

May 26, 2026
5:15 PM

**CITY OF CHELAN
CITY COUNCIL AGENDA**

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE AND ROLL CALL
2. AGENDA CHANGES
3. CITIZEN COMMENTS
Items not on the agenda. Time limited per the Mayor.
4. CONSENT AGENDA
All items under the Consent Agenda are approved with one motion. Suggested Motion: I move to approve the Consent Agenda.
 - A. Approve May 26, 2026 Accounts Payable Checks and EFT's & Payroll Checks and EFT' s (Councilmember Collins)
 - B. Approve the May 12, 2026 Council Meeting Minutes (Deputy City Clerk Couch)
5. SPECIAL PRESENTATIONS, PROCLAMATIONS, AND AWARDS
 - A. Small Business Administration's (SBA) Office of Disaster Recovery Presentation (Todd Broadman, Public Affairs Specialist – Field Operations Center West)
6. PUBLIC HEARINGS
 - A. Washington State Department of Health Water Use and Efficiency Goals (Public Works Director Youngren)
7. MOTION CONSIDERATIONS
 - A. Ardurra Group Additional Services Addendum No. 2 to Task Authorization No. 1 for the Lift Station No. 1 Upgrades Project (Public Works Director Youngren)
 - B. RH2 Engineering, Inc. Amendment No. 1 to Task Authorization No. 15 for the Washington Booster Pump Station Improvements (Public Works Director Youngren)
 - C. Bayley Construction, LP Change Order No. 1 of the Contractor Agreement for the City of Chelan Recycling Center Replacement Project (Public Works Director Youngren)
 - D. Ardurra Group, Inc. Additional Services Addendum No. 4 for the SR150 Sewer Main Replacement Project (Public Works Director Youngren)
 - E. Washington State Department of Transportation (WSDOT) Local Agency Agreement for the Apple Blossom Trail (Public Works Director Youngren)
8. ADMINISTRATIVE REPORTS
 - A. Resolution No. 2026-14XX 2027-2032 Six-Year Transportation Improvement

Program (Public Works Director Youngren)

- B. Response to Residents Coalition of Chelan County (RC3) Regarding Short Term Rental Cap (Community Development Director Ajax)

9. INFORMATIONAL ITEMS

These items are for informational purposes only and are generally not discussed.

- A. Tentative Advanced Agenda (City Administrator McAloon)
- B. Council Committee Liaison Reports (Various Councilmembers)
- C. Contract Intake Log (City Clerk Gallucci)

10. CITY ADMINISTRATOR AND DEPARTMENT REPORTS

11. MAYOR AND COUNCIL COMMENTS

12. CLOSED SESSION

- A. RCW 42.30.140(4)(b) provides the Open Public Meetings Act does not apply to that portion of a meeting during which the governing body is planning or adopting the strategy or position to be taken by the governing body during the course of any collective bargaining, professional negotiations, or grievance or mediation proceedings, or reviewing the proposals made in the negotiations or proceedings while in progress. – No Final Action will be taken (City Attorney Batjer)

13. ADJOURNMENT

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 meeting will be a City Council Workshop Meeting on June 02, 2026, beginning at 5:15 p.m. in Council Chambers, 135 E. Johnson Avenue, Chelan, Washington.

A City Council meeting packet is available for review on the City's Website:

cityofchelan.gov/meetings



City of Chelan

City Council Meeting
May 12, 2026

COUNCIL AND ADMINISTRATIVE PERSONNEL PRESENT

Mayor:

Erin McCardle

Councilmembers:

Augustin Benegas

Brad Chitty

Shane Collins

Jon Higgins

Tim Hollingsworth

Cesar Rivera-Vargas

Terry Sanders

Administrative Personnel:

City Administrator Laura McAloon

City Attorney Quentin Batjer

City Clerk Peri Gallucci

Deputy City Clerk Cailey Couch

Community Development Director John Ajax

Finance Director Heidi Evans

HR/Communication Director Chad Coltman

Public Works Director Jake Youngren

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, ROLL CALL

The meeting was called to order at 5:15 p.m.

Mayor McCardle recessed the meeting at 5:17 p.m. due to loss of internet.

Mayor McCardle resumed the meeting at 5:22 p.m. as internet was restored.

2. CITY COUNCIL APPLICANT INTERVIEWS

A. List of Applicants - in alphabetical order, by first name (Mayor McCardle)

- Ben Laughlin
- Brant Jones
- Cesar Rivera-Vargas
- Lars Strandberg
- Pamela Gean Van Gerpen
- Todd Higley

The interview and appointment process will be held **on Tuesday, May 12, 2026, beginning at 5:15 p.m., or shortly thereafter**, in Council Chambers at City Hall. Interviews will be conducted in alphabetical order by first name.

Each applicant will be provided up to eight (8) minutes to address the Council. During their remarks, they are requested to address each of the following questions individually:

1. How do you see your role on City Council in shaping its decisions and representing community viewpoints; what special skills or viewpoints do you believe you would bring to Council?
2. Please explain the difference in the roles, duties, and authority between the mayor and a councilmember.
3. Explain your motivation for serving on Council and what your priorities would be while in the position. How do you hope to make progress on these priorities?
4. A major part of the Council agenda in the coming months will be devoted to reviewing and adopting our budget. Recognizing that there are specific fiscal and statutory constraints on City government, how would you balance and evaluate fiscal realities with competing policy objectives?
5. What else would you like to say about yourself, your priorities or your vision for Chelan that you feel is important and has not been addressed?

Please note: Responses should reflect your own judgment and priorities, and please let us know if AI was used in the development of your statement. There will be no question-and-answer period during the allotted interview time. Given the number of applicants, we respectfully ask that you plan your remarks accordingly to ensure all questions are addressed within the allotted time. City Council Councilmembers will have reviewed your application materials in advance.

Following the interviews, the Council will adjourn into Executive Session to discuss the applicants and then return to open session to potentially take action. If a nomination is made, a motion and vote will be taken. The successful applicant will be administered the Oath of Office and seated immediately. The appointed individual must be prepared to participate in the regularly scheduled City Council meeting immediately following the appointment.

Council Position No. 5 currently has approximately eighteen (18) months remaining in the term; however, under state law, this appointment will expire upon certification of the November 2, 2027 election. To serve the remainder of the term, the appointed individual will need to run for office in the November 2027 general election.

Council interviewed the following candidates for Councilmember Position No. 5: Ben Laughlin, Cesar Rivera-Vargas, Lars Strandberg, Pamela Gean Van Gerpen, and Todd Higley. The Office of the City Clerk was informed day of, that Brant Jones had withdrawn his

application. During the interview process, applicants were asked to address each of the questions individually with the allotted (8) minute period.

1. How do you see your role on City Council in shaping its decisions and representing community viewpoints; what special skills or viewpoints do you believe you would bring to Council?
2. Please explain the difference in the roles, duties, and authority between the mayor and a Councilmember.
3. Explain your motivation for serving on Council and what your priorities would be while in the position. How do you hope to make progress on these priorities?
4. A major part of the Council agenda in the coming months will be devoted to reviewing and adopting our budget. Recognizing that there are specific fiscal and statutory constraints on City government, how would you balance and evaluate fiscal realities with competing policy objectives?
5. What else would you like to say about yourself, your priorities or your vision for Chelan that you feel is important and has not been addressed?

3. EXECUTIVE SESSION

- A. RCW 42.30.110(1)(h) - To Evaluate the Qualifications of a Candidate for Appointment to Elective Office - Action May be Taken (City Attorney Batjer)

At 6:04 p.m. Mayor McCardle stated there would be an Executive Session regarding RCW 42.30.110(1)(h) - To Evaluate the Qualifications of a Candidate for Appointment to Elective Office - Action May be Taken, for 30 minutes starting at 6:10 p.m. and would last until 6:40 p.m. Council Chambers were cleared, and the Executive Session began at 6:10 p.m. At 6:40 p.m. the Executive Session was extended by 20 minutes to 7:00 p.m. At 7:00 p.m. the Executive Session was extended by 10 minutes to 7:10 p.m. At 7:10 p.m. the Executive Session was extended by five (5) minutes to 7:15 p.m. At 7:15 p.m. the Executive Session was extended by five (5) minutes to 7:20 p.m. At 7:20 the Executive Session ended, and the City Council meeting resumed at 7:23 p.m.

MOTION:	Move to appoint Cesar Rivera-Vargas to fill the vacancy in Council Position No. 5, effective upon taking the oath of office, to serve until a qualified person is elected and takes office as provided by law.
MOVER:	Councilmember Tim Hollingsworth
SECONDER:	Councilmember Shane Collins
AYES:	Councilmember Terry Sanders, Councilmember Agustin Benegas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Tim Hollingsworth, Councilmember Shane Collins

NAYS:	None
RESULT:	Passed

4. CITY COUNCIL POSITION NO. 5 OATH OF OFFICE

City Clerk Gallucci administered the Oath of Office to Cesar Rivera-Vargas, Position No. 5.

5. AGENDA CHANGES

None.

6. CITIZEN COMMENTS

Items not on the agenda. Time limited per the Mayor.

Lynette Grandy, resident of Chelan, expressed appreciation towards Councilmember Sanders for acknowledging the importance of the short-term rental cap discussion.

Vicki Martz, resident of Chelan, brought to attention the importance of including bed and breakfast lodging in the short-term rental discussion.

7. CONSENT AGENDA

All items under the Consent Agenda are approved with one motion.

A. May 12, 2026 Accounts Payable Checks and EFT's & Payroll Checks and EFT' s

May 12, 2026 Accounts Payable Checks No. 212840 - 212938 & EFT's totaling \$1,288,646.76 and Payroll Checks No. 103243 - 103256, EFT' s & Direct Deposits totaling \$538,224.12.

B. April 07, 2026 Council Workshop Meeting Minutes

C. April 14, 2026 Regular Council Meeting Minutes

D. April 28, 2026 Regular Council Meeting Minutes

E. May 05, 2026 Council Workshop Meeting Minutes

F. Ordinance No. 2026-1659 Title 1. General Provisions of the Chelan Municipal Code

MOTION:	Move to approve the Consent Agenda.
MOVER:	Councilmember Shane Collins
SECONDER:	Councilmember Jon Higgins

AYES:	Councilmember Terry Sanders, Councilmember Agustin Benegas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Rivera-Vargas, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	None
RESULT:	Passed

8. SPECIAL PRESENTATIONS, PROCLAMATIONS, AND AWARDS

A. National Public Works Week Proclamation

Mayor McCardle proclaimed the week of May 17 - 23, 2026 as National Public Works Week in Chelan.

9. PUBLIC HEARINGS

A. None.

10. MOTION CONSIDERATIONS

A. None.

11. ADMINISTRATIVE REPORTS

A. Comprehensive Plan Discussion

Community Development Director Ajax presented the framework outlining the path forward for finalizing the Comprehensive Plan, which is scheduled for completion by December 31, 2026. He explained that the Planning Commission will conduct the required public hearings according to the following schedule:

- **June 17, 2026 – Foundation:** Chapter 1 (Overview and Vision), Chapter 2 (Land Use), and Critical Areas Ordinance compliance updates
- **July 15, 2026 – Community & Housing:** Chapter 3 (Subarea Plans), Chapter 4 (Housing), and ESHB 2266-STEP housing code amendments
- **August 19, 2026 – Economy & Climate:** Chapter 5 (Economic Development) and Chapter 10 (Climate Change and Resiliency)
- **September 16, 2026 – Infrastructure & Services:** Chapter 6 (Utilities), Chapter 7 (Capital Facilities), and Chapter 8 (Parks and Recreation)
- **October 21, 2026 – Mobility & Final Comment:** Chapter 9 (Transportation), the Peterson Place private comprehensive plan proposal, and omnibus public comment on the full plan

He further noted that City Council review and adoption are anticipated to occur in

November and December 2026, with meetings held on the second and fourth Tuesdays at 6:00 p.m., as follows: November 10, 2026 – Briefing, November 24, 2026 – Public Hearing, and December 8, 2026 – Adoption.

12. INFORMATIONAL ITEMS

These items are for informational purposes only and are generally not discussed.

- A. Tentative Advanced Agenda (City Administrator McAloon)
- B. Lake Chelan Chamber of Commerce Financial Report (Finance Director Evans)
- C. Contract Intake Log (City Clerk Gallucci)
- D. Parks Department - Memorial Day Weekend Update (Parks and Recreation Director Cooper)

13. CITY ADMINISTRATOR AND DEPARTMENT REPORTS

City Administrator McAloon

She reported that Parks and Recreation Director Cooper provided a Memorial Day Weekend Update for Councilmembers' review under Information Items on the May 12, 2026 agenda. She reminded Councilmembers of the upcoming Association of Washington Cities (AWC) conference, scheduled for June 23–26, 2026, and asked those interested in attending to notify her or the Mayor to complete registration, as well as to indicate if they wished to serve as the voting delegate. She also shared that the Lake Chelan Airport tenant meeting will be held on Wednesday, May 13, 2026, and that a recap will be provided at the next City Council meeting.

City Attorney Batjer

None.

City Clerk Gallucci

None.

Community Development Director Ajax

Shared the house located at 418 E. Woodin Avenue was demolished.

Finance Director Evans

She reported the department is preparing annual reports for both the City and the Lake Chelan Airport. She also noted there is an opening for the front desk receptionist, noting the job description will be reviewed and posted to begin the hiring process.

HR/Communications Director Coltman

Acknowledged the following City Employees for their years of public service:

- Eric Goke, Water Treatment Plan Operator - 21 years
- David DeArmond, Assistant Crew Foreman - 10 years
- Thomas Tupling, Development Project Manager - 10 years

Public Works Director Youngren

He shared the following construction project updates:

- State Route (SR) 150 sewer line project is progressing, with paving anticipated on June 12, 2026. Shared construction work was temporarily paused for several days due to an archaeological discovery.
- Saunders Street project, noting that construction on the West side of the street will be brought to completion before work transitions to the East side of the street.
- Lakeside Trail project is in the punch list phase and is nearing project closeout.

He also shared the Public Works department partnered with Chelan High School, hosting more than 20 students who toured and observed the SR 150 project for some hands-on experience, supporting the next generation of construction workers. In recognition of Public Works Week, a public-facing event is scheduled for May 22, 2026, at Riverwalk Park and Emerson Park. The event will include a partnership with local schools for a “Touch-a-Truck” event on Emerson Street.

14. MAYOR AND COUNCIL COMMENTS

Mayor McCardle

She thanked everyone who applied for Position No. 5 and addressed the short-term rentals (STR) response, noting that a response is being prepared this week and that the discussion will continue moving forward, acknowledging that decisions in one area often create impacts elsewhere. She encouraged maintaining a positive perspective regarding current disruptions around the city, emphasizing that failing infrastructure has been a primary concern over the past six (6) years and the City is actively addressing these issues. She reminded Councilmembers the importance of maintaining confidentiality regarding executive session discussions and avoiding the disclosure of any information shared during those sessions. She also noted her intent to bring the Association of Washington Cities (AWC) priorities forward at an upcoming meeting to allow for a thorough Council discussion.

Councilmember Benegas

He echoed fellow Councilmember comments, thanked everyone in the audience for attending, and reflected on his own experience seeking a seat. Welcomed Councilmember Rivera-Vargas, noting the value of a different perspective and emphasizing that, while it is

easy to focus on what is not working, it is equally important to recognize and celebrate what is going well.

Councilmember Chitty

Reflected on his time away, sharing there is no place like home (Chelan).

Councilmember Collins

He thanked everyone for staying through the whole Council meeting tonight and congratulated Councilmember Rivera-Vargas. He emphasized the importance of the Association of Washington Cities conference, June of 2026.

Councilmember Higgins

Thanked all the applicants for the Councilmember Position No. 5 vacancy, reflecting that hard decisions were made, and congratulated Councilmember Rivera-Vargas. He acknowledged Public Works Week and suggested Councilmembers have a conversation regarding STRs.

Councilmember Rivera-Vargas

Expressed appreciation towards everyone who made the appointment possible and thanked his fellow candidates.

Councilmember Sanders

He thanked all applicants and welcomed Councilmember Rivera-Vargas. He also recognized the Public Works team, noting they are the backbone of the City, and reflected on the Manson Apple Blossom Parade. He concluded by requesting an update on electric bikes and scooters, and inquiring what enforcement may look like.

15. ADJOURNMENT

MOTION:	Move to adjourn the meeting.
MOVER:	Councilmember Shane Collins
SECONDER:	Councilmember Jon Higgins
AYES:	Councilmember Terry Sanders, Councilmember Agustin Benegas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Rivera-Vargas, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	None
RESULT:	Passed

The meeting was adjourned at 8:05
P.M.

Date
Approved:

Cailey Couch
Deputy City Clerk

Erin McCardle
Mayor

Title 1 GENERAL PROVISIONS

Chapter 1.01 CODE ADOPTION

1.01.010 Adoption.

~~Notwithstanding anything Pursuant to the provisions of sections 35A. of the Revised Code of Washington, there is adopted the Chelan Municipal Code, with all the applicable rights, powers, privileges, duties and obligations set forth in title 35A of said Revised Code of Washington as the same now exists, including, but not by way of limitation, those set forth in Chapter 35A of said title, and further including any and all supplements, amendments or other modifications of said title hereafter at any time enacted.~~

Pursuant to RCW 35.21.500 through 35.21.570, the Chelan Municipal Code is hereby adopted as the official code of the City of Chelan.

Commented [QB1]: This does not make sense. Maybe something like:

Pursuant to RCW 35.21.500 through 35.21.570, the Chelan Municipal Code is hereby adopted as the official code of the City of Chelan.

1.01.020 Title—Citation—Reference.

This code shall be known as the "Chelan Municipal Code" and it shall be sufficient to refer to said code as the "Chelan Municipal Code" in any prosecution for the violation of any provision thereof or in any proceeding at law or equity. It shall be sufficient to designate any ordinance adding to, amending, correcting or repealing all or any part or portion thereof as an addition to, amendment to, correction or repeal of the Chelan Municipal Code. Further reference may be had to the titles, chapters, sections and subsections of the Chelan Municipal Code and such references shall apply to that numbered title, chapter, section or subsection as it appears in the code.

1.01.030 Codification authority.

This code consists of all the regulatory and penal ordinances and certain ~~of the~~ administrative ordinances of the City of Chelan, as codified and compiled pursuant to the applicable provisions of ~~sections 3535A of the Revised Code of Washington law.~~

Commented [QB2]: Consider revising to:

This code consists of the regulatory and penal ordinances and certain administrative ordinances of the City of Chelan, as codified and compiled pursuant to applicable provisions of Washington law.

1.01.040 Ordinances passed prior to adoption of the code.

The last ordinance included in the initial code is ordinance 499, passed April 1, 1975.

1.01.050 Reference applies to all amendments.

Whenever a reference is made to this code as the "Chelan Municipal Code" or to any portion thereof, or to any ordinance of the City, the reference shall apply to all amendments, corrections and additions heretofore, now or hereafter made.

(Ord. 512 § 5, 1975)

1.01.060 Title, chapter and section headings.

Title, chapter and section headings contained herein shall not be deemed to govern, limit, modify or in any manner affect this scope, meaning or intent of the provisions of any title, chapter or section hereof.

(Ord. 512 § 6, 1975)

1.01.070 Reference to specific ordinances.

The provisions of this code shall not in any manner affect matters of record which refer to, or are otherwise connected with ordinances which are therein specifically designated by number or otherwise and which are included within the code, but such reference shall be construed to apply to the corresponding provisions contained within this code.

(Ord. 512 § 7, 1975)

1.01.080 Effect of code on past actions and obligations.

~~Neither the adoption of this code nor the repeal or amendment hereby of the any prior ordinance or part or portion of any ordinance of the city shall in any manner affect the prosecution for violations of ordinances, which any violations were committed, penalty incurred, fee due, bond or deposit posted, or right or obligation accrued before prior to the effective date of this code hereof, nor be construed as a waiver of any license, fee, or penalty at the effective date due and unpaid under such ordinances, nor be construed as affecting any of the provisions of such ordinances relating to the collection of any such license, fee, or penalty, or the penal provisions applicable to any violation thereof, nor to affect the validity of any bond or cash deposit in lieu thereof, required to be posted, filed or deposited pursuant to any ordinance and all rights and obligations thereunder appertaining shall continue in full force and effect. Such matters may be enforced and collected as if this code had not been adopted, repealed or amended.~~

(Ord. 512 § 8, 1975)

1.01.090 Effective date.

This code shall become effective on the date the ordinance adopting this code as the "Chelan Municipal Code" becomes effective.

(Ord. 512 § 9, 1975)

1.01.100 Constitutionality.

If any section, subsection, sentence, clause or phrase of this code is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this code. The council declares that it would have passed this code, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases had been declared invalid or unconstitutional, and if for any reason this code should be declared invalid or unconstitutional, then the original ordinance or ordinances shall be in full force and effect.

(Ord. 512 § 10, 1975)

Commented [PG4R3]: We don't have any prosecutorial authority

Commented [QB5R3]: I would keep. It does more than preserve criminal prosecutions, it also acts as a savings clause. I think something more along the lines of a general savings clause:

Neither the adoption of this code nor the repeal or amendment of any prior ordinance shall affect any violation committed, penalty incurred, fee due, bond or deposit posted, or right or obligation accrued before the effective date of this code. Such matters may be enforced and collected as if this code had not been adopted, repealed, or amended.

Commented [PG3]: Do we need to keep this section?

Chapter 1.04 GENERAL PROVISIONS

1.04.010 Definitions.

The following words and phrases whenever used in the ordinances of the City of Chelan shall be construed as defined in this section unless from the context a different meaning is intended or unless a different meaning is specifically defined and more particularly directed to the use of such words or phrases:

- A. *Alley* means a strip of land dedicated to public use providing vehicular and pedestrian access to the rear side of properties which abut and are served by a public street.
- B. *City* means the City of Chelan, Washington, or the area within the territorial limits of the City of Chelan, Washington, and such territory outside of the *city* over which the *city* has jurisdiction or control by virtue of any constitutional or statutory *provision*.
- C. *Computation of time* means the time within which an act is to be done. It shall be computed by excluding the first day and including the last day; and if the last day be Sunday or a legal holiday, that day shall be excluded.
- D. *Council* means the city council of the City of Chelan, Washington. "All its members" or "all council" mean the total number of councilmembers provided by the general laws of the state of Washington.
- E. *County* means the County of Chelan, Washington.
- F. *Cul-de-sac* means a street closed at one end by an area of sufficient size for turning vehicles around.
- G. *Law* denotes applicable federal law, the constitution and statutes of the state of Washington, the ordinances of the City of Chelan and, when appropriate, any and all rules and regulations which may be promulgated thereunder.
- H. *May* is permissive.
- I. *Month* means a calendar month.
- J. *Must and shall*. Each is mandatory.
- K. *Oath* shall be construed to include an affirmation or declaration in all cases in which, by law, an affirmation may be substituted for an oath and in such cases the words "swear" and "sworn" shall be equivalent to the words "affirm" and "affirmed."
- L. *Ordinance* means a law of the City of Chelan; provided, that a temporary or special law, administrative action, order or directive may be in the form of a resolution.
- M. *Owner* applied to a building or land includes any part owner, joint owner, tenant in common, joint tenant or tenant by the entirety, of the whole or a part of such building or land.
- N. *Person* means natural person, joint venture, joint stock company, partnership, association, club, company, corporation, business, trust, organization, or the manager, lessee, agent, servant, officer or employee of any of them.
- O. *Personal property* includes money, goods, chattels, things in action, and evidences of *debt*.
- P. *Preceding and following* mean next before and next after, respectively.
- Q. *Private road* means a right-of-way which has not been dedicated for public use, and is maintained solely by private individuals. Private roads may have public utilities located within them if the owner(s)

Commented [CC6]: Can we remove 'City of Chelan' through out the document since it is listed here, section B.

Commented [QB7R6]: Not necessary. I would keep. The full name may be clearer in specific contexts. Also, where it refers back to the defined term, it should be capitalized.

Commented [CC8]: Clarification on O., Please.

Commented [QB9R8]: Added comma. The definition is archaic but comprehensive.

of the private road have provided the appropriate public entity written easement(s) for installation, expansion, repair and maintenance of the utilities and a written hold harmless agreement for damage which may occur during the public entity's installation, expansion, repair and/or maintenance of such utilities. Private roads shall be posted with a sign meeting the requirements of the sign code as set forth in Chapter 17.58 of this code as now exists or is hereafter amended. Private roads shall be governed by standards of dimension and construction adopted by the Ccity as now exist or as may be hereafter amended, which shall include but are not limited to fire service and access provisions.

- R. *Property* includes real and personal property.
- S. *Real property* includes lands, tenements and hereditaments.
- T. *Record* means a record as defined by RCW 42.56.010, as now existing or hereafter amended, is defined in RCW 42.56.010(3) as any writing that is prepared, owned, used, or retained by any state or local government agency, and which contains information that relates to the conduct of government, or the performance of any governmental or proprietary function.
- U. *Road* shall be synonymous with the term "street" (see "Street").
- V. *Sidewalk* means that portion of a street between the curb line and the adjacent property line intended for the use of pedestrians.
- W. *State* means the state of Washington.
- ~~WX~~. *Street* includes all streets, roads, highways, avenues, lanes, alleys, courts, cul-de-sacs, places, squares, sidewalks, curbs, or other public ways in this cityCity which have been or may hereafter be dedicated and open to public use, or such other public property so designated in any law of this state. The terms "street" and "road" shall be interchangeable. A street may also serve as a location of public utilities, pedestrian walkways, public open space and recreation areas, cut and fill slopes and drainage improvements.
- Y. *Tenant and occupant*, applied to a building or land, includes any person who occupies whole or a part of such building or land, whether alone or with others.
- Z. *Title of office*. Use of the title of any officer, employee, board or commission means that officer, employee, department, board or commission of the City of Chelan.
- AA. *Writing or Written* includes traditional written records and electronic records to the extent recognized by applicable law, includes ~~include not only traditional written records, but also photos, maps, videos, voicemails, webpages, emails, text messages, and social media content (RCW 42.56.010(4))~~.
- AABB. *Signature* includes a manual or electronic signature to the extent recognized by applicable law includes ink or electronic format (RCW 1.80.060).
- ~~BBCC~~. *Year* means a calendar year.
- ~~CCDD~~. All words and phrases shall be construed and understood according to the common and approved usage of the language; but technical words and phrases and such others as may have acquired a peculiar and appropriate meaning in the law shall be construed and understood according to such peculiar and appropriate meaning.
- ~~DD EE~~. When an act is required by an ordinance, the same being such that it may be done as well by an agent as by the principal, such requirement shall be construed as to include all such acts performed by an authorized agent.

(Ord. 1061 § 1, 1997; Ord. 479 § 1, 1974)

Commented [QB10]: Should be renumbered to "X"?
And there are two AAs.

Commented [CC11]: Electronic/docuSign - there should be language in RCWs or WACs on how to update this

Commented [GU12]: Electronic/docuSign - there should be language in RCWs or WACs on how to update this

1.04.020 Grammatical interpretation.

The following grammatical rules shall apply in the ordinances of the City of Chelan:

- A. *Gender.* ~~They/them includes all gender types~~ Words importing one gender include all genders.
- B. *Singular and Plural.* The singular number includes the plural and the plural includes the singular.
- C. *Tenses.* Words used in the present tense include the past and the future tenses and vice versa, unless manifestly inapplicable.
- D. *Use of words and phrases.* Words and phrases not specifically defined shall be construed according to the context and approved usage of the language.

(Ord. 479 § 2, 1974)

1.04.030 Prohibited acts include causing, permitting etc.

Whenever in the ordinances of the City of Chelan, any act or omission is made unlawful, it shall include causing, allowing, permitting, aiding, abetting, suffering, or concealing the fact of such act or omission.

(Ord. 479 § 3, 1974)

1.04.040 Construction.

The provisions of the ordinances of the City of Chelan, and all proceedings under them are to be construed with a view to effect their objects and to promote justice.

(Ord. 479 § 4, 1974)

1.04.050 Repeal shall not revive any ordinances.

The repeal of an ordinance shall not repeal the repealing clause of such ordinance or revive any ordinance which has been repealed thereby.

