

**CITY OF CHELAN
PLANNING COMMISSION AGENDA**

1. CALL TO ORDER
2. AGENDA CHANGES
3. MINUTES
 - A) January 21, 2026 Minutes of the Planning Commission

Suggested Motion: I move to approve the January 21, 2026 Minutes of the Planning Commission
4. ADMINISTRATIVE REPORTS
 - A) Sign Code Update Work Session
 - B) Our Valley Our Future Housing Solutions Group: February Meeting
5. CITIZEN COMMENTS

Items not on the agenda. Time limited per the Planning Commission Chair.
6. COMMISSIONER COMMENTS
7. ADJOURNMENT

Final Comments / Motion to Adjourn Suggested Motion: I move to adjourn the meeting.

Our Vision

Chelan is a rural lakeside community surrounded by pristine natural beauty where generations of visitors and residents enjoy an exceptional quality of life.

Our Guiding Principles & Outcomes

Visionary & Strategic - A city that is forward-thinking, collaborative, and fiscally responsible.

Thriving & Connected - A vibrant, well-planned city where residents have a sense of home.

Healthy & Sustainable - A flourishing city that supports an active community.

Accessible & Welcoming - A safe city where everyone can find community.

The next Planning Commission meeting will be on March 18, 2026, beginning at 5:15 p.m. in Council Chambers, 135 E. Johnson Avenue, Chelan, Washington.

A Chelan Planning Commission meeting packet is available for review on the City's Website: City of Chelan under Government - Advisory Boards & Commissions - Planning Commission. The City provides special accommodations, such as hearing devices and wheelchair access for public meetings. Anyone needing special assistance, please contact the City Clerk's office at 509-682-8019 at least three business days prior to the meeting.



**CITY OF CHELAN
Planning Commission Meeting
January 21, 2026**

**PLANNING COMMISSIONERS AND ADMINISTRATIVE PERSONNEL
PRESENT**

Commissioners:

Joe Collins
Vickie Heimark
Gary Myers
Ryan Peterson
Gaylen Willett

Administrative Personnel:

Community Development Director John Ajax
Assistant Planner Linda Jo Williams

1. CALL TO ORDER

The meeting was called to order at 5:16 P.M.

2. AGENDA CHANGES

NONE

3. MINUTES

A) December 17, 2025 Minutes of the Planning Commission

Suggested Motion: I move to approve the December 17, 2025 Minutes of the Planning Commission

MOVER:	Commissioner Gary Myers
SECONDER:	Commissioner Ryan Peterson
AYES:	Commissioner Gaylen Willett , Commissioner Ryan Peterson, Commissioner Joe Collins, Commissioner Vickie Heimark, Commissioner Gary Myers
NAYS:	None
RESULT:	Passed

4. PUBLIC HEARINGS

A) TA2025-03 Public Hearing

Suggested motion: I move to recommend approval of the TA2025-03: Home Occupation Amendments to the City Council.

The Public Hearing opened at 5:17 p.m.

Director Ajax gave an overview of the proposed revisions to the Chelan Municipal Code as it relates to **Home Occupations**:

- The proposal consolidates home occupation regulations into a single general section for consistency across zoning districts.
- The amendments establish **three tiers** of home occupation intensity:
 1. **Mailing Address Only** – No customers, no changes to the residence; permitted outright with no review.
 2. **Administrative Conditional Use Permit (ACUP)** – Allows customers by appointment; capped at **10 vehicle trips per day** (5 customers).
 3. **Expanded Home Occupation (Full CUP)** – Requires Hearing Examiner approval; allowed **only in the Special Use District**.
- General requirements remain unchanged (20% floor area limit, no structural alterations, no outward appearance of business, no stock-in-trade unless produced on-site, etc.).
Commissioners asked clarifying questions regarding examples, signage, zoning districts allowed, and delivery thresholds.

Public Testimony:

- Lynette Grande, (Chelan) Asked about fees and businesses such as dance studios, violin lessons, and e-commerce resellers.

Staff clarified that appointment-based uses may qualify under ACUP if within trip limits, excessive delivery activity may trigger enforcement, and contractor-type storage or employee dispatch generally exceeds permitted thresholds unless in the Special Use District.

- Jacqueline McMullen (Chelan) Asked about home health care/assisted living. Staff clarified that these are regulated separately as **adult family homes**, allowed by state law. She also asked which zones allow home occupations; staff responded; all applicable districts were listed in the proposed code section.

MOVER:	Commissioner Vickie Heimark
SECONDER:	Commissioner Gary Myers
AYES:	Commissioner Gaylen Willett , Commissioner Ryan Peterson, Commissioner Joe Collins, Commissioner Vickie Heimark, Commissioner Gary Myers
NAYS:	None
RESULT:	Passed

Public Hearing Closed: 5:40 p.m.

