

- 0047 Mayor Barbara Larsen called the Regular Meeting of the Castle Rock City Council to order at 7:30 p.m., followed by the Pledge of Allegiance. The following councilmembers were present: Greg Marcil, Julie Bean, Ed Smith and Jeff Skeie. Councilmember Khembar Yund was absent.
- 0095 Councilmember Smith made a motion, seconded by Bean to approve the minutes of the August 13, 2007 Regular Council meeting. Councilmember Marcil abstained, the rest voted Aye, motion passed.
- 0130 Mayor Larsen presented a proclamation to Margaret Strueby, Daughters of the American Revolution, declaring September 17th through 23rd Constitution Week in the City of Castle Rock. September 17, 2007 marks the two hundred twentieth anniversary of the drafting of the Constitution of the United States of America by the Constitutional Convention.
- 0323 Mayor Larsen opened the Public Hearing at 7:35 p.m. to take public comment on the proposed budgetary amendment to increase revenues and expenditure appropriations for fiscal year ending December 2007. The affected funds include the General Fund, Police Department, Court Department, Finance Department, Water Fund, Sewer Fund and Arterial Street Fund.

Clerk-Treasurer Ryana Covington noted this is the second Public Hearing on the amendment. The reasons for the amendment are due to:

- Increase in the Arterial Street Fund resulting from additional bid costs relating to the Front Avenue Sidewalk Project, which were funded by additional revenues from the County Rural Development Fund (amount of \$28,500) and Transportation Improvement Board Grant (increasing the original grant amount an additional \$28,092).
- Police Department, increase appropriations in the amount of \$4100, for salaries and benefits as a result of re-evaluation of the department supervisor salary and completion of contract negotiations for the Police Officer bargaining contract and the Clerical bargaining contract.
- Water Fund, increase appropriations in the amount of \$10,907, for salaries and benefits as a result of re-evaluation of the department supervisor salary and completion of contract negotiations for the Clerical bargaining contract.
- Sewer Fund, increase appropriations in the amount of \$2,654, for salaries and benefits as a result of completion of contract negotiations for the Clerical bargaining contract.
- Finance Department, increase appropriations in the amount of \$6,208, for salaries and benefits as a result of re-evaluation of the department supervisor salary and completion of contract negotiations for the Clerical bargaining contract.

- Court Department, increase additional appropriations for Board of Prisoner expenses in the amount of \$18,000 due to increased jail costs.

The additional expenditure appropriations (with the exception of the Arterial Street Fund) will be funded from non-appropriated ending fund balances.

0535 There being no public comment, Mayor Larsen closed the Public Hearing at 7:40 p.m. and reconvened regular session.

0564 Police Chief Bob Heuer reports that he has met with the Humane Society of Cowlitz County Director Rick Johnson and the Humane Society Board President Wayne Lunday to address the concerns that were raised at the August 13th council meeting, by Ann Richards, 161 Leaming Avenue NW. Johnson will meet with Richards to work to resolve the issue of uncontrolled dogs roaming in Castle Rock.

0646 City Planner TJ Keiran requests approval to submit an application to the Washington State Department of Community Trade and Economic Development (CTED) Growth Management Services for \$8,750 in grant funds to implement the recently updated Comprehensive Plan. A program has been prepared to update the Permit Review procedures, the Zoning Code and Zoning Map. A letter from the mayor supporting this work is required as part of the grant application. In response to a question from Mayor Larsen, Keiran specified that these funds are to be used between October 2007 and November 2008.

In response to a question from Councilmember Smith, Keiran explained that this grant requires a 25% match which will be met with his regular salary.

0787 Councilmember Smith made a motion, seconded by Skeie to approve the submittal of an application to the Washington State Department of Community Trade and Economic Development (CTED) Growth Management Services for \$8,750 in grant funds to implement the city Comprehensive Plan. By roll call vote, unanimous Aye.

0820 City Engineer Mike Johnson reviewed the cost estimates to complete the required infrastructure improvements for ABT Development proposed Lois Dye Estates Subdivision. Johnson estimates that it would cost the City approximately \$1.2 million to complete these improvements in the event that a final plat is filed and the improvements are not completed by the contractor within the required timeframe. The recommended bond or security needed to complete this work should be 125% to 150% of the estimated costs. Therefore, the bond or security would need to be in the amount of \$1,525,000 to \$1,830,000.

