, or other visual or audio reproduction obtained during the project can be used for promotion and recruitment, including Internet and website use. The CQC is released from any liability connected with the use of project images or voices.

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<sup>1</sup> Core Team members may include top representatives of at least 4 key stakeholder organizations. Examples of key stakeholder organizations include but are not limited to public and/or non-profit social services organizations, local business/economic development, low income and/or transitional housing providers, the health department, community policing, prosecutor's office.

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**Project time and travel commitments of community core team members (*approximate time frame*)**

**1st quarter**

- Meet with project lead 2 times in person or by video tele-conference for project orientation and support in core team selection and formation
- Participate in a ½ day Introduction to Participatory Leadership training (some local travel may be required)
- Meet with project lead 1-2 times for 2 hours each to receive coaching and support in designing & hosting your community conversation (including core team function & principles; clarifying need, purpose, outcomes). Participate in emails and phone calls as needed

**2nd quarter**

- Meet with project lead 2 more times for 2 hours each to continue receiving coaching and support in designing & hosting your community conversation (including developing an invitation and participant list; making the invites) Participate in emails and phone calls as needed
- Meet with project lead for ½-1 full day to design the community conversation
- Participate in the first of two, 2-hour peer group coaching sessions (may require travel<sup>2</sup>)
- Participate in community conversation (it is assumed that each community conversation will be between 1.5 and 2.5 days, depending on the local need and purpose)

**3rd quarter**

- Meet with project lead and other project partners to debrief the community conversation and reflect on next steps
- Participate in the second of two, 2-hour peer group coaching sessions (may require travel)

**4th quarter**

- Participate in an all-day Participatory Leadership for Washington Communities Summit (will require travel)

**Accepted and agreed to by:**

\_\_\_\_\_  
Association of Washington Cities

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City of Wenatchee

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By:

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Title:

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<sup>2</sup> A travel stipend will be offered.

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## COUNCIL AGENDA REPORT

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**TO:** Frank Kuntz, Mayor  
City Council Members

**FROM:** Allison Williams, Executive Services Director

**SUBJECT:** Lodging Tax Recommendations/Wenatchee Valley Chamber of Commerce  
Municipal Services Agreement for Tourism Marketing

**DATE:** February 6, 2017

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**Background:** In December, City Council reviewed recommendations from the Lodging Tax Advisory Committee regarding 2017 contracts for funding. The Chamber had been recommended to receive a contract of \$380,000 for the regional tourism marketing effort and \$50,000 for capital for the new visitor's center. The additional \$50,000 that was recommended to Council could not be ultimately awarded because of a determination that LTAC funds could not be used for capital in a space that was not owned by the public. The additional \$50,000 was remanded back to the Lodging Tax Advisory Committee for further evaluation. The Wenatchee Valley Chamber of Commerce produced an amended budget that utilized the additional \$50,000 for the operation of the regional tourism marketing effort. The LTAC evaluated this amended budget and this change was approved and recommended back to City Council for approval. Staff has prepared a one year contract with the Wenatchee Valley Chamber of Commerce based on this amended budget and is asking for Council approval to enter in to the agreement. The agreement, which is a standard Lodging Tax Agreement, follows for Council review.

The second item for review of the LTAC was the desire to front fund up to \$2 million in improvements to the Wenatchee Convention Center through the existing ordinances for use of the hotel-motel tax dollars for the convention center's operations, maintenance and capital improvement. After an analysis of the fund balance and potential growth of the fund it was determined that at this time only the audio-visual improvements could be funded, and up to \$600,000 was identified for that project. An interfund loan will be utilized to carry out the financing of the project. To allow for flexibility, the interfund loan may be utilized to finance what the current Convention Center fund balance cannot cover i.e. restroom project. The financing plan reviewed with the City Council Finance committee follows.

**Finance Committee Review:** Both issues were discussed in January.

**Action Requested:** City Council motion to approve the Mayor's signature on a one year Municipal Services Agreement with the Wenatchee Valley Chamber of Commerce to carry out the regional tourism marketing effort on behalf of the City of Wenatchee, and authorize staff to carry out improvements at the Wenatchee Convention Center through an interfund loan.

## MUNICIPAL SERVICES AGREEMENT

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THIS AGREEMENT, made and entered into by and between the City of Wenatchee, a municipal corporation of the State of Washington, hereinafter referred to as "City," and "Wenatchee Valley Chamber of Commerce" hereinafter referred to as "Contractor."

WHEREAS, the City wishes to have certain services performed hereinafter set forth requiring specialized skills and other supportive capabilities; and

WHEREAS, sufficient City resources are not available to provide such services; and

WHEREAS, the Contractor represents that it is qualified and possesses sufficient skills and the necessary capabilities, including technical and professional expertise where required, to perform the services set forth in this Agreement;

NOW THEREFORE, for and in consideration of the mutual benefits set out herein, City and Contractor agree as follows:

1. Services. Based on the Contractor's 2016 Lodging Tax Advisory Committee Hotel Motel Tax Application, the Contractor shall perform the services identified in Exhibit A from January 1, 2017 through December 31, 2017, and provide all staffing, materials and supplies in order to carry out a dynamic tourism promotion effort on behalf of the City, including the additional projects identified as a result in the change of scope reviewed by the Lodging Tax Advisory Committee at their regular January 2017 meeting.
2. Funding Amount. The City shall pay to the Contractor for the services to be provided under this Agreement a sum equal in amount to the Lodging Excise Tax funds collected by the City during the Term of this Agreement up to a maximum amount of \$430,000. Payments made pursuant to this Section shall be the total compensation by the City for the services to be performed by Contractor. The payments to the Contractor shall be paid in 11 approximately equal monthly installments on the first of the month beginning on February 1, 2017 and shall be based on the previous month's lodging tax collection with a maximum payment of \$430,000 for the Term of the Agreement. If lodging tax revenues are less than anticipated, the monthly payments will be adjusted accordingly. In no event will the City be obligated to pay the Contractor any amount in excess of the lodging taxes actually collected during the term of this contract.
3. Documentation, Data Collection and Reporting. The Contractor shall document how City funds designated as Lodging Excise Tax funds are spent towards tourism promotion as defined in RCW 67.28.080. This documentation shall be included in quarterly reports to be provided in person by the Contractor to the City's Lodging Tax Advisory Committee, and monthly through itemized lists of expenditures provided to the City's Finance Department. This includes an annual report to the City Council within 30 days after the end of the Agreement Term as required by the Washington State JLARC (Joint Legislative Audit and Review Committee). In order to perform this function, the Contractor shall purchase or obtain data required for reporting including monthly Smith Travel reports and annual Dean Runyon reports.

4. Measurements. In Exhibit A, the Contractor identified mechanisms for measuring the effectiveness of the tourism promotion effort. As a part of the Contractor's reporting, in addition to reporting on the measurements/tourism impacts identified by the Contractor, the Contractor shall furnish, at the end of the Term, the updated actuals for the impact calculator as produced for the Contractor's 2016 Hotel-Motel Tax application / Exhibit A.
5. Indemnification. Contractor shall defend, indemnify and hold the City, its elected and appointed officers, employees, and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Contractor in the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City, its elected and/or appointed officers, employees, and/or volunteers.
6. Term. The Term of this Agreement and the performance of the Contractor shall commence on January 1, 2017 and shall be in effect until December 31, 2017.
7. Insurance. Contractor shall obtain and keep in force during the terms of the agreement the following insurance with companies or through sources approved by the State Insurance Commissioner pursuant to R.C.W. Title 48:
  - a. Worker's compensation and employer's liability insurance as required by the State of Washington.
  - b. General commercial liability insurance in an amount not less than a single limit of \$1,000,000 for bodily injury, including death and property damage per occurrence.

Excepting the worker's compensation insurance secured by Contractor, the City will be named on all certificates of insurance as an additional insured. The City reserves the right to require complete, certified copies of all required insurance policies at any time.

All insurance shall be obtained from an insurance company authorized to do business in the State of Washington. Contractor shall submit a verification of insurance and endorsements as outlined above within 14 days of the execution of this Agreement to the City.

No cancellation of the foregoing policies shall be effective without 30 days prior notice to the City.