(Ord. 479 § 5, 1974)

Chapter 1.08 CLASSIFICATION OF CITY¹

1.08.010 Adoption.

Notwithstanding anything contained in the existing ordinances of the City of Chelan to the contrary, the City of Chelan, ~~Washington~~, hereby adopts the classification of a noncharter code city, ~~endowed with all the applicable rights, powers, privileges, duties and obligations of noncharter code cities~~ as set forth in ~~Title 35A of said Revised Code of Washington~~ RCW, as ~~the same~~ now existing ~~or hereafter amended, including, but not by way of limitation,~~

¹State law reference(s)—For statutory provisions authorizing the adoption of a noncharter code city classification and delineating the powers, rights and privileges of same, see RCW Ch. 35A.11 and RCW 35A.21.160.

those set forth in Chapter 35A.11 of said title, and further including any and all supplements, amendments or other modifications of said title hereafter at any time enacted.

(Ord. 429 § 1, 1971)

1.08.020 ~~Government.~~

The current plan of government of the town of Chelan being mayor-council, under the applicable statutes relating to towns, shall be retained as the plan of government after the reclassification to that of a noncharter code city.

(Ord. 429 § 2, 1971)

1.08.030 ~~Filing with State Secretary.~~

The clerk of the town shall, upon September 8, 1971, file with the office of the Secretary of the state of Washington, a certified copy of the ordinance codified in this chapter.

(Ord. 429 § 3, 1971)

1.08.040 ~~Classification designated.~~

Upon the filing of a certified copy of the ordinance codified in this chapter as is set forth above, this town shall be classified as a noncharter code city, and the name of this town shall henceforth be the City of Chelan.

(Ord. 429 § 5, 1971)

Commented [CC13]: Do we need this section 1.08.020 - 1.08.040?

Commented [QB14R13]: .020-.040 are not needed anymore. They refer to one-time acts which were completed long ago.

Chapter 1.12 ORDINANCES: PROCEDURES, PUBLICATION²

1.12.010 ~~Passage of ordinances.~~

~~All ordinances hereafter adopted by the Council of the City of Chelan shall be passed in the following manner: Any proposed ordinance shall be first handed to the City Clerk. It shall be placed upon the agenda for a future meeting of the Council. The Mayor shall then call for discussion thereon and the matter shall be put to a vote upon motion to adopt the proposed ordinance. The passage of an ordinance shall require the affirmative vote of a majority of the whole membership of the Council. Ordinances shall be introduced, considered, and adopted by the city council in the manner provided by applicable law and rules of procedure adopted by the council. Passage of an ordinance shall require the affirmative vote required by state law.~~

(Ord. 480 § 1, 1974; Ord. 59 § 1, 1912)

Commented [CC15]: Can this be removed and placed in CROP, as a procedure?

Commented [QB16R15]: A better alternative is to reference workflow/process elements to the CROP. Something along the lines of:

1.12.020 ~~Signature—Records.~~

Ordinances shall be signed by the mayor and attested to by the City Clerk. The City Clerk shall authenticate ~~by their signature all~~ ordinances and resolutions adopted by the Council and shall ~~record in full all ordinances and~~

Ordinances shall be introduced, considered, and adopted by the city council in the manner provided by applicable law and rules of procedure adopted by the council. Passage of an ordinance shall require the affirmative vote required by state law

²State law reference(s)—For statutory provisions relating to the passage, publication and recording of ordinances under a mayor-council plan of government, see RCW 35A.12.130, 35A.12.150, 35A. 12. 160.

resolutions adopted by the council. ~~The clerk shall keep a record in a digital format located on the City's website of all ordinances and resolutions, as adopted~~ maintain the City's official record of such ordinances and resolutions in accordance with applicable law and City practice. The City Clerk may maintain copies in digital format on the City's website for public access

(Ord. 480 § 2, 1974; Ord. 59 § 2, 1912)

1.12.030 Reserved.

1.12.040 Validation Mayor approval or veto.

Every ordinance passed by the Council shall be presented to the Mayor. If the Mayor approves the ordinance, the Mayor shall sign it. If the Mayor disapproves it, the Mayor shall return it to the Council with written objections, and the Council shall enter the objections in the record and reconsider the ordinance. If, upon reconsideration, the vote required by state law is cast in favor of passage, the ordinance shall become effective notwithstanding the veto. If the Mayor neither approves nor vetoes the ordinance within the time allowed by law, the ordinance shall take effect without the Mayor's signature. Every ordinance which passes the council must be presented to the mayor. If they approve it, they shall sign it, but if not, they shall return it with their written objections to the council and the council shall cause their objections to be raised during the open public meeting and proceed to a reconsideration thereof. If upon reconsideration a majority, plus one, of the whole membership of the council, voting upon a call of ayes and nays, favor its passage, the ordinance shall become valid notwithstanding the mayor's veto. If the mayor fails for ten days to either approve or veto an ordinance, it shall become valid without his approval.

(Ord. 480 § 4, 1974)

Commented [QB17]: This tracks RCW 35A.12.

Chapter 1.20 RIGHT OF ENTRY

1.20.010 Right of entry for inspection.

Whenever necessary to inspect for compliance with any ordinance or resolution, or whenever there is reasonable cause to believe that a violation exists in any building or on any premises within the jurisdiction of the City, any authorized City official may, upon presentation of proper credentials, enter the building or premises at reasonable times to inspect or perform duties imposed by ordinance ~~Whenever necessary to make an inspection to enforce any ordinance or resolution, or whenever there is reasonable cause to believe there exists an ordinance or resolution violation in any building or upon any premises within the jurisdiction of the city any authorized official of the City of Chelan, may, upon presentation of proper credentials, enter such building or premises at all reasonable times to inspect the same or to perform any duty imposed upon him by ordinance; provided, that except in emergency situations or when consent of the owner and/or occupant to the inspection has been otherwise obtained, he shall give the owner and/or occupant, if they can be located after reasonable effort, 24 hours written notice of the authorized official's intention to inspect.~~ The notice transmitted to the owner and/or occupant shall state that the property owner has the right to refuse entry and that in the event such entry is refused, inspection may be made only upon issuance of a search warrant by a duly authorized magistrate. In the event the owner and/or occupant refuses entry after such request has been made, the official is empowered to seek assistance from any court of competent jurisdiction in obtaining such entry.

(Ord. 495 § 1, 1975)

(Supp. No. 10)

Created: 2026-02-04 15:40:43 [EST]

Chapter 1.24 GENERAL PENALTY³

1.24.01~~10~~ General penalty.

Unless otherwise specified, any person violating any of the provisions or failing to comply with any of the mandatory requirements of the ordinances of the City of Chelan, shall be guilty of a misdemeanor. Except in cases where a different penalty is prescribed by any ordinance of the cityCity, any person convicted of a misdemeanor under the ordinances of the City of Chelan shall be punished by a fine of not more than \$1,000.00, or by imprisonment in jail for a term not to exceed 90 days, or by both such fine and imprisonment. It shall be a separate offense for each and every day any violation of any provision of the ordinances of the City of Chelan is committed, continued or permitted by any individual. In the event an ordinance of the cityCity addresses conduct which is also a crime as set forth in the Revised Code of Washington ("RCW"), the penalty provision set forth in the RCW shall be controlling if the corresponding ordinance provides for a penalty which is different from the RCW, as mandated by RCW 35.21.163, as it now exists or is hereafter amended.

(Ord. 992 § 1, 1994: Ord. 966 § 1, 1993: Ord. 497 § 1, 1975)

Commented [QB19R18]: It's fine for misdemeanors. For gross misdemeanors, its 1 year/\$5,000.

Commented [PG18]: Quentin - please confirm days and fine.

Chapter 1.30 COPIES, CERTIFICATIONS AND TRANSCRIPTIONS OF CITY RECORDS

1.30.005 Maintenance of cityCity-wide index.

The cityCity Council finds that it is unduly burdensome to maintain a cityCity-wide index of public records and that to attempt to maintain such an index would be disruptive to the cityCity's operations.

(Ord. 1394 § 2, 2009)

1.30.010 Form for request.

All personsAny person requesting to inspect or obtain copies of public records of the City shall submit the request to the City Clerk or Public Records Officer through the City's electronic public records portal or in another written form approved by the City Clerk or Public Records Officer.

This section does not apply to records requests made by City elected officials, appointed officers, or employees in the course of their official duties. If such a request is outside the scope of official duties, the Public Records Act and applicable fees shall apply.

The City Clerk or Public Records Officer may waive the form requirement for governmental agencies requesting courtesy copies for nonadversarial governmental purposes, except for cityCity-elected officials and cityCity appointed officers or employees desiring to inspect or receive a copy of any public record of the cityCity must make their request to the City Clerk/Ppublic Rrecords Oofficer through the electronic public records portal or a written s form specified by the City Clerk/Ppublic Rrecords Oofficer. However, if the request is not prusuant pursuant to the duties of the elected official, City-appointed officers and employees, then the Public Records Act

³State law reference(s)—For statutory provisions authorizing non-charter code cities to impose penalties of fine not exceeding \$5,000.00 or imprisonment for any term not exceeding one year or both for the violations of ordinances, constituting a misdemeanor or gross misdemeanor, see RCW 35A.11.020.

including the charging of the fees will apply. The City Clerk/Public Records Officer may waive this requirement for governmental agencies requesting courtesy copies of City records for purposes that are nonadversarial to the City.

(Ord. 1180 § 1 (part), 2000)

1.30.020 Response or denial of request.

Responses to requests for public records shall be made promptly and pursuant to guidelines established in Chapter 42.56 RCW as the same exists now or may hereafter be amended. Within five business days of receiving a written public record request, the cityCity must respond by either:

- A. Providing the record;
- B. Acknowledging that the cityCity has received the request and providing a reasonable estimate of the time the cityCity will require to respond to the request; or
- C. Denying the public record request. Denials must be accompanied by a written statement of specific reasons therefor.

Additional time required to respond to a request may be based on the need to clarify the intent of the request, to locate and assemble the information requested, to notify third persons or agencies affected by the request, or to determine whether any of the information requested is exempt and that a denial should be made as to all or part of the request. The cityCity may ask the requestor to clarify what information the requestor is seeking. If the requestor fails to clarify the request within thirty days, the City need not respond further to the unclear portion of the request.~~If the requestor fails to clarify the request within thirty days the city need not respond to it.~~

(Ord. 1394 § 3, 2009; Ord. 1180 § 1 (part), 2000)

1.30.030 Certain records exempt.

The cityCity adopts all exemptions to the disclosure of public records set out in Chapter 42.56 RCW and including any additional other exemptions ~~in other statutes provided by applicable law~~, as the same exists now or may be hereafter amended.

(Ord. 1394 § 4, 2009; Ord. 1180 § 1 (part), 2000)

1.30.040 Copying fees.

No fee shall be charged for the inspection of public records. Charges for copies of public records shall be governed by RCW 42.56.120, as now existing or hereafter amended, and by any fee schedule adopted by the City consistent with that statute. The City may waive copying charges as permitted by law. Copying fees shall not be charged to City elected officials, appointed officers, or employees for requests made in the course of official duties, or for reasonable courtesy copies provided to other governmental agencies for nonadversarial governmental purposes.

~~Any person who requests a copy of any public record from the City Clerk shall pay to the City Clerk/Public Records Officer or a designee the statutory default photocopying charges. Copying fees are governed by RCW 42.56.120 as it now exists or is hereafter amended. Copying fees shall not be charged to elected officials, appointed officers or employees of the city or for reasonable amounts of courtesy copies for other governmental agencies for purposes that are nonadversarial to the City.~~

Commented [QB20]: This is unclear. Revised:

Any person requesting to inspect or obtain copies of public records of the City shall submit the request to the City Clerk or Public Records Officer through the City's electronic public records portal or in another written form approved by the City Clerk or Public Records Officer.

This section does not apply to records requests made by City elected officials, appointed officers, or employees in the course of their official duties. If such a request is outside the scope of official duties, the Public Records Act and applicable fees shall apply. The City Clerk or Public Records Officer may waive the form requirement for governmental agencies requesting courtesy copies for nonadversarial governmental purposes.

Commented [QB21]: Should be updated ("photocopying" is too narrow) and cleaned up to track RCW 42.56.120. Consider rewriting thusly:

No fee shall be charged for the inspection of public records. Charges for copies of public records shall be governed by RCW 42.56.120, as now existing or hereafter amended, and by any fee schedule adopted by the city consistent with that statute. The city may waive copying charges as permitted by law. Copying fees shall not be charged to city elected officials, appointed officers, or employees for requests made in the course of official duties, or for reasonable courtesy copies provided to other governmental agencies for nonadversarial governmental purposes.

(Ord. 1180 § 1 (part), 2000)

1.30.050 Transcriptions.

Charges for transcription services, if any, shall be established in accordance with applicable law and city resolution.

(Ord. 1180 § 1 (part), 2000)

1.30.060 Certification fees.

The City Clerk/Public Records Officer shall establish fees for the certification of public records and such fees shall be effective upon approval by resolution of the city council. The City Clerk shall determine the manner in which, as consistent with applicable law, records and groups of records are to be certified.

(Ord. 1180 § 1 (part), 2000)

1.30.070 Modifications to fees and charges.

All fees and charges identified in this chapter may be modified by the city clerk/public records officer as approved by resolution of the City Council or as statutorily required otherwise authorized by applicable law. All fees and charges established pursuant to this chapter shall reflect the actual costs of the services provided.

(Ord. 1180 § 1 (part), 2000)

Commented [QB22]: What's going on here? Should be repealed or should have text. Reviewing the existing .050 language, it appears fine but could be simplified:

Charges for transcription services, if any, shall be established in accordance with applicable law and city resolution.



U.S. Small Business
Administration

U.S. SMALL BUSINESS ADMINISTRATION FACT SHEET - DISASTER LOANS

WASHINGTON Declaration #21499 & #21500

(Disaster: WA-20027)

Incident: SEVERE STORMS, STRAIGHT-LINE WINDS, FLOODING, LANDSLIDES & MUDSLIDES

occurring: December 5 through December 19, 2025

in the Washington counties of: **Chelan, Grays Harbor, King, Lewis, Pacific, Pierce, Skagit, Snohomish, Thurston & Whatcom;**

in the tribal areas of: **The Confederated Tribes of the Chehalis Reservation, Lummi Nation, Muckleshoot Indian Tribe, Nisqually Indian Tribe, Nooksack Indian Tribe, Puyallup Tribe, Quinault Indian Nation, Samish Indian Nation, Sauk-Suiattle Indian Tribe, Shoalwater Bay Indian Tribe, Snoqualmie Indian Tribe, Squaxin Island Tribe, Stillaguamish Tribe of Indians, Swinomish Indian Tribal Community, Tulalip Tribes & the Upper Skagit Indian Tribe;**

and for economic injury only in the contiguous Washington counties of: **Cowlitz, Douglas, Island, Jefferson, Kitsap, Kittitas, Mason, Okanogan, San Juan, Skamania, Wahkiakum & Yakima**

Application Filing Deadlines:

Physical Damage: June 10, 2026

Economic Injury: January 7, 2027

If you are located in a declared disaster area, you may be eligible for financial assistance from the U.S. Small Business Administration (SBA).

What Types of Disaster Loans are Available?

- Business Physical Disaster Loans – Loans to businesses to repair or replace disaster-damaged property owned by the business, including real estate, inventories, supplies, machinery and equipment. Businesses of any size are eligible. Private, non-profit organizations such as charities, churches, private universities, etc., are also eligible.
- Economic Injury Disaster Loans (EIDL) – Working capital loans to help small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, non-profit organizations of all sizes meet their ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. These loans are intended to assist through the disaster recovery period.
- Home Disaster Loans – Loans to homeowners or renters to repair or replace disaster-damaged real estate and personal property, including automobiles.

What are the Credit Requirements?

- Credit History – Applicants must have a credit history acceptable to SBA.
- Repayment – Applicants must show the ability to repay all loans.

What are the Interest Rates?

By law, the interest rates depend on whether each applicant has Credit Available Elsewhere. An applicant does not have Credit Available Elsewhere when SBA determines the applicant does not have sufficient funds or other resources, or the ability to borrow from non-government sources, to provide for its own disaster recovery. An applicant, which SBA determines to have the ability to provide for his or her own recovery is deemed to have Credit Available Elsewhere. Interest rates are fixed for the term of the loan. The interest rates applicable for this disaster are:

Physical Damage Loan Types	No Credit Available Elsewhere	Credit Available Elsewhere
Home Loans	2.875%	5.750%
Business Loans	4.000%	8.000%
Non-Profit Organizations	3.625%	3.625%

Economic Injury Loan Types	No Credit Available Elsewhere	Credit Available Elsewhere
Businesses & Small Agricultural Cooperatives	4.000%	N/A
Non-Profit Organizations	3.625%	N/A

What are Loan Terms?

The law authorizes loan terms up to a maximum of 30 years. However, the law restricts businesses with credit available elsewhere to a maximum 7-year term. SBA sets the installment payment amount and corresponding maturity based upon each borrower's ability to repay. Borrowers may be required to provide collateral.

What are the Loan Amount Limits?

- **Business Loans** – The law limits business loans to \$2,000,000 for the repair or replacement of real estate, inventories, machinery, equipment and all other physical losses. Subject to this maximum, loan amounts cannot exceed the verified uninsured disaster loss.
- **Economic Injury Disaster Loans (EIDL)** – The law limits EIDLs to \$2,000,000 for alleviating economic injury caused by the disaster. The actual amount of each loan is limited to the economic injury determined by SBA, less business interruption insurance and other recoveries up to the administrative lending limit. EIDL assistance is available only to entities and their owners who cannot provide for their own recovery from non-government sources, as determined by the U.S. Small Business Administration.
- **Business Loan Ceiling** – The \$2,000,000 statutory limit for business loans applies to the combination of physical, economic injury, mitigation and refinancing, and applies to all disaster loans to a business and its affiliates for each disaster. If a business is a major source of employment, SBA has the authority to waive the \$2,000,000 statutory limit.
- **Home Loans** – SBA regulations limit home loans to \$500,000 for the repair or replacement of real estate and \$100,000 to repair or replace personal property. Subject to these maximums, loan amounts cannot exceed the verified uninsured disaster loss.

What Restrictions are there on Loan Eligibility?

- **Uninsured Losses** – Only uninsured or otherwise uncompensated disaster losses are eligible. Any insurance proceeds which are required to be applied against outstanding mortgages are not available to fund disaster repairs and do not reduce loan eligibility. However, any insurance proceeds voluntarily applied to any outstanding mortgages do reduce loan eligibility.
- **Ineligible Property** – Secondary homes, personal pleasure boats, airplanes, recreational vehicles and similar property are not eligible, unless used for business purposes. Property such as antiques and collections are eligible only to the extent of their functional value. Amounts for landscaping, swimming pools, etc., are limited.
- **Noncompliance** – Applicants who have not complied with the terms of previous SBA loans may not be eligible. This includes borrowers who did not maintain flood and/or hazard insurance on previous SBA loans.

Note: Loan applicants should check with agencies / organizations administering any grant or other assistance program under this declaration to determine how an approval of SBA disaster loan might affect their eligibility.

Is There Help with Funding Mitigation Improvements?

If your loan application is approved, you may be eligible for additional funds to cover the cost of improvements that will protect your property against future damage. Examples of improvements include retaining walls, seawalls, sump pumps, etc. Mitigation loan money would be in addition to the amount of the approved loan but may not exceed 20 percent of total amount of physical damage to real property, including leasehold improvements, and personal property as verified by SBA to a maximum of \$500,000 for home loans. It is not necessary for the description of improvements and cost estimates to be submitted with the application. SBA approval of the mitigating measures will be required before any loan increase.

Is There Help Available for Refinancing?

- SBA can refinance all or part of prior mortgages that are evidenced by a recorded lien, when the applicant (1) does not have credit available elsewhere, (2) has suffered substantial uncompensated disaster damage (40 percent or more of the value of the property or 50% or more of the value of the structure), and (3) intends to repair the damage.
- Businesses – Business owners may be eligible for the refinancing of existing mortgages or liens on real estate, machinery and equipment, up to the amount of the loan for the repair or replacement of real estate, machinery, and equipment.
- Homes – Homeowners may be eligible for the refinancing of existing liens or mortgages on homes, up to the amount of the loan for real estate repair or replacement.

What if I Decide to Relocate?

You may use your SBA disaster loan to relocate. The amount of the relocation loan depends on whether you relocate voluntarily or involuntarily. If you are interested in relocation, an SBA representative can provide you with more details on your specific situation.

Are There Insurance Requirements for Loans?

To protect each borrower and the Agency, SBA may require you to obtain and maintain appropriate insurance. By law, borrowers whose damaged or collateral property is located in a special flood hazard area must purchase and maintain flood insurance. SBA requires that flood insurance coverage be the lesser of 1) the total of the disaster loan, 2) the insurable value of the property, or 3) the maximum insurance available.

Applications for disaster loans may be submitted online using the MySBA Loan Portal at <https://lending.sba.gov> or other locally announced locations. Please contact the SBA's Customer Service Center by email at disastercustomerservice@sba.gov or by phone at 1-800-659-2955 for further assistance. For people who are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.



OFFICE OF DISASTER RECOVERY & RESILIENCE

Release Date: April 13, 2026

Media Contact: Corey.Williams@sba.gov

Release Number: WA-20027-01

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SBA Relief Available to Washington Businesses, Private Nonprofits, and Residents Affected by the 2025 Severe Winter Storms

Low interest disaster loans now available

WASHINGTON — In response to a Presidential disaster declaration issued April 7, the [U.S. Small Business Administration \(SBA\)](#) announced the availability of low interest federal disaster loans to Washington businesses, private nonprofit (PNP) organizations and residents affected by severe storms, straight-line winds, flooding, landslides, and mudslides occurring Dec. 5 – 19, 2025.

The disaster declaration covers the Confederated Tribes of the Chehalis Reservation, Lummi Nation, Muckleshoot Indian Tribe, Nisqually Indian Tribe, Nooksack Indian Tribe, Puyallup Tribe, Quinault Indian Nation, Samish Indian Nation, Sauk-Suiattle Indian Tribe, Shoalwater Bay Indian Tribe, Snoqualmie Indian Tribe, Squaxin Island Tribe, Stillaguamish Tribe of Indians, Swinomish Indian Tribal Community, Tulalip Tribes, and the Upper Skagit Indian Tribe and the Washington counties of Chelan, Grays Harbor, King, Lewis, Pacific, Pierce, Skagit, Snohomish, Thurston, and Whatcom, which are eligible for both Physical damage loans and [Economic Injury Disaster Loan \(EIDL\)](#) from the SBA. Small businesses and most PNP organizations in the following adjacent counties are eligible to apply only for SBA EIDLs: Cowlitz, Douglas, Island, Jefferson, Kitsap, Kittitas, Mason, Okanogan, San Juan, Skamania, Wahkiakum, and Yakima.

Businesses and nonprofits are eligible to apply for business [physical disaster loans](#) and may borrow up to \$2 million to repair or replace disaster-damaged or destroyed real estate, machinery and equipment, inventory, and other business assets.

Homeowners and renters are eligible to apply for home and personal property loans and may borrow up to \$100,000 to replace or repair personal property, such as clothing, furniture, cars, and appliances. Homeowners may apply for up to \$500,000 to replace or repair their primary residence.

Applicants may be eligible for a loan increase of up to 20% of their verified physical damage for mitigation purposes. Eligible mitigation improvements may include insulating pipes, walls and attics, weather stripping doors and windows, and installing storm windows to help protect property and occupants from future disasters.

SBA's EIDL program is available to eligible small businesses, small agricultural cooperatives, nurseries and PNPs – including faith-based organizations – impacted by financial losses directly related to this disaster. The SBA is unable to provide disaster loans to agricultural producers, farmers, or ranchers, except for aquaculture enterprises.

EIDLs are available for working capital needs caused by the disaster and are available even if the small business or PNP did not suffer any physical damage. The loans may be used to pay fixed debts, payroll, accounts payable, and other bills which could not be paid due to the disaster.

“One distinct advantage of SBA's disaster loan program is the opportunity to fund upgrades reducing the risk of future storm damage,” said Chris Stallings, associate administrator of the Office of Disaster Recovery and Resilience at the SBA. “I encourage businesses and homeowners to work with contractors and mitigation professionals to improve their storm readiness while taking advantage of SBA's mitigation loans.”

Interest rates can be as low as 4% for businesses, 3.625% for PNPs and 2.875% for homeowners and renters with terms up to 30 years. Interest does not begin to accrue, and payments are not due until 12 months from the date of the first loan disbursement. The SBA determines eligibility and sets loan amounts and terms based on each applicant's financial condition.

As soon as Federal-State Disaster Recovery Centers open throughout the affected area, SBA will provide one-on-one assistance to disaster loan applicants. Additional information and details on the location of disaster recovery centers are available by calling the SBA Customer Service Center at (800) 659-2955.

To apply online, visit sba.gov/disaster. Applicants may also call SBA's Customer Service Center at (800) 659-2955 or email disastercustomerservice@sba.gov for more information on SBA disaster assistance. For people who are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

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About the U.S. Small Business Administration

The U.S. Small Business Administration helps power the American dream of business ownership. As the only go-to resource and voice for small businesses backed by the strength of the federal government, the SBA empowers entrepreneurs and small business owners with the resources and support they need to start, grow, expand their businesses, or recover from a declared disaster. It delivers services through an extensive network of SBA field offices and partnerships with public and private organizations. To learn more, visit www.sba.gov.



Subject/Title: Washington State Department of Health Water Use and Efficiency Goals (Public Works Director Youngren)

Department: Public Works

Staff Contact: Jake Youngren

Guiding Principles: Healthy & Sustainable

Initiatives: Modernize Resource

Reviewed By: City Administrator, and Finance Director

Number of Looks: Look No. 1 of 2

PREVIOUS ACTION TAKEN

The last Water Use Efficiency (WUE) goals were reviewed in 2019.

OVERVIEW

WAC 246-290-830 requires the elected governing body of a public water system to establish Water Use Efficiency (WUE) goals that are measurable and have a defined timeframe. On April 23, 2019, Council established the City's WUE goals as follows:

- Supply Side Goal to maintain distribution system leakage below 10 percent
- Demand Side Goal to reduce average day demand by 5 percent by December 31, 2024

The 2024 demand side goal has expired and updated goals are required. The proposed updated Demand Side Goal is to reduce average daily per capita consumption by 10 gallons within five (5) years through customer outreach, efficient irrigation practices, and waste elimination. The City's ongoing progress toward this goal includes billing inserts directing customers to conservation resources on the City website. Please refer to the attached WUE Goal document for full details.

FINANCIAL IMPLICATIONS

None anticipated. Implementation of demand-side measures is expected to be minimal in cost and consistent with existing operations.

ATTACHMENTS

1. Water Conservation Tips

2. Water Use Efficiency Goals

SUGGESTED MOTION

Action to be taken at a subsequent meeting. Adoption of WUE Goals will be through resolution.

10 Easy Ways to Conserve Water

Adjust your irrigation schedule

1

Water between 5 a.m. and 9 a.m. to reduce evaporation and follow the City's recommended schedule.

Water at night wisely

2

Nighttime watering keeps lawns damp without affecting growth. Avoid irrigation from 9 a.m. to 5 p.m.

Don't overwater your lawn

3

Overwatering wastes water and money and causes unnecessary plant stress.

Follow the 1-inch rule

4

One inch of water per week keeps most grass types healthy throughout the summer.

Plant drought-tolerant species

5

Choose native plants and grasses suited to the Chelan Valley climate.

Don't water pavement

6

Avoid watering sidewalks, driveways, patios, and other impervious surfaces.

Limit use of washing machines

7

Run washers and dishwashers only when full. Avoid operating between 5 a.m. and 11 a.m.

Turn off the tap

8

Don't leave water running while shaving, brushing teeth, rinsing dishes, or preparing food.

Shower instead of bathe

9

Showers use far less water than baths. Keep showers to five minutes or less.

Chill water in the fridge

10

Store drinking water in the refrigerator instead of running the tap until it cools.