City Attorney Tom O'Neill reports that he has received financing documentation from ABT Development. While reviewing those documents three issues became apparent:

1. The available funds, \$720,000, fall short of the amount required for a bond or security.
2. The documents provided do not put the City in a functional position for completion of this work.
3. The lender to ABT Development has a project completion date of December 31, 2007.

Given these issues, a surety arrangement would not meet the needs of the City. O'Neill recommends a bond requirement in the amount recommended by the City Engineer.

ABT Development President Vic Verhasselt, 2809 Louisiana Street, Longview, stated that in addition to the \$720,000 from the lender, he has a personal line of credit of \$100,000 plus \$92,218 in available cash. The total capital available for this project at this time is \$889,843. Mr. Verhasselt's construction cost estimate for this project is \$680,000. ABT Development is ready to proceed, but cannot complete the requirements of the preliminary plat approval prior to the September 13, 2007 deadline. He believes his cost estimate to be in line with costs for the private sector. Verhasselt requests a final plat extension of one year in accordance with RCW 58.17.140. This would eliminate the need for a bond. He offered to attend a monthly council meeting to report on project status.

In response to a question from Councilmember Smith, Verhasselt explained that the previous extension was for the preliminary plat process, this extension would be for the final plat process. O'Neill specified that this would require the submittal of a satisfactory Final Plat Application. The application must be reviewed by the Planning Commission. However, the Planning Commission does not meet again until after the September 13, 2007 deadline.

City Planner TJ Keiran noted that the previous extension was granted under an earlier ordinance which allowed for a one time extension of three additional years to submit for final plat. A portion of the requirements are that the Planning Commission must give approval for final plat submission. This approval is based in part upon the recommendation of the City Engineer and the Department of Health. That recommendation verifies that improvements are in place and are acceptable to the City. Once improvements are in place the final plat can be prepared. In this case, improvements are not in place. The Planning Commission would need to schedule a special session to grant approval for final plat submission. Mr. Keiran noted that the developer did not pursue the request for the bond until July 28, 2007.

In response to O'Neill's concern regarding the completion date on the lending documents, Verhasselt explained that December 31, 2007 is the date that the loan comes to term and principal plus interest must then be paid. Until that date only interest is paid. ABT Development is responsible for 100% of this loan whether the project is completed or not.

Verhasselt specified that final plat documents were submitted to the City Engineer last Friday. He stated most of the requirements for the final plat application have been met, apart from completed improvements requirements. Those improvements could be completed within a year. In addition, Verhasselt is working with Cowlitz County Public Works Ryan Lapoza on a cooperative agreement to revamp Powell Road which does not meet current county standards.

In response to a question from Mayor Larsen, Verhasselt believes that a one year extension would be from the date of council approval.

O'Neill specified that the extension referred to is actually a waiver of the statutory requirement of determination of approval or disapproval of the submitted final plat within 30 days of that submission. This is not an extension for final plat submission but rather an extension given to the City by the developer to respond to that submission by approval or disapproval. If the City accepts a bond for completion of this work it must be in the amount needed for the City to complete the work. At this point the amount in the documents presented is inadequate for the City to be secure that the improvements can be completed.

Verhasselt indicated that a performance bond in the amount that the City Engineer recommends would be a substantial cost to his company. The funding agency would question why such a high amount is needed when the cost estimate that was submitted was much lower.

Councilmember Marcil noted that if these improvements were not met by ABT Development it could be a substantial cost to the citizens of Castle Rock.

In response to Verhasselt's statement that he and his wife are the corporation, Councilmember Bean noted that if the couple were involved in an accident, the City would then be responsible for those improvements. Verhasselt stated that he could obtain a life insurance policy listing the City as the beneficiary to satisfy that concern.

Councilmember Skeie noted that a torrential winter could delay this work. Verhasselt stated that this area drains well and does not retain water.

In response to a question from Councilmember Smith, O'Neill summarized that Verhasselt has the right to submit the application and the City must consider that application but a performance bond can be required. If the developer does not complete the improvements then the City must complete them.