The City will make no payments under Section 2 of this Agreement until Contractor has fully complied with this Section. This remedy is not exclusive, and the City may take such other action as is available to it under other provisions of this Agreement, or otherwise in law.

8. No Discrimination. Contractor shall not discriminate against any employee or applicant for employment in violation of RCW 49.60.180, as currently written or hereafter amended, or other applicable law prohibiting discrimination, unless based upon a bona fide occupational qualification as provided in RCW 49.60.180 or as otherwise permitted by other applicable law. Further, no person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities

made possible by or resulting from this Agreement in violation of RCW 40.60.215 or other applicable law prohibiting discrimination.

9. Dispute Resolution. Any dispute between Contractor and the City concerning this Agreement shall be first referred to the City's Mayor for mediation. If following mediation the dispute remains unresolved, either Party may commence a legal action in Chelan County Superior Court.

APPROVED by the City Council of the City of  
Wenatchee, Washington at an Open Public  
Meeting the \_\_\_\_\_ day of \_\_\_\_\_,  
2017.

By: \_\_\_\_\_  
Frank Kuntz, Mayor

APPROVED by the Board of Directors of the  
Wenatchee Valley Chamber of Commerce the  
\_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_  
(PRINT NAME)  
Board President

## 2017 WVCC Modified Destination Marketing Work Plan

*\*Based on an annual budget of \$430,000*

### Strategies and Objectives

#### Strategy #1: Strategic and Sustainable Growth in the Tourism Industry

##### Objective #1- *Delayed to 2018*

Work with industry partners to create a 5 year strategic plan for tourism development that incorporates the results of the outdoor recreation study, the two-year marketing analysis done by Adventure Wenatchee, and supports the community's goals for tourism as outlined in the Our Valley Our Future action plan. The plan will also address trends in local tourism including overflow, growing inventory, and shoulder seasons.

Cost: Not to exceed \$20,000

*Comment: The work LTAC Members, TPA Members, and City Staff will be doing to determine budget capacity in 2017 will add value to this effort in 2018 when LTAC is ready to seek a long term contract renewal for Destination Marketing and Visitor Services.*

##### Objective #2- 2017

Website redevelopment: mobile friendly, disaster preparedness, special features (itinerary builder, live chat, other)

Cost: \$45,000 (\$15,000, year 1; \$5,000 for years 2,3,4, and \$15,000 year 5)

*Comment: redevelopment of the visitor center website will begin as planned; however the 1<sup>st</sup> year budget has been reduced to \$12,000.*

##### Objective #3- 2017 modified implementation

Identify and address "gaps" in tourism marketing, infrastructure, and services (i.e. signage, community outreach, tech capability, outdoor recreation)

Cost: To Be Determined

*Comment: With limited contingency funds available, the WVCC will work to identify gaps, but the ability for the organization to respond through financial investment will be limited.*

##### Objective #4- 2017 partial implementation

Relocation of the Visitor Center to improve visibility, access, convention support, visitor experience, and site versatility.

Cost: \$140,000 for site improvements and infrastructure upgrades

\$45,000 annual FTEs support

\$20,000 for tasting room expense (offset by tasting room revenue)

*Comments: The visitor center relocation and infrastructure upgrades will occur in 2017. The additional FTE support will partially occur in 2017 if LTAC approves to re-appropriate the \$50,000 previously committed to site improvements to operational costs. The tasting room expense will only be incurred as revenues from the tasting room allow.*

Strategy #2: Meaningful data collection to meet state reporting requirement and provides useful metrics to support organizational activities.

Objective #1- 2017

Continue to invest in tools that allow for structured estimates on tourism visitation, demographics, and length of stay (Dean Runyan, STR, Adventure Wenatchee) to meet JLARC requirements.

Cost: \$7,500 annually

*Comment: The investment in reporting tools will be made in 2017 as originally planned.*

Objective #2- 2017 partial implementation

Expand reporting to also include economic impact information: report quarterly and annually to community on economic benefit of local tourism. Work with the City of Wenatchee to include viable and relevant indicators.

Cost: To Be Determined; annual contingency funds estimated to be \$25,000 per year

*Comments: This objective will be implemented to the level resources allow*

Objective #3- Modified implementation; originally scheduled for implementation in 2017/18 and 2020/2021

Conduct local market analysis in years 4 and 5 to insure accuracy of structured estimates at the local level and impact of strategy implementation.

Cost: \$25,000

Additional opportunity under consideration in years 1 and 2 is a local market analysis to gather information on visitors choosing lodging other than hotels (second homes, vacation rentals and campgrounds).

Cost: \$12,000 see appendix Exhibit C for proposal

*Comment: the proposal by in Exhibit C by Adventure Wenatchee to conduct a market research analysis to gather data on visitors staying in accommodations other than hotels will be postponed to 2018/19. The market analysis done to help with structured estimates is still believed to be necessary in 2020/2021.*

Strategy #3 Private sector and community engagement to support growth and development of the tourism industry

Objective #1- Modified implementation in 2017

Engage private sector in the completion of Our Valley What's Next action items related to tourism:

- Grow, market and recruit wine, craft beer, cider and cannabis businesses to take advantage of locally grown products
- Enhance and promote our Valley's small town community culture through planning, marketing and events.



- Leverage the region's outdoor recreation opportunities to attract businesses, professionals and tourists.
- Conduct a full-fledged analysis of economic impact of outdoor recreation in Chelan and Douglas Counties; including future impact connected too new and improved outdoor recreation assets.
- Culinary Destination – establish our Valley as a major farm to table destination
- Food and Agriculture -develop our areas orchards, vineyards, breweries and cider houses, farmer's markets and related attractions into a tourism opportunity.
- Craft Brewery District – develop and promote
- Improve recreational signage and mapping
- Encourage organizations to coordinate and to cross promote festivals and events that celebrate cultures and food.
- Expand arts, food and music festivals in the region including showcasing Latin culture to compliment the growing number of outdoor sporting events.

Cost: To Be Determined; annual contingency funds estimated to be \$25,000 per year

*Comments: This objective will be implemented to the level resources allow*

#### Objective #2- Modified implementation in 2017

Work in collaboration with other organizations toward common goals supporting tourism industry. For example:

- Wenatchee Downtown Association (downtown events)
- Pybus Foundation (events and promotional experiences)
- East Wenatchee Events Board (sports tourism and publications)
- Outdoor Recreation groups (asset use, development, and stewardship)
- Washington State Tourism Alliance (state wide tourism effort)

Cost: To Be Determined; annual contingency funds estimated to be \$25,000 per year

*Comments: This objective will be implemented to the level resources allow*

#### Objective #3- 2017

Host biannual meetings with LTAC and TPA members to report on progress and update strategies and objectives for tourism industry development

Cost: Minimal to no cost

*Comment: This objective will be implemented as planned in 2017*

#### Objective #4- Modified Implementation 2017

Provide event development/support, facilitation, consulting and reporting services.

Event development/support opportunities:

- Celebrity Chef Farm to Table Event
- Winter Lighting
- Craft Beer and Cider Event

Event Facilitation:

- Independence Day Celebration
- Tour De Bloom
- Live Art Battle
- Ale Trail
- Holiday Wine Walk

Consulting:

- Sporting Events
- Outdoor Recreation Events
- Motorcycle Rally

Reporting:

- Education on Reporting Requirements
- STR Data and Dean Runyan Structure Estimate formula
- Individual Event Reporting When Chamber is Providing Development/ Support

Cost: \$30,000 annually

*Comments: The WVCC will provide event facilitation and support for Special Olympics, the Independence Day Celebration, Ale Trail, and Holiday Wine Walk. All event development opportunities, consulting, and reporting work will be done as resources allow.*