Water use efficiency goal

Customer WUE Goal (Demand Side):

Working with customers to conserve water by eliminating waste, upgrading efficient irrigation systems, and watering only when and as needed for optimal landscape health. Within 5 years, reduce average daily per capita consumption by 10 gallons.

Customer (Demand Side) Goal Progress:

We are sending letter heads out in our billing with directions to our website on how to spot waste, adjust irrigation timing, and use of efficient equipment, with quick and easy to follow tips.



Subject/Title: Ardurra Group Additional Services Addendum No. 2 to Task Authorization No. 1 for the Lift Station No. 1 Upgrades Project (Public Works Director Youngren)

Department: Public Works

Staff Contact: Jake Youngren

Guiding Principles: Accessible & Welcoming

Initiatives: Manage Growth

Reviewed By: City Administrator, and Finance Director

Number of Looks: Look No. 1 of 1

PREVIOUS ACTION TAKEN

On May 28, 2024 Council approved the Professional Services Agreement with Ardurra Group and Task No. 1 for the Design Services for the Lift Station No. 1 Improvements Project. On August 12, 2025. On August 12, 2024 Council approved Amendment No. 1 to Task Authorization No. 1 for the Design Services for the Lift Station No. 1 Improvements Project.

OVERVIEW

The City entered into a Professional Services Agreement with Ardurra Group, Inc. on May 28, 2024 for engineering design services on the Lift Station No.1 Upgrades FY24 Project. As design has progressed, the project has encountered a series of technical, regulatory, and site-specific challenges that were not foreseeable at the time the original scope was established.

Structurally, the wet well modifications required unanticipated engineering analysis once the final configuration was selected, including design of a new precast lid and coordination with the precast manufacturer. Site layout required additional alternatives analysis and coordination with the City and the Chelan County Public Utility District (PUD) to address shoreline considerations and park improvement limits that were undefined in the original scope. Relocating the generator into the alley introduced new code requirements and expanded the project footprint beyond what was originally anticipated, and the City's request for a custom aesthetic screening solution required design development well beyond standard fencing assumptions.

Additionally, the discovery of contaminated soils on site triggered coordination with the

Washington State Department of Ecology that was not included in the original scope, and existing monitoring wells required plan revisions and grade adjustments to preserve them through construction. The original scope also assumed standard instrumentation and controls design, but compatibility requirements with the City's existing SCADA architecture necessitated a custom cabinet and PLC configuration. Finally, a stormwater treatment system was required to address off-site runoff from the west alley, and the City directed design changes to both the north alley hard scape and the plaza finish treatment.

Each of these items represents work that arose directly from field conditions, regulatory involvement, or City-directed changes as the project evolved. Please refer to the attached agreement for full details.

FINANCIAL IMPLICATIONS

Additional Services Addendum No. 2 is structured as Time and Materials with a not-to-exceed amount of \$42,000. Adequate funds are available in the project budget for this amendment.

ATTACHMENTS

1. Ardurra Group Additional Services Addendum No. 2 to Task Authorization No. 1 for the Lift Station No. 1 Upgrades Project

SUGGESTED MOTION

I move to authorize the Mayor to finalize and execute the Ardurra Group Additional Services Addendum No. 2 to Task Authorization No. 1 for the Lift Station No. 1 Upgrades Project.



April 28, 2026

Travis Denham, P.E. / City of Chelan
50 Chelan Falls Hwy.
Chelan, WA 98816

E-MAIL DELIVERY WITH PDF ATTACHMENT
Tdenham@cityofchelan.us

RE: Lift Station CC-1 Upgrades FY24
Additional Services Addendum #02

Dear Travis:

Ardurra Group, Inc. is pleased to provide the enclosed Additional Services Addendum (ASA) for the referenced project. The ASA is pursuant to our agreement dated *May 29, 2024*.

This ASA includes additional scope items for the CC-1 Lift Station upgrade project that fall outside the original agreement and ASA #1. This authorization covers structural analysis and design, site layout refinement options, a revised generator location, generator screening design, contaminated soil coordination with the Washington State Department of Ecology (ECY), monitoring well revisions, alternatives design, revisions to the plaza hardscape finish, and instrumentation and controls design coordination.

If agreeable, please sign the attached ASA and return the fully executed copy. Please do not hesitate to call with questions.

Sincerely,

A handwritten signature in black ink that reads "Jake Bender". The signature is fluid and cursive, written in a professional style.

Jake Bender, PE
Senior Project Manager



ADDITIONAL SERVICES ADDENDUM

THIS ADDITIONAL SERVICES ADDENDUM is pursuant to the *Agreement* dated May 29, 2024 by and between Ardurra Group, Inc. (Consultant), and the *City of Chelan* (Client) for the Professional Services described below.

PROJECT NAME: Lift Station CC-1 Upgrades FY24

CLIENT: City of Chelan

ARDURRA PROJECT NUMBER: 240217

1. Description of additional services to be provided by Consultant are attached.
2. Estimated Completion Date: 7/15/2026
3. The compensation to be paid Ardurra for providing the requested services shall be:

- | | | |
|--------------|----|--|
| <u> </u> | A. | Lump Sum amount of: |
| <u> X </u> | B. | Time and Materials charge of <u>\$42,000</u> |
| <u> </u> | C. | Unit Cost/Time Charges: |

IN WITNESS WHEREOF, this Addendum is accepted on the date first above written subject to the terms and conditions above stated and the provisions set forth in the above-described Agreement.

Ardurra Group, Inc.

CLIENT:

SIGNED: _____
 TYPED NAME: Jake Bender, PE
 TITLE: Project Manager
 DATE: 5/18/26

SIGNED: _____
 TYPED NAME: _____
 TITLE: _____
 DATE: _____

Return one fully executed copy to Consultant



1717 S Rustle Street, Suite 201
Spokane, WA 99224

ASA#3 SCOPE OF WORK

PROJECT NAME: City of Chelan Lift Station CC-1 Upgrade
CONSULTANT CONTACT: Jake Bender, P.E. Ardurra Group
CONTRACT AMOUNT: \$42,000

This Scope of Work outlines the additional services required to support the City of Chelan's CC-1 Lift Station Upgrade Project beyond those included in the original Agreement and ASA No. 1. These added services include structural analysis and design, refinement of site layout options, revisions to the generator location, design of generator screening, coordination with the Washington State Department of Ecology (ECY) regarding contaminated soils, revisions to monitoring wells, development a of project alternative, updates to the plaza hardscape finish, and instrumentation and controls design. These additional services were requested by the City or became necessary as the project design advanced and new technical, regulatory, and coordination requirements were identified

Additional Services

1. Structural Analysis and Design

The Consultant performed structural analysis and design for modifications to the existing wet well, including structural calculations for removal of the existing center wet/dry wall, design of a new precast lid, evaluation of fill placement above the structure, and coordination with the precast manufacturer to develop a complete precast solution and associated details. This work was required because the structural design approach and final configuration were not identified during development of the original scope, and the selected solution necessitated additional engineering analysis and coordination beyond what was previously anticipated.

2. Refinement of Site Layout Options

The Consultant refined site layout options through coordination with the City and PUD to determine the extent of park improvements and potential water access. Work included preparation of multiple exhibits, cost estimates, and shoreline impact evaluations to support selection of the final layout. These services were required because the limits of park improvements and shoreline considerations were not defined in the original scope, and additional alternatives analysis and agency coordination were necessary to establish the preferred configuration.

3. Revised Generator Location Development

The Consultant evaluated revised generator siting options within the constrained project area and prepared exhibits documenting feasible locations. Work included analysis of code requirements for generator placement near existing buildings and openings, and assessment of impacts to park improvements and construction limits. This additional effort was required because relocating the generator into the alley expanded the project footprint and introduced new code and coordination requirements not included in the original scope.

4. Generator Screening Design

The Consultant developed a custom generator screening solution, including a decorative image wall concept, coordination with the manufacturer, coordination with the City, and preparation of detailed drawings. This additional service was required because the City requested a custom aesthetic screening treatment beyond the standard fencing assumed in the original scope, necessitating additional design development and coordination.

5. Contaminated Soil Coordination

The Consultant coordinated with the geotechnical engineer and the Washington State Department of Ecology (ECY) regarding contaminated soil management. Work included meetings, documentation, and design adjustments to ensure compliance with ECY requirements and to avoid future conflicts with potential site closure activities. This service was required because the provided Soil and Groundwater Management Plan (SGMP) for the project necessitated coordination and ECY involvement that were not included in the original scope and required additional technical evaluation and interagency coordination.

6. Monitoring Well Revisions

The Consultant revised the park improvement plans to protect existing monitoring wells, coordinated with the geotechnical engineer regarding well construction details, and designed grade adjustment modifications to existing wells. This work was required because the need to preserve and modify existing monitoring wells was identified after initial design development and necessitated additional plan revisions and technical coordination beyond the original scope.

7. Instrumentation and Controls (I&C) Design Coordination

The Consultant provided additional I&C design services, including development of a custom SCADA cabinet and PLC configuration, and coordination with the City's SCADA vendor to ensure compatibility with the City's existing SCADA architecture. This additional work was required because the original scope assumed standard I&C design SCADA output.

8. Stormwater Treatment Infrastructure Design

The Consultant designed stormwater treatment infrastructure to treat PGIS runoff from the west alley, including areas outside the original project limits. This service was required because stormwater treatment for off-site PGIS runoff was not included in the original scope and required additional hydrologic evaluation, treatment system design, and coordination with City stormwater requirements.

9. Alternative Design – North Alley Hardscape Replacement

The Consultant shall prepare a bid alternate for full replacement of hardscape within the north alley, including vehicular pavement with a custom joint pattern. This additional service is required because the bid alternate represents new work outside the original project limits and requires additional design, detailing, and bid package preparation not included in the original scope.

10. Revision to Plaza Hardscape Finish

The Consultant shall revise the plaza hardscape finish to incorporate a lake outline and location markings in lieu of the originally planned grape pattern. This service is required because the City's revised aesthetic direction necessitates additional design development and detailing beyond the originally defined finish treatment.

Cost of Services

Services under this Additional Services Addendum shall be billed on a **Time and Materials (T&M)** basis and include both services already completed and services to be performed as part of the additional scope described herein. The total estimated cost for the additional services is **\$42,000**, in accordance with the fee breakdown below:

1. Structural Analysis and Design – \$12,900
2. Refinement of Site Layout Options – \$6,000
3. Revised Generator Location Development – \$4,500
4. Generator Screening Design – \$3,500
5. Contaminated Soil Coordination – \$1,200
6. Monitoring Well Revisions – \$1,800
7. Instrumentation and Controls (I&C) Design Coordination – \$3,500
8. Stormwater Treatment Infrastructure Design – \$5,000
9. Alternatives Design – North Alley Hardscape Replacement – \$1,100
10. Revision to Plaza Hardscape Finish – \$2,500



Subject/Title: RH2 Engineering, Inc. Amendment No. 1 to Task Authorization No. 15 for the Washington Booster Pump Station Improvements (Public Works Director Youngren)

Department: Public Works

Staff Contact: Jake Youngren

Guiding Principles: Visionary & Strategic

Initiatives: Modernize Resource

Reviewed By: City Administrator, and Finance Director

Number of Looks: Look No. 1 of 1

PREVIOUS ACTION TAKEN

The City entered into a Professional Services Agreement (PSA) with RH2 Engineering, Inc. (RH2) on December 13, 2023 for General Engineering Services, and authorized Task Authorization No. 15 for Washington Booster Pump Station Improvements on August 13, 2024.

OVERVIEW

During design, additional effort was required beyond the original scope to complete the preliminary design report, evaluate bypass pumping configurations, refine hydraulic modeling and system demands, assess control and telemetry improvements between the Washington Booster Pump Station and Fire Pump Station, and advance the 60-percent design plans. This amendment formalizes that additional work and restores the design budget for remaining tasks. Please refer to the attached amendment for full details.

FINANCIAL IMPLICATIONS

Amendment No. 1 increases the Task Authorization No. 15 fee by \$47,516 for a revised total authorization of \$167,057. The period of performance is extended to February 28, 2027. Adequate funds are available in the project budget for this amendment.

ATTACHMENTS

1. RH2 Engineering, Inc. Amendment No. 1 to Task Authorization No. 15 for the Washington Booster Pump Station Improvements

SUGGESTED MOTION

I move to authorize the Mayor to finalize and execute the RH2 Engineering, Inc. Amendment No. 1 to Task Authorization No. 15 for the Washington Booster Pump Station Improvements.

City of Chelan
Contract Amendment No. 1 to Task Authorization No. 15
General Engineering Services
Washington Booster Pump Station Improvements
RH2 Project No. 0240005.15

In accordance with our Professional Services Agreement for General Engineering Services, dated December 13, 2023, and Task Authorization No. 15 for Washington Booster Pump Station Improvements, dated August 14, 2024, this is an authorization to revise the project parameters as described below. The work will be performed and invoiced using the terms and conditions listed in the original agreement, plus previous amendments.

This Amendment incorporates the following elements of the Agreement:

Reference attached Exhibit A – Scope of Work and Exhibit B – Fee Estimate.

The engineering fee authorization will increase by \$47,516 for a total authorization amount of \$167,057.

The period of performance for this Task Authorization will be extended for a completion date of February 28, 2027.

Please sign this authorization in the space provided below and return to RH2 Engineering, Inc., by mail at the address below, or by email to Contracts@RH2.com.

RH2 Engineering, Inc.
300 Simon Street SE, East Wenatchee, WA 98802

City of Chelan
PO Box 1669, Chelan, WA 98816



4/2/2026

SIGNATURE

DATE

SIGNATURE

DATE

Erik R. Howe, Director

PRINT NAME & TITLE

PRINT NAME & TITLE

EXHIBIT A
Scope of Work
Contract Amendment No. 1 to Task Authorization No. 15
City of Chelan
General Engineering Services
Washington Booster Pump Station Improvements
March 2026

Background

The City of Chelan (City) engaged RH2 Engineering, Inc., (RH2) to provide engineering services for capacity improvements at the Washington Booster Pump Station (BPS). During initial design efforts, RH2 expanded the evaluation scope to identify the most cost-effective and technically appropriate solution for the City. This work included a detailed alternatives analysis to assess the need for expanding the existing BPS building, development of multiple bypass pumping concepts, constructability reviews, and preparation of comparative cost estimates.

RH2 also conducted an enhanced assessment of projected demands and operational requirements in the Washington Street Pressure Zone beyond the planning-level information included in the 2024 *Water Comprehensive Plan Amendment*, as requested by the City. RH2 solicited and evaluated manufacturer quotations for specialty pumps to confirm that maximum system demands could be met within the current BPS footprint. In addition, RH2 identified the need for additional control system improvements, including expanded telemetry and communication capabilities for both the Washington BPS and the Fire Pump Station (FPS).

Additional time and effort to update the Preliminary Design Technical Memorandum and provide BPS design services for the Washington BPS Improvements are itemized in the following tasks.

Task 1 – Preliminary Design Report (Supplemental)

Objective: Prepare a report documenting the size and configuration of the BPS upgrades and the process for accomplishing the project. *The previous budget authorized for Task 1 was utilized to provide the City with the items outlined in the original approach; however, additional effort was needed to complete this Task. The additional effort is detailed in the following subtasks.*

Approach:

- 1.1 No supplemental work.
- 1.2 Provide additional effort for hydraulic modeling and system evaluation to further refine Washington BPS capacity requirements. This effort included an in-depth evaluation of additional system demand from the upcoming planned developments.
- 1.3 Provide additional effort preparing preliminary schematics (in 2D) illustrating temporary water supply and the necessary bypass pumping configurations to maintain service to the pressure

zone during construction. This effort included identification of tie-in locations, isolation requirements, valving concepts, and sequencing considerations.

- 1.4 Provide additional effort for the evaluation and identification of control instrumentation, and communication improvements between the Washington BPS and FPS with the City's master supervisory control and data acquisition system via radio communication.
- 1.5 No supplemental work.
- 1.6 No supplemental work.
- 1.7 No supplemental work.
- 1.8 Provide additional effort for coordination with pump manufacturers and suppliers to evaluate multiple motor options, equipment availability, and prepare a cost analysis to determine pump selection. Update the Predesign Technical Memorandum and Engineer's opinion of probable construction cost (OPCC) to include additional analyses and findings. Attend one (1) meeting with the City to review changes.

Assumptions:

- *The supplemental efforts outlined in Task 1 have been completed. These items have been paid for with budget from different tasks in an effort to maximize efficiency prior to formalizing in an amendment.*
- *No additional work will be performed under this task.*

RH2 Deliverables:

- Revised Predesign Technical Memorandum and OPCC.
- Revised figures with additional analyses and BPS improvements.
- Attendance at one (1) review meeting.

Task 2 – BPS Design (Supplemental)

Objective: Prepare design plans and specifications for the proposed BPS. *During development of the 60-percent design plans, additional effort was required to develop detailed options for finalizing a path forward, including additional schematics and cost estimates. Refinement of the control system requirements beyond what was originally anticipated was also determined to be required. These elements were necessary to provide uninterrupted service during construction and to confirm reliable long-term operation of the upgraded facility. This added level of plan development occurred earlier in the design process, and depleted existing budgets.*

Approach:

- 2.1 Provide additional effort to prepare 60-percent mechanical plans. Identify alternative suction and discharge tie-in locations with detailed advantages and disadvantages to provide a comprehensive system review for pressure zone bypass with detailed risk analysis. Reviewed multiple iterations of bypass options. Reviewed multiple pump alternatives including potential

for re-use of pumps. Reviewed how fire pump and booster pump operation was tied together and potential for use as bypassing. Review of sizing concerns on new building versus reusing existing build with analysis on costs and permitting.

2.2 No supplemental work.

2.3 Provide additional effort to prepare electrical and control plans to include telemetry upgrades for communication between the Washington BPS and FPS. *Telemetry upgrades were not included in the original scope of work.*

2.4 No supplemental work.

2.5 No supplemental work.

2.6 No supplemental work.

2.7 No supplemental work.

2.8 No supplemental work.

2.9 No supplemental work.

2.10 No supplemental work.

2.11 No supplemental work.

2.12 Provide additional efforts for project management, including invoice reviews, budget tracking, updating the project schedule, and maintaining project records. Additional effort has been included in this task for coordination meeting with the East Chelan Reservoir consultant team.

Assumptions:

- *Supplemental effort outlined in Task 2 has already been performed.*
- *Supplemental effort is intended to restore the design budget for the remaining design tasks.*
- *Elements of this Task will be supported by RH2's subsidiary, Control Systems NW LLC, via intercompany services agreement.*
- *One meeting to coordinate with the East Chelan Reservoir consultant team has been included.*

RH2 Deliverables:

- Updated mechanical, electrical, and control plans.

Project Schedule

The original project schedule has been revised and project completion is anticipated by December 2026, with project closeout anticipated by February 2027.

EXHIBIT B

Fee Estimate

Contract Amendment No. 1 to Task Authorization No. 15

City of Chelan

Washington Booster Pump Station Improvements

Apr-26

Description	Total Hours	Total RH2 Labor	Total Hours	Total CSNW Labor	Total ALL Hours	Total ALL Labor	Total RH2 Expense	Total CSNW Expense	Total Expense	Total Cost
Task 1 Preliminary Design Report	42	\$ 9,666	-	\$ -	42	\$ 9,666	\$ 627	\$ -	\$ 627	\$ 10,293
Task 2 BPS Design	124	\$ 26,408	40	\$ 9,022	164	\$ 35,430	\$ 1,485	\$ 308	\$ 1,793	\$ 37,223
PROJECT TOTAL	166	\$ 36,074	40	\$ 9,022	206	\$ 45,096	\$ 2,112	\$ 308	\$ 2,420	\$ 47,516



Subject/Title: Bayley Construction, LP Change Order No. 1 of the Contractor Agreement for the City of Chelan Recycling Center Replacement Project (Public Works Director Youngren)

Department: Public Works

Staff Contact: Jake Youngren

Guiding Principles: Healthy & Sustainable

Initiatives: Modernize Resource

Reviewed By: City Administrator, and Finance Director

Number of Looks: Look No. 1 of 1

PREVIOUS ACTION TAKEN

On December 10, 2024 Council approved the MMEC Architecture Professional Services Agreement for the Design of the Chelan Recycle Center Facility. On January 27, 2026 Council approved the Construction Management contract for Bayley Construction for the Chelan Recycle Center Facility.

OVERVIEW

The City's Recycle Center experienced a total loss due to fire. The City initially pursued its standard design-bid-build delivery process for the replacement of the facility; however, that approach presented challenges in reaching alignment with the insurance carrier on project scope and pricing. To better facilitate collaboration with the insurance carrier and establish defensible, real-world pricing throughout the procurement process, the City transitioned to a GC/CM delivery model. The City competitively solicited for a General Contractor/Construction Manager and selected Bayley Construction, LP. A pre-construction services contract was executed with Bayley on January 27, 2026.

The City is now onboarding Mechanical, Electrical, Plumbing (MEP), and metal building subcontractors to support design development and cost estimating efforts. Bringing these specialty subcontractors into the process will allow the project team to obtain current, real-world pricing and technical input necessary to refine the scope of work and finalize the insurance claim value. Their involvement will also provide clear and defensible pricing documentation for discussions with the insurance carrier, particularly in areas where distinctions between existing conditions, current code requirements, and present-day industry standards have been a key point of review throughout the claims process.

Additionally, onboarding the metal building subcontractor at this stage will allow the project team to begin procurement activities related to the replacement metal building system, helping reduce potential long lead-time impacts and supporting overall project schedule advancement while the insurance claim is finalized. Please refer to the attached change order and supporting documents for full details.

FINANCIAL IMPLICATIONS

Change Order No. 1 adds \$387,162 to Bayley Construction's contract and will be funded from the initial insurance payout of \$1,000,000. If approved, the City will have \$129,511.20 remaining from that initial payout.

Previous costs charged against the initial insurance payout are as follows: Architectural and Civil Design \$256,400, Bayley Construction Management \$24,273, and Loader \$202,653.80, for a total of \$483,326.80 budgeted to date.

The insurance company will be responsible for funding the remaining cost to complete the project, currently estimated at approximately \$3,004,482.88. That figure is expected to be reduced as the newly onboarded subcontractors provide more current and realistic pricing through the design process.

ATTACHMENTS

- 1. Bayley Construction, LP Change Order No. 1 of the Contractor Agreement for the City of Chelan Recycling Center Replacement Project
- 2. Electrical DB RFP Bid Tab
- 3. England Industrial Bid Form
- 4. McKinstry Engineering and Precon
- 5. McKinstry Price Factor
- 6. Mechanical DB RFP Bid Tab
- 7. PEMB-England Industrial Olympia Metal Bldg
- 8. Valley Electric Contract & Ins
- 9. Valley Electric Price Factor

SUGGESTED MOTION

I move to authorize the Mayor to finalize and execute Bayley Construction, LP Change Order No. 1 of the Contractor Agreement for the City of Chelan Recycling Center Replacement Project.

BAYLEY

May 15, 2026

To: City of Chelan
Rox

From: Bayley
Jeffrey Madden

Project Name: **Chelan Recycling Center - Precon Services**

Summary:

\$	17,073	Bayley General Conditions
\$	2,325	Bayley General Requirements
\$	-	Bayley Self Performed Work
\$	290,000	Bayley Subcontractor Work
<hr/>		
\$	309,398	Subtotal
\$	3,468	1% General Liability Insurance
\$	659	0.2% Builder's Risk Insurance
\$	2,428	0.7% B&O Tax
\$	694	0.2% Procore
\$	34,680	10% Fee
<hr/>		
\$	351,326	Total Without WSST
\$	5,270	1.5% Performance and Payment Bond
<hr/>		
\$	356,596	Total w/out WSST and with P&P Bond
\$	30,565	8.7% Chelan Sales Tax
<hr/>		
\$	387,162	Total with WA State Sales Tax

Packages

- PEMB - steel and erection costs
- McKinstry - plumbing and mechanical design costs, allowance
- Valley - Electrical design costs, allowance
- Bayley - extended design support after meeting with the insurance company.

Bid Tab

Chelan Recycling Center Replacement Project
Electrical Design-Build RFP

5/6/2024
 3:00 PM

Bidder	Valley Electric
Design-Build Subcontractor's Fee	15
Design-Build Subcontractor's Insurance Premiums	0.497
Total Fee and Premiums	15.497
Acceptance of Contract	Pass
Insurability	Pass
Addendum Acknowledged	#1

	Possible Points	Scorer #1	Scorer #2	Scorer #3	Scorer #4	Avg Score
Exerience and Qualifications	20	20	18	19	20	19.25
Key Personnel	15	14	12	15	15	14
Project Approach	20	19	19	18	20	19
Location	15	13	13	14	12	13
Safety	15	14	15	14	15	14.5
Inclusion Plan	5	5	5	5	5	5
Price Factor	10	10	10	10	10	10
Total	100	85	82	85	87	84.75

Prepared by:

Jon Lindberg-Bayley Construction LP

Witnessed by:

Jeff Madden-Bayley Construction LP

Rox Hoskins-City of Chelan Public Works

Boyd Lusarreta-MMEC Architecture

BID FORM – PRE-ENGINEERED METAL BUILDING SUPPLY AND ERECT

PROJECT: CITY OF CHELAN RECYCLE CENTER REPLACEMENT PROJECT

BID PACKAGE: BID PACKAGE # _____

PACKAGE 1**BID FORM**

TO: BAYLEY CONSTRUCTION, LP.

SUBMIT BIDS VIA BUILDING CONNECTED. Emailed and hand-delivered bids will not be accepted.

BIDDER NAME: ENGLAND INDUSTRIAL CONSTRUCTION

ADDRESS: 10632 32ND ST E **CITY/STATE/ZIP:** EDGEWOOD/WA/98372

PHONE NUMBER: 425-996-1834 **FAX NUMBER:** _____

CONTACT PERSON: DAN ENGLAND **CONTACT EMAIL:** ESTIMATING@ENGLANDINDUSTRIAL.COM

The undersigned, having carefully examined the enclosed and referenced Contract Documents, conditions affecting the work, being familiar with the Project site, acknowledges incorporation of the current prevailing wage requirements hereby proposes and agrees to provide all labor, materials, equipment, supervision, services, and incidentals necessary to complete the Work for the following stipulated sums. The bidder hereby acknowledges that the bid amounts below are complete and by submitting this proposal, they are prepared to mobilize and start work and achieve final completion no later than the dates indicated in the Contract Documents.

TOTAL BID BREAKDOWN:

1. Base Bid: \$ 240,000.00
(Including Allowances, Payment & Performance Bond, and Trench Safety Provisions) Do not include WA State Sales Tax

TWO FOURTY HUNDRED THOUSAND Dollars

Print dollar amount in words in space above.

2. Trench Excavation Safety Provisions \$ 0.00

Bidder must include a lump sum dollar amount in blank above (even if the value is \$0.00) to be responsive.

ADDENDUM:

The undersigned hereby acknowledges receipt and incorporation of the following Addenda:

1, 2, 3, 4

Write in numbers for all addenda received and acknowledged.

BID GUARANTEE:

For proposals exceeding \$300,000 the undersigned agrees to provide, with the submission of their Bid Form, a bid guarantee in the amount of 5% of the Base Bid. This bid guarantee shall be held by the GC/CM, and that the amount of the guarantee is a measure of damages which the GC/CM will sustain by failure of the undersigned to execute a Contract for Work and furnish required bonds, and that if the undersigned fails to deliver said documents within seven (7) calendar days after receipt of notice of acceptance, the bid guarantee shall be forfeited by the bidder. However, if the GC/CM fails to award a Contract for the work within ninety (90) days after the date of bid opening, the bid guarantee shall be returned to the undersigned.

DECLARATION:

The undersigned agrees that if written notice of the acceptance of this bid is mailed or delivered to the undersigned within ninety (90) days of the bid opening date, the undersigned shall, within seven (7) calendar days of receipt of this notice of acceptance, deliver to Bayley Construction, a fully executed contract, the required Performance and Payment Bonds, and a schedule showing activities and durations in general compliance with the preliminary construction schedule detailed in the Bidding Documents. Failure to comply with these items may be considered sufficient cause for bid rejection and forfeiture of bid guarantee.