Bill Lowery, 309 Pioneer Avenue NE, commented that ABT Development has been working on this project for eight years. Verhasselt responded that funding was pulled after the September 11, 2001 World Trade Center incident.

Councilmember Skeie noted that ABT Development would like to make a profit from this project. However, the City is not a 'for profit' business and this request is asking the City to take a risk by accepting a bond in an amount lower than recommended by the City Engineer.

Verhasselt stated that a bond was not required in the past for this project. Clerk-Treasurer Ryana Covington clarified that the City is not liable prior to filing of the final plat.

City Engineer Johnson stated that Mr. Verhasselt has submitted to him drawings which are components to the final plat submission, but do not constitute a complete application for final plat. Mr. Verhasselt suggested that he would submit the documents to the city and then give the city permission to review the documents over a period of a year, while allowing the developer to continue to work on the project. Verhasselt stated this way the city would not be responsible for completion of the project and he would not be required to secure a performance bond.

Johnson stated city code requires the applicant to go to the city planning commission, with the complete submittal, including improvements. In this case no improvements have been made. O'Neill stated the applicant cannot waive the 30 day review period until a complete plat submission has been made, including the dedications.

Side - B

2502 Staff members stated that the statute is not clear when a preliminary plat does not have any improvement completed. O'Neill stated there are two ways to move forward with this project: 1) the developer has made an application for the bond in lieu of completion. Timelines will not be an issue, however the city would be responsible for completion of the project, if the developer defaults or 2) the council can either deny or place a dollar amount on the requested bond. The developer can then make application for his final plat approval and see if the planning commission accepts or rejects. If the planning commission denies the final plat, Mr. Verhasselt then could have the right to waive the 30-day approval period required of city staff.

Mr. O'Neill questioned if city ordinance is clear enough to determine what is specifically required for final plat approval. In the event Mr. Verhasselt chooses to select option 2 (see above), other documents would need to be submitted by the developer to both the city engineer and planner – the application is incomplete at this point. City council would need to request that the Planning Commission convene prior to the developer's September 13th plat extension deadline. If the submission is what the code requires and the Planning Commission accepts the final plat documents, then Mr. Verhasselt can advise City Council that he

- approves a time extension for the city to review the final plat documents.
- O'Neill stated that councilmembers need to decide to approve his application for a bond in lieu of improvements. Secondly council must decide to direct the Planning Commission to hold a Special Meeting to allow Mr. Verhasselt to submit documentation for final plat approval and not require a bond. .
- 3103 Councilmembers Smith and Bean both stated they would be opposed to accepting the, as presented by Mr. Verhasselt. They stated this would place the city's interests in jeopardy.
- 3234 In answer to Councilmember Skeie's concern, Mr. Verhasselt stated that he has already placed on the plat, verbiage stating that no lot can be sold until monumentation is in place. Monumentation cannot be in place until the infrastructure is completely finished. Verhasselt stated that as long as the city does not record the final plat, the city cannot be held responsible for the improvements. Mr. Verhasselt cited documents that he has submitted to meet preliminary plat requirements.
- 3600 T.J. Keiran reported on the status of ABT Development. At this time the application is considered incomplete. Mr. Verhasselt has submitted only components of the application. In addition to a complete improvements plan, there are an additional 13 preliminary plat conditions which must be met and received by the city.
- 3823 In answer to Councilmember Skeie's question, Verhasselt stated that he has hired the firm of Hampstur Corporation to prepare the final plat. A draft of the plat was submitted to the city engineer last Friday and the city also needs to assign addresses for the site. Mr. Verhasselt outlined the plat criteria requirements that he has already completed.
- 4146 Councilmember Skeie stated that he would not be opposed to Mr. Verhasselt addressing the Planning Commission, if he is able to provide a complete final plat application for their consideration. However if the city needs to consider a bond in lieu of improvements, Councilmember Skeie stated he would insist on requiring a bond based on the estimated construction costs from the city engineer.
- 4166 Mr. Verhasselt stated that ABT Development wishes to withdraw their request for a bond in lieu of construction. By consensus, councilmembers approved this request.
- 4206 Councilmembers Bean and Smith requested that the Planning Commission's Special Meeting notice include wording that the applicant also will consider granting a time extension to the city council for review of the final plat application.