## WVCC 2017-2021 Estimated Tourism Attendance

	2017	2018	2019	2020	2021
<b>Overall Attendance</b>	<b>1,972,910</b>	<b>2,273,257</b>	<b>2,299,496</b>	<b>2,344,818</b>	<b>2,344,818</b>
<b>Attendance 50+ Miles</b>	1,519,141	1,750,408	1,770,612	1,805,510	1,805,510
<b>Attendance, Out of State/Out of Area</b>	546,891	630,147	637,420	649,984	649,984
Out of State- Number of People	413,966	476,986	482,492	492,001	492,001
Out of Country-Number of People	132,925	153,161	154,929	157,982	157,982
<b>Attendance, Paid for Overnight Lodging</b>	1,169,739	1,347,814	1,363,371	1,390,243	1,390,243
Hotel- Number of People	744,379	857,700	867,600	884,700	884,700
Hotel- Number of Rooms	297,752	343,080	347,040	353,880	353,880
Vaction Rentals- Number of People	319,020	367,586	371,829	379,157	379,157
Camping- Number of People	106,340	122,529	123,943	126,386	126,386
<b>Attendance, Did Not Pay for Overnight Lodging</b>	803,172	925,443	936,125	954,575	954,575
Friends/Family	319,020	367,586	371,829	379,157	379,157
2nd Homes	30,383	35,008	35,412	36,110	36,110
Other Local	453,769	522,849	528,884	539,308	539,308

\* Predicted estimates utilizes 2016 STR Report Data, 2015 Dean Runyan Report Data, and demographic data provided by local attractions and the 2015-16 Adventure Wenatchee survey information

<b>Revenue</b>						
	LTAC	\$430,000.00				
	TPA	\$259,000.00				
	EWEB	\$12,000.00				
	<b>Total</b>	<b>\$701,000.00</b>				
<b>Expenses</b>						
5002	Media					
	Videos	\$12,000.00				
	Social Media	\$9,000.00				
	<b>Total</b>	<b>\$21,000.00</b>				
5004	Marketing Toolkit					
	Website	\$12,000.00				
	Photography	\$3,000.00				
	AD Creative	\$2,000.00				
	Contingency	\$2,000.00				
	<b>Total</b>	<b>\$19,000.00</b>				
5005	Sports Tourism					
	Event Support	\$8,000.00				
	Advertising/Marketing	\$8,000.00				
	Contingency	\$800.00				
	<b>Total</b>	<b>\$16,800.00</b>				
5013	Tourism Promotion					
	Media Outreach/FAM	\$2,000.00				
	Promotional Items	\$3,000.00				
	Collateral Reprint	\$3,000.00				
	Contingency	\$4,000.00				
	<b>Total</b>	<b>12,000.00</b>				
5003	Marketing					
	PR Firm	\$38,000.00				
	KW Media- TPA	\$19,000.00				
	Summer/Winter Guide	\$15,000.00				
	Ad buy- TPA	\$190,000.00				
	<b>Total</b>	<b>\$262,000.00</b>				
	<b>Grand Total</b>	<b>\$330,800.00</b>				
Additional Marketing related Expenses:						
5015	Dues, Subscriptions, & Reports					
	Washington Tourism Alliance	\$605				
	Cascade Foothills	\$250				
	Cascade Loop	\$2,600				
	NASC	\$795				
	Leavenworth Chamber	\$150				
	WSDMO/Dean Runyan	\$1,100				
	Smith Travel Research Report	\$4,700				
	Other Subscriptions	\$5,650				
	<b>Total</b>	<b>\$15,850.00</b>				
5019	Travel					
	Tourism Travel Related Expense	\$9,500.00				
	<b>Total</b>	<b>\$9,500.00</b>				
	Employees		Payroll	Payroll Taxes	Benefits	
5016/5017	4.5 FTE, Benefits, Payroll Taxes	\$261,927.00	202680	34861	24386	
	<b>Total</b>	<b>\$261,927.00</b>				
	Overhead	\$72,923.00				
	<b>Total</b>	<b>\$72,923.00</b>				
5035	Special Projects					
	Special Olympics	\$5,000.00				
	4th of July	\$5,000.00				
	<b>Total</b>	<b>\$10,000.00</b>				
	<b>Total Other Marketing</b>	<b>\$370,200.00</b>				
	<b>All Marketing</b>	<b>\$701,000.00</b>				

Convention Center Operations 5 Year projection

	2017	2018	2019	2020	2021	2022
<b>Revenues</b>						
H/M Taxes (LTAC)	601,060	724,801	823,120	847,800	873,240	899,440
Commission (1%)	86,300	87,160	88,030	88,910	89,800	90,700
Misc	1,000	1,000	1,000	1,000	1,000	1,000
<b>Transfer In</b>						
105 D/S (LTAC)	305,000	362,400	411,560	423,900	436,620	449,720
107 LTAC D/S	50,000	50,000	50,000	50,000	50,000	50,000
	<u>1,043,360</u>	<u>1,225,361</u>	<u>1,373,710</u>	<u>1,411,610</u>	<u>1,450,660</u>	<u>1,490,860</u>
<b>Expenses</b>						
Wages (7%)	142,870	152,871	163,572	175,022	187,273	200,383
Misc (7%)	213,340	228,274	244,253	261,351	279,645	299,220
Debt Service	484,260	484,873	484,849	460,950	460,883	297,108
Minor Capital	70,000	100,000	100,000	100,000	100,000	100,000
	<u>910,470</u>	<u>966,018</u>	<u>992,674</u>	<u>997,323</u>	<u>1,027,802</u>	<u>896,711</u>
<b>Revenues greater (less) than expenses</b>						
	<u>132,890</u>	<u>259,343</u>	<u>381,036</u>	<u>414,287</u>	<u>422,858</u>	<u>594,149</u>
2016 Est Fund balance	194,017					
Operating reserve 15%	136,571	144,903	148,901	149,598	154,170	134,507
Contingency	102,428	211,105	322,781	434,979	500,000	500,000
	<u>238,998</u>	<u>356,008</u>	<u>471,682</u>	<u>584,578</u>	<u>654,170</u>	<u>634,507</u>

Fund balance excess to pay loan	87,908	142,334	265,362	301,391	353,266	613,813
I/F loan pmt (int rate 1.75% )	55,000	109,625	157,875	155,250	152,625	

(X%) is the projected growth

(LTAC) growth is based on the LTAC 5 year revenue projection

The Contingency should grow to at least \$500,000 to cover major unexpected repairs.

Starting at 75% of operations + previous years balance.

**TO:** Frank Kuntz, Mayor  
City Council

**FROM:** Steve King, Community & Economic Development Director

**SUBJECT:** 2016-2017 Homeless Grant Changes

**DATE:** February 6, 2017

**MEETING DATE:** February 9, 2017

**I. OVERVIEW**

The City of Wenatchee is responsible for administering the Ten-Year Plan to Reduce Homelessness in Chelan and Douglas Counties, pursuant to an Interlocal Agreement with Chelan County, Douglas County, and the City of East Wenatchee. This includes the distribution of local homeless funds collected by county auditors from recording surcharge fees and funds distributed by the Department of Commerce through the Consolidated Homeless Grant and the Emergency Solutions Grant (ESG).

The homeless planning and fund distribution processes are guided by the Homeless Steering Committee which is comprised of community representatives and local elected officials from all jurisdictions in Chelan and Douglas Counties. A number of changes occurred during 2016 which impact homeless grant funding levels. These changes are detailed below. The Homeless Steering Committee met on January 25, 2017 to review these changes and made the following recommendations:

**Item 1 – Coordinated Entry Funding Amendments:**

**Description of change:** The City currently has grants established with seven different homeless service agencies to provide coordinated entry services for the Chelan-Douglas region. The term of the grants is 18 months (1/1/16 – 6/30/17). As the end of the grant term is approaching, sub grantee balances were reviewed to determine if budget reallocations should occur in order to more effectively promote grant balance spend-down. The following budget reallocations are recommended to ensure this occurs:

<b>Coordinated Entry Site</b>	<b>Original Budget</b>	<b>Recommended Funding Adjustment</b>	<b>Revised Budget</b>	<b>Funding Source</b>
Catholic Family & Child Service	\$81,000	\$14,000	\$95,000	Additional funding requested through County Homeless Fund Reserves.
Chelan Valley Hope	\$7,000	\$4,500	\$11,500	No additional funding requested. Transfer funds between existing HOPE grants.
Community Action Council	\$26,500	\$0	\$26,500	No additional funds needed.
SAGE	\$13,500	\$1,000	\$14,500	Additional funding requested through County Homeless Fund Reserves.