Please initial in the space provided acknowledging and confirming the following:

1. Proposer has reviewed the enclosed Subcontract Agreement and/or Purchase Agreement included and is prepared to execute said agreement without reservation and/or modification of awarded any part of this Scope of Work.

DE initial

2. Proposer has reviewed the insurance requirements included as and acknowledges that the cost for the specified coverage is included and that Proposer can secure said coverage for the duration for the project.

DE initial

3. Proposer has reviewed the published project schedule and agrees to provide adequate labor, equipment and materials to meet schedule.

DE initial

The firm represented by the below signature is a:

Sole Proprietorship Partnership Corporation Other Specify: _____

If a Corporation, State of Incorporation: WASHINGTON

State of Washington Contractor's License Number: ENGLAIC742JP

Signature below represents and warrants possessing the authority to sign for and bind their respective entity.

	DANIEL LEE ENGLAND
By (Signature)	Legal Name of Bidder (Please Print)
OWNER	10632 32ND ST E
Title	Street Address
	<u>EDGEWOOD/WA/98372</u>
	City, State, Zip Code

END OF SECTION

MCKINSTRY ENGINEERING & PRECON

TO: JON LINDBERG

DATE: 5/6/26

SUBJECT: CHELAN RECYCLING CENTER

SCOPE OF WORK

Bayley Construction has requested McKinstry provide Precon& Engineering design for the mechanical and plumbing systems for a new ~4000 sf pre-engineered metal building at the Chelan Recycling Center in Chelan, WA.

McKinstry Engineering will develop a mechanical and plumbing permit set of documents for submission to the City of Chelan for review for the following scope:

- Design of new, ground-mounted packaged heat pump air handler to provide heating, cooling, and ventilation for new S-1 occupancy warehouse space.
- Exhaust system for new restroom
- Plumbing design for new restroom, including selection of point of use water heaters for sink.
- Add-Alt 1: General exhaust system if required for vehicles operating/parking inside building.

Engineering scope to include:

1. Applicable code review
2. Load & Ventilation Calculations
3. (2) 30-min client meetings attended by lead mechanical engineer
4. Drawing setup in Bluebeam Revit
5. Basis of Design formulation
6. HVAC ductwork & plumbing design
7. Equipment selection & vendor coordination
8. Equipment location coordination
9. Design calculations
10. Architectural coordination
11. Specifications, details & notes as required for permit
12. Riser diagrams
13. Control coordination for stand-alone controls.
14. WSEC Energy code forms, as required for mechanical & plumbing permitting
15. Permit review & comment response
16. Incorporation of comments from team into final CD set
17. Issuance of (2) deliverable(s): Permit Set, 100% CD/IFC Set
18. Construction administration.
 - a. Review of submittals & RFIs
 - b. Creation of record drawings.
 - c. TAB report review.
 - d. (1) site visit

DESIGN SCHEDULE & PROGRESS PAYMENTS

Work will begin within 2 weeks of NTP. Design will take approximately 4 weeks, provided all necessary documentation (Revit/CAD model) are received within those two weeks following NTP. Monthly invoices will be submitted for progress to date.

MCKINSTRY ENGINEERING & PRECON

ASSUMPTIONS/CLARIFICATIONS

1. Assumption is that project will be permitted under the 2021 Washington State Energy Code.
2. A CAD or BIM (Revit) background is available for our use that accurately represents the existing space conditions and can be used for design drawing backgrounds.
3. Department 200 or 240 will provide pre-construction project management that includes the overall client management, collection of owner-provided information, cost estimating, billing, and construction scheduling.
4. Construction work will be completed by McKinstry Co; scope of work does not include delivery of design-bid-build set.
5. Building is classified as an S-1 occupancy, which does not require DOAS per the 2021 WSEC.
6. WSEC section C406 requires additional energy efficiency measures for new buildings but excludes warehouses from this requirement. It is assumed that mechanical efficiency measures per this section will not be required in the mechanical or plumbing designs and that baseline code compliance is acceptable. Additional efficiency measures would require additional design fee.
7. Seismic attachment calculations will be a deferred submittal and are not included in this price estimate.

EXCLUSIONS

1. Structural, electrical, fire protection engineering.
2. Specialty exhaust or any other exhaust or HVAC systems not specified above.
3. Flammable material exhaust system.
4. Control sequences.
5. Site visits during design process.
6. Additional CA site visits.
7. Cost estimating.
8. Book specifications.
9. Seismic attachment details.
10. Fee proposal is only for engineering services; no construction/pre-con included.
11. Acoustical engineering review.
12. Energy or thermal comfort modeling.
13. Fundamental design approach changes, either as directed by the owner or as determined by site conditions, to the scope outlined above may be subject to additional design fees at the discretion of McKinstry Engineering.
14. Correction of any existing code violations.
15. Sound attenuation.
16. Equipment screening design.
17. 3rd Party Special Inspection.
18. Upgrades or repairs to existing equipment and systems not listed above.
19. Permit fees.

MCKINSTRY ENGINEERING & PRECON

20. Anything not specified in scope of work.

COST OF WORK

ITEM	PRICING
Engineering Design	\$13,825
Construction Administration & Preconstruction Services $\$3,990 + 3,250 = \$7,240$	\$7,240
Add-Alt #1: Design of General Exhaust	\$1,400
TOTAL (LUMP SUM)	\$22,465

Sincerely,

McKinstry Essention, LLC



Megan Church | Associate Engineer
206.317.7224 | meganc@mckinstry.com

MCKINSTRY ENGINEERING & PRECON

Terms and Conditions

PERFORMANCE OF WORK

McKinstry Essention, LLC ("McKinstry") shall perform the scope of work ("Work") specified herein. McKinstry shall furnish all services necessary to perform the Work and perform the Work to completion diligently, expeditiously and with adequate forces. Customer shall use its best efforts to provide all information, materials, documents, and assistance that is reasonably required for McKinstry to perform any and all aspects of the Work. The standard of care for all professional engineering, design and related services performed or furnished by McKinstry under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing with extensive experience with projects similar to the Project under similar circumstances at the same time and in the same locality. Except as otherwise set forth in this Agreement, McKinstry makes no warranties, express or implied, under this Agreement or otherwise, in connection with these design services.

Customer shall be responsible for the quality of the information provided to McKinstry. McKinstry, its affiliates, and its consultants may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to, specialty contractors, manufacturers, suppliers, and the publishers of technical standards. McKinstry will correct any such deficiencies in technical accuracy without additional compensation except to the extent such corrective action is directly attributable to deficiencies in Customer-furnished information or other third-party information.

McKinstry and Customer shall comply with the applicable Laws and Regulations and Customer-mandated standards that Customer has provided to McKinstry in writing at the time and place of the agreement. This Agreement is based on these requirements as of its Effective Date of the agreement. Changes to these requirements after the Effective Date of this Agreement is not included in the scope, and may be the basis for modifications to Customer's responsibilities or to McKinstry's scope of services, times of performance, and compensation if agreed to in writing.

An affiliated entity may provide services where required. McKinstry may employ consultants that it deems necessary to assist in the performance or furnishing of the services, subject to reasonable, timely, and substantive objections by Customer.

McKinstry shall not be required to sign any documents, no matter by whom requested, that would result in the McKinstry having to certify, guarantee, or warrant the existence of conditions whose existence the McKinstry cannot ascertain. Customer agrees not to make the resolution of any dispute or payment of any amount due in any way contingent upon McKinstry signing any such documents.

PAYMENTS

Customer shall pay McKinstry Essention the compensation specified herein ("Price") for the value of Work that McKinstry Essention has completed, as the Work is completed. Customer shall pay McKinstry Essention within fifteen (15) days of receiving an invoice. McKinstry Essention will be entitled to interest at the rate of 1.5 percent per month on all sums overdue and unpaid from the date due.

TERMINATION

Either Party may terminate this agreement upon fifteen (15) days written notice to the other Party. In such case, the rights and obligations of each Party that arose prior to the termination date shall survive such termination.

DISPUTES

In case of dispute between the Parties, the Parties will attempt to negotiate a resolution. If a dispute remains unresolved more than thirty (30) calendar days after the commencement of negotiation, and the Parties have not agreed to extend such date, then the Parties shall pursue mediation. If any dispute remains unresolved more than sixty (60) calendar days after the commencement of mediation, then either Party may pursue arbitration. *No litigation will be commenced by either Party*

MCKINSTRY ENGINEERING & PRECON

unless all of the foregoing steps have been pursued to completion.

CHOICE OF LAW, VENUE

The validity, interpretation, and performance of this agreement shall be governed by the laws of the state in which the Work is performed. The venue for resolving any dispute shall be the county in which the Work is performed.

FORCE MAJEURE

Neither McKinstry Essention nor Customer shall be considered in breach of this agreement to the extent that the Party's performance is prevented by an event or events that are beyond the control of such party, including but not limited to acts of God, fire, earthquake, flood, storm, war, rebellion, revolution, insurrection, riot, strike, nuclear contamination, and/or acts or threats of terrorism.

NO WAIVER

No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver.

DAMAGES LIMITATION

It is understood and agreed for the price, except to the extent such damages are covered by applicable insurance policies, neither party shall be liable to the other party for any consequential, indirect, special, incidental, exemplary, or similar, damages or losses, including loss of profits, arising out of or relating to this agreement, whether based in contract or tort or any other theory, even if a party has been advised of the possibility of such damages.

It is understood and agreed for the price, the parties agree that the aggregate liability of McKinstry shall not exceed the proceeds payable by the primary insurance coverage as negotiated and required by this agreement.

INDEMNIFICATION

McKinstry shall indemnify and hold harmless Customer from and against all third party claims, damages, losses and expenses for bodily injury, sickness, disease, or death or destruction of tangible property, directly arising from McKinstry's performance of the Work, but only to the extent caused by the negligent acts or omissions of McKinstry.

SEVERABILITY, SURVIVAL

If any portion of this agreement shall be held invalid in whole or in part under any law, rule, regulation, or order, then such portion shall remain in effect only to the extent permitted, and the remaining portions of the agreement shall remain in full force and effect. Any invalid portions shall be substituted with an interpretation that most accurately reflects the Parties' intentions.

AMENDMENT

This agreement may not be amended except pursuant to a written amendment signed by an authorized signer of each Party.

COMPLETE AGREEMENT

This agreement, including the exhibits attached hereto, is a fully integrated agreement. Any legal terms and conditions appearing elsewhere in this agreement shall be ignored to the extent they contradict or are inconsistent with the terms and conditions contained in the foregoing numbered list. All previous agreements between McKinstry Essention and Customer as to the Work are superseded by this agreement.

PRICE FACTOR PROPOSAL FORM

To: Jeff Madden
Director of Special Projects
Bayley Construction
8005 SE 28th Street
Mercer Island, WA 98040

Price Factor Proposal Form

Pursuant to and in compliance with the Request for Final Proposal (RFP), the undersigned certifies, having carefully examined the RFQ, RFP, draft Contract Documents and conditions affecting the Work, proposes to furnish all labor, materials, equipment and services necessary to complete the Work, as follows (*complete items below*):

1. Design-Builder's Proposed Price Factors

Design-Build Subcontractor's Fee: Having read all pertinent information and understanding the requirements identified within the RFQ/RFP and draft Contract Documents, the Design-Build Subcontractor proposes a fee of 15% for overhead, profit and all other costs of the Design-Build Subcontractor not separately reimbursable under the Professional Services Agreement. If the Proposer is successful in negotiating Preconstruction Services with the District, this fee will be inserted into Section 9.B., line viii, of the Professional Services Agreement that will be routed for execution.

Design-Build Subcontractor's Insurance Premiums: Having read all pertinent information and understanding the requirements identified within the RFQ/RFP and draft Contract Documents, the Design-Build Subcontractor proposes an aggregate insurance premium of .90% for the insurances of the Design-Build Subcontractor that are directly attributed to and required by the RFQ/RFP and Contract Documents. If the Proposer is successful in negotiating Preconstruction Services with the District, this premium will be inserted into Section 9.B., line vii, of the Professional Services Agreement that will be routed for execution.

Total Combined Percentage: The total sum of the Design Builder's Fee and Insurance Premiums, expressed as a percentage, is 15.90%. This total percentage shall be used for the scoring of the Price Factor Proposals received from Proposers. In the case of a discrepancy between the sum of the individually listed percentages and the total combined percentage listed, the actual sum of the individual percentages shall be used.

2. Sales Tax:

Applicable Washington State Sales Tax shall not be included in any amounts on this Bid Form.

3. Insurance Calculations

For the purposes of calculating the costs of insurance, prior to negotiation of a GMP, the bidder shall assume a "GMP Budget" as referenced in Section 1.3 of the Request for Qualifications. The "GMP Budget" is the anticipated, total cost of design and construction for bidder's scope of work, not including WA State sales tax.

4. Business Information and Addenda Acknowledgement

Proposer's Business Name: <i>McKinstry Co. LLC</i>			
Type of Business: <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation (State of Incorporation: <u> </u>) <input type="checkbox"/> Other			
Business Address: <i>5005-3RD AVE S.</i>	City: <i>Seattle</i>	State: <i>WA</i>	Zip Code: <i>98134</i>
Business Telephone Number: <i>206-571-7988</i>	Business Fax Number: <i>N/A</i>	Business E-mail Address: <i>markf@McKinstry.com</i>	
State of Washington numbers for the following:			
Contractor Registration No.: <i>MCKINCL942DW</i>	UBI No.: <i>602-569-922</i>	Employment Security Dept. No.: <i>383-555-000</i>	
Receipt is hereby acknowledged of RFP Addenda No(s): <u> 1 </u>			

5. Authorized Signature

REPRESENTATIVE AUTHORIZED TO SIGN FOR PROPOSER:

"I certify (or declare) under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct":	
Signature: <i>Mark Frisk</i>	Date: <i>5/6/26</i>
Print Name and Title: <i>Mark Frisk Sr. Project Exec.</i>	Location or Place Executed: (City, State) <i>Seattle, WA</i>

NOTE: If bidder is a corporation, write State of Incorporation; if a partnership, give full names and addresses of all parties below.

Washington

Note: This document is to be uploaded to Building Connected as a separate pdf document from the RFP response document. **Do not include a copy of the Price Factor Form in the RFP response document.**

END OF SECTION

Bid Tab

Chelan Recycling Center Replacement Project
Mechanical Design-Build RFP

5/6/2024
 2:00 PM

Bidder	McKinstry
Design-Build Subcontractor's Fee	15
Design-Build Subcontractor's Insurance Premiums	0.9
Total Fee and Premiums	15.9
Acceptance of Contract	Pass
Insurability	Pass
Addendum Acknowledged	#1

	Possible Points	Scorer #1	Scorer #2	Scorer #3	Scorer #4	Avg Score
Exerience and Qualifications	20	19	20	17	18	18.5
Key Personnel	15	14	12	13	15	13.5
Project Approach	20	17	16	18	15	16.5
Location	15	15	15	15	15	15
Safety	15	14	10	13	15	13
Inclusion Plan	5	5	3	4	3	3.75
Price Factor	10	10	10	10	10	10
Total	100	84	76	80	81	80.25

Prepared by:

Jon Lindberg-Bayley Construction LP

Witnessed by:

Jeff Madden-Bayley Construction LP
 Rox Hoskins-City of Chelan Public Works
 Boyd Lusarreta-MMEC Architecture

OLYMPIA STEEL BUILDINGS®
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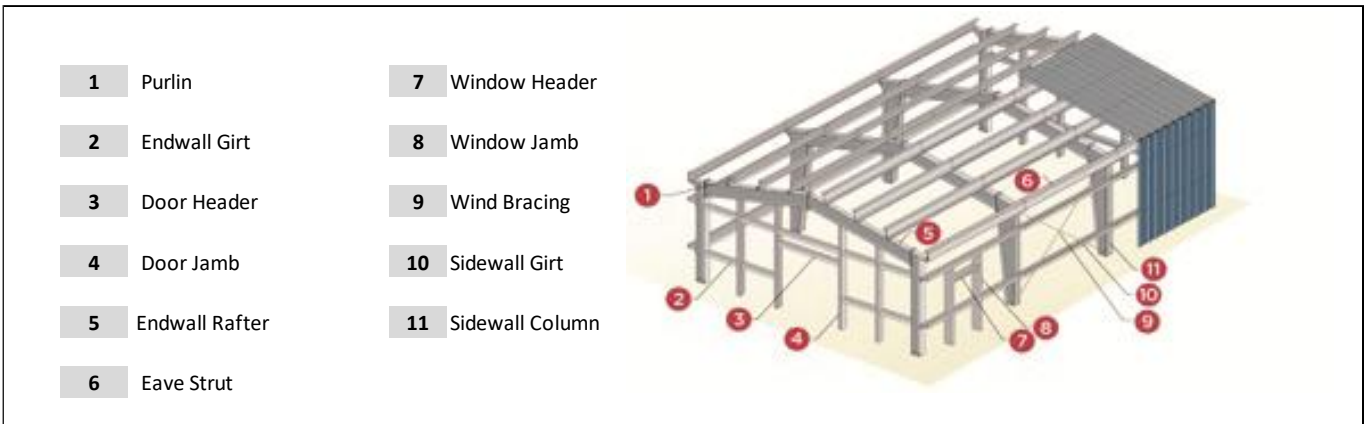
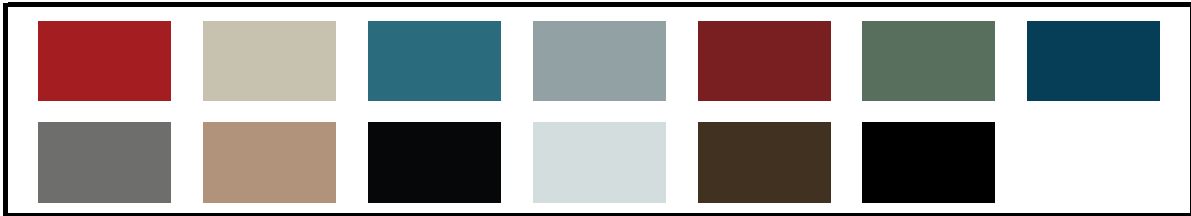


PRELIMINARY ESTIMATE - VALID FOR 2 DAYS

Buyer:	Dan England					Zach Wagner - Your Olympia Steel Buildings Contact:	
Contact:	0					Name:	Zach Wagner
Phone:	0					Toll Free:	1-888-449-7756
Email:	0					Direct Line:	412-929-0072
Address:	0					Fax:	412-250-2578
City:	0	State	WA	ZIP	98816	Email:	zwagner@factoryusa.com

YOUR STEEL BUILDING SPECIFICATIONS

Overall Dimensions, Framing and Panel Type		Optional Specifications	
Width:	40.677		\$
Length:	75.0208		\$
Height (Eave):	23.5 (low side)		\$
Roof Pitch:	2 :12		\$
Roof Type:	24" SSR 24ga		\$
Wall Type:	PBR 26ga		\$
Requested Building Codes			\$
Building Code:	IBC 21		\$
Wind Load:	115 mph		\$
Wind Exposure:	B	Total Optional Specifications:	\$ 0.00
Ground Snow Load:	50 psf	Framed Opening Sizes	
Roof Snow Load:	35 psf	As per customer drawing	
Collateral Load:	5 psf		
Live Load (Reducible):	20 psf		
Included Accessories		Special Notes	
Gutters & Downspouts:	Yes	Price includes lean too	
Service Doors:	No		
Overhead Doors:	No		
Windows:	No		
Insulation:	Yes		
Wall Insul:	R13 4"	Roof Insul:	R25 6"



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ESTIMATED DELIVERY
July 2026

QUOTE VALIDITY (DAYS)
7



PURCHASE PRICE SUMMARY	
Building Price:	\$ 115,427.00
Optional Specifications	\$ 0.00
Freight:	\$ included
TOTAL PURCHASE PRICE (pre-tax):	\$ 115,427.00
Engineering Deposit:	\$ 34,628.10
Manufacturing Deposit:	\$ 0.00
TOTAL PURCHASE PRICE (pre-tax) + 8.20%	\$ 9,465.01
COD Balance upon Delivery:	\$ 90,263.91

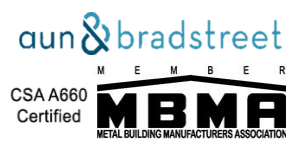


Olympia's Standard Features are Options for the Competition

- 26-gauge purlin bearing rib ("PBR") Roof System to provide full overlap between sheets and prevent leakage
- AZ55 galvalume roof coating to provide high resistance to rust
- 26-gauge painted sidewall panels with a galvanized coating beneath the paint
- 16-gauge galvanized framing to prevent rust, warping and bending
- Heavy 16-gauge galvanized base angle to seal the bottom of the building against leaks
- 26-gauge interior partition panels sheeted on one side
- Complete commercial trim package to cover the cut edges of the wall panels around door openings, the galvanized jambs and the galvanized header
- Stamped, sealed engineering drawings by professional engineers

A Leader in Warranty Coverage

- 40-year limited rust-through perforation warranty on unpainted PBR roof panels with AZ55 Galvalume® coating
- 40-year limited paint warranty against cracking, flaking or peeling
- 30-year limited paint warranty against chalking and fading
- 60-year warranty on steel beams (suitability of beams for local seismic, snow and wind loads in effect at time of order)



CSA A660 Certified





Date: 5/6/2026

From: Joe Williams – Valley Electric – joew@velectric.com

To: Flynn McNally – Bayley Construction – Flynn.mcnally@bayley.net

Pursuant to the Chelan Recycle Center RFP dated 4/29/2026 (Section 3.1):

Valley Electric acknowledges Addenda #1.

Valley Electric affirms compliance with the DRAFT Preconstruction Services Agreement issued with the RFQ without exception.

Per RFI response dated 5/4/26 construction agreement and terms to be negotiated as a separate contract.

Insurance requirement affirmation is attached after this page.

Price factor worksheet to be submitted separately.

Thank you for the opportunity,

Joe Williams | Preconstruction Project Manager

Valley Electric

cell. 270.839.4511

email. joew@velectric.com web. www.velectric.com

Everett. 1100 Merrill Creek Parkway, Everett, WA 98203

Seattle. 2200 6th Avenue Suite #905, Seattle, WA 98121

Moses Lake. 3698 Broadway Ext, Moses Lake, WA 98837

Los Angeles. 21625 Prairie Street, Chatsworth, CA 91311

Inland Empire/Orange County. 1500 Potrero Ave., South El Monte, CA 91733



601 Union Street
Suite 3400
Seattle, WA. 98101

206.676.4200

Bayley Construction
8005 S.E. 28th St.
Mercer Island, WA 98040

May 4th, 2026

RE: City of Chelan Recycle Center Replacement Project

To Whom It May Concern:

Valley Electrical Co. of Mt Vernon, Inc. has been invited by Bayley Construction to submit its Qualifications in response to the Request for Qualifications ("RFQ") for the City of Chelan Recycle Center Replacement ("project").

We have reviewed the RFQ and Bayley Construction's subcontract agreement and hereby certify Respondent has or has the ability to obtain the required insurance and that we intend to provide all required Insurance as described contract documents.

Jacob Haddock

Propel Insurance
Jacob Haddock
Sales Executive

PRICE FACTOR PROPOSAL FORM

To: Jeff Madden
Director of Special Projects
Bayley Construction
8005 SE 28th Street
Mercer Island, WA 98040

Price Factor Proposal Form

Pursuant to and in compliance with the Request for Final Proposal (RFP), the undersigned certifies, having carefully examined the RFQ, RFP, draft Contract Documents and conditions affecting the Work, proposes to furnish all labor, materials, equipment and services necessary to complete the Work, as follows (*complete items below*):

1. Design-Builder's Proposed Price Factors

Design-Build Subcontractor's Fee: Having read all pertinent information and understanding the requirements identified within the RFQ/RFP and draft Contract Documents, the Design-Build Subcontractor proposes a fee of 15 % for overhead, profit and all other costs of the Design-Build Subcontractor not separately reimbursable under the Professional Services Agreement. If the Proposer is successful in negotiating Preconstruction Services with the District, this fee will be inserted into Section 9.B., line viii, of the Professional Services Agreement that will be routed for execution.

Design-Build Subcontractor's Insurance Premiums: Having read all pertinent information and understanding the requirements identified within the RFQ/RFP and draft Contract Documents, the Design-Build Subcontractor proposes an aggregate insurance premium of .497 % for the insurances of the Design-Build Subcontractor that are directly attributed to and required by the RFQ/RFP and Contract Documents. If the Proposer is successful in negotiating Preconstruction Services with the District, this premium will be inserted into Section 9.B., line vii, of the Professional Services Agreement that will be routed for execution.

Total Combined Percentage: The total sum of the Design Builder's Fee and Insurance Premiums, expressed as a percentage, is 15.497%. This total percentage shall be used for the scoring of the Price Factor Proposals received from Proposers. In the case of a discrepancy between the sum of the individually listed percentages and the total combined percentage listed, the actual sum of the individual percentages shall be used.

2. Sales Tax:

Applicable Washington State Sales Tax shall not be included in any amounts on this Bid Form.

3. Insurance Calculations

For the purposes of calculating the costs of insurance, prior to negotiation of a GMP, the bidder shall assume a "GMP Budget" as referenced in Section 1.3 of the Request for Qualifications. The "GMP Budget" is the anticipated, total cost of design and construction for bidder's scope of work, not including WA State sales tax.

4. Business Information and Addenda Acknowledgement

Proposer's Business Name: Valley Electric of Mt. Vernon LLC			
Type of Business: <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation (State of Incorporation: <u>WA</u>) <input type="checkbox"/> Other			
Business Address: 1100 Merrill Creek Parkway	City: Everett	State: WA	Zip Code: 98203
Business Telephone Number: 206.743.5989	Business Fax Number:	Business E-mail Address: joew@velectric.com	
State of Washington numbers for the following:			
Contractor Registration No.: VALLEEC141NA	UBI No.: 600 560 647	Employment Security Dept. No.: 571-173-001	
Receipt is hereby acknowledged of RFP Addenda No(s): <u>Add 01</u>			

5. Authorized Signature

REPRESENTATIVE AUTHORIZED TO SIGN FOR PROPOSER:

"I certify (or declare) under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct":	
Signature:	Date: 5/6/2026
Print Name and Title Joe Williams	Location or Place Executed: (City, State) Everett WA

NOTE: If bidder is a corporation, write State of Incorporation; if a partnership, give full names and addresses of all parties below.

WASHINGTON

Note: This document is to be uploaded to Building Connected as a separate pdf document from the RFP response document. **Do not include a copy of the Price Factor Form in the RFP response document.**

END OF SECTION

Subject/Title: Ardurra Group, Inc. Additional Services Addendum No. 4 for the SR150 Sewer Main Replacement Project (Public Works Director Youngren)

Department: Public Works

Staff Contact: Jake Youngren

Guiding Principles: Visionary & Strategic

Initiatives: Modernize Resource

Reviewed By: City Administrator, and Finance Director

Number of Looks: Look No.1 of 1

PREVIOUS ACTION TAKEN

On April 08, 2026 Council approved the Ardurra Group Inc. Scope of Work for the 2026 Downtown Sewer Capital Improvement Project. On March 24, 2026 Council approved the Ardurra Group Construction Management Agreement for the State Route (SR)150 Sewer Mainline Replacement Project and discussed the noise disturbance given the night work that is scheduled for this project.

OVERVIEW

The City contracted with Ardurra Group (Ardurra) on April 7, 2025, for engineering services related to the State Route (SR) 150 Sewer Main Replacement Project. The project involves sewer main replacement along SR150 and Highland Avenue being completed in two phases. Prior to construction, a cultural resources survey was conducted for the project area. Following review of that survey, DAHP issued a Determination of No Historic Properties Affected on October 6, 2025, with stipulations requiring professional archaeological monitoring for all ground-disturbing activities and an unanticipated find plan. The Washington State Department of Ecology similarly required archaeological monitoring as a condition of the project. These requirements are consistent with Section 106 of the National Historic Preservation Act and were not discretionary conditions the City could opt out of without risking project approvals.