5. MOTION CONSIDERATIONS

A) Planning Commission Chair Election

Suggested Motion: I move to elect (insert name) as Chair of the Planning Commission for 2026

I move to elect Joe Collins as Chair of the Planning Commission for 2026.

MOVER:	Commissioner Vickie Heimark
SECONDER:	Commissioner Gary Myers
AYES:	Commissioner Gaylen Willett , Commissioner Ryan Peterson, Commissioner Joe Collins, Commissioner Vickie Heimark, Commissioner Gary Myers
NAYS:	None
RESULT:	Passed

B) Planning Commission Vice Chair Election

Suggested motion: I move to elect (insert name) as Vice Chair of the Planning Commission for 2026.

I move to elect Vicki Heimark as Vice Chair of the Planning Commission for 2026.

MOVER:	Commissioner Gary Myers
SECONDER:	Commissioner Ryan Peterson

AYES:	Commissioner Gaylen Willett , Commissioner Ryan Peterson, Commissioner Joe Collins, Commissioner Vickie Heimark, Commissioner Gary Myers
NAYS:	None
RESULT:	Passed

6. ADMINISTRATIVE REPORTS

Director Ajax provided the administrative report and highlighted the following items:

- State of the City will be held tomorrow at Campbell’s and will be live-streamed; the link is available on the City’s website.
- The City received a \$2.5 million federal appropriation for the Apple Blossom Center water reservoir project.
- The City also received a CHIP grant(Connecting Housing to Infrastructure Program) from the Washington State Department of Commerce.
- Funds will support construction of a sewer line serving the Chelan Valley Housing Trust’s planned affordable housing subdivision on Anderson Road (estimated 50+ homes).
- The grant was highly competitive; Chelan secured a significant portion of the regional allocation. HR & Communications Director Chad Coleman played a key role in preparing the grant.
- The City’s new City Administrator, Laura McAloon, has started. She could not attend due to a Sewer District meeting. She brings extensive experience as a municipal attorney, which is valuable for planning and legal review. She will attend next month’s meeting.

Comprehensive Plan Update progress:

- The housing chapter has been fully rewritten to align with new population allocations.
- Land capacity analysis is complete.
- The transportation consultant is updating traffic data; materials expected by late March.
- Public review opportunities and multiple hearings are anticipated.
- Another joint meeting with Chelan County is planned (similar to the kickoff meeting at the high school).

Sign Code Update will begin again:

- The City delayed updates pending a federal case law that provides clearer

guidance.

- Updates will address non-commercial free speech, sign allowances for homes and businesses, and aesthetic considerations.
- Feather flags are not allowed anywhere in the city and will be subject to active code enforcement.
- Sandwich boards remain allowed downtown; clarifications will be added.
- Staff will address issues with businesses attempting to use multiple licenses at a single entrance to circumvent sign rules.
- Outdoor seating areas may require sandwich boards to be mounted on railings.

7. CITIZEN COMMENTS

Items not on the agenda. Time limited per Planning Commission Chair.

- Lynette Grande provided comments related to the **Comprehensive Plan update** and long-range planning issues. She wanted to emphasize the importance of the housing element, population allocations, and ensuring required elements are addressed. She requested discussion of building heights, particularly in the downtown area, and how height, density, and water rights interplay.
- John Olson provided comments focused on housing affordability and workforce housing challenges.

8. PLANNING COMMISSIONER COMMENTS

Commissioner Myers: No comment.

Commissioner Heimark: Wanted an update on the Apple Blossom Development (Weidner)

9. ADJOURNMENT



City of Chelan

PLANNING COMMISSION

February 18, 2026

Subject/Title: Sign Code Update Work Session
Department: Community Development
Staff Contact: Monica Libbey
Guiding Principles: Visionary & Strategic
Initiatives: Manage Growth
Reviewed By:

GOVERNING LEGISLATION

The planning commission is also authorized to review and make recommendations on the adoption and the enforcement of coordinated plans and regulations for the physical development of the city. The planning commission shall be advisory and it shall advise the city council for city council final approval.

PREVIOUS ACTION TAKEN

OVERVIEW

The purpose of this work session is to generally discuss potential updates to the City of Chelan Sign Code. Staff is seeking Planning Commission input on three key topic areas: lighting standards, temporary signs, and sign dimensional standards.

CONTENT-NEUTRALITY & LEGAL CONTEXT

Recent federal case law continues to shape how municipalities regulate signage under the First Amendment.

- *Reed v. Town of Gilbert*, 576 U.S. 155 (2015)

The U.S. Supreme Court held that sign regulations that distinguish between signs based on their content are subject to strict scrutiny. This decision requires municipalities to ensure sign codes are content-neutral unless narrowly tailored to serve a compelling governmental interest.