Upper Valley MEND	\$16,000	\$5,000	\$21,000	Transfer funding from unused 2016 Bring-the-Change program budget (County Homeless Fund).
Women's Resource Center	\$7,000	\$6,000	\$13,000	Transfer funding from unused CHG Monitoring funds (\$5,000) + unused CHG Data Collection funds (\$1,000).
YWCA	\$26,000	\$0	\$26,000	No additional funding requested. Zero grant balance. Services suspended.

**Recommendation:**

Staff recommends the City Council accept the Homeless Steering Committee's reallocation recommendations outlined above and authorize the Mayor to enter into an amended CHG agreement and subsequent sub grant amendments.

**Item 2: Women's Resource Center Parkside Grant - Budget Line Adjustments**

**Description of Change:** Women's Resource Center currently has a grant for facility and program operations support for their Parkside permanent supportive housing facility. They are requesting a budget line item transfer as follows:

Parkside Grant Budget Line Items	Original Budget	Requested Budget Adjustments	Revised Budget
Program Operations	\$108,226	-\$26,483.52	\$81,742.48
Facility Support	\$60,876	+\$26,483.52	\$87,359.52
Total	\$169,102	\$0	\$169,102

The budget line adjustment is needed to support additional facility support costs for night-time security personnel. This is a transfer between existing grant budget line items. No additional funding is being requested. The Homeless Steering Committee reviewed this request on January 25, 2017 and is recommending approval of the request.

**Recommendation:**

- Staff recommends the City Council accept the Homeless Steering Committee's recommendation outlined above and authorize the Mayor to enter into an amended sub grant agreement with Women's Resource Center to allow a funding transfer between existing budget line items.

**II. ACTION REQUESTED**

Staff recommends the City Council accept the Homeless Steering Committee's recommendations outlined above and authorize the Mayor to:

1. Amend the City's CHG agreement and subsequent sub grants to support funding adjustments to existing coordinated entry grants.
2. Amend the Parkside sub grant agreement with Women's Resource Center to allow a funding transfer between existing budget line items.

**III. FISCAL IMPACT Submitted to the Finance Committee Yes No - X**

There is no additional impact to the City budget.

**IV. REFERENCES**

None

**V. ADMINISTRATIVE ROUTING**

Tammy Stanger, City Clerk  
Allison Williams, Executive Services Director  
Brad Posenjak, Finance Director





**TO:** Mayor Frank Kuntz  
City Council Members

**FROM:** Steve King, Director  
Matt Parsons, Associate Planner

**SUBJECT:** Public Hearing – Annexation Ordinance 2017-04

**DATE:** February 3, 2017

**MEETING DATE:** February 9, 2017

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**I. OVERVIEW**

On November 10, 2016 a ten (10) percent annexation petition was brought before the Wenatchee City Council for property located in the vicinity of Melody Lane and Alvista Place. The approving motion set the annexation boundary, adopted the underlying zoning designation, and required the annexation area to assume existing city indebtedness. The total annexation area, including adjoining the Melody Lane Right-of-Way, is 12.7 Acres.

A 60 percent annexation petition was submitted following approval of the 10 percent petition. The petition was signed by property owners representing all three of the parcels in the proposed annexation area. The petition was then certified by the Chelan County Assessor for sufficiency.

Resolution 2017-10, approved on January 26, 2017, established a Public Hearing Date of February 9, 2017 for final action on the annexation. Notice of the public hearing was published in the Wenatchee World and posted on site in the annexation area.

**II. ACTION REQUESTED**

Staff is requesting the City Council conduct a public hearing and approve Ordinance 2017-04, providing for the annexation of property located in the vicinity of Melody Lane and Alvista Place, adopting the underlying zoning classification of Residential Moderate (RM), subject to the provisions of Ordinance No. 2007-34 and all subsequent amendments thereto.

**III. FISCAL IMPACT Submitted to the Finance Committee: No**

**IV. PROPOSED PROJECT SCHEDULE**

Upon approval, staff will notify local agencies and utility providers, complete a population census of the annexation area, and forward the information to the State OFM for final verification.

**V. ATTACHMENT(S)**

1. Ordinance 2017-04

**VI. ADMINISTRATIVE ROUTING**

Tammy Stanger, City Clerk

**ORDINANCE NO. 2017-04**

**AN ORDINANCE**, providing for the annexation of property in the vicinity of Melody Lane and Alvista Place, subject to the provisions of Ordinance No. 2007-34 and all subsequent amendments thereto.

**WHEREAS**, a petition to annex the real property hereinafter described was filed with the City Council of the City of Wenatchee, signed by owners representing 60% of the assessed valuation in the area for which annexation is petitioned, and

**WHEREAS**, the applicable zoning for the annexed property will be Residential Moderate (RM) as designated on the pre-annexation zoning map, and

**WHEREAS**, the City Council of the City of Wenatchee considered all factors relative to the proposed annexation, and

**WHEREAS**, a review proceeding for said annexation is not required pursuant to RCW 35A.14.220.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WENATCHEE DO ORDAIN** as follows:

**SECTION I**

That the following described real property located in Chelan County, Washington, contiguous to the City of Wenatchee, to-wit:

See Exhibit "A" attached hereto and incorporated herein by reference as if fully set forth;

and each and every part thereof be and the same is hereby annexed to the City of Wenatchee, State of Washington; and that the corporate limits of the City of Wenatchee be and they are hereby

extended so as to include the property and territory hereinbefore fully described. That said property be assessed and taxed at the same rate and on the same basis as the property of the City of Wenatchee is assessed and taxed to pay for the now outstanding indebtedness of the City of Wenatchee contracted prior to or existing at the time of this annexation.

## **SECTION II**

That the property described in Section I hereof be and the same is hereby classified and zoned as Residential Moderate (RM). All such zoning and classification being subject to the provisions of Ordinance No. 2007-34, and all subsequent amendments thereto.

## **SECTION III**

This Ordinance shall take effect from and after its passage on the later of sixty (60) days after publication of such Ordinance once in The Wenatchee World, the same being the official newspaper of the City of Wenatchee, and the Clerk is hereby directed to cause the same to be so publicized, or sixty (60) days from the date notice of the annexation is provided to the Chelan County Treasurer, Assessor, and light, power and gas distribution businesses.

**PASSED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE**, at a regular meeting thereof, this 9<sup>th</sup> day of February, 2017.

CITY OF WENATCHEE, a Municipal  
Corporation

By: \_\_\_\_\_  
FRANK KUNTZ, Mayor

ATTEST:

By: \_\_\_\_\_  
TAMMY STANGER, City Clerk

APPROVED:

By: \_\_\_\_\_  
STEVE D. SMITH, City Attorney

## EXHIBIT A

City of Wenatchee, Washington

### GRACE CITY CHURCH ANNEXATION BOUNDARY DESCRIPTION

December 12, 2016

A parcel of land located within: the Southwest Quarter of Section 21 of Township 23 North, Range 20 East of the Willamette Meridian, Chelan County, Washington, more particularly described as follows:

That portion of Tract 7, Sunnyslope Farms, according to the plat thereof recorded in Volume 1 of Plats, pages 57 and 58, records of Chelan County, Washington, described as: BEGINNING at the Northwest corner of said Tract 7;

thence South  $1^{\circ}04'50''$  West along the West line thereof a distance of 115 feet, being the Southwest corner of property conveyed to Gary Blair Cooper and Kari Ann Cooper, husband and wife, by deed recorded under Auditor's File No. 2031559;

thence North  $87^{\circ}19'10''$  East parallel with the North line of said Tract 7 a distance of 100.16 feet to a point which is South  $87^{\circ}19'10''$  West a distance of 230.17 feet from the East line thereof, being the Northeast corner of property conveyed to Lloyed L. Fischer, et ux, by deed recorded under Auditor's File No. 9502090008

thence South  $0^{\circ}59'20''$  West along the East line of said property a distance 30 feet to the TRUE POINT OF BEGINNING;

thence continuing South  $0^{\circ}59'20''$  West along the East line of said property a distance of 286.16 feet, more or less, to the Northerly right-of-way line of P.S.H. No. 2 as conveyed to State of Washington by deed recorded under Auditor's File no. 446628;

thence Southwesterly perpendicular to and crossing ML (Melody Lane) Line Survey as defined by SR 2 Mile Post 117.61 to 119.30, Sunnyslope Interchange Vicinity, Chelan County, Right of Way and Limited Access Plan, Station L1 668+00 to L 698+00, sheet 4 of 6, Approved March 24, 1989, on file in the Office of the Washington State Department of Transportation, Olympia, Washington, at Highway Engineer's Station (hereinafter referred to as HES) ML 17+86.27 thereon a distance of 90 feet to the Southwesterly right-of-way of said ML Line;

thence Southeasterly parallel with said ML Line to a point opposite HES ML 20+99.39 P.T. thereon and 40 feet southwesterly therefrom, said line being both the Southwesterly right-of-way line of said ML Line and limited access control line of L1 Line, as defined by said plan;

thence Northeasterly along said Southwesterly right-of-way and limited access control line to a point opposite HES ML 20+99.39 P.T. thereon and 30 feet Southwesterly therefrom, as defined by said plan;

thence Southeasterly along said Southwesterly right-of-way and limited access control line to a point opposite HES ML 21+02.36 P.C. thereon and 30 feet Southwesterly therefrom, as defined by said plan;