Plateau CRM was engaged as a sub-consultant to Ardurra to provide on-site archaeological monitoring. The original monitoring budget of \$61,020 included 35 working days of monitoring and a final report. However, the contractor schedule has incorporated both day and night shift work, resulting in approximately 21-hour work days. This level of continuous activity has consumed the original 35 monitoring days at a significantly faster

rate than anticipated, as each calendar day of construction has effectively required two working shifts of continuous archaeologist presence. According to the contractor, J&K Earthworks, an additional five weeks of monitoring will be required with both day and night crew coverage, totaling an additional 40 working days or shifts for the remainder of the project. Additional Services Addendum (ASA) No. 4 authorizes Plateau CRM to continue monitoring through project completion and prepare the final report for submission to DAHP as required. If approved, the total cost of archaeological monitoring for the project will be approximately \$134,820. Please refer to the attached addendum and scope for full details.

FINANCIAL IMPLICATIONS

Additional Services Addendum No. 4 increases the Ardurra Group contract by \$73,800 on a Time and Materials, not-to-exceed basis. Adequate funds are available in the project budget for this amendment.

ATTACHMENTS

1. Ardurra Group, Inc. Additional Services Addendum No. 4 for the SR150 Sewer Main Replacement Project

SUGGESTED MOTION

I move to authorize the Mayor to finalize and execute the Ardurra Group, Inc. Additional Services Addendum No. 4 for the SR150 Sewer Main Replacement Project.



May 15, 2026

Travis Denham, P.E. / City of Chelan
50 Chelan Falls Hwy.
Chelan, WA 98816

E-MAIL DELIVERY WITH PDF ATTACHMENT

Tdenham@cityofchelan.us

RE: SR150 Sewer Main Replacement Project
Additional Services Addendum #04 – Additional Cultural Resources Monitoring

Dear Travis:

Ardurra Group, Inc. is pleased to provide the enclosed Additional Services Addendum (ASA) for the referenced project. The ASA is pursuant to our agreement dated *April 7, 2025*.

This additional services authorization covers additional archaeological monitoring for the SR150 Sewer Main Replacement Project by Plateau CRM as a sub-consultant to Ardurra. Plateau CRM had an original budget of \$61,020.00 that included 35 working days of monitoring (\$57,750.00) plus a report fee (\$3,270.00). Due to the contractor schedule which has included both day and night shift work, Plateau CRM completed 35 working days of monitoring for the project as of May 7, 2026.

According to J&K Earthworks, an additional 5 weeks of monitoring will be required with both day and night crew. This will total an additional 40 working days (or shifts) for the remainder of the project. Plateau CRM has provided an additional monitoring budget and scope to complete the work needed (attached).

If agreeable, please sign the attached ASA and return the fully executed copy. We will commence the services described in the ASA upon receipt of the fully executed copy. In the interim, please do not hesitate to call with questions.

Sincerely,

Jake Bender, PE
Senior Project Manager



ADDITIONAL SERVICES ADDENDUM #4

THIS ADDITIONAL SERVICES ADDENDUM is pursuant to the *Agreement* date April 7, 2025, by and between Ardurra Group, Inc. (Consultant), and the *City of Chelan* (Client) for the Professional Services described below.

PROJECT NAME: SR150 Sewer Main Replacement Project

CLIENT: City of Chelan

ARDURRA PROJECT NUMBER: 250164

1. Description of additional services to be provided by Consultant are attached.
2. Estimated Completion Date: See attached Scope.
3. The compensation to be paid to Ardurra for providing the requested services shall be:

- | | | |
|--------------|----|--|
| <u> </u> | A. | Lump Sum amount of: |
| <u> X </u> | B. | Time and Materials charge of <u>\$73,800</u> |
| <u> </u> | C. | Unit Cost/Time Charges: |

IN WITNESS WHEREOF, this Addendum is accepted on the date first above written subject to the terms and conditions above stated and the provisions set forth in the above-described Agreement.

Ardurra Group, Inc.

CLIENT:

SIGNED: _____
 TYPED NAME: Jake Bender
 TITLE: Project Manager
 DATE: 5/18/2026

SIGNED: _____
 TYPED NAME: _____
 TITLE: _____
 DATE: _____

Return one fully executed copy to Consultant



PROJECT PRICE PROPOSAL

By
Plateau Archaeological Investigations, LLC
dba Plateau CRM
P.O. Box 714, Pullman, Washington 99163

To: Ardurra

Project: Archaeological Monitoring Additional Budget for the SR150 Sewer Project, Chelan County, Washington

Date: May 7, 2026

Price: \$73,800.00 Total price for 40 working days of cultural resource field monitoring

This price estimate includes an informal background review, 10-hour days of field monitoring by a professional archaeologist, travel and related expenses, and report preparation. In the case of breakdown or changed plans, our archaeologist will remain onsite for an appropriate period of time to ensure availability should work commence. This is Not-to-Exceed budget using the published GSA rates. Following completion of fieldwork, Plateau will prepare a report for submission to your office, the lead agency, and the Department of Archaeology and Historic Preservation (DAHP). Each additional 10-hour day of field monitoring is \$1,845.

Signatures:

Jake Bender
Ardurra

Date



David A. Harder, Vice President
Plateau CRM

May 7, 2026

Date

Ardurra assisted the City of Chelan with improvements to their sewer system with some improvements to the watermain as a secondary component. The sewer and watermain project was completed in two phases. Phase I extended south on Columbia Street to Alley #1 north of Woodin Avenue. Phase II extended along Highland Avenue/SR150 towards Columbia Street.

This proposal is for an additional 40 working days of the project. Each week includes four calendar days, and each calendar day includes two working shifts (day and night) for approximately 22 hours of work per day on average. The project area covers approximately 3.0 acres and lies in Section 13 of Township 27 North, Range 22 East, Willamette Meridian. Please review the attached map to verify the project location.

- 1 This agreement is for Archaeological Monitoring of the areas to be impacted during the proposed SR150 Sewer Project, Chelan County, Washington. The purpose of the investigation is to document cultural resources during the undertaking.
 - 1.1 The area of potential effect to be investigated is the physical location of ground-disturbing work for the project.
- 2 Additional permitting for this project may be required.
 - 2.1 No additional permitting from any State or Federal Agency is known to be required at this time. No permitting time is included in this proposal.
- 3 Plateau CRM will conduct the archaeological monitoring.
 - 3.1 Plateau CRM will provide an archaeological monitor for each working day of ground-disturbing work.
 - 3.2 The archaeologist(s) will monitor all new ground-disturbing impacts in native and non-native sediments.
 - 3.3 The archaeologist(s) may not monitor backfilling unless required by a State or Federal Agency.
 - 3.4 The archaeologist(s) will screen sediment samples at intervals throughout the ground-disturbing areas.
 - 3.5 The archaeologist(s) will record cultural resources and their identified locations during monitoring.
 - 3.6 The archaeologist(s) will follow the Unanticipated/Inadvertent Discovery Protocol prepared for this project and will adhere to all requirements within.
 - 3.6.1 A copy of the Unanticipated/Inadvertent Discovery Protocol should be retained on site by the Foreman and Site Inspector, as well as the archaeologist, to ensure that protocols are understood by construction crews.
- 4 Additional days of monitoring may be required for this project.
 - 4.1 Additional monitoring days are not included in this proposal
 - 4.2 Any additional days on site will be billed at \$1,845.00 per day.

- 5 This project will consist of a background search if not previously conducted under a cultural resource survey, field investigation of the project area to identify any cultural resources, research of public documents to help identify potential traditional cultural properties, and preparation of a report.
 - 5.1 This proposal does not include interviewing tribal elders to help identify possible Traditional Cultural Properties.
- 6 If cultural resources are located during this project, further work, investigation, or analysis may be required to evaluate whether the resource(s) is/are eligible for inclusion on the National Register of Historic Places; this monitoring could result in additional work; any such additional work, investigation, evaluation, or analysis is not included in this price proposal.
 - 6.1 This proposal does not include the inventory or formal National Register of Historic Places (NRHP) evaluation of any buildings, bridges, or other structures near the project area whose evaluation may be requested by interested or other parties.
 - 6.2 This proposal does include preparation of archaeological site or isolate forms as needed.
- 7 An email describing the findings of the field investigation will be sent to Jake Bender of Ardurra within five working days of completion of the fieldwork.
 - 7.1 An electronic draft copy of the report in Portable Document Format (PDF) will be provided to Ardurra within one hundred and twenty (120) days of completion of the fieldwork.
 - 7.2 Any review and comment upon the draft report will be provided to Plateau CRM within thirty days of receiving the draft report.
 - 7.3 Plateau CRM will upload the final report to the DAHP's WISAARD portal and provide contact information to request a review of the documentation. Since the submittal process varies by funding and permitting agency, Plateau CRM will assist with submissions and verify that the reports are submitted with all appropriate cover sheets and/or exhibits.
- 8 Ardurra agrees to provide any of the following that are available or possible:
 - 8.1 All available correspondence related to cultural resources from or to the funding or permitting agency, DAHP, or any other interested parties.
 - 8.2 The most current set of project plans, preferably in an electronic format.
 - 8.3 Geographic Information System (GIS) data for the project.
 - 8.4 Timelines for proposed construction.
 - 8.5 Anticipated project close date for billing and invoicing purposes.
- 9 Plateau CRM will provide monthly invoices to the client throughout the duration of the fieldwork and report preparation.
 - 9.1 Invoices will be rendered after the completion of payroll at the beginning of each month.



Aerial map showing the SR150 Sewer Project.



Subject/Title: Washington State Department of Transportation (WSDOT) Local Agency Agreement for the Apple Blossom Trail (Public Works Director Youngren)

Department: Public Works

Staff Contact: Jake Youngren

Guiding Principles: Thriving & Connected

Initiatives: Enhance Youth and Family Well-being

Reviewed By: City Administrator, and Finance Director

Number of Looks: Look No. 1 of 1

PREVIOUS ACTION TAKEN

Mayor McCardle signed the Apple Blossom Trail Project Letter of Understanding for Project Administration with the WSDOT on April 17, 2026.

OVERVIEW

The City of Chelan has been awarded federal highway funds through the Chelan Douglas Transportation Council (CDTC), the region's Metropolitan Planning Organization, for preliminary engineering associated with the Woodin Avenue Pedestrian Extension project. The project will extend existing pedestrian facilities along Woodin Avenue from their current terminus adjacent to Sargeant Field eastward to Apple Blossom Drive, closing a gap in the City's non-motorized network. The federal award covers the design phase of the project. To access those funds, the City is required to execute a Local Agency Agreement with the Washington State Department of Transportation (WSDOT), which administers federal highway funds on behalf of the Federal Highway Administration (FHWA). The agreement must be executed by June to preserve the federal funding obligation.

FINANCIAL IMPLICATIONS

The total estimated design cost for the project is approximately \$347,200, of which the Local Agency Agreement reflects a City contribution of \$147,875 with the remainder funded by the federal award. The City anticipates an additional grant award of approximately \$96,000 that, if received, would reduce the local share accordingly. Adequate funds are available to cover the current obligation, with \$400,000 budgeted for the project and an additional \$725,000 available through developer contributions. Federal reimbursement for eligible costs will be processed through WSDOT in accordance with the agreement terms.

ATTACHMENTS

1. Washington State Department of Transportation (WSDOT) Local Agency Agreement for the Apple Blossom Trail

SUGGESTED MOTION

I move to authorize the Mayor to finalize and execute the Washington State Department of Transportation (WSDOT) Local Agency Agreement for the Apple Blossom Trail.



Agency

Address

ALN No. 20.205 - Highway Planning and Construction
(Assistance Listing Number)
Federal Highway Administration (FHWA)

Project Number

Agreement Number

For WSDOT Use Only

The Local Agency having complied, or hereby agreeing to comply, with the terms and conditions set forth in (1) Title 23, U.S. Code Highways, (2) the regulations issued pursuant thereto, (3) 2 CFR Part 200, (4) 2 CFR Part 180 – certifying that the local agency is not excluded from receiving Federal funds by a Federal suspension or debarment, (5) the policies and procedures promulgated by the Washington State Department of Transportation, and (6) the federal aid project agreement entered into between the State and Federal Government, relative to the above project, the Washington State Department of Transportation will authorize the Local Agency to proceed on the project by a separate notification. Federal funds which are to be obligated for the project may not exceed the amount shown herein on line r, column 3, without written authority by the State, subject to the approval of the Federal Highway Administration. All project costs not reimbursed by the Federal Government shall be the responsibility of the Local Agency.

Project Description

Name Length
Termini
Description of Work

Project Agreement End Date

Advertisement Date

Indirect Cost Rate	
Yes	No

Type of Work	Estimate of Funding		
	(1) Estimated Total Project Funds	(2) Estimated Agency Funds	(3) Estimated Federal Funds
PE			
% <u>a. Agency</u>			
<u>b. Other</u>			
Federal Aid Participation Ratio(s) for PE			
<u>c. Other</u>			
<u>d. State Services</u>			
<u>e. Total PE Cost Estimate</u>			
Right of Way			
% <u>f. Agency</u>			
<u>g. Other</u>			
Federal Aid Participation Ratio(s) for RW			
<u>h. Other</u>			
<u>i. State Services</u>			
<u>j. Total R/W Cost Estimate</u>			
CN			
% <u>k. Contract</u>			
<u>l. Other</u>			
<u>m. Other</u>			
Federal Aid Participation Ratio(s) for CN			
<u>n. Other</u>			
<u>o. Agency</u>			
<u>p. State Services</u>			
<u>q. Total CN Cost Estimate</u>			
<u>r. Total Project Cost Estimate</u>			

Agency Official

By

Title

Agency Date

Washington State Department of Transportation

By

Director, Local Programs

Date Executed

Construction Method of Financing (Check Method Selected)

State Ad and Award

Method A - Advance Payment - Agency Share of total construction cost (based on contract award)

Method B - Withhold from gas tax the Agency's share of total construction cost (line 5, column 2) in the amount of

\$ _____ at \$ _____ per month for _____ months.

Local Force or Local Ad and Award

Method C - Agency cost incurred with partial reimbursement

The Local Agency further stipulates that pursuant to said Title 23, regulations and policies and procedures, and as a condition to payment of the federal funds obligated, it accepts and will comply with the applicable provisions set forth below. Adopted by official action on _____, _____, Resolution/Ordinance No. _____.

Provisions

I. Scope of Work

The Agency shall provide all the work, labor, materials, and services necessary to perform the project which is described and set forth in detail in the "Project Description" and "Type of Work."

When the State acts for and on behalf of the Agency, the State shall be deemed an agent of the Agency and shall perform the services described and indicated in "Type of Work" on the face of this agreement, in accordance with plans and specifications as proposed by the Agency and approved by the State and the Federal Highway Administration.

When the State acts for the Agency but is not subject to the right of control by the Agency, the State shall have the right to perform the work subject to the ordinary procedures of the State and Federal Highway Administration.

II. Delegation of Authority

The State is willing to fulfill the responsibilities to the Federal Government by the administration of this project. The Agency agrees that the State shall have the full authority to carry out this administration. The State shall review, process, and approve documents required for federal aid reimbursement in accordance with federal requirements. If the State advertises and awards the contract, the State will further act for the Agency in all matters concerning the project as requested by the Agency. If the Local Agency advertises and awards the project, the State shall review the work to ensure conformity with the approved plans and specifications.

III. Project Administration

Certain types of work and services shall be provided by the State on this project as requested by the Agency and described in the Type of Work above. In addition, the State will furnish qualified personnel for the supervision and inspection of the work in progress. On Local Agency advertised and awarded projects, the supervision and inspection shall be limited to ensuring all work is in conformance with approved plans, specifications, and federal aid requirements. The salary of such engineer or other supervisor and all other salaries and costs incurred by State forces upon the project will be considered a cost thereof. All costs related to this project incurred by employees of the State in the customary manner on highway payrolls and vouchers shall be charged as costs of the project.

IV. Availability of Records

All project records in support of all costs incurred and actual expenditures kept by the Agency are to be maintained in accordance with local government accounting procedures prescribed by the Washington State Auditor's Office, the U.S. Department of Transportation, and the Washington State Department of Transportation. The records shall be open to inspection by the State and Federal Government at all reasonable times and shall be retained and made available for such inspection for a period of not less than three years from the final payment of any federal aid funds to the Agency. Copies of said records shall be furnished to the State and/or Federal Government upon request.

V. Compliance with Provisions

The Agency shall not incur any federal aid participation costs on any classification of work on this project until authorized in writing by the State for each classification. The classifications of work for projects are:

1. Preliminary engineering.
2. Right of way acquisition.
3. Project construction.

Once written authorization is given, the Agency agrees to show continuous progress through monthly billings. Failure to show continuous progress may result the Agency's project becoming inactive, as described in 23 CFR 630, and subject to de-obligation of federal aid funds and/or agreement closure.

If right of way acquisition, or actual construction of the road for which preliminary engineering is undertaken is not started by the close of the tenth fiscal year following the fiscal year in which preliminary engineering phase was authorized, the Agency will repay to the State the sum or sums of federal funds paid to the Agency under the terms of this agreement (see Section IX).

If actual construction of the road for which right of way has been purchased is not started by the close of the tenth fiscal year following the fiscal year in which the right of way phase was authorized, the Agency will repay to the State the sum or sums of federal funds paid to the Agency under the terms of this agreement (see Section IX).

The Agency agrees that all stages of construction necessary to provide the initially planned complete facility within the limits of this project will conform to at least the minimum values set by approved statewide design standards applicable to this class of highways, even though such additional work is financed without federal aid participation.

The Agency agrees that on federal aid highway construction projects, the current federal aid regulations which apply to liquidated damages relative to the basis of federal participation in the project cost shall be applicable in the event the contractor fails to complete the contract within the contract time.

VI. Payment and Partial Reimbursement

The total cost of the project, including all review and engineering costs and other expenses of the State, is to be paid by the Agency and by the Federal Government. Federal funding shall be in accordance with the Federal Transportation Act, as amended, 2 CFR Part 200. The State shall not be ultimately responsible for any of the costs of the project. The Agency shall be ultimately responsible for all costs associated with the project which are not reimbursed by the Federal Government. Nothing in this agreement shall be construed as a promise by the State as to the amount or nature of federal participation in this project.

The Agency shall bill the state for federal aid project costs incurred in conformity with applicable federal and state laws. The agency shall minimize the time elapsed between receipt of federal aid funds and subsequent payment of incurred costs. Expenditures by the Local Agency for maintenance, general administration, supervision, and other overhead shall not be eligible for federal participation unless a current indirect cost plan has been prepared in accordance with the regulations outlined in 2 CFR Part 200 - Uniform Admin Requirements, Cost Principles and Audit Requirements for Federal Awards, and retained for audit.

The State will pay for State incurred costs on the project. Following payment, the State shall bill the Federal Government for reimbursement of those costs eligible for federal participation to the extent that such costs are attributable and properly allocable to this project. The State shall bill the Agency for that portion of State costs which were not reimbursed by the Federal Government (see Section IX).

1. Project Construction Costs

Project construction financing will be accomplished by one of the three methods as indicated in this agreement.

Method A – The Agency will place with the State, within (20) days after the execution of the construction contract, an advance in the amount of the Agency's share of the total construction cost based on the contract award. The State will notify the Agency of the exact amount to be deposited with the State. The State will pay all costs incurred under the contract upon presentation of progress billings from the contractor. Following such payments, the State will submit a billing to the Federal Government for the federal aid participation share of the cost. When the project is substantially completed and final actual costs of the project can be determined, the State will present the Agency with a final billing showing the amount due the State or the amount due the Agency. This billing will be cleared by either a payment from the Agency to the State or by a refund from the State to the Agency.

Method B – The Agency's share of the total construction cost as shown on the face of this agreement shall be withheld from its monthly fuel tax allotments. The face of this agreement establishes the months in which the withholding shall take place and the exact amount to be withheld each month. The extent of withholding will be confirmed by letter from the State at the time of contract award. Upon receipt of progress billings from the contractor, the State will submit such billings to the Federal Government for payment of its participating portion of such billings.

Method C – The Agency may submit vouchers to the State in the format prescribed by the State, in duplicate, not more than once per month for those costs eligible for Federal participation to the extent that such costs are directly attributable and properly allocable to this project. Expenditures by the Local Agency for maintenance, general administration, supervision, and other overhead shall not be eligible for Federal participation unless claimed under a previously approved indirect cost plan.

The State shall reimburse the Agency for the Federal share of eligible project costs up to the amount shown on the face of this agreement. At the time of audit, the Agency will provide documentation of all costs incurred on the project. The State shall bill the Agency for all costs incurred by the State relative to the project. The State shall also bill the Agency for the federal funds paid by the State to the Agency for project costs which are subsequently determined to be ineligible for federal participation (see Section IX).

VII. Audit of Federal Consultant Contracts

The Agency, if services of a consultant are required, shall be responsible for audit of the consultant's records to determine eligible federal aid costs on the project. The report of said audit shall be in the Agency's files and made available to the State and the Federal Government.

An audit shall be conducted by the WSDOT Internal Audit Office in accordance with generally accepted governmental auditing standards as issued by the United States General Accounting Office by the Comptroller General of the United States; WSDOT Manual M 27-50, Consultant Authorization, Selection, and Agreement Administration; memoranda of understanding between WSDOT and FHWA; and 2 CFR Part 200.501 - Audit Requirements.

If upon audit it is found that overpayment or participation of federal money in ineligible items of cost has occurred, the Agency shall reimburse the State for the amount of such overpayment or excess participation (see Section IX).

VIII. Single Audit Act

The Agency, as a subrecipient of federal funds, shall adhere to the federal regulations outlined in 2 CFR Part 200.501 as well as all applicable federal and state statutes and regulations. A subrecipient who expends \$1,000,000 or more in federal awards from all sources during a given fiscal year shall have a single or program-specific audit performed for that year in accordance with the provisions of 2 CFR Part 200.501. Upon conclusion of the audit, the Agency shall be responsible for ensuring that a copy of the report is transmitted promptly to the State.

IX. Payment of Billing

The Agency agrees that if payment or arrangement for payment of any of the State's billing relative to the project (e.g., State force work, project cancellation, overpayment, cost ineligible for federal participation, etc.) is not made to the State within 45 days after the Agency has been billed, the State shall effect reimbursement of the total sum due from the regular monthly fuel tax allotments to the Agency from the Motor Vehicle Fund. No additional Federal project funding will be approved until full payment is received unless otherwise directed by the Director, Local Programs.

Project Agreement End Date - This date is based on your projects Period of Performance (2 CFR Part 200.309).

Any costs incurred after the Project Agreement End Date are NOT eligible for federal reimbursement. All eligible costs incurred prior to the Project Agreement End Date must be submitted for reimbursement within 60 days after the Project Agreement End Date or they become ineligible for federal reimbursement.

X. Traffic Control, Signing, Marking, and Roadway Maintenance

The Agency will not permit any changes to be made in the provisions for parking regulations and traffic control on this project without prior approval of the State and Federal Highway Administration. The Agency will not install or permit to be installed any signs, signals, or markings not in conformance with the standards approved by the Federal Highway Administration and MUTCD. The Agency will, at its own expense, maintain the improvement covered by this agreement.

XI. Indemnity

The Agency shall hold the Federal Government and the State harmless from and shall process and defend at its own expense all claims, demands, or suits, whether at law or equity brought against the Agency, State, or Federal Government, arising from the Agency's execution, performance, or failure to perform any of the provisions of this agreement, or of any other agreement or contract connected with this agreement, or arising by reason of the participation of the State or Federal Government in the project, PROVIDED, nothing herein shall require the Agency to reimburse the State or the Federal Government for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of the Federal Government or the State.

XII. Nondiscrimination Provision

No liability shall attach to the State or Federal Government except as expressly provided herein.

The Agency shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any USDOT-assisted contract and/or agreement or in the administration of its DBE program or the requirements of 49 CFR Part 26. The Agency shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of USDOT-assisted contracts and agreements. The WSDOT's DBE program, as required by 49 CFR Part 26 and as approved by USDOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the Agency of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S. C. 3801 et seq.).

The Agency hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the rules and regulations of the Secretary of Labor in 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance, or guarantee or understanding pursuant to any federal program involving such grant, contract, loan, insurance, or guarantee, the required contract provisions for Federal-Aid Contracts (FHWA 1273), located in Chapter 44 of the Local Agency Guidelines.

The Agency further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, that if the applicant so participating is a State or Local Government, the above equal opportunity clause is not applicable to any agency, instrumentality, or subdivision of such government which does not participate in work on or under the contract.

The Agency also agrees:

- (1) To assist and cooperate actively with the State in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and rules, regulations, and relevant orders of the Secretary of Labor.
- (2) To furnish the State such information as it may require for the supervision of such compliance and that it will otherwise assist the State in the discharge of its primary responsibility for securing compliance.
- (3) To refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, government contracts and federally assisted construction contracts pursuant to the Executive Order.
- (4) To carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the State, Federal Highway Administration, or the Secretary of Labor pursuant to Part II, subpart D of the Executive Order.

In addition, the Agency agrees that if it fails or refuses to comply with these undertakings, the State may take any or all of the following actions:

- (a) Cancel, terminate, or suspend this agreement in whole or in part;
- (b) Refrain from extending any further assistance to the Agency under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from the Agency; and
- (c) Refer the case to the Department of Justice for appropriate legal proceedings.

XIII. Liquidated Damages

The Agency hereby agrees that the liquidated damages provisions of 23 CFR Part 635, Subpart 127, as supplemented, relative to the amount of Federal participation in the project cost, shall be applicable in the event the contractor fails to complete the contract within the contract time. Failure to include liquidated damages provision will not relieve the Agency from reduction of federal participation in accordance with this paragraph.

XIV. Termination for Public Convenience

The Secretary of the Washington State Department of Transportation may terminate the contract in whole, or from time to time in part, whenever:

- (1) The requisite federal funding becomes unavailable through failure of appropriation or otherwise.
- (2) The contractor is prevented from proceeding with the work as a direct result of an Executive Order of the President with respect to the prosecution of war or in the interest of national defense, or an Executive Order of the President or Governor of the State with respect to the preservation of energy resources.
- (3) The contractor is prevented from proceeding with the work by reason of a preliminary, special, or permanent restraining order of a court of competent jurisdiction where the issuance of such order is primarily caused by the acts or omissions of persons or agencies other than the contractor.
- (4) The Secretary is notified by the Federal Highway Administration that the project is inactive.
- (5) The Secretary determines that such termination is in the best interests of the State.

XV. Venue for Claims and/or Causes of Action

For the convenience of the parties to this contract, it is agreed that any claims and/or causes of action which the Local Agency has against the State of Washington, growing out of this contract or the project with which it is concerned, shall be brought only in the Superior Court for Thurston County.

XVI. Certification Regarding the Restrictions of the Use of Federal Funds for Lobbying

The approving authority certifies, to the best of his or her knowledge and belief, that:

- (1) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any federal agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit the Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, and contracts and subcontracts under grants, subgrants, loans, and cooperative agreements) which exceed \$100,000, and that all such subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification as a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

XVII. Assurances

Local agencies receiving Federal funding from the USDOT or its operating administrations (i.e., Federal Highway Administration, Federal Transit Administration, Federal Aviation Administration) are required to submit a written policy statement, signed by the Agency Executive and addressed to the State, documenting that all programs, activities, and services will be conducted in compliance with Section 504 and the Americans with Disabilities Act (ADA).

Additional Provisions

Instructions

1. **Agency Name and Billing Address** – Enter the Agency of primary interest which will become a party to the agreement.
2. **Project Number** – Leave blank. This number will be assigned by WSDOT. Not including all fund program prefixes (ex. “STBGR”), Project Number is defined as the Federal Award Identification Number (FAIN).
3. **Agreement Number** – Leave blank. This number will be assigned by WSDOT.
- 4.

- a. **Project Description** – Enter the project name, total length of the project (in miles), and a brief description of the termini. Data entered here must be consistent with the name, length, and termini noted in the STIP and Project Prospectus

Example: (Name) “Regal Road”, (Length) “1.2 miles”, (Termini) “Smith Road to Main Street”

- b. **Description of Work** – Enter a concise statement of the major items of work to be performed. Statement must be consistent with the description of work noted in the STIP and Project Prospectus.