- ***City of Austin v. Reagan National Advertising, 596 U.S. 61 (2022)***

The Court clarified that not all distinctions require strict scrutiny. Regulations distinguishing between on-premises and off-premises signs were found to be facially content-neutral and subject to intermediate scrutiny.

These cases require Chelan’s sign regulations to be carefully structured to avoid content-based distinctions.

LIGHTING STANDARDS

Current Framework:

Within the downtown planning area, internally illuminated (back-lit box) signs are prohibited, with exceptions only for gas station signs, neon projecting signs, and signs with shadow lighting. Outside downtown, only signs illuminated by indirect lighting are regulated.

Discussion Topics:

- Whether expanded lighting standards should be adopted to reduce uplight and glare beyond the current downtown area.
- Whether use of electronic and changeable message signs (ECMs) should be expanded.

TEMPORARY SIGNS

Current Framework:

The code regulates numerous sign types, including political / real estate signs, sandwich board signs and community event banner signs.

Discussion Topics:

- Clarifying sandwich board allowances for multi-tenant properties and sidewalk businesses.
- Duration and placement criteria for temporary event signs.
- Whether temporary banner signs should be allowed in the downtown planning area.

SIGN DIMENSIONAL STANDARDS & SIMPLIFICATION

Current Framework:

The sign code includes specific dimensional standards on sign types such as freestanding and projecting signs, multiple allowances depending on frontage width, and separate requirements for the downtown planning area.

Discussion Topics:

- Opportunities to simplify and consolidate sign types for easier use.
- Whether sign area and height limits remain appropriate.
- Whether specific zoning districts (e.g., downtown vs. highway frontage) should have different sign standards.

FINANCIAL IMPLICATIONS

ATTACHMENTS

None

SUGGESTED MOTION

Chelan County Housing Affordability

Summary of Key Points for Housing Solutions Group

Purpose

This overview summarizes the key findings from the recent presentation on housing affordability in Chelan County and is intended to support ongoing community discussions about practical housing solutions.

The Core Issue: Housing Costs Have Outpaced Incomes

Housing affordability is primarily determined by the relationship between **household income and monthly housing costs**.

A widely accepted guideline is that housing costs should not exceed **30% of household income**. When costs exceed this level, households begin to experience financial strain, reduced savings, and increased risk of displacement or default.

In Chelan County:

- Median household income is roughly **\$78,000**
- An affordable monthly housing cost is approximately **\$1,950**
- This level of payment supports a home price of roughly **\$325,000** under typical financing assumptions

Most homes in Chelan County currently sell well above that level.

Current Market Reality

Typical median price ranges:

- **Wenatchee / East Wenatchee:** approximately \$480,000–\$495,000
- **Cashmere / Chelan:** approximately \$550,000–\$580,000
- **Leavenworth:** approximately \$675,000+

This means many median-income households would need **1.5 to 2 times their income** to afford a typical home in today's market.

This gap explains why many working households and first-time buyers are unable to enter the housing market.

Why Affordability Has Declined

Several factors contributed to the current situation:

- Home prices increased rapidly during the pandemic period
- Interest rates later reduced purchasing power
- Cash buyers and second-home demand increased competition
- Some housing shifted to short-term rental or seasonal use
- Local incomes did not rise at the same pace as housing costs

These conditions created a structural affordability gap that affects both renters and potential homeowners.

What Happens When Affordability Breaks

Housing markets typically follow a predictable pattern:

1. Affordability declines
2. Sales activity slows
3. Buyers delay purchases or exit the market
4. Financial stress appears first among highly leveraged borrowers
5. Prices adjust slowly, and not always evenly across markets

This process can take time and varies by community.

What Must Change to Improve Affordability

For housing to become broadly affordable again, at least one of the following must occur:

- Housing prices decline
- Household incomes increase significantly

- Rents stabilize or decline
- More housing becomes available at price points aligned with local incomes
- Housing supply increases, particularly housing designed for year-round residents

No single solution will address all aspects of the issue. Progress will likely come from a combination of policy, market changes, and community initiatives.

Moving Forward

Chelan County benefits from a strong network of people working toward housing solutions, including:

- Local governments and planners
- Builders and developers
- Realtors and lenders
- Nonprofit organizations
- Community volunteers and residents

Constructive collaboration among these groups will be essential to:

- Expand attainable housing options
- Support workforce housing
- Encourage development that aligns with local incomes
- Maintain the long-term vitality of our communities

Closing Thought

Housing affordability is not just a market issue—it is a community issue. Understanding the underlying economics helps us focus on solutions that are realistic, sustainable, and locally appropriate.