## Grace City Church Annexation Boundary Description

(continued)

thence Southeasterly and Easterly along said Southwesterly and Southerly right of way and limited access control line to a point opposite HES ML 22+74.60 P.T. thereon and 30 feet Southerly therefrom, as defined by said plan;

thence Southerly along said Southerly right-of-way and limited access control line to a point opposite HES ML 22+74.60 P.T. thereon and 40 feet Southerly therefrom, as defined by said plan;

thence Easterly, Northeasterly, and Northerly along the Southerly, Southeasterly, and Easterly right-of-way and limited access control line of said ML Line to a point opposite HES ML 36+55.93 thereon and 40 feet Easterly therefrom, as defined by said plan;

thence Westerly, leaving limited access control, crossing ML Line to a point opposite HES ML 36+55.93 thereon and 30 feet Westerly therefrom, to the Westerly right-of-way line of said ML Line, as defined by said plan, said line being also hereinafter described Line No. 2: (as conveyed by State of Washington in Deed recorded under auditor's no. 9110010011);

thence Southerly, Southwesterly, and Westerly along said Line No. 2 to the beginning point of said line, being the Westerly, Northwesterly, and Northerly right-of-way line of ML Line, as defined by said Deed;

thence North 55°45'49" West a distance of 40.32 feet to a point 30 feet Easterly, when measured at right angles and / or radially, from the AV Line Survey, as described by aforementioned plan, being the Northeasterly right-of-way line of ML Line, as described by said plan;

thence Northerly parallel with AV Line to a point opposite HES AV 11+20.04 thereon and 30 feet therefrom, being the Easterly right-of-way line of AV Line, as described by said plan;

thence Westerly, crossing AV Line, to a point opposite HES AV 11+20.04 thereon and 30 feet therefrom, being the Northerly right-of-way line of ML Line, as described by said plan;

thence South 0°14'01" West, parallel with AV Line, a distance of 55.04 feet to a point 30 feet Westerly, when measured at right angles and / or radially, from the AV Line Survey, being the Westerly right-of-way line of said AV Line, as described by said plan;

thence South 53°12'46" West a distance of 45.69 feet to a point 40 feet Northerly, when measured at right angles and / or radially, from the ML Line Survey, being the Northwesterly right-of-way line of ML Line, as described by said plan;

thence Westerly parallel with ML Line and 40 feet Northerly, when measured at right angles and / or radially, therefrom, to a point on the East line of Lot 5, Sunnyslope Farms, according to the plat thereof recorded in Volume 1 of Plats, pages 57 and 59, records of Chelan County, Washington, being the Northerly right-of-way line of ML Line, as described by said plan;

## Grace City Church Annexation Boundary Description

(continued)

thence Northerly, leaving the Northerly right-of-way line of ML Line, along the East line of said Lot 5 to the Northeast corner of said Lot 5, as described by said plat;

thence Westerly along the North line of said lot 5 to the Northeast corner of Lot 6, as described by said plat;

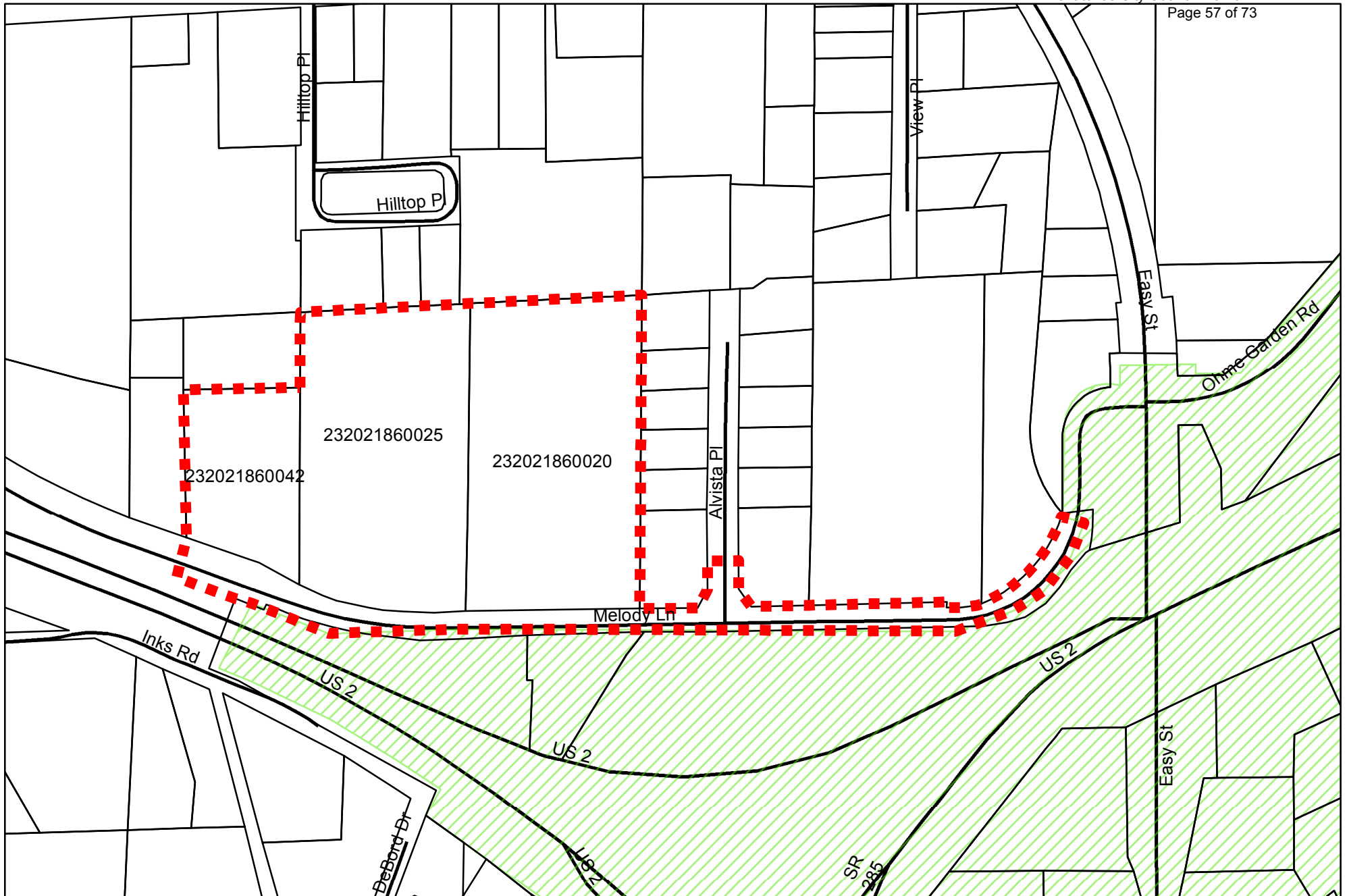
thence Westerly along the North line of said Lot 6 to the Northeast corner of Lot 7, as described by said plat;

thence South 0°59'20" West a distance of 145.0 feet to a point which is the Southeast corner of property conveyed to Stanley Schneller, Trustee, by deed recorded under Auditor's File No. 9401060011;

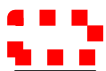
thence South 87°19'10" West along the South line of said Schneller South line a distance of 230.17 feet, more or less, to the East line of property conveyed to Loyd L. Fischer, et us, by deed recorded under Auditor's File No. 9502090008, and the TRUE POINT OF BEGINNING.