Example: “Overlay Regal Road; install curb, gutter, and sidewalk; illumination; and traffic signal at the intersection of Regal Road and Dakota Avenue.”

- c. **Project Agreement End Date** – Enter the Project Agreement End Date (mm/dd/yy). This date is based on the project’s Period of Performance (2 CFR 200.309).

For Planning Only projects – WSDOT recommends agencies estimate the end of the project’s period of performance and add three years to determine the “Project Agreement End Date”.

For PE and RW – WSDOT recommends agencies estimate when the phase will be completed and add three years to determine the “Project Agreement End Date”. For Construction – WSDOT recommends agencies estimate when construction will be completed and add three years to determine the “Project Agreement End Date”.

- d. **Advertisement Date** – At construction authorization only, enter the proposed project advertisement date (mm/dd/yy).

- e. **Claiming Indirect Cost Rate** – Check the Yes box if the agency will be claiming indirect costs on the project. For those projects claiming indirect costs, supporting documentation that clearly shows the indirect cost rate being utilized must be provided with the local agency agreement. Indirect cost rate approval by your cognizant agency or through your agency’s self-certification and supporting documentation is required to be available for review by FHWA, WSDOT and /or State Auditor. Check the No box if the agency will not be claiming indirect costs on the project. See section 23.5 for additional guidance.

4. Type of Work and Funding (Round all dollar amounts to the nearest whole dollar)

- a. **PE** – Lines a through d show Preliminary Engineering costs for the project by type of work (e.g., consultant, agency, state services, etc.).

*Federal aid participation ratio for PE – enter ratio for PE lines with amounts in column 3.

- **Line a** – Enter the estimated amount of agency work in columns 1 through 3.
- **Line b & c** – Identify user, consultant, etc., and enter the estimated amounts in columns 1 through 3.
- **Line d** – State Services. Every project must have funding for state services. Enter the estimated amounts in columns 1 through 3.
- **Line e** – Total of lines a + b + c + d.

- b. **Right of Way** – If a Right of Way phase is authorized on the project, the appropriate costs are shown in lines f through i.

*Federal aid participation ratio for RW – enter ratio for RW lines with amounts in column 3.

- **Line f** – Enter the estimated amount of agency work in columns 1 through 3.
- **Line g & h** – Identify user, consultant, etc., and enter the estimated amounts in columns 1 through 3.
- **Line i** – State Services. Every project must have funding for state services. Enter the estimated amounts in columns 1 through 3.
- **Line j** – Total of lines f + g + h + i.

- c. **Construction** – Lines k through p show construction costs for the project by type of work (e.g., contract, consultant, agency, state services, etc.).

*Federal aid participation ratio for CN – enter ratio for CN lines with amounts in column 3.

- **Line k** – Enter the estimated cost of the contract.
- **Lines l, m, & n** – Enter other estimated costs such as utility and construction contracts or non-federally matched contract costs.
- **Line o** – Enter estimated costs of all construction related agency work.
- **Line p** – State Services. Every project must have funding for state services. Enter the estimated amounts in columns 1 through 3.
- **Line q** – Total Construction Cost Estimate. Total of lines k + l + m + n + o + p.

d. Total Project Cost Estimate

- **Line r** – Total Cost Estimate of the Project. Total of lines e + j + q.

*Please remember, if the federal aid participation rate entered is not the maximum rate allowed by FHWA, then the participation rate entered becomes the maximum rate allowed.

6. **Signatures** – An authorized official of the local agency signs the agreement and enters their title and date of signature (mm/dd/yy). **Note:** Do NOT enter a date on the Date Executed line.
7. **Method of Construction Financing** – Choose the method of financing for the construction portion of the project.
 - a. **Method “A”** is used when the state administers the contract for the agency.
 - b. **Method “B”** is also used when the state administers the contract for the agency.
 - c. **Method “C”** is used with projects administered by the local agency. The agency will submit billings monthly through the state to FHWA for all eligible costs. The billings must document the payment requests from the contractor. If state-force work, such as audit and construction engineering, is to receive federal participation, it will be billed to the agency and FHWA simultaneously at the indicated ratio. To show continuous progress agencies should bill monthly until agreement is closed.
8. **Resolutions/Ordinances** – When someone other than the County Executive/Chairman, County Commissioners/Mayor is authorized to sign the agreement, the agency must submit to WSDOT with the agreement a copy of the Resolution/Ordinance designating that individual.

Subject/Title: Resolution No. 2026-14XX 2027-2032 Six-Year Transportation Improvement Program (Public Works Director Youngren)

Department: Public Works

Staff Contact: Jake Youngren

Guiding Principles: Healthy & Sustainable

Initiatives: Establish a Long-Range Economic Strategy

Reviewed By: City Administrator, and Finance Director

Number of Looks: Look No. 2 of 3

PREVIOUS ACTION TAKEN

Council discussed the beginning steps of creating the proposed 2027-2032 Six Year Transportation Improvement Program (STIP) during the May 5, 2026 City Council Workshop.

OVERVIEW

Background

RCW 35.77.010 requires cities to adopt and annually update a Six-Year Transportation Improvement Program. The proposed 2027-2032 STIP identifies the City's transportation capital priorities for the six-year period and serves as the planning framework for state and federal funding applications.

Purpose of This Update

The primary objective of the 2027-2032 STIP update is to ensure the right projects are identified and positioned for funding eligibility. Project costs and scheduling shown in the STIP should not be read as budget commitments. Refined cost estimates and construction timelines will be developed through the City's budget process and Street Capital Plan this fall, which will provide the appropriate constraints for project programming. At this stage, the STIP functions as a planning and eligibility document, and having projects listed is a prerequisite for pursuing state and federal funding opportunities as they arise. This is particularly important for the City's street capital program, which is primarily funded by Transportation Benefit District revenues that are restricted by statute to projects appearing on the STIP. Ensuring the right projects are on the STIP is therefore a prerequisite not only for external grant eligibility but for expenditure of the City's own TBD funds.

Summary of Proposed 2027-2032 Six Year Transportation Improvement Program (STIP)

The proposed program includes four recurring annual projects and ten capital projects and studies spanning the six-year period. Projects are organized around four priority themes: Enhancing Pedestrian Safety, Preservation of Existing Pavement, Easing Traffic Congestion, and New Walking/Biking Pathways.

Changes from the 2026-2031 STIP

The following summarizes notable changes from the previously adopted STIP in June of 2025.

Projects Consolidated

The 2026-2031 STIP carried separate line items for the Neighborhood Sidewalk Expansion Initiative and the ADA Compliance Improvement Project. These two recurring programs have been consolidated into a single annual project titled the Citywide Pedestrian Infrastructure Initiative, which encompasses sidewalk expansion, deteriorated sidewalk replacement, and ADA Transition Plan deficiency corrections.

New Annual Project Added -- Guardrail Repair and Replacement

The Annual Guardrail Repair and Replacement Program is new to the STIP. This recurring project funds inspection, repair, and replacement of guardrail installations throughout the City road network to maintain safety standards and address deficiencies identified through routine maintenance operations. The project is budgeted at approximately \$30,000 per year.

Woodin Avenue Bridge -- Approach Revised

The 2026-2031 STIP included two discrete bridge projects: conversion of the Woodin Avenue Bridge to two-way traffic (\$8,000,000) and a separate directional change project (\$1,000,000). At the May Council workshop, the one clear item of consensus was to remove the directional change option from further consideration, and the proposed STIP reflects that direction. Both prior bridge projects have been replaced with the Highway 97A / SR 150 Corridor Improvement Program, a broader planning and phased implementation effort covering traffic flow, safety, and intersection improvements along the 97A/SR 150 corridors and their convergence through downtown. This program includes a cost-benefit analysis of candidate improvements and potential changes to the Woodin Avenue Bridge configuration, allowing for a data-driven decision before committing to a specific bridge approach.

This timing is also well-suited to work the City is currently undertaking. Analysis of the surrounding intersections, a transportation element update to the Comprehensive Plan, and a Safety Action Plan are all in progress and expected to provide meaningful data on project priorities, improvement types, and associated costs. Staff anticipates these efforts will position the City to make a well-informed and defensible decision on the bridge and corridor program before committing to design.

Woodin Avenue Corridor Improvements

The 2025-2031 STIP included a standalone Woodin Ave. Traffic Calming project (\$500,000) focused on the Webster intersection to bridge corridor. The proposed STIP replaces this with the broader Woodin Avenue Corridor Improvements project (design year 2029), which incorporates traffic calming, retaining wall replacement, and other corridor infrastructure needs to be identified during design.

New Capital Project Added -- Apple Blossom and Golden Avenue Intersection Improvements

The Apple Blossom and Golden Avenue Intersection Improvements project is new to the STIP. Preliminary traffic impact analysis identified deteriorating levels of service at this intersection, with a roundabout as the likely preferred alternative pending final design. This project has a design year of 2029.

Schedule Adjustments

Several projects carried in the 2026-2031 STIP have been rescheduled within the updated six-year window. The Woodin and Sanders roundabout, Lakeside Park Access and Parking Analysis, Regional Transportation Plan, and Northshore Trail have all shifted later in the program period. As noted above, these dates are planning-level estimates and will be refined through the budget and Street Capital Plan process this fall.

Projects Completed or Removed

Projects that have been completed or are otherwise no longer reflected include the Lakeside Trail (design year 2024/2025) and the Sanders Street Pedestrian Improvements (design year 2024/2025), both of which remain in the 2026-2032 STIP in name but reflect prior cycle design years, indicating near-completion status.

Purpose of Council Action

This administrative report is presented to facilitate Council discussion and reach consensus on the proposed 2027-2032 STIP in preparation for the public hearing scheduled for June 2nd. Staff anticipates Council will be in a position to adopt the 2027-2032 STIP at the June 9, 2026 regular meeting.

FINANCIAL IMPLICATIONS

None.

ATTACHMENTS

- 1. 2026-2031 Six Year Transportation Improvement Program
- 2. Proposed 2027-2032 Six Year Transportation Improvement Program

SUGGESTED MOTION

None.

2025 City of Chelan Six-Year Transportation Improvement Program

							Funding Breakdown			
Project Name	Priority Theme	Project Category	Description	Design Year	Constr. Year	Total Project Cost	City Funds	Federal Funds	State Funds	Other
Neighborhood Sidewalk Expansion Initiative	Enhancing Pedestrian Safety	Recurring Annual Project	This project would implement an annual project to enhance and expand sidewalk infrastructure in areas that currently lack, promoting safe pedestrian routes.	Annual	Annual	\$ 250,000				\$ 250,000
ADA Compliance Improvement Project	Improving Accessibility	Recurring Annual Project	This annual project will work to address ADA deficiencies that have been identified in the City's ADA Transition Plan.	Annual	Annual	\$ 130,000				\$ 130,000
Annual Pavement Preservation Project	Preservation of Existing Pavement	Recurring Annual Project	This project aims to extend the lifespan of roadways by applying preventive maintenance techniques.	Annual	Annual	\$ 250,000				\$ 250,000
Downtown Revitalization Project	Enhancing Pedestrian Safety	Capital Project	Upgrade 100 and 200 blocks of Woodin Avenue and adjacent areas. Improvements to include, but not be limited to, sidewalk, lighting, irrigation, power/communication, and landscaping.	2025	2026	\$ 2,350,000	\$ 350,000		\$ 2,000,000	
Woodin Avenue Bridge Conversion to 2-way	Easing Traffic Congestion	Capital Project	Convert the existing Woodin Avenue Bridge to accommodate two-way vehicular traffic with sidewalks on both sides.	2026	2027	\$ 8,000,000				\$ 8,000,000
Woodin Avenue Bridge Directional Change	Easing Traffic Congestion	Capital Project	Change the direction of traffic on the Woodin Avenue Bridge.	2026	2027	\$ 1,000,000				\$ 1,000,000
Woodin and Sanders Intersection	Easing Traffic Congestion	Capital Project	Construction of a new roundabout at the intersection of Woodin and Sanders to ease traffic congestion.	2027	2028	\$ 3,500,000	\$ 500,000		\$ 3,000,000	
Woodin Ave. Traffic Calming	Easing Traffic Congestion	Capital Project	Safety Improvements from Woodin/Webster intersection to Woodin Avenue Bridge.	2026	2027	\$ 500,000	\$ 250,000		\$ 250,000	
Farnham/Webster Intersection Pedestrian Improvements	Enhancing Pedestrian Safety	Capital Project	Pedestrian improvements to crossing at Farnham and Webster, to include pedestrian channeling, RRFBs, and advanced warnings.	2025	2025	\$ 325,000	\$ 50,000		\$ 275,000	
Sanders St. Pedestrian Improvements	Enhancing Pedestrian Safety	Capital Project	New crosswalks and bubl-outs on Sanders at Okanogan and Wapato and improved bike line between the interesections.	2024	2025	\$ 819,759	\$ 10,667	\$ 709,092	\$ 100,000	
Apple Blossom Pedestrian Trail	New Walking/Biking Pathways	Capital Project	Extend pedestrian facilities from the football field to Apple Blossom Dr.	2025	2026	\$ 1,300,000	\$ 575,000			\$ 725,000
Lakeside Trail	New Walking/Biking Pathways	Capital Project	Multi-use trail from Woodin/Webster to Water St./Terrace Ave.	2024	2025	\$ 3,752,500	\$ 250,500		\$ 3,502,000	
Northshore Trail	New Walking/Biking Pathways	Capital Project	Extend the existing Northshore Trail from Bighorn Way to the end the City limits near Rocky Point.	2025	2026	\$ 9,600,000	\$ 800,000	\$ 8,000,000		\$ 800,000
Lakeside Park Access and Parking Analysis	Easing Traffic Congestion	Study/Assessment	This analysis would identify opportunites for additional parking and explore safe access alternatives for lakeside community and park	2025		\$ 100,000				\$ 100,000
Regional Transportation Plan	Emergency Evacuation Routes	Study/Assessment	A regional transportation plan conducted by the MPO will provide data-driven insights, facilatats coordinated planning efforts across jurisdictions, enhances funding opportunities, evaluates emergency preparedness, and promots sustainable transportation solutions that meet the needs of the community.	2025		\$ 275,000	\$ 25,000			\$ 250,000
TOTALS						\$ 32,152,259	\$ 2,811,167	\$ 8,709,092	\$ 9,127,000	\$ 11,505,000

2027-2032 City of Chelan Six-Year Transportation Improvement Program

							Funding Breakdown			
Project Name	Priority Theme	Project Category	Description	Design Year	Constr. Year	Total Project Cost	City Funds	Federal Funds	State Funds	Other
Citywide Pedestrian Infrastructure Initiative	Enhancing Pedestrian Safety	Recurring Annual Project	This annual project funds expansion of sidewalk infrastructure into areas lacking pedestrian facilities, replacement of existing sidewalks that have deteriorated beyond routine maintenance, and targeted improvements to address ADA deficiencies identified in the City's ADA Transition Plan.	Annual	Annual	\$ 500,000	\$ 500,000			
Annual Pavement Preservation Project	Preservation of Existing Pavement	Recurring Annual Project	This project aims to extend the lifespan of roadways by applying preventive maintenance techniques.	Annual	Annual	\$ 250,000	\$ 250,000			
Annual Guardrail Repair and Replacement Program	Preservation of Existing Pavement	Recurring Annual Project	This recurring annual project funds inspection, repair, and replacement of guardrail installations throughout the City road network to maintain safety standards and address deficiencies identified through routine maintenance operations.	Annual	Annual	\$ 30,000	\$ 30,000			
Lakeside Trail	New Walking/Biking Pathways	Capital Project	Multi-use trail from Woodin/Webster to Water St./Terrace Ave.	2025	2026	\$ 4,250,000	\$ 750,000		\$ 3,500,000	
Highway 97A / SR 150 Corridor Improvement Program	Easing Traffic Congestion	Capital Project	This project funds evaluation and phased implementation of traffic flow, safety, and intersection improvements along the Highway 97A and SR 150 corridors and their convergence through downtown Chelan, including cost-benefit analysis of candidate improvements and potential changes to the Woodin Avenue Bridge configuration.	2026	2028	\$ 12,750,000	\$ 750,000	\$ 8,000,000	\$ 4,000,000	
Downtown Revitalization Project	Enhancing Pedestrian Safety	Capital Project	Upgrade 100 and 200 blocks of Woodin Avenue and adjacent areas. Improvements to include, but not be limited to, sidewalk, lighting, irrigation, power/communciation, and landscaping.	2026	2026	\$ 6,600,000	\$ 600,000		\$ 6,000,000	
Farnham/Webster Intersection Pedestrian Improvements	Enhancing Pedestrian Safety	Capital Project	Pedestrian improvements to crossing at Farnham and Webster, to include pedestrian channeling, RRFBs, and advanced warnings.	2026	2026	\$ 325,000	\$ 50,000		\$ 275,000	
Sanders St. Pedestrian Improvements	Enhancing Pedestrian Safety	Capital Project	New crosswalks and bubl-outs on Sanders at Okanogan and Wapato and improved bike line between the interesections.	2026	2026	\$ 819,759	\$ 10,667	\$ 709,092	\$ 100,000	
Apple Blossom Pedestrian Trail	New Walking/Biking Pathways	Capital Project	Extend pedestrian facilities from the football field to Apple Blossom Dr.	2026	2027	\$ 3,300,000	\$ 500,000	\$ 300,000	\$ 1,775,000	\$ 725,000
Woodin and Sanders Intersection	Easing Traffic Congestion	Capital Project	Construction of a new roundabout at the intersection of Woodin and Sanders to ease traffic congestion.	2027	2028	\$ 3,500,000	\$ 500,000		\$ 3,000,000	
Lakeside Park Access and Parking Analysis	Easing Traffic Congestion	Study/Assessment	This analysis would identify oportunites for additional parking and explore safe access alternatives for lakeside community and park	2027		\$ 100,000				\$ 100,000
Regional Transportation Plan	Emergency Evacuation Routes	Study/Assessment	A regional transportation plan conducted by the MPO will provide data-driven insights, facilatats coordinated planning efforts across jurisdictions, enhances funding opportunities, evaluates emergency preparedness, and promotes sustainable transportation solutions that meet the needs of the community.	2027		\$ 275,000	\$ 25,000			\$ 250,000
Woodin Avenue Corridor Improvements	Easing Traffic Congestion	Capital Project	This project funds safety and infrastructure improvements along the Woodin Avenue corridor from the Woodin/Webster intersection to the Woodin Avenue Bridge, including traffic calming measures, retaining wall replacement, and other corridor infrastructure needs identified during design.	2029	2030	\$ 1,200,000	\$ 120,000		\$ 1,080,000	
Northshore Trail	New Walking/Biking Pathways	Capital Project	Extend the existing Northshore Trail from Bighorn Way to the end the City limits near Rocky Point.	2029	2031	\$ 8,800,000	\$ 800,000	\$ 8,000,000		
Apple Blossom and Golden Avenue Intersection Improvements	Easing Traffic Congestion	Capital Project	This project addresses deteriorating levels of service at the intersection of Apple Blossom Drive and Golden Avenue identified through preliminary traffic impact analysis. Improvements will be determined through final design and engineering evaluation, with a roundabout as the likely preferred alternative based on preliminary findings.	2029	2031	\$ 1,200,000	\$ 600,000			\$ 600,000
TOTALS						\$ 32,699,759	\$ 3,965,667	\$ 9,009,092	\$ 18,650,000	\$ 1,075,000



Subject/Title: Response to Residents Coalition of Chelan County (RC3) Regarding Short Term Rental Cap (Community Development Director Ajax)

Department: Community Development

Staff Contact: John Ajax

Guiding Principles: Visionary & Strategic

Initiatives: Diversify Housing Options

Reviewed By: City Administrator

Number of Looks: Look No. 1 of 2

PREVIOUS ACTION TAKEN

Several letters have been submitted to the City from the Residents Coalition of Chelan County (RC3) dated December 4, 2025, March 25, 2026 and April 26, 2026.

OVERVIEW

Attached is a memo provided to City Council responding to the concerns raised by the Residents Coalition of Chelan County (RC3), building on the April 7, 2026 council workshop. It reflects time spent looking into the source material for a more detailed response.

The memo acknowledges where RC3 is correct. STR conversions in residential neighborhoods can reduce housing supply. Tourism economies do face workforce challenges. Housing affordability in Chelan is a real concern. The disagreement isn't with RC3's values or with the broader literature they cite. It's with how that literature applies to Chelan's specific circumstances.

The memo works through six (6) areas where the reasoning doesn't directly fit with the City:

1. The Barron-Kung-Proserpio paper, what it actually measures, and which of Chelan's 410 licenses its mechanism can actually reach.
2. The BERK Chelan County Tourism Impact Analysis, the most relevant local study, which found Chelan's price growth (99%) ran below the statewide rate (123%).
3. The construction cost argument, tested against contracted builder pricing across five Eastern Washington markets.
4. The T-A zoning argument, what the zone actually permits, and where seasonal-housing pressure is really concentrated.

- 5. The Chelan County 6% cap, why it was built for different housing stock and a different zoning context.
- 6. Pulling apart the three things often discussed as one: STR conversions in neighborhoods, purpose-built STRs in tourism zones, and non-STR second homes.

The recommendation follows from the analysis. A targeted cap on conversions in the Downtown Mixed Use (DMU) and Commercial Highway Service (C-HS) zones, informed by the conversion properties currently identified, addresses the concern the research supports. A blanket cap on all STR licenses treats fundamentally different properties as equivalent and won't deliver the affordability outcome RC3 is seeking.

FINANCIAL IMPLICATIONS

None.

ATTACHMENTS

- 1. Short Term Rental (STR) Executive Summary
- 2. Community Development Memorandum - Short Term Rental Response 05-15-2026
- 3. Residents Coalition of Chelan (RC3) Letter to the City 4-26-2026
- 4. Residents Coalition of Chelan (RC3) Letter to the City 3-25-2026
- 5. Residents Coalition of Chelan (RC3) Letter to the City 12-4-2025

SUGGESTED MOTION

None.

TO: Mayor McCardle and City Council
FROM: John Ajax, Director — Community Development Department
DATE: May 15, 2026
RE: STR Cap Analysis — Executive Summary

Staff Recommendation: Targeted Cap on Conversions, Not a Blanket Cap on All Licenses

BOTTOM LINE

A targeted cap on STR conversions in the DMU and C-HS downtown zones — where roughly 35 standalone conversion properties are concentrated — addresses the actual housing-supply mechanism RC3 identifies. A **blanket cap on all 410 STR licenses** treats fundamentally different property types as equivalent, does not advance housing affordability for residents, and would create a scarcity premium benefiting current out-of-market license holders rather than Chelan workers seeking workforce housing.

Where RC3 Is Correct

- STR proliferation in residential neighborhoods can reduce long-term housing supply.
- Tourism-dependent communities face seasonal concentration and workforce-retention pressure.
- Continued attention to resident-affordable housing is warranted.

Where the Analysis Differs from RC3

- 91.5% of Chelan's 410 STR licenses are in purpose-built resort developments (*Lookout 147, Grandview 86, Lake Chelan Shores 44, eight other resort/condo complexes ~98*) — never long-term housing. Only ~35 standalone properties represent potential conversions, ~20 in DMU/C-HS.
- The Proserpio paper's price mechanism is **reallocation** of existing long-term housing to short-term use; the regression sample is the 100 largest CBSAs and does not separately model purpose-built resort STRs.
- The BERK Chelan County Tourism Impact Analysis (Feb 2026) finds STR effects on housing costs are small relative to broader market forces; Chelan's 2015–2025 price growth (99%) is *below* the WA statewide rate (123%).
- Direct apples-to-apples builder comparison (Simplicity Homes, Targhee 2,042 sf): Chelan \$164.91/sf, within 5% of Spokane Valley and 1–3% of rural Eastern WA. The \$220–350/sf Chelan premium in RC3's AI-generated table does not appear in contracted pricing.
- T-A buildout capacity is theoretical: most acreage is steep, undeveloped, and subject to the Chelan Butte overlay reducing density below underlying T-A standards.
- A blanket cap converts each existing license into a scarce, appreciating asset — disproportionately benefiting non-resident license holders.
- ~22% of Chelan housing is *non-STR* seasonal homes in residential zones; no STR cap of any size can reach them.

Recommendations

1. Acknowledge RC3's contribution publicly and continue inviting their participation in the City's STR code development process.
2. Direct staff to develop a **targeted cap on STR conversions in DMU and C-HS zones** — informed by the current ~35 conversion count — rather than a blanket cap on all 410 licenses.
3. Recognize that an STR cap is *one tool, not a comprehensive housing policy*. The City is already pursuing other affordability tools: multifamily at Apple Blossom Center, Chelan Valley Housing Trust partnership, ADU code amendments, utility connection reimbursements, and allocated STR fee revenue.
4. In all public discussion, distinguish between (a) STR *conversions* in residential neighborhoods, (b) *purpose-built STRs* in tourism zones, and (c) *non-STR second homes* — three distinct phenomena with three distinct policy responses.

Full analysis available in the accompanying staff memo (May 15, 2026).

MEMORANDUM

TO: Mayor McCardle and Members of City Council
FROM: John Ajax, Director, Community Development Department
DATE: May 15, 2026
RE: Staff Analysis, RC3 Letters Requesting an STR Cap (Dec. 4, 2025; Mar. 25, 2026; Apr. 26, 2026)

Purpose

This memo provides staff analysis of the three letters submitted by the Residents Coalition of Chelan County (RC3) requesting that the City cap or impose a moratorium on short-term rental (STR) licenses. The memo has three purposes: (1) to be transparent with Council about why a comprehensive point-by-point reply to RC3 is genuinely difficult for a small staff to produce; (2) to acknowledge the parts of RC3's argument that have merit; and (3) to explain why the underlying reasoning, while well-supported in the general planning literature, doesn't fit Chelan's specific circumstances.

A Note on the Structure of This Response

Before getting to substance, I want to be upfront with Council about why a thorough staff response to these letters takes time. The RC3 letters are well written, voluminous, and draw on academic studies, regional comparisons, and other municipal codes — and they deserve a careful, evidence-based reply rather than a reactive one.

Responding carefully to this volume of analysis creates some practical asymmetries Council should be aware of:

- A thorough response to a multi-letter, citation-heavy advocacy package takes time, and the volume of advocacy on one side doesn't itself indicate which analysis is correct. What may sometimes look like staff reluctance to engage point-by-point is really a function of how much careful evaluation these letters require to respond to responsibly.
- Staff's analysis of this issue requires distinguishing between different types of STRs, different zoning contexts, and different bodies of evidence. That level of nuance is harder to convey in a brief council discussion than a simple numerical cap, and Council should expect that complexity to be a feature of the conversation going forward.

I bring this up so Council understands that the volume of correspondence received on one side of this question isn't itself a measure of which analysis is correct. Staff's recommendation follows the available evidence.

Where RC3 Is Correct

RC3's general concerns are reasonable and consistent with the broader planning literature. None of what follows in this memo is a defense of unlimited STR growth. Specifically:

- Where STRs proliferate within residential neighborhoods, they can reduce the supply of long-term housing and place upward pressure on housing prices and rents.

- Tourism-dependent local economies can suffer from over-concentration in seasonal demand and can struggle to retain a year-round workforce.
- Communities benefit from a stable resident population and from a supply of housing that is reachable to people who work locally.

I share these concerns. The question isn't whether to engage them, but how to engage them based on Chelan's actual circumstances rather than a generalized model that doesn't match how STRs were established here.

Where the Reasoning Does Not Fit Chelan

My disagreement with RC3 isn't with their values or with the broader literature. It's with how that literature is being applied to Chelan's specific circumstances.

1. The Academic Research RC3 Cites Is About Conversions of Existing Housing — Which The City of Chelan Already Restricts

The most prominent academic citation in RC3's letters is Barron, Kung, and Proserpio (2019), *The Effect of Home-Sharing on House Prices and Rents: Evidence from Airbnb*. RC3 presents this paper as evidence that both the conversion of existing housing to STRs and the construction of new purpose-built STRs raise housing prices — and therefore that a cap on total STR licenses, regardless of type, is the appropriate response.