4248 Mr. Keiran asked city council to include a condition that ABT Development must submit enough documentation for consideration of final plat approval, prior to asking the Planning Commission to convene a special meeting. Councilmembers agreed this condition should be met, if not no meeting will be held.

4330 Mr. Keiran cited city code that states; 'that after the city engineer and the Health Department have verified that the minimum improvements have been made, and the conditions of preliminary plat approval have been met, the Planning Commission will authorize the subdivider to prepare a final plat.' Keiran stated that Mr. Verhasselt really is not at the stage of being able to submit, because he has not received authorization from the Planning Commission.

Mr. Verhasselt stated he submitted a set of plans to the city engineer, November, 2006 and he did not get the plans back from the engineer until August, 2007. Mr. Johnson corrected Mr. Verhasselt, citing that a set of plans were submitted October 14, 2006. The engineer sent Verhasselt a letter responding to the submission on October 26, 2006. No other set of plans was resubmitted to the engineer in response to the comment letter until the fall of 2007.

4492 Keiran stated that in order for the planning commission to be able to make recommendation to council whether or not the conditions of approval have been satisfied and the improvements are in place, then in accordance with Castle Rock Municipal Code 16.28.040, which was vested in place at time of application, requires the following: 1) approved improvement plans and recommendation from the City Engineer, 2) recommendation from the Health Department. (Mr. Johnson stated there no longer is a process for this recommendation to be met), 3) a narrative from the applicant addressing all of the conditions of preliminary plat approval and then 4) the final plat filing requirements as outlined in CRMC 16.28.070 (of the vested code).

Keiran stated that a portion of the Planning Commission's meeting is consideration of staff's comments regarding the fulfillment of the filing requirements, the information that is on the actual document and staff's opinion of satisfaction of the plat conditions. Because of this, Mr. Verhasselt does not need Mr. Johnson's comments; they will be included in the staff report.

In answer to Councilmember Marcil's question, the developer must decide park land dedication or a fee in lieu of dedication. All of this must be completed prior to the Planning Commission meeting.

4801 Councilmembers discussed what deadline to provide to ABT Development for submission of their final plat application. Consideration of public meeting notice requirements was also discussed.

4884 Mr. Bill Lowery, resident, suggested that the city let the deadline pass and have the applicant reapply. He stated that he is not opposed to the development, he just

wants it to get completed so that Pioneer Avenue can be resurfaced.

Tape 2 of 2

Side - A

- 0102 Mr. Joel Mohr, resident, stated that if there is a code of law to abide by, then the applicant must be held to those standards, even if he has to resubmit.
- 0202 Councilmember continued to discuss setting a deadline for plat submission, staff review timing and meeting notice requirements. Councilmember Smith stated there is nothing to prohibit the city from canceling the meeting if the applicant fails to provide the required documents. Therefore the city can advertise two weeks in advance to allow notification of the public and then cancel, if needed.
- 0538 Councilmembers directed ABT Development to submit the required documents by noon, September 7th. Staff will review and provide a report for the Planning Commission's Special Meeting to be scheduled for September 11th at 7:00 p.m.
- 0736 City Engineer Mike Johnson, reported that the six-foot vehicle height parking restriction is not typical, however it does help to maintain visibility sightline for certain intersections. If councilmembers want to change this ordinance, the same could be accomplished by striping 'no parking' areas farther along the curb.
- 0924 Vorse noted the following bids were received when the city solicited for Chemical Procurement Vendor Supply, fiscal year 2007 and 2008.

Schedule 'A' Water Treatment Plant	Quantity	General Chemical Performance Product Parsippany, NJ	Airgas NorPac Chehalis, WA	Univar Kent, WA	Northstar Chemical Sherwood, OR	JCI Jones Chemicals, Inc. Sarasota, FL
Aluminum Sulfate	4,000 Gal	.864/gal \$3456.00	No Bid	No Bid	.72 \$2880.00	No Bid
12.5% Sodium Hypochlorite	400 Gal	No Bid	No Bid	\$5.84/gal \$2336.00 * (See Below)	No Bid	No Bid
Sodium Fluoride	2,000 Lbs	No Bid	No Bid	.68/lb \$1360.00 * (See Below)	No Bid	No Bid
Chlorine	2,000 Lbs	No Bid	\$1.96/lb \$295/cylinder	No Bid	No Bid	.7333/lb \$2199.9

* all deliveries subject to a \$45 fsc.