Prepared By: Joshua Velazquez  
Date: December 12, 2016





**Legend**



Grace City Church Annexation



Urban Growth Area

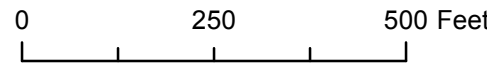
Street Centerlines



Parcels



City Limits



**Exhibit B: Proposed Grace City Church Annexation Area**

**TO:** Mayor Frank Kuntz  
City Council Members

**FROM:** Steve King, Director  
John Ajax, Senior Planner

**SUBJECT:** Ordinance 2017-01; Public Hearing amending the Multi-Family Tax Exemption Program  
– Residential Target Area

**DATE:** February 6, 2017 **MEETING DATE:** February 9, 2016

---

**I. OVERVIEW**

Staff is requesting the City Council hold a Public Hearing to consider expanding the Residential Target Area associated with the City’s Multi-family Tax Exemption (MFTE) program. Expansion of the Residential Target Area increases the number of properties eligible to participate in the MFTE program. The MFTE program is an incentive based program aimed at increasing the supply of multi-family units within the City. The existing Residential Target Area was last amended in 2008 by Ordinance 2008-23.

Overview of Multi-family Tax Exemption Program:

- Participation requires approval through an application process; does not automatically apply to multi-family projects, and requires annual reporting by the applicant, if approved.
- Allowed for new construction or rehabilitation of existing multi-family units (four or more units) only within Residential Target Area.
- Annual property tax collections can be exempted for 8 or 12 years:
  - 8 years exemption outright.
  - 12 years, if the applicant commits to renting or selling at least 20 percent of units as affordable housing to low- and moderate-income households.
- Exemption does not apply to land, existing improvements, or non-residential improvements.

Additional information on the City’s current MFTE program can be found on the City’s Website at <http://www.wenatcheewa.gov/government/community-and-economic-development/community-neighborhood-programs/multi-family-housing-tax-exemption>

**II. ACTION REQUESTED**

Staff is requesting the City Council approve Ordinance 2017-01, expanding the Residential Target Area associated with the City’s Multi-family Tax Exemption Program.

**III. BUDGET IMPACTS**

No direct impacts to the City budget.

**IV. ATTACHMENT(S)**

Ordinance 2017-01 and Exhibit 'A'

**V. REFERENCE – Resolution 2017-06; Ordinance 2008-23**

**VI. ADMINISTRATIVE ROUTING**

Tammy Stanger

Kim Schooley

**ORDINANCE NO. 2008-23**

**AN ORDINANCE**, amending Ordinance Nos. 99-7, 99-20, 2001-29, and any amendments thereto, relating to property tax exemptions for multi-family housing improvements in the designated urban center.

**THE CITY COUNCIL OF THE CITY OF WENATCHEE FINDS** as follows:

1. The City of Wenatchee did, in Ordinance No. 99-07, adopt standards for the City's Multi-family Housing Tax Exemption Program in accordance with the Act relating to tax incentives for certain multiple-unit dwellings in urban centers that provide affordable housing, consistent with Chapter 84.14 RCW.

2. The City of Wenatchee did, in Resolution No 2008-56, state the intention to expand the designation of the City of Wenatchee's Residential Target Area for the purpose of the multi-family tax exemption ordinance and setting September 11, 2008 at 5:15 PM as the date and time of the public hearing with the City Council for consideration.

3. The State legislature has, in ESSHB 1910, amended sections of Chapter 84.14 RCW and the City finds it necessary to amend its code to conform therewith.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE**, as follows:

**SECTION I**

Ordinance No. 99-7, Section I, Definitions, codified at WCC 5.88.010, shall be and hereby is amended by the addition of the following definitions:

"Affordable housing" means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income. For the purposes of housing intended for owner-occupancy, "affordable housing" means residential housing that is within the means of low or moderate-income households.

"Household" means a single person, family, or unrelated persons living together.

“Low-income household” means a single person, family, or unrelated persons living together whose adjusted income is at or below eighty percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States Department of Housing and Urban Development.

“Moderate-income household” means a single person, family, or unrelated persons living together whose adjusted income is more than eighty percent but is at or below one hundred fifteen percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States Department of Housing and Urban Development.

“Substantial compliance” means compliance with local building or housing code requirements that are typically required for rehabilitation as opposed to new construction.”

## SECTION II

Ordinance No. 99-7, shall be and hereby is amended by the addition of the following provision, to be codified at WCC 5.88.015, Exemption-Duration-Valuation, to read in its entirety as follows:

“Exemption-Duration-Valuation.

1. The value of new housing construction, conversion, and rehabilitation improvements qualifying under this ordinance is exempt from ad valorem property taxation, as follows:
  - a. For eight (8) successive years beginning January 1st of the year immediately following the calendar year of issuance of the final certificate; or
  - b. For twelve (12) successive years beginning January 1st of the year immediately following the calendar year of issuance of the final certificate, if the property otherwise qualifies for the exemption and meets the conditions in this subsection (1)(b). For the property to qualify for the twelve-year exemption under this subsection, the applicant must commit to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households, and the property must satisfy that commitment. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection (1)(b) may be satisfied solely through housing affordable to moderate-income households.
2. The exemptions provided in (1) of this section do not include the value of land or nonhousing-related improvements not qualifying under this ordinance.
3. In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to the submission of the application required under this ordinance. The incentive provided by this

ordinance is in addition to any other incentives, tax credits, grants, or other incentives provided by law.

4. This ordinance does not apply to increases in assessed valuation made by the assessor on nonqualifying portions of building and value of land nor to increases made by lawful order of a county board of equalization, the department of revenue, or a county, to a class of property throughout the county or specific area of the county to achieve the uniformity of assessment or appraisal required by law.
5. ~~At the conclusion of the exemption period, the new or rehabilitated housing cost shall be considered as new construction for the purposes of chapter 84.55 RCW.~~

### SECTION III

Ordinance No. 99-7, Section II, subsection C, as amended by Ordinance No. 2001-29, Section I, codified at WCC 5.88.040, shall be and hereby is amended to read in its entirety as follows:

“Designated Target Area.

The City Council has adopted the Residential Target Area as indicated on the map (Attachment 1) and the following general description:

Wenatchee’s urban center is an area bounded by Seventh Street on the north; Emerson, Delaware, Idaho, Kittitas and Okanogan Streets on the west; Peachey Street on the south; and Wenatchee Avenue and Columbia Street on the east.”

### SECTION IV

Ordinance No. 99-7, Section III, Project Eligibility, codified at WCC 5.88.050, shall be and hereby is amended to read in its entirety as follows:

“Project Eligibility. A proposed project must meet the following requirements for consideration for a property tax exemption under this chapter:

- (1) Location. The project must be located within Wenatchee’s residential targeted area, as designated under WCC 5.88.040.
- (2) Size. The project must provide for a minimum of 50% of the space for permanent residential occupancy. In the case of existing occupied multi-family development, the multi-family housing must also provide for a minimum of four additional multi-family units. Existing multi-family vacant housing that has been vacant for 12 months or more does not have to provide additional multi-family units. Property proposed to be rehabilitated must fail to comply with one or more standards of the applicable state or city building or housing code. If the property proposed to be rehabilitated is not vacant, an

- applicant shall provide each existing tenant housing of comparable size, quality, and price and a reasonable opportunity to relocate.
- (3) Permanent Residential Housing. At least 50% of the space designated for multi-family housing must be provided for permanent residential occupancy.
  - (4) Proposed Completion Date. New construction of multi-family housing and rehabilitation improvements must be scheduled to be completed within 3 years from the date of approval of the application.
  - (5) Affordable Housing. For the property to qualify for the 12 year tax exemption, the project must meet the affordable housing requirements as described in WCC 5.88.015 (1) (b)."