Before describing what the paper concludes, I want to be clear about what I am not doing here. I'm not purporting to have in-depth knowledge or understanding of the reasoning or statistical methods the authors used. What I can do is read the paper's own description of its scope, its data, and its limitations. The paper is explicit about all three.

The study looks at zip codes across the country. The authors get their housing price and rent data from Zillow, which covers roughly 13,000 zip codes nationwide. That 13,000 figure is the reach of the Zillow data — it is not the number of places included in the study's main analysis. For that analysis, the authors narrow the focus to zip codes inside the 100 largest metropolitan areas in the country by population. None of those metro areas is anywhere near the size of Chelan. The authors also caution that even within their big-city sample, looking at the typical zip code "masks substantial heterogeneity in the actual experiences of different zipcodes" and "ignores the very likely possibility of heterogeneous treatment effects" between different parts of the housing market. In plain terms: the average finding hides a lot of variation between very different communities. The study is, by design, a broad national picture rather than a precise prediction for any one place. The authors do not separately study STRs in purpose-built resort communities — the kind that make up most of Chelan's STR stock. They are careful to describe their finding as an overall, net effect, telling readers that "our results should be interpreted as the estimated net effect with evidence for the presence of a reallocation channel," that they "cannot rule out the possibility of other effects of Airbnb," and that "our estimates do not necessarily reflect the average effect of Airbnb on any zipcodes."

What matters here is how the paper says the price effect happens. The authors find that Airbnb raises rents and home prices by shifting long-term rentals into short-term use. Total housing supply doesn't change. Long-term rental supply falls, short-term rental supply rises. The effect is much larger in zipcodes with fewer owner-occupiers, because that's where housing is most available to be shifted.

The authors' explicit policy recommendation is that "regulations on home-sharing should (at most) seek to limit the reallocation of housing stock from long-term rentals to short-term rentals."

The City's existing approach already does that. STRs aren't allowed in residential zoning districts. They're only permitted where commercial lodging was already an established use. Most of the City's 410 STR licenses are in developments that were never long-term housing in the first place:

- The Lookout (147 licenses) — purpose-built vacation homes.
- Grandview on the Lake (86 licenses) — resort condominiums.
- Lake Chelan Shores (44 licenses) — resort condominiums.
- Eight other resort/condo developments (~98 licenses) — timeshares and resort units.
- Standalone properties (~35 licenses) — the only category that represents potential conversions of residential housing, and most are downtown.

Roughly 91.5% of the existing STR stock was never in the long-term housing pool. By the paper's own logic, those units don't produce the price effect the paper describes, because there's no long-term rental being converted. The 35 standalone properties (under 9% of the total) are the ones where the conversion concern actually applies. They sit in zones where staff is already prepared to recommend a targeted cap.

A note on the second half of the authors' policy guidance. The authors also urge that regulation should not discourage the use of home-sharing by owner-occupiers. That part of the recommendation refers to someone who lives in their home and rents out a spare room, or rents the home short-term while traveling. That isn't how STR ownership generally works in Chelan. Based on the City's licensing records, most STR licenses are held by owners whose primary residence is somewhere else. Owners may use the unit for parts of the year, but the property's main purpose is tourism rental, not owner-occupied home-sharing. The owner-occupier protection in the paper doesn't map cleanly to Chelan's situation.

The central point of the paper does map cleanly: the price effect happens when long-term rental housing is moved into short-term use. The City's zoning, which prohibits STRs in residential zones, addresses that directly.

RC3's argument effectively asks Council to treat all 410 licenses as if they were converted long-term rentals. They aren't, and the underlying research doesn't actually support that treatment. Most of the academic literature in this space is about residential neighborhood conversions, not about whether resort condominiums and timeshare units should exist.

RC3's April 26 letter offers a specific counter: that because the Proserpio study counts both conversions and new STR construction when it measures STR growth, the study's price effect must apply to both. This mixes up two different things — what the study counted, and how the study explains the price effect it found.

What the study counted, as RC3 says, is the total growth in Airbnb listings, whether those listings came from a converted home or a brand-new one. But how the study explains the rise in long-term housing prices is much more specific: landlords taking units that used to be long-term rentals and switching them to short-term use. That switch is what shrinks the long-term housing supply and pushes prices and rents up for residents. The authors are clear about this: when STRs go up, the total supply of housing does not change, the supply of long-term rentals falls, and the number of homes vacant for seasonal or

recreational use rises. In other words, the price effect comes from units being pulled out of long-term housing — not from new construction adding to the total.

The paper does describe a second way home-sharing can raise prices: a home that can legally be used as an STR is worth more, because the option to short-term rent has value. In Chelan, this matters only where STR use is actually permitted — commercial and resort zones. So this second effect can raise the value of resort condominiums and commercial-zone properties. It does not raise the price of homes in residential neighborhoods that full-time Chelan residents are competing to buy or rent, because STR use is not allowed in those zones.

The paper itself describes its overall finding as the “estimated net effect with evidence for the presence of a reallocation channel,” and its introduction identifies vacation homes that “were never part of the long-term rental stock to begin with” as the textbook example of homes the price-effect mechanism does not apply to. The resort condominiums and purpose-built vacation homes that make up 91.5% of Chelan’s STR pool fit that example exactly. Their listings appear in the study’s data, but they are not what is driving the price effect the study identifies.

It’s also worth noting that the most directly relevant local analysis, the BERK Chelan County Tourism Impact Analysis discussed in the next section, characterizes STR effects on housing costs as small relative to broader market forces. BERK explicitly recommends allowing STRs in the kinds of locations (low owner-occupancy, waterfront, view) where the City’s existing zoning concentrates them. The broad national findings should be read alongside what the local study actually found.

2. The BERK Chelan County Tourism Impact Analysis Supports the City’s Existing Framework

The BERK Chelan County Tourism Impact Analysis (February 2026) is the most directly relevant local study available. Chelan County commissioned it, an independent consulting firm conducted it, and it looks specifically at how tourism (including STR activity) has affected the county. It’s the only study we have that uses Chelan County data instead of national averages.

BERK looked at housing impacts and concluded that “the affordability challenge is not significantly driven by tourism,” and that research on STR effects on housing costs has found “positive, but small, impacts” relative to other forces driving prices up across Washington. BERK reviews the relevant studies, including the Barron, Kung, and Proserpio paper RC3 cites, and concludes that “while short-term rentals do increase housing rents and housing prices, the impact is much smaller at the county or community level than other factors that are driving up housing costs.” Effects are larger in places with low owner-occupancy or where STRs make up a large share of housing.

On what local governments should do, BERK is direct: “Allow short-term rentals in places unlikely to support long-term rentals. Areas with unique amenities and low rates of owner-occupancy are not likely to serve the housing needs of residents.” BERK specifically points to “waterfront and view homes” and areas with low owner-occupancy as the right places to permit STRs without affecting the long-term rental supply. That echoes what the City has been doing: STRs concentrated in T-A and resort developments built on view and waterfront land, and prohibited in residential zones.

BERK also reports city-level home price data that bears directly on RC3’s framing of Chelan as exceptional. From Q1 2015 to Q1 2025, the City of Chelan’s median home price grew 99%. Over the same period the statewide median grew 123%, Wenatchee grew 108%, and East Wenatchee grew 94%. BERK notes that Chelan’s growth has been below the statewide rate. RC3’s March 25 letter, drawing on

the same Washington Center for Real Estate Research source but using different start and end quarters (Q4 2015 to Q3 2025), describes Chelan as “the clear outlier” at a 134% increase. The difference between the two figures is a function of the time period chosen. The locally-commissioned study does not support the framing of Chelan as an outlier in the regional housing market.

RC3 has characterized BERK’s conclusions as flawed. That may be a fair professional disagreement. But a recent, independently contracted study focused specifically on this county, reaching conclusions that align with the City’s existing approach, is itself important context for Council. The picture is not as one-sided as a single academic paper, presented in summary form, can make it appear.

It is also worth noting where BERK and RC3 agree. The Tourism Impact Analysis documents that Chelan’s tourism economy is increasingly concentrated in peak summer months, with weaker shoulder and winter performance. That pattern increases exposure to smoke-season disruption, peak-period infrastructure pressure, and revenue volatility. It’s a real and serious finding, and one that should inform diversification of the local economy. It is not, however, a finding that draws onto a simple cap on the existing 410 STR licenses, which would not reduce existing tourism volume or change the seasonality pattern BERK describes. The very concerns are addressed in the current draft updates proposed as part of the 2026 Comprehensive Plan.

BERK Chelan County Tourism Impact Assessment, February 2026. Retrieved 5/6/2026 from <https://www.co.chelan.wa.us/board-of-commissioners/pages/tourism-impact-study>. Direct quotations above are drawn from the Executive Summary (p. vi) and the Housing Impacts chapter (pp. 57–67). City of Chelan price-growth figure (+99%) is from Exhibit 26, p. 59.

3. The Construction Cost Argument Conflates Different Construction Markets

RC3’s March 25 letter argues that the elevated rate of building permits in Chelan from roughly 2015 to 2023 — driven substantially by the Lookout buildout — pushed construction costs up across the local market and therefore raised all home prices. There are three problems with this argument as applied to Chelan:

(a) Not all builders compete in the same market. Staff’s understanding is that the Lookout was built primarily by contractors serving the higher-end construction market, though the City does not maintain a comprehensive record of contractor tiers across developments. To the extent that is accurate, different developments in Chelan draw from different labor pools, materials, and client expectations. Treating “construction cost” as a single citywide figure may overstate the degree to which Lookout-tier construction activity translated directly into cost pressure on starter-home or entry-level construction. The connection between these two market segments is not as straightforward as RC3’s argument assumes, and it would benefit from more detailed local data before being relied upon as a primary driver.

(b) The 2020–2023 period is not a clean test of STR-driven cost pressure. RC3’s argument, drawing on the Proserpio paper, is that STRs account for roughly one-seventh of total house price growth — not that they account for all of it. That is a more measured claim, and it deserves a more precise response than simply noting that other factors also existed. The more direct issue is that the 2020–2023 period RC3 analyzes coincides almost exactly with COVID-19’s extraordinary disruption of construction supply chains, materials prices, labor availability, and lead times — pressures that hit markets across the country, not just Chelan. These national-level impacts make it very difficult to isolate how much of the local construction cost increase during this specific window is attributable to STR construction demand versus factors entirely outside the City’s control. The one-seventh figure comes from a national study

using data through 2016, well before this disruption period, and its direct application to Chelan’s 2020–2023 construction market is an extrapolation the paper itself does not make.

(c) Equity migration and cash purchases are an independent driver of Chelan’s visible top-of-market prices. Regional real estate data and the BERK analysis both document significant equity migration into the Chelan market from higher-income buyers, many of whom purchase without financing. These buyers can absorb price points that are not achievable for local wage earners, and they tend to demand finishes and amenities that pull the visible top of the market upward regardless of STR activity. This pattern — well documented in lake and resort communities throughout the western United States — is an important part of the affordability picture that any analysis focused solely on STR construction activity will miss.

(d) A direct comparison with peer Eastern Washington markets, holding builder and plan constant, shows minimal cost differential at the workforce-housing segment. The cost-comparison table in RC3’s March 25 letter, which RC3 acknowledges was generated by an “artificial intelligence tool,” reports basic home construction at \$220 to \$350 per square foot in Chelan, \$180 to \$300 in Wenatchee, and \$160 to \$240 in Spokane. The table is not an apples-to-apples comparison; it reflects whatever mix of builders, plans, and finishes the AI tool surfaced in each market. RC3 notes the estimates are “likely somewhat low” but maintains that “the relative cost comparison is likely valid.” That relative comparison can be tested more directly using a regional production builder that prices a standardized product across multiple Eastern Washington markets.

Simplicity by Hayden Homes is a regional production builder operating in Eastern Washington, Oregon, and Idaho. Its online Instant Quote tool produces contract-binding pricing for a fixed set of standard floor plans — same plan, same materials, same finishes, same builder overhead — varying only by build location. The quoted price excludes land, permits, utilities, site development, and snow load variables, which isolates the vertical construction cost component RC3’s argument identifies as inflated by STR construction demand. The same plan (The Targhee, 2,042 square feet, two-story, three-to-four bedroom) was priced through the Instant Quote tool on May 13, 2026, for each of five Eastern Washington jurisdictions:

Jurisdiction	Total Quote	\$ per sq ft
Omak / Okanogan County	\$340,781	\$166.89
Chelan / Chelan County	\$336,743	\$164.91
Ritzville / Adams County	\$328,434	\$160.84
Spokane Valley / Spokane County	\$319,672	\$156.55
Kennewick / Benton County	\$262,250	\$128.43

When the builder, plan, materials, and contract structure are held constant, Chelan’s \$164.91 per square foot is approximately 25% below the bottom of the \$220–\$350 range RC3 attributes to basic Chelan home construction. Chelan tracks within 1–3% of Omak and Ritzville — rural Eastern Washington markets with no meaningful STR activity — and within roughly 5% of Spokane Valley, a major growth market without STR pressure. The Chelan-versus-Spokane premium implied by RC3’s table does not appear in the contracted pricing of a regional production builder.

This comparison tests the empirical premise underlying RC3’s construction cost argument: that STR demand has driven Chelan’s vertical construction costs meaningfully above peer Eastern Washington markets. When the obvious confounding variables — different builders, plans, finishes, and lot conditions — are removed, that differential largely disappears at the workforce-housing segment. The comparison does not speak to custom or resort-style construction, which is a different segment of the market, nor does it address the broader Proserpio finding regarding STR effects on housing prices generally. What it does indicate is that the Chelan-specific construction cost premium RC3 identifies — and which the construction-cost argument rests on — is substantially smaller than RC3’s analysis suggests when measured against an apples-to-apples baseline.

4. The T-A Zoning Argument Is Largely Theoretical

RC3 emphasizes that 28% of the land within Chelan’s city limits is zoned Tourist Accommodation (T-A), and that this zoning could accommodate more than a thousand additional STRs — “the equivalent of nearly two Lookout developments every 10 years.” That figure is mathematically possible based on land capacity. It isn’t a wholesale approval given the physical and infrastructure conditions on the ground, and it’s a misleading way to frame the issue. This level of review happens with an actual landuse application and to date, these have not materialized.

(a) Most T-A acreage is undeveloped land on steep terrain. A substantial share of the T-A acreage RC3 cites is currently vacant, on slopes that aren’t served by municipal water, sewer, streets, or stormwater infrastructure. Building out that land at the densities RC3 implies would require significant private and public investment. Zoning and land capacity should not be treated as a direct development pipeline.

(b) The capacity figure implies uniform Lookout-style density across all T-A land. It does not work that way. The largest contiguous T-A area in the City in proximity to the Chelan Butte, roughly 800 acres, and it’s subject to a T-A overlay that allows substantially lower density than the underlying T-A zoning. The Lookout, by contrast, is about 60 acres developed under a Planned Development District with much smaller minimum lot sizes than the T-A Overlay permits. Multiplying butte acreage by Lookout-style unit counts to project “four more Lookouts” or “1,000 additional STRs” isn’t how either zone actually works on the ground.

(c) The butte overlay already addresses the density question on the City’s largest tourism-zoned area. The only T-A change being carried forward is the continuing application of the butte overlay, which exists specifically to reduce density relative to the underlying T-A standards. The relevant zoning question — density on the butte — has already been addressed. RC3’s framing treats T-A capacity as if it were unconstrained, which is not how the zone actually functions on the ground. It’s also worth noting that T-A permits commercial lodging — hotels and resort condominiums — so capping STRs in T-A wouldn’t guarantee residential housing as the alternative use.

(d) The T-A Overlay’s most permissive density pathway is conditional and carries significant performance requirements that already address RC3’s affordability concerns. The Resort Plan Conditional Use Permit under CMC 17.56.340 is the only mechanism within the T-A Overlay that approaches Lookout-equivalent density. It is not a development free pass. The code requires a minimum 20-acre site in contiguous ownership; at least 60% of the land in recreation, critical area, or open space use; and at least 65% of the resort site in open space, recreation, or agriculture. The most consequential requirement, in light of RC3’s concerns about workforce housing: a minimum of 20% of dwellings must be affordable to households earning 80% or less of the county area median income, deed-restricted for 50 years and recorded with the Chelan County auditor prior to certificate of occupancy. The plan must include a public-access recreational amenity as the central organizing feature, a 3-D visual resources

analysis demonstrating protection of designated public views, infrastructure phasing tied to capital facility availability, wildland fire risk minimization, and design guidelines compatible with surrounding properties. Approval is by Conditional Use Permit; the responsible official retains authority to impose mitigating conditions or limit the scope of the plan.

RC3's framing implies that Lookout-style density could be replicated across the Butte by mathematical projection. The actual code is more demanding: density at the high end of the Resort Plan range is available only on parcels of at least 20 acres in contiguous ownership, only if more than half the land remains in open space, only with one-fifth of units deed-restricted affordable for 50 years, only after a CUP demonstrating consistency with the comprehensive plan and protection of public views, and only with conditioning authority retained by the City. The City's existing framework builds the density and workforce-affordability concerns RC3 raises directly into the most permissive development scenario the zone allows.

(e) Most importantly, T-A is not where Chelan's seasonal-housing pressure on residential neighborhoods is concentrated. The Residential Single Family (R-L) zone is the largest zoning designation in Chelan by acreage. R-L covers 1,693 of 5,239 parcel acres in the City and UGA combined — 32% of total parcel acreage, larger than Tourist Accommodation (1,141 acres / 22%), Special Use District (702 acres / 13%), and Warehouse and Industrial (632 acres / 12%). R-L contains the majority of the second and seasonal homes built in Chelan — Crystal View Estates, Legacy Ridge, Chelan Hills, Lake Hills, and similar single-family developments. Several upper-tier homes along the lake are also seasonal non-STRs, in a mix of zones. These are not STRs. They are non-STR seasonal and second homes, generally in zones where STRs aren't permitted. A cap on STRs would not affect them.

RC3's letters cite two specific proposed developments as reasons for urgency: the Holiday Hills project on the base of Chelan Butte, and the Hiland Farms subdivision adjacent to the City golf course. Staff is familiar with both. On Hiland Farms specifically: Phase 2 of that subdivision, consisting of 46 lots, is currently in application. The development is intentionally designed to permit STR use — this is not a conversion of an existing neighborhood. All future owners will purchase with full knowledge that STR operation is permitted and anticipated. The development will be actively managed as a community. This is materially different from the conversion of established residential housing that the academic literature identifies as the source of housing price pressure. It is closer in character to a purpose-built resort community than to a neighborhood conversion. Any new project — including Holiday Hills and Hiland Farms — would be subject to full application review, environmental review under SEPA, infrastructure capacity analysis, and public notice requirements before any approvals are issued. The Chelan Butte (T-A Overlay) that governs density on the City's largest undeveloped T-A area would apply to a portion of Holiday Hills, limiting unit counts substantially below what Lookout-style density calculations might suggest. Council will have full opportunity to evaluate each application on its merits through the standard review process. A blanket moratorium on the existing 410 STR licenses is not the right mechanism to manage the pace of future development.

5. The Chelan County 6% STR Cap Is Not a Direct Comparison

RC3 cites Chelan County's 2021 STR ordinance — which caps STRs at 6% of the housing stock — as a model the City should follow or exceed. The implication is that if the County can do it, the City should be able to do it as well, and at a similar or lower threshold.

That comparison treats the City and the unincorporated County as if they had the same housing stock, the same zoning, and the same kind of STRs. They do not.

The County's 6% cap was designed to address non-owner-occupied STRs in unincorporated Chelan County. Those STRs are typically on individual parcels in residential or rural settings — homes that, without STR use, would in most cases be available as second homes or long-term rentals. They're not in actively managed resort communities originally designed for transient occupancy. They're conversions, in the sense the academic literature uses the term. The County adopted the 6% cap to slow the rate at which existing housing was being pulled out of the long-term rental pool.

The City of Chelan's STR pool has a fundamentally different composition. Roughly 91.5% of the City's STR licenses are in actively managed resort communities (the Lookout, Grandview on the Lake, Lake Chelan Shores, and similar developments) that were purpose-built for tourism and operate under HOA covenants and resort management. These are timeshare-style and resort-condominium products. They were never long-term rental housing, and there's no realistic scenario in which they would re-enter the long-term rental market if STR use were prohibited.

Applying a county-style numerical cap to that pool wouldn't address the conversion problem the County's policy was designed to slow. It would just restrict tourism use of land that has been zoned for tourism since well before the current STR debate began.

The portion of the City's STR situation that does parallel the County's — individual properties on parcels in or near the downtown core that have been converted from residential use — is exactly what staff is proposing to address. Approximately 35 standalone conversion properties exist in the City. Roughly 20 of these are concentrated in the DMU and C-HS zones around the downtown core; the remainder are dispersed in other areas of the city. A targeted cap on conversions in the zones where residential housing stock is most at risk is the right analog to the County's 6% policy. A blanket cap on the entire 410-license pool isn't.

The BERK Chelan County Tourism Impact Analysis, which post-dates the County's 2021 cap and was conducted at the county level, characterizes STR effects on housing costs as "positive, but small," and concludes that the affordability challenge is not significantly driven by tourism. Whatever one thinks of the County's chosen cap level, the local study does not support importing that cap structure into the City as a foregone conclusion.

6. RC3 and the City Are Talking About Different Problems

When RC3 writes about the impact of seasonal housing on residential availability, much of the underlying concern is real. But most of it is about non-STR seasonal homes in residential zones, not about STRs in T-A.

Based on Points Consulting's adopted Housing Element (Nov 2025), approximately 36% of dwelling units within Chelan city limits are vacant according to U.S. Census data, primarily because they are reserved for seasonal, recreational, or occasional use. That 36% figure includes STRs. With STRs at 13.7% of the housing stock, the remaining seasonal/second-home share is approximately 22%. (RC3's letters cite a roughly 50% figure for combined seasonal use; the City's records and RC3's analysis use different definitions and denominators, producing different counts.) Looking at STRs and non-STR second homes together as a single category of seasonal-use housing is the same approach BERK takes, treating the issue as one of overall seasonal-use housing rather than as an STR-only question.

Whichever number is closer to right, the structural point is the same. A meaningful share of Chelan's seasonal-use housing is not STRs. It's concentrated in single-family neighborhoods like Crystal View Estates, Legacy Ridge, Chelan Hills, and Lake Hills, where STRs are already prohibited, and in upper-tier

homes along the lake that are seasonal but not STRs. Those homes were built and are owned as second or vacation residences. They're part of the lake-town housing market in a way that no STR ordinance can reach.

An STR cap of any size cannot affect that population of homes. If Council's goal is to protect residential housing supply for Chelan workers and year-round residents, the larger leverage points are outside the STR cap conversation: workforce and middle-income housing tools, ADU policy, conditions on new residential subdivisions, and continued coordination with Chelan County and regional housing partners. Those tools should be evaluated on their own merits and timelines. Optionally, private purchase of the Butte for conservation should continue to be explored.

There is also a straightforward economic concern with a blanket numerical cap that RC3's letters do not address. Capping the total number of STR licenses at or near the current level of 410 would transform each existing license into a finite, scarce asset. Basic supply and demand economics suggests that constraining a resource people actively want to acquire — without reducing underlying demand for tourist accommodations in Chelan — increases the value of the constrained resource, not decreases it. Existing STR license holders, the majority of whom are non-residents, would benefit directly from the appreciation of a now-limited permit. The purchase price of STR-eligible properties would reflect that scarcity premium. This is the opposite of the affordability outcome the cap is intended to produce, and it would primarily benefit current out-of-market STR owners rather than Chelan residents seeking workforce housing. A targeted cap focused on the zones where residential conversion is occurring avoids this dynamic by addressing the actual problem without artificially creating scarcity in the resort and tourism accommodation market.

A targeted cap on STRs in conversion-prone zones (DMU, C-HS), where the conversion concern Proserpio describes actually applies, is a sensible piece of that broader package. It is the approach staff has consistently outlined, and it is consistent with both the academic research RC3 cites and the BERK Tourism Impact Analysis.

Recommendation

I recommend that Council:

- Acknowledge RC3's contribution publicly and continue to invite their participation in the City's STR code development process. Their advocacy has surfaced legitimate questions, and the City benefits from engaged residents.
- Direct staff to develop a targeted approach to STR regulation focused on the zones where conversion of residential housing is the actual concern (DMU, C-HS), rather than a blanket cap that treats all STR licenses as equivalent. A maximum number of licenses to be issued in these zones, informed by the current count of approximately 35 conversions, should be discussed as the form the cap should take. This is consistent with the recommendation of the academic research RC3 cites and with the recommendation of the BERK Tourism Impact Analysis discussed earlier in this memo.
- Recognize that an STR cap is one tool, not a comprehensive housing policy. Approximately half of Chelan's seasonal/second-home housing is outside the reach of any STR cap. The City is already pursuing other tools that work directly on the housing affordability problem RC3 raises: multi-family housing at the Apple Blossom Center, a residential subdivision in partnership with the Chelan Valley Housing Trust utilizing the City's newly implemented ADU and unit-lot-

subdivision code amendments, utility connection reimbursements to support affordable housing construction, and allocating annual STR licensing fee revenue to local non-profits. These efforts continue regardless of the outcome of the STR cap discussion, and they should be evaluated on their own merits and timelines.

- In any public discussion of this issue, take care to distinguish between (a) STR conversions in residential neighborhoods, (b) purpose-built STRs in tourism zones, and (c) non-STR second homes. These are three different things with three different policy responses, and they're often discussed as if they were one.

Closing

This is a complex issue, and it's worth getting it right rather than fast. The path RC3 is recommending, a numerical cap or moratorium on the entire STR pool, would treat all 410 STR licenses as if they were the same kind of property. The data shows they aren't. A targeted approach focused on the actual problem will produce better outcomes for Chelan residents than a blanket cap.

I'm happy to brief Council in more depth on any of the points above and to provide additional analysis as the STR conversation continues.



RESIDENTS COALITION

of Chelan County

April 26, 2026

City of Chelan - City Council
135 E Johnson Avenue
Chelan, WA 98816

Re: Response to the April 7 City Council Workshop Presentation Concerning Capping Short-term Rentals in Chelan

Dear Honorable City Council Members:

Residents Coalition of Chelan County (RC₃) is submitting this letter to follow up on information presented by the City of Chelan at the April 7, 2026, city council workshop (Attachment A). We very much appreciate the City specifically responding to our previous letters dated December 4, 2025, and March 25, 2026, and continue to believe that this is probably one of the most consequential issues that the City will address this year. It will determine how Chelan will grow over the next 20 years and what kind of city it will be to live in going forward.

We believe that the presentation provided by the City did not address much of the information we provided in our March 25 letter and we respectfully disagree with a few of the things said. In this letter, we would like to briefly review a few of the key points brought up in the City's presentation at the April 7 workshop and then reiterate what we believe the local community would like to see happen. Separately, we will be initiating an informational campaign with those who live in, or visit, Chelan so that the public has an opportunity to weigh in on this issue.

1. What RC₃ Disagrees With

1.1. Construction of New "Purpose-Built" STRs Does Not Increase Housing Prices

In its presentation, the City asserted that only the conversion of existing residential housing units to STRs increases the cost of long-term housing and, therefore, is the only type of STR formation that needs to be addressed with an STR cap. According to the presentation, the construction of "purpose-built" STRs, such as those in the Lookout development, does not increase the cost of housing.

In our March 25, 2026, comment letter, we described how the rapid growth in the construction of new STRs (necessarily “purpose-built”) was expected to increase the cost to build all types of new houses in Chelan (including for long-term residential uses), which in turn increases the price of existing houses for all uses. These assertions were borne out in the actual construction and house cost data provided for Chelan relative to other cities in central and eastern Washington.

The City has claimed, without evidence, that the well-documented assertions in RC3’s March 25 letter are untrue.

To further support our position that both the conversion of existing residential housing to STRs and the construction of new STRs contribute to increases in the price of long-term residential housing, we would refer to one of the most robust studies completed to date on the effect of the growth of STRs on housing prices that was referenced in our March 15 letter.