- 1044 Councilmember Bean made a motion, seconded by Skeie to award the Chemical

Procurement bid for fiscal year 2007 and 2008 to the low bidder for each listed chemical product. By roll call vote, unanimous 'Aye'.

- 1121 Councilmembers reviewed the proposed amendment to the Cowlitz County Hazard Mitigation Plan, to include Huntington Avenue South erosion damage at Lion's Pride Park. Vorse stated this request will also need to be adopted by the county commissioners to formally amend the county's plan.
- 1201 Councilmember Bean made a motion, seconded by Skeie to amend the Cowlitz County Hazard Mitigation Plan to include erosion damage at Lion's Pride Park. By roll call vote, unanimous 'Aye'.
- 1207 Vorse stated that \$22,000 was included in the budget for the Balcer and Woodard Street projects. As he remembers, council priority was to complete Woodard Avenue with an overlay, and if funds are available to complete Balcer with a grader patch with chip seal treatment.

Vorse reported that Cowlitz County opened bids for overlay projects, which includes Woodard and Balcer Avenue projects. Bid results were \$75/ton which exceeded the city's estimate. In 2006, the cost was \$56/ton.

Vorse distributed a cost summary for options to the Woodard Avenue and Balcer Street projects. He noted that Cowlitz County reimbursable agreement requires the city to agree to a contract minimum of 285 tons of asphalt at \$75/ton, plus a one-time mobilization cost of \$2,000. Any amount less than this would require approval by the contractor and the cost per ton may increase.

Nancy King, Balcer Street resident stated the condition of her street would be better as a gravel road because this would eliminate the potholes. Vorse added that Chaplain White also has sent email correspondence in support of repairing this road.

Councilmembers discussed options, including project life. Councilmembers Smith stated he supported and 1 1/2" overlaying for Woodard Avenue, at a cost of \$22,800 including prep work. Councilmember Skeie favored the 2" overlay, even though it would cost approximately \$1600 more. Vorse stated he could contact the contractor to see what alternative cost he would charge for the purchase of less than 285 tons.

- 1654 Councilmember Smith made a motion, seconded by Skeie to direct Vorse to negotiate with the contractor to ascertain if they would do the 1 1/2 " overlay on Woodard Avenue, requiring 192 tons of asphalt for the same cost per ton. If not, then as a second option, complete Woodard Avenue with the 2" overlay, requiring 240 tons of asphalt. A budgetary amendment may be required for the additional cost.

Discussion: Skeie stated if the contractor agrees to the cost per ton for the first option, Vorse would be allowed to bind the city for the 1 ½” overlay project. In answer to a question from Mike Mask, resident, the longevity for an 1 ½” overlay is approximately 7-10 years depending on the base; a 2” overlay will last up to 15 years. In answer to Councilmember Skeie’s question, Vorse stated the weigh limit for all streets is 13 tons.

Vote on the above motion: Unanimous ‘Aye’.

1904 Councilmember Smith made a motion, seconded by Bean to adopt Ordinance No. 2007-03, an ordinance amending parking requirements and impound authority within the City of Castle Rock, on second reading.

Discussion: Chief Heuer clarified that Section B ‘Restrictive Use Of Property’ is punishable as an infraction. Heuer also explained why the verbiage ‘likely to impede’ was included in the ordinance. The intent of the posting authority for signage such as for special events will still require council approval. Chief Heuer said the intent of the first section regarding towing would allow the police to tow as a result of signage for special purposes. The second section is for actual impoundment. Councilmember Skeie asked that a reasonable attempt to contact the vehicle owner should still be made prior to towing.