#### **SECTION V**

Ordinance No. 99-7, Section IV, subsection A, as amended by Ordinance 99-20, codified at WCC 5.88.070, shall be and hereby is amended to include the following:

"6. Verification of property noncompliance with applicable building and housing codes."

#### **SECTION VI**

Ordinance No. 99-7, Section IV, subsection D, codified at WCC 5.88.100, shall be and hereby is amended to include the following required submittals:

"4. If applicable, a statement that the project meets the affordable housing requirements as described in WCC 5.88.015 (1) (b)."

#### **SECTION VII**

Ordinance No. 99-7, Section IV, subsection F, codified at WCC 5.88.120, shall be and hereby is amended to read in its entirety as follows:

"Annual compliance review.

1. Within 30 days after the first anniversary of the date of filing the final certificate of tax exemption and each year thereafter, for the tax exemption period, the property owner shall file a notarized annual report declaration with the director indicating the following:
  - a. A statement of occupancy and vacancy of the multifamily units during the prior 12 months ending with the anniversary date; and
  - b. A certification that the property continues to be in compliance with the contract with the city, including that it has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in Section II.A. since the date of the certificate approved by the city; and
  - c. A description of any subsequent improvements or changes to the property after issuance of the certificate of tax exemption; and

- d. The total monthly rent or total sale amount of each unit produced; and
  - e. The income of each renter household at the time of initial occupancy and the income of each initial purchaser of owner-occupied units at the time of purchase for each of the units receiving a tax exemption.
2. City staff shall also conduct on-site verification of the declaration. Failure to submit the annual declaration may result in the tax exemption being cancelled.”

### SECTION VIII

Ordinance No. 99-7, and all amendments thereto, codified at WCC 5.88, shall be and hereby is amended by deleting therefrom all references to:

- A. “Uniform Building Code” and substituting therefore “International Building Code”;
- B. “Multiunit” and substituting therefore “multifamily”; and
- C. “City administrator” and substituting therefore “director”.

### SECTION IX


Except as expressly set forth herein, Ordinance No. 99-7, and any amendments thereto, shall remain in full force and effect.

### SECTION X

This Ordinance shall take effect thirty (30) days from and after passage and publication as provided by law.

**PASSED BY THE CITY COUNCIL OF THE CITY WENATCHEE**, at a regular meeting thereof, this 11 day of Sept, 2008.

CITY OF WENATCHEE

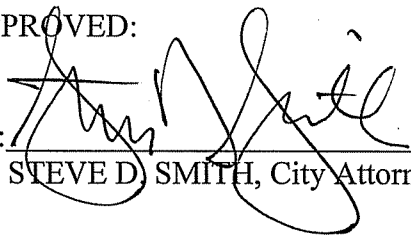
By:   
DENNIS JOHNSON, Mayor



ATTEST/AUTHENTICATION:

By:   
VICKI REISTER, City Clerk

APPROVED:

By:   
STEVE D. SMITH, City Attorney

## **RESOLUTION NO. 2017-06**

**A RESOLUTION,** stating the intention to expand the designation of the City of Wenatchee's Residential Target Area for the purpose of the multi-family tax exemption ordinance and stating the date and time of the public hearing with the City Council for consideration.

**WHEREAS,** it is the purpose of Ch. 84.14 RCW to encourage new private multi-family housing development and redevelopment within cities that are planning under the Growth Management Act, where the legislative body has found that there are insufficient housing opportunities;

**WHEREAS,** to achieve this purpose, Ch. 84.14 RCW provides for special valuation for eligible improvements associated with the provision of multi-unit housing in areas targeted as residentially deficient urban centers;

**WHEREAS,** an "urban center" is defined as a compact identifiable district where urban residents may obtain a variety of products and services, and must contain business establishments, adequate public facilities and a variety of uses and activities;

**WHEREAS,** Ch. 84.14 RCW requires that the legislative body state their intention to designate a "residential targeted area" for purposes of the multi-family housing tax exemption by resolution;

**WHEREAS,** RCW 84.14.040 states that a public hearing shall be held to consider designation of the residential targeted area prior to adoption;

**WHEREAS,** the City of Wenatchee wishes to encourage new private multi-unit housing development and redevelopment within the City's urban core

to accommodate future population growth, and to provide places to live close to employment, shopping, entertainment and transit services;

**WHEREAS**, the proposed multi-family housing tax exemption boundary depicted in Exhibit "A" attached hereto, is an urban center meeting the definition of RCW 84.14.010(18) as determined by the City Council of the City of Wenatchee, and is an area desired for continued development and re-development including increased housing opportunities.

**NOW, THEREFORE**, be it resolved by the City Council of the City of Wenatchee as follows:

1. Pursuant to RCW 84.14.040, it is the intent of the Wenatchee City Council to expand the "Residential Target Area" designation to include the area depicted in Exhibit A attached to this Resolution.
2. A duly publicized public hearing will be held on February 9, 2017, at 5:15 P.M, or as soon as practicable thereafter, at Wenatchee City Hall, Council Chambers, 129 South Chelan Avenue, Wenatchee, WA, to consider the expansion of the Residential Target Area for the purposes of the multi-family housing tax exemption program.

**PASSED BY THE CITY COUNCIL OF THE CITY OF**

**WENATCHEE**, at a regular hearing thereof this 12<sup>th</sup> day of January, 2017.

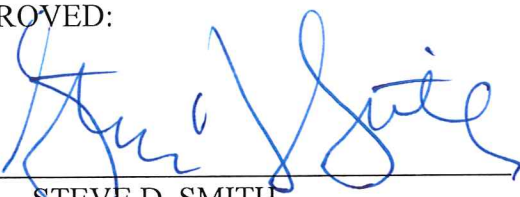
CITY OF WENATCHEE, a Municipal  
Corporation

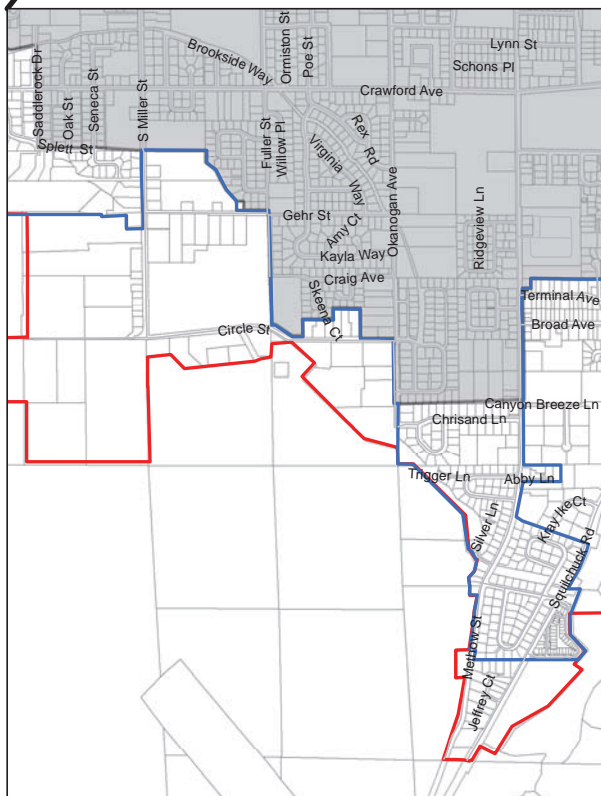
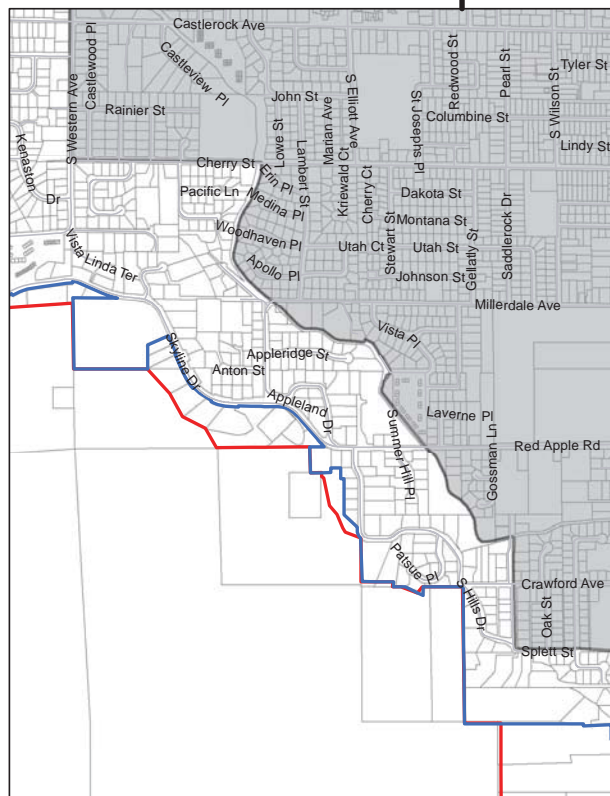
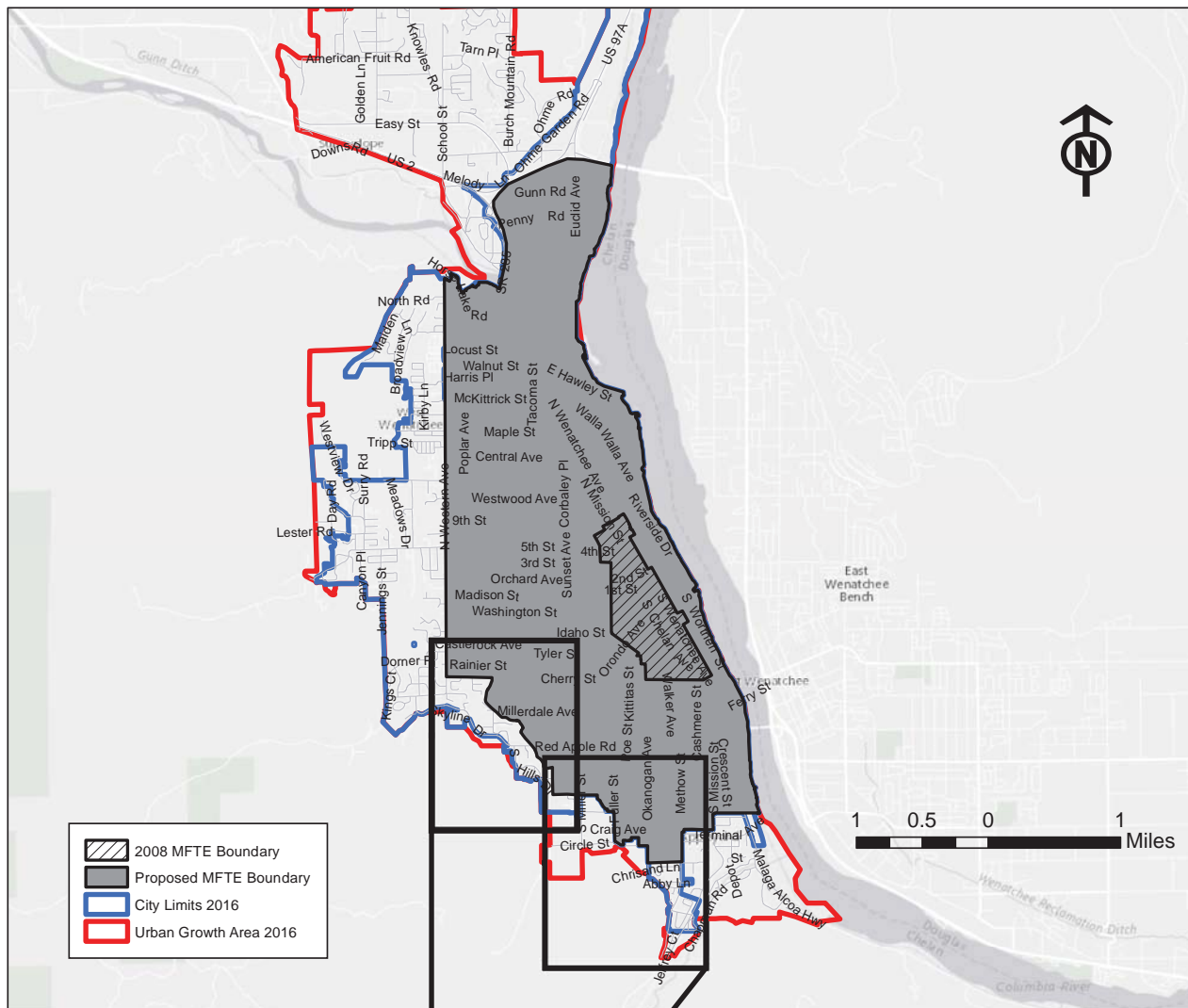
By:   
FRANK KUNTZ, Mayor

ATTEST/AUTHENTICATED:

By:   
TAMMY STANGER  
City Clerk

APPROVED:

By:   
STEVE D. SMITH  
City Attorney



**ORDINANCE NO. 2017-01**

**AN ORDINANCE**, amending Ordinance No. 2008-23, and any amendments thereto, relating to property tax exemptions for multi-family housing improvements in the designated urban center.

**THE CITY COUNCIL OF THE CITY OF WENATCHEE FINDS** as follows:

1. It is the purpose of Chapter 84.14 RCW to encourage new private multi-family housing development and redevelopment within cities that are planning under the Growth Management Act where the legislative body has found that there are insufficient housing opportunities.

2. To achieve this purpose, Chapter 84.14 RCW provides for special valuation for eligible improvements associated with the provision of multi-unit housing in areas targeted as residentially deficient urban centers.

3. An “urban center” is defined as a compact identifiable district where urban residents may obtain a variety of products and services, and must contain business establishments, adequate public facilities and a variety of uses and activities.

4. The City of Wenatchee wishes to encourage new private multi-unit housing development and redevelopment within the City’s urban core to accommodate future population growth, and to provide places to live close to employment, shopping, entertainment and transit services.

5. The City of Wenatchee did, in Ordinance No. 99-07 and subsequent amendments, adopt standards for the City’s Multi-family Housing Tax Exemption Program in accordance with the Act relating to tax incentives for certain multi-unit dwellings in urban centers that provide affordable housing, consistent with Chapter 84.14 RCW.

6. The City of Wenatchee expanded the “Residential Target Area” in Ordinance No. 2008-23, and finds it in the best interest of the public health, safety and welfare to enlarge said area again to encourage new private multi-family development and redevelopment to meet the needs of the urban center of the City of Wenatchee.

7. The City of Wenatchee’s population and density is the largest and densest in the Chelan and Douglas County area and is a regional urban center.

8. There is demand and insufficient availability of housing units at all income levels within the City of Wenatchee.

9. Current development is not meeting demand and expansion of the residential target area boundary provides an incentive to increase development at all income levels.

7. The area depicted in Exhibit “A” attached hereto is an urban center meeting the definition of RCW 84.14.010(18) as determined by the City Council of the City of Wenatchee, and is an area desired for continued development and re-development including increased housing opportunities.

8. The City of Wenatchee did, in Resolution No 2017-06, state the intention to expand the designation of the City of Wenatchee’s Residential Target Area for the purpose of the multi-family tax exemption code and setting February 9, 2017, at 5:15 PM as the date and time of the public hearing with the City Council for consideration.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE, as follows:**

**SECTION I**

Ordinance No. 2008-23, Section III, codified at WCC 5.88.040, shall be and hereby is amended to read in its entirety as follows:

“5.88.040 Designated Target Area.

The City Council has adopted the Residential Target Area as indicated on the map attached hereto as Exhibit “A”.

**SECTION II**

Except as expressly set forth herein, Ordinance Nos. 99-7 and 2008-23, and any amendments thereto, shall remain in full force and effect.

**SECTION III**

This Ordinance shall take effect thirty (30) days from and after passage and publication as provided by law.

**PASSED BY THE CITY COUNCIL OF THE CITY WENATCHEE**, at a regular meeting thereof, this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

CITY OF WENATCHEE

By: \_\_\_\_\_  
FRANK KUNTZ, Mayor

ATTEST/AUTHENTICATION:

By: \_\_\_\_\_  
TAMMY L. STANGER, City Clerk

APPROVED:

By: \_\_\_\_\_  
STEVE D. SMITH, City Attorney



# Ordinance 2017-01 - Exhibit 'A'

## MFTE Residential Target Area