Vote on the above motion: Unanimous ‘Aye’

2164 Planner T.J. Keiran explained that the Comprehensive Land Use Designation amendment and rezone were requested by Mr. Bill Breneman for properties located on Huntington Avenue South. The following is a summary of existing designations and proposed changes:

Existing Designations And Proposed Changes						
Address or Lot#	Parcel #	Existing Land Use	Existing Comprehensive Plan Designation	Proposed Comprehensive Plan Designation	Existing Zoning District	Proposed Zoning District
Dykeman’s Lot 1	30262	Vacant	Downtown Commercial	Downtown Commercial	R2-High Density Residential	C1-Downtown Commercial
316 Huntington Avenue S.	30263	Service Station	Downtown Commercial	Downtown Commercial	R2-High Density Residential	C1-Downtown Commercial
Dykeman’s Lot 3	30265	Vacant	Downtown Commercial	Downtown Commercial	R2-High Density Residential	C1-Downtown Commercial
328 Huntington Avenue S.	30428	Mobile Homes	High Density Residential	Downtown Commercial	R1-Low Density Residential	C1-Downtown Commercial
Quaife’s Lot 4	30427	Vacant	High Density Residential	Downtown Commercial	R1-Low Density Residential	C1-Downtown Commercial

Covington stated this ordinance was originally introduced as Ordinance No. 2007-02, which was tabled by the councilmembers to allow Mr. Breneman to provide an easement to the city for maintenance of utility lines that are shared by the properties.

2273 Councilmember Bean made a motion, seconded by Smith to approve Ordinance No. 2007-05, an ordinance amending the Castle Rock Comprehensive Land Use Designation and rezoning certain properties on Huntington Avenue South from R1 (Residential) to C1 (Commercial), on first reading. By roll call vote, unanimous 'Aye'.

2297 Councilmember Skeie made a motion, seconded by Marcil to approve Ordinance No. 2007-04, an ordinance amending the budget for fiscal year ending December 31, 2007, on second reading. By roll call vote, unanimous 'Aye'.

2347 Councilmember Smith made a motion, seconded by Marcil to approve the utility bill adjustment requested by James Hayward, East Village Apartments, 890 Dougherty Drive, in the amount of \$115.54 due to unusual circumstances.

Discussion: Mr. Hayward stated that when the city replaced a water valve, the city turned off water service to the apartment complex. When service was restored to the tenants, the water was cloudy and tenants were told by the city to run water until it cleared. Mr. Hayward stated he has ten units at the apartment complex. In addition, Mr. Hayward stated that he has recently replaced all plumbing fixtures, so he feels it is unlikely that the complex had a leak. Both Councilmembers Smith and Skeie agreed that this request meets the criteria for 'unusual circumstances'.

By roll call vote, unanimous 'Aye'.

Side - B

2541 Covington stated that Librarian Vicki Selander is the only department to have turned in their budget estimates for fiscal year 2008. However, all other departments are working to complete their requests.

2574 Councilmembers reviewed the invoices for the FEMA National Flood Insurance policies. By consensus, councilmembers directed the city clerk to submit payment for coverage Option A.

2674 Public Works Director Vorse advised that two backflow devices at the RV disposal site at the Lions Pride Park were leaking. They have since been replaced and repair kits have been ordered. Vorse requests a leak adjustment in the amount of \$361.55. Councilmember Marcil noted that this is the second leak adjustment for Lion's Pride Park.

- 2761 Councilmember Bean made a motion, seconded by Skeie to approve the leak adjustment in the amount of \$361.55 as requested by the public works director. By roll call vote, unanimous 'Aye'.
- 2772 In answer to Councilmember Marcil's question, Vorse stated both he and the city engineer have been working with Washington State Department of Transportation (DOT) regarding the odor emitting from the sewer main on Huntington Avenue North which is caused from the DOT's Toutle River Rest Stop line. DOT has submitted three mitigations: replace the lining of the main with a more impervious material, use manholes with no vents and install a filter in the main to dissipate the odor. DOT hopes to have these measures in place by this fall.
- 2908 In answer to Mayor Larsen's question, Vorse stated he has located more leaks in the water main on 1st Avenue SW, in the business district. They will be working on this issue later in the week.
- 2920 Vorse reported that on Wednesday, services will be reconnected to the new water line on Cherry Street.
- 2946 Mayor Larsen announced that the new Lexington Bridge will be opening on September 7th.
- 2974 Mayor Larsen adjourned the council meeting at 10:02 p.m.

Mayor Barbara Larsen

Clerk-Treasurer