This study is titled *The Effect of Home-Sharing on House Prices and Rents: Evidence from Airbnb*.¹ It looked at the impact of STRs on house prices and rental rates in 13,000 zip codes across the U.S. by comparing increases in these housing costs to the growth in STR Airbnb listings in each zip code. The study found that the growth in STRs accounted for one-seventh of the total growth in house prices and one-fifth of the total growth in long-term house rents for areas with the median growth in STR Airbnb listings. As discussed in our March 25 letter, Chelan has an STR growth rate well above the national median and, therefore, STRs would have an even larger impact on housing prices than seen in areas at the median growth rate.

A key point to be made about this study is that it is simply based on the growth rate associated with STRs (as represented by the growth in the Airbnb listing rate). This growth rate comes from two different factors: 1) the number of existing houses converted to STRs each year, and 2) the number of new STRs constructed. The study does not parse out the two different contributors to STR growth and in no way suggests that only the growth in the number of existing houses converted to STRs is affecting housing prices.

All areas of the country with relatively high STR growth rates are expected to get some portion of STR growth from the construction of new STRs. This contribution to STR growth is a likely contributor to the observed increase in housing costs and there is no evidence suggesting otherwise.

In Chelan, it is obvious that the construction of new STRs contributes much more to the growth in STRs than the conversion of existing houses to STRs (e.g., 147 new STRs in the Lookout alone since 2014 vs. a maximum of 35 conversion STRs total). With plans or proposals for 800 or more new STRs over the next 20 years, this will continue to be the case.

¹ See <https://marketing.wharton.upenn.edu/wp-content/uploads/2019/08/09.05.2019-Proserpio-Davide-Paper.pdf>.

It's also worth pointing out that Chelan is not unique in having “purpose-built” STRs or in having STRs restricted to certain zones. There will be many other areas in the country with similar characteristics included in the study.

If the growth in new “purpose-built” STRs is not addressed by the City, this impact on housing cost increases will continue. We would note that a cap on the number of STRs at or near the current number would quickly bring the growth rate to zero and completely remove this contributor to the increase in housing prices.

1.2.Land Zoned T/A Must Be Used for Tourist Accommodations

The City’s STR presentation stated that “*The Tourist Accommodation zone exists specifically for tourism-related uses, including transient accommodations. STRs built in the T-A are an intended use of this zoning — not a conversion of housing.*”

As noted in this letter above, the conversion of housing is not the only type of STR creation that drives up the price of long-term housing. Further, although STRs are an intended use of the zoning, it is far from the only intended use. Other intended uses for T-A zoning include the following types of housing structures specifically for long-term use (Chelan Municipal Code 7.48.010(A)):

Single-family, two-family, three-family and multi-family dwellings, townhouses, and cottage housing developments provided they do not accommodate short-term nightly rentals and are intended to house year-round residents or seasonal employees for periods no less than 30 days.

In no way does T-A land exist specifically for tourist accommodations.

As noted in our last letter, the problem is that past Chelan governments have allowed 28 percent of all land in Chelan city limits to be zoned T-A. This is an inordinately large portion of the city and, if it is allowed to be developed at the pace suggested by plans and proposals currently documented, will ensure that housing price growth continues to outpace surrounding areas for decades to come. If only three to five percent of the land in city limits had been zoned T-A and other areas were not allowed to have STRs, an STR cap would be unnecessary.

For reference, the Lookout development owns about 82 acres of land (1.8 percent of the land within city limits), but only about half of it has been developed with STRs (0.9 percent of the land within city limits).

In an ideal world, the City would simply change the zoning for much of the 28 percent of land zoned T/A to appropriately cap the number of STRs allowed. However, downzoning property in this manner can be controversial and lead to potential lawsuits by property owners. Capping the number of allowed STRs, however, has been proven in court and in its presentation the city acknowledges that it has the legal authority to do this.

We would also like to address something else that the city has stated a few times now – that if STRs aren't allowed on T-A land, then the owners will simply build many small hotels. We strongly disagree with this. Hotels are completely different than STRs and do not have the same appeal to potential owners.

The Chelan Municipal Code (CMC) defines a hotel as:

Hotel means a building, or portion thereof, designed or used for transient rental of more than five units for sleeping purposes. A central kitchen and dining room and accessory shops and services catering to the general public can be provided. Not included are institutions housing persons under legal restraint, or requiring medical attention or care.

Although it is unclear what is meant by “units for sleeping purposes” in this definition, the most liberal interpretation would be that this could be a building with at least six bedrooms. If this were constructed with the intention to be rented by one cohabitating party, then it could look like a six-bedroom (or larger) house. There is a limited market for renting out houses with six or more bedrooms and the up-front cost to build them would be substantial.

If this were constructed such that each bedroom could be occupied by unrelated parties, this would have to look more like a traditional hotel, with a bathroom and temperature control in each bedroom and a common hallway. This would only appeal to persons looking to own and operate a hotel.

Regardless of the configuration, these buildings would need to meet requirements for R-1 commercial occupancy, which would include:

- Extensive use of fire-resistant materials, walls, and doors.
- Special electrical requirements.
- Fire sprinklers.
- ADA requirements.

All of these issues would make small hotels a fairly unattractive option and would in no way be as attractive as STRs. Utilizing one of the many residential housing options allowed in T-A zones would become more attractive if STRs were no longer allowed due to the cap being reached.

Arguments that this would not result in “affordable housing” in the T-A zones are shortsighted. Capping STRs would slow down the growth in tourist accommodations in Chelan, an outcome we believe is supported by the majority of residents. Evidence also suggests that it would put downward pressure on construction costs, which benefits residential housing affordability throughout Chelan.

In summary, capping STRs would be a straightforward way to address the problematic issue of Chelan having 28 percent of all land within city limits as T-A. T-A land could then be used for purposes better suited to the long-term growth of the city.

1.3. Allowing Near-Unlimited Growth of STRs in Chelan is a Balanced Approach

In its presentation, the city notes that it believes that it's approach of only limiting the conversion of existing houses into STRs is a "Balance between housing protection and tourism economy." Meanwhile, this approach would do nothing to prevent the construction of 1,000 or more STRs in the future.

As we have already demonstrated, available data suggests that the building of about 20 potential STRs per year in the Lookout development over the period from 2014 to 2023 increased home construction costs and house prices more than in the surrounding areas. Current plans and proposals suggest that if no action is taken to limit STRs, about 800 more potential STRs will be built over the next 20 years, or an average of 40 per year (note that in the city's presentation it confirmed that it has averaged only about 30 houses built per year total in 2023-2025, the period after the Lookout was essentially completed).

Adding construction demand to build an additional 40 potential STRs per year, more than doubling the house construction rate relative to baseline, is just about guaranteed to continue to drive up construction costs and housing prices for everyone.

As noted in its presentation, the city determined that only about 35 houses have been converted to STRs versus 147 new STRs being built in the Lookout. While stopping the conversion of existing houses to STRs would be a good thing and should be done, it will have a trivial effect on housing prices going forward compared to allowing the construction of 800 more potential STRs.

On the other side of the ledger, the city already has substantial tourism and a large quantity of tourist accommodations. Capping STRs would put no downward pressure on existing tourism since there would be no reduction in the number of existing STRs.

Further, in a presentation by Chelan mayor Erin McCardle during the same workshop where the STR presentation was provided, she noted that the city may be overly dependent on tourism, which is subject to large swings due to economic conditions and wildfire smoke events.

Concerning tourism, her presentation summarized that:

Chelan's visitor activity is becoming more concentrated in peak summer months, while shoulder and winter performance remains weaker. This pattern increases exposure to smoke-season disruption, peak-period infrastructure pressure, and revenue volatility tied to a shorter portion of the year

The solution to an over-concentration in volatile tourism is not more tourism. RC₃ agrees with the mayor that Chelan should seek other, more stable types of revenue and work on making long-term residential housing more affordable and available.

Given these factors, we would argue that the city’s approach of not capping STRs in all zoning districts is not balanced, clearly favoring growth in tourism over housing affordability and availability.

2. What Residents Would Like to See Happen

RC₃ exists to serve as a voice for the residents of Chelan County (in this case, specifically the Lake Chelan Valley) who would like to see their quality of life preserved. Therefore, our actions do not reflect our personal preferences, but rather what we believe the majority of residents would like to see.

Through our various communications with residents, we firmly believe that the majority do not want to see continued unconstrained growth of tourist accommodations in Chelan. But this is exactly what the city is committing to if it is unwilling to put a cap on STRs, along with all of the associated undesirable consequences.

Rapid STR growth in and of itself exacerbates the need for workforce housing. More STRs means more visitors to Chelan, which in turn means more need for workers in the tourism industry to service the visitors. These new workers need to be housed, but rapid growth in STRs increases the cost of housing. It’s a vicious cycle that residents are tired of.

It’s hard to imagine what Chelan would look like with another 800 or more potential STRs and the associated impact to traffic and access to the lake and other amenities. Residents seem to voice their displeasure daily at the impact of the Lookout – it’s unlikely that they will embrace the equivalent of four more Lookouts.

Notably, we believe that the majority of current STR owners (most of whom live outside the area) would also like to see a cap on STRs. Such a cap would serve to preserve the value of their investment and keep Chelan a desirable place to visit for their tenants.

So that you don’t have to take our word on this issue, we plan to ask local residents and visitors to weigh in directly with city council members and the mayor on this issue. We know that you will be open to their input. Our factual message to residents will be:

- In 2014-2023, Chelan experienced accelerated growth in STRs through the build-out of over 200 houses in the Lookout development, with over 410 STRs total now operating in the city. As supported by housing price data and literature studies, this rapid STR growth has excessively increased housing costs in Chelan and the surrounding area, including the cost to build new houses.
- Currently, nearly 14% of all dwelling units in Chelan are STRs. This is an indication of the high density of tourist accommodations in the city relative to its size, and the city’s growing economic reliance on tourism.

- Over one-third of all land within the Chelan city limits allows STRs and, without a cap on the number of STRs allowed, well over 1,000 new STRs could be constructed. In fact, plans and proposals for nearly 800 new houses that could be STRs (including 400 STRs on Chelan Butte) over the next 20 years or so have already been publicly disclosed. This would potentially double the rate of new STR construction in Chelan relative to the 2014-2023 period for the next 20 years! This is the equivalent of nearly four additional Lookout developments in a roughly 20 year period.
- Only a cap on the total number of STRs allowed in Chelan will prevent this growth in STRs and the impact from the associated influx of tourists into Chelan. Such growth would increase pressure on housing affordability, traffic, lake access, lake water quality, and general infrastructure. It will also increase Chelan’s reliance on tourism, making it even more sensitive to economic downturns and the impacts of summertime wildfire smoke events.

In Mayor McCardle’s 2026 State of the City presentation, she listed five Community Concerns that come from community input to the city. While the issue of runaway growth of STRs in Chelan impacts all five in some way, one of them really gets to the heart of the issue:

Tourism and growth can reshape our small-town identity.

If the city is unwilling to constrain the upcoming continued proliferation of STRs in Chelan, then it is demonstrating that it is unwilling to address this Community Concern in particular.

This brings us to next steps. We fear that the city feels that it has addressed the issue and has no intention to bring this back to city council for discussion. The STR presentation states that “*The Comprehensive Plan process is the right vehicle for these discussions.*” We strongly disagree. This issue requires near-term code changes and, potentially, an STR moratorium. We believe this issue needs to be discussed independent of the Comprehensive Plan process. We are confident that residents feel the same and urge the city to take this approach.

We look forward to further discussion of this issue with the City and the local community.

Residents Coalition of Chelan County Board of Directors

cc: Erin McCardle – Chelan Mayor
John Ajax – Community Development Director

Attachment A

**Chelan Staff Presentation to City Council at the
April 7, 2026, Workshop**



Short-Term Rentals in Chelan

Facts, Context & the City's Approach

Responding to Community Input from the Residents Coalition of Chelan County (RC3)

What RC3 Is Asking

The Residents Coalition of Chelan County sent two letters (Dec. 4, 2025 and Mar. 25, 2026) requesting that the City cap the total number of short-term rental licenses.



Numerical Cap

Cap STR licenses at or near the current level of ~410–450, effectively freezing growth.



Moratorium

Impose a temporary moratorium on new STR licenses while code is being developed.

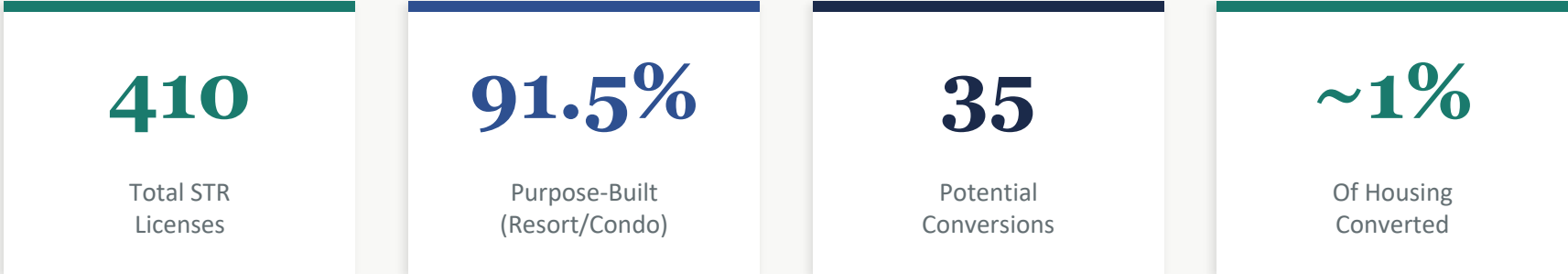


Urgency

Expedite the process, citing proposed developments (e.g., Holiday Hills) that could add hundreds of new STRs.

The City welcomes this engagement and takes these concerns seriously. Here's the full picture.

Chelan's STR Program at a Glance



Where Our STRs Are

Development	Licenses	Type
The Lookout	147	Purpose-built vacation homes
Grandview on the Lake	86	Resort condominiums
Lake Chelan Shores	44	Resort condominiums
Other Resort/Condo (8 developments)	98	Timeshares, resort units
Standalone Properties	35	Potential residential conversions

Source: City of Chelan STR Licensing Data, January 2026

Not All STRs Are the Same

This is the most important distinction for understanding Chelan's STR situation.

Purpose-Built STRs (91.5%)

- Built and marketed as tourist accommodation
- Located on Tourist Accommodation (T-A) zoned land
- Were never part of the residential housing stock
- T-A zoning established through public Comprehensive Plan process
- **Removing these would not create housing**

Residential Conversions (8.5%)

- Homes originally built for residential use
- Converted to short-term rental operation
- Mostly located downtown (~20 properties)
- These do remove potential housing stock
- **This is where targeted policy should focus**

RC3 treats all 410 STRs equally. City data shows 91.5% were never housing — a blanket cap would restrict development on land specifically planned for visitor use.

What's Actually Driving Housing Costs?

If STR conversion is minimal, what explains our affordability crisis?

~24%

of housing used
seasonally (vacant)

Second homes sit empty — no
lodging tax, no local spending.

10:1

price-to-income
ratio (healthy: 3–4:1)

Equity migration: Seattle buyers
pay cash, pricing out locals.

\$722K

median home
price (2024)

Construction costs up regionally
— labor and materials, not just
STRs.

82%

of low-income
renters cost-burdened

Limited housing types: zoning has
historically favored single-family.

Where the City and RC3 Agree

RC3 raises legitimate concerns. Many of their points align with the City's own analysis.

- ✓ Housing affordability is a genuine crisis in Chelan — the data confirms this.
 - ✓ Residential conversions to STRs in neighborhoods do affect housing supply and community character.
 - ✓ Infrastructure capacity must be part of any growth conversation.
 - ✓ The seasonal nature of STR-driven economy creates real challenges for year-round businesses.
 - ✓ Cities have clear legal authority to regulate and cap STRs.
 - ✓ Managed, intentional growth is better than unregulated expansion.
-

Where the Approaches Differ

Question	RC3 Position	City Approach
What problem are we solving?	Too many STRs overall. Limit total visitor capacity.	Protect residential housing from conversion. Allow growth in appropriate zones.
Are all STRs the same?	Yes. All should count equally toward a cap.	No. Purpose-built on T-A land have different impact than converted neighborhood homes.
What cap level?	410–450 citywide. Effectively freeze growth.	Consider a cap on licenses to prevent conversions in DMU and C-HS zones.
Primary beneficiary?	Current residents seeking affordability.	Balance between housing protection and tourism economy.

Both approaches seek to manage STR growth — they differ on scope and method.

What the City Is Already Doing



Apple Blossom Center

720+ multifamily units with STRs prohibited. \$1,600/unit to affordable housing fund. Micro-units and cottages encouraged.



ADU Expansion (HB 1337)

Adding housing units at lower price points without new land costs — backyard cottages, garage conversions, etc.



Housing Trust Partnership

Permanently affordable homes through Chelan Valley Housing Trust that can't be bought up by outside investors.



Infrastructure Investment

East Chelan Reservoir and utility upgrades to support denser, more affordable development patterns.



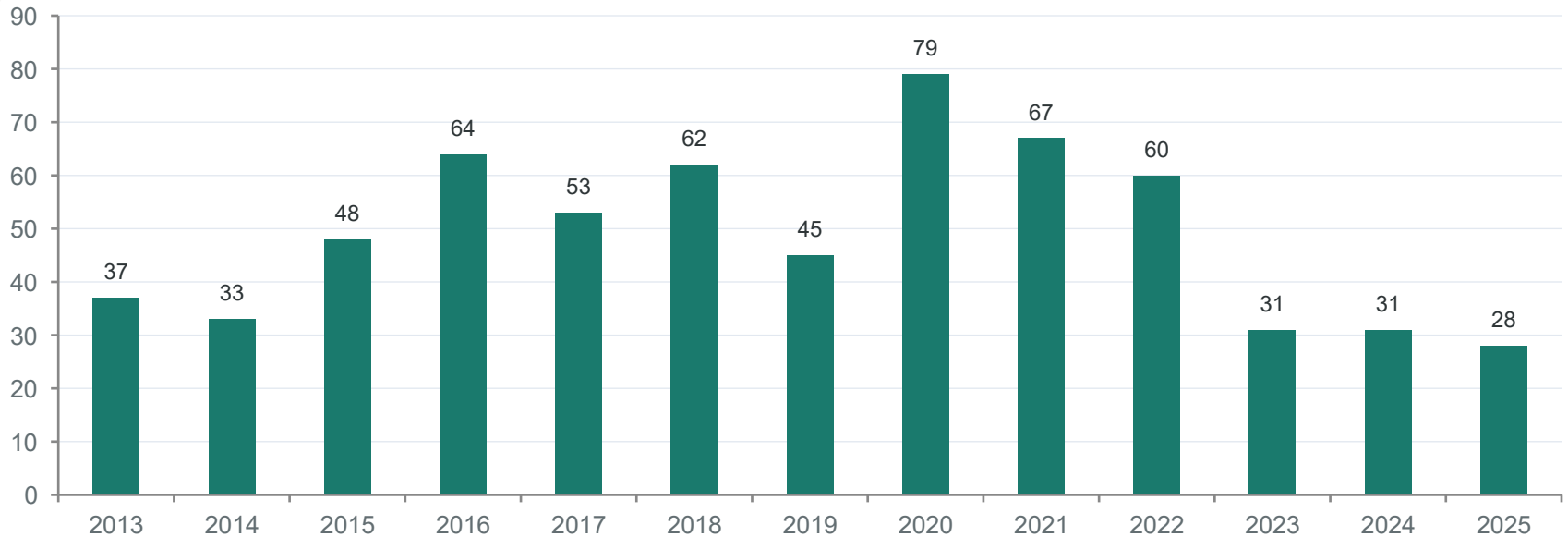
STR License Fee Revenue

100% of annual STR license fee revenue dedicated to local community grants benefiting Chelan residents.

These efforts address the actual causes of Chelan's affordability gap — not just one symptom.

Building Permits: Historical Context

Single-family permits have declined as the Lookout development wound down.



Peak years (2015–2022) coincided with Lookout buildout — about 40% of all SF permits were in the Lookout during that period.

Policy Direction & Zoning Context

Where the City may act — and why the T-A zone is different.

→ **Cap in Conversion-Prone Zones**

Consider a modest license cap in districts where residential conversions could occur (DMU, C-HS). Protects neighborhood housing while allowing some STR activity.

→ **The T-A Zone: Designed for Tourism**

The Tourist Accommodation zone exists specifically for tourism-related uses, including transient accommodations. STRs built in the T-A are an intended use of this zoning — not a conversion of housing.

→ **Housing Flexibility in T-A Construction**

Nothing prohibits building a structure in the T-A that resembles a single-family home but is built to IBC commercial lodging standards rather than IRC residential code. These units could also function as long-term housing, providing built-in flexibility for future use.

Community input will be part of any policy development. The Comprehensive Plan process is the right vehicle for these discussions.



The Bottom Line

The City shares the community's goal of making Chelan an affordable, livable place for residents.

Our approach focuses on the actual drivers of housing costs — targeting protections where conversions occur, while not restricting appropriately planned visitor development that supports our tourism economy.

We welcome continued engagement from RC3 and all community members as these policies take shape through the Comprehensive Plan process.

Questions? Contact the City of Chelan Community Development Department



RESIDENTS COALITION of Chelan County

March 25, 2026

City of Chelan - City Council
135 E Johnson Avenue
Chelan, WA 98816

Re: Impact of Short-Term Rentals (STRs) on Housing Affordability and the Need for a Cap on STRs in the City of Chelan

Dear Honorable City Council Members:

This letter follows up on our letter on this same topic dated December 4, 2025, responds to input from City staff, and provides additional information recently gathered by Residents Coalition of Chelan County (RC₃). It is our understanding that the issue of putting caps on short-term rentals (STRs) will be discussed at a City Council workshop in the near future, so we are submitting this well in advance of those public discussions to provide plenty of time for the information contained herein to be reviewed and considered. We intend to share this information with the local community as well and invite their participation in this process.

In this letter we discuss the Chelan housing market, how STRs (and other seasonal housing) impact the housing market, and what can be done to improve overall housing affordability in Chelan. Specifically, we will cover the following topics:

- 1. The Chelan Housing Market: Supply and Demand** – The Chelan housing market has been significantly impacted by supply and demand forces that trace back to STRs and other seasonal housing. STRs constitute a significant portion of the current Chelan housing stock. *Discussion starts on page 3.*
- 2. Residential Housing Construction Costs** – Chelan suffers from unusually high residential housing construction costs that can be tied back to STRs and other seasonal housing. High construction costs negatively impact both new and existing housing prices. *Discussion starts on page 5.*

3. **STRs Increase Housing Prices** – The conversion of existing residential homes to STRs and rising home construction costs can be tied to the high demand for STRs in Chelan. This demand for houses that could otherwise be used for residential housing decreases the overall supply of residential housing. Unsurprisingly, comprehensive studies conclude, and house price data suggest, that the proliferation of STRs in a specific housing market increases housing prices and rents. *Discussion starts on page 9.*
4. **STRs versus Non-STR Seasonal Houses** – Chelan has had a large existing inventory of non-STR seasonal homes for decades, but they have increased over time. Studies don't specifically look at the impact of these homes on housing affordability, but they will have a negative impact. However, the economic driving force for STR ownership demand is dramatically different. *Discussion starts on page 12.*
5. **The Past 12 Years in the Chelan Housing Market** – The Chelan housing market has experienced outsized increases in house prices and residential construction costs compared to other housing markets over this period. The majority of new building permits issued during the past 12 years were for both STRs and other seasonal homes equally, particularly from 2014 to 2023. This has driven up residential construction demand, which in turn has driven up housing prices. Assertions that seasonal houses not used as STRs have had a higher impact on housing prices during this period than STRs are not supported by the facts. *Discussion starts on page 15.*
6. **What the Future of Chelan's Housing Market Looks Like Now** – The majority of new single-family housing projects being approved or discussed focus primarily on houses that can, and likely will, be used as STRs and other seasonal housing. If nothing is done, the Chelan housing market will remain exceptionally unaffordable, catering primarily to relatively well-off, transient visitors. The ability of people wanting to be full-time Chelan residents to afford to purchase a home and build wealth over time will continue to diminish. This will adversely affect the character of Chelan, making it a less desirable place to live for its residents. *Discussion starts on page 16.*
7. **Solutions** – As many other cities with high percentages of STRs have done already, Chelan could easily place a cap on the total number of STRs allowed. This would likely put downward pressure on housing prices immediately. Although more difficult to implement, there are ways to discourage other types of seasonal home ownership that have been implemented elsewhere. Creative solutions could provide funding for affordable housing that would be available to households that would otherwise not be able to afford market-rate housing. *Discussion starts on page 19.*

This letter is long because there is so much information supporting the fact that STRs adversely impact housing affordability that we want to share and because this is likely one of the most

consequential issues that the City will review in 2026 that affects the permanent future of Chelan. We will address each of the topics above in its own section.

1. The Chelan Housing Market: Supply and Demand

1.1. Nomenclature Used in This Letter

Two key terms used throughout this letter are defined as follows:

STR: A deeded dwelling unit used as a commercial short-term rental operating under an STR license obtained from the city of Chelan.

Non-STR Seasonal House: A deeded dwelling unit used seasonally that is not an STR. This type of house will typically be either a seasonal home used only by the owners, a seasonal home that is also rented out to family and friends without obtaining an STR license, or an illegally-operating STR renting more broadly.

Note that many documents will simply refer to “seasonal housing”, which includes what we are calling STRs and Non-STR Seasonal Houses combined.

References to “residential” homes refer to housing for long-term use as the inhabitant’s primary residence.

1.2. Supply and Demand Basics

Like all housing markets, Chelan residential housing prices are dictated by the supply of houses (available for sale or able to be constructed) and the demand for those houses.

There are three different markets for deeded housing in Chelan: the market for long-term residential homes, the market for STRs, and the market for Non-STR Seasonal Houses. Unfortunately, the three markets are completely intertwined in terms of pricing pressures, i.e., if prices in one of these markets go up, prices in the other two markets will respond in the same direction over time. This occurs because the “product” being sold in all three markets is the same – a residential dwelling unit.

As an example, the construction of new STRs can push up the price to build long-term residential houses if STRs are fetching a premium price (which they typically do). The supply of contractors to build new residential dwelling units is relatively fixed, whereas the demand for these contractors increases when many new STRs need to be built. The same applies to the construction of new Non-STR Seasonal Houses.

If Chelan were to, for example, cap STRs at current levels, this would clearly reduce demand for houses in general (potential STR buyers would be removed from the housing market) and would be expected to result in downward pressure on housing prices. Of particular interest for this discussion, an STR cap would also be expected to reduce demand for house construction, putting downward pressure on the cost of construction.

Since housing rental costs also follow housing prices over time, these same dynamics affect the rental housing market in Chelan.

1.3. STRs and Non-STR Seasonal Houses Affect Supply and Demand

Chelan currently lists over 410 STR licenses spread amongst the roughly 3,000 dwelling units in the city. This corresponds to an STR density of nearly 14 percent. City staff have downplayed this statistic by stating that many of these STRs are on the waterfront and would never be used for anything other than STRs. In other cases, it is said that many STRs don't count because they were specifically built to be STRs.

We would point out that the vast majority of existing STRs in Chelan could, in fact, be used for long-term residential use if they weren't otherwise allowed to be STRs. The Lookout development, with over 200 houses, could obviously be a residential development if, for example, STRs were suddenly disallowed. Yes, it would have amenities such as a swimming pool, park areas, and a marina. The same could be said for Crystal View Estates, where STRs are not allowed. No one is implying that these would be considered "affordable housing" in the sense of being affordable to low-income households, but it makes no sense to imply that the houses in the Lookout couldn't otherwise be used for residential housing by households in the mid- to upper-income brackets if they were no longer priced as STRs.

Arguments about this type of housing being too expensive for typical residential housing miss the point that if changes are made to bring down the cost of housing in general, these types of homes could potentially provide residential housing for higher-income families, retirees, etc. Regardless, the point of this letter is more about what kind of housing will be built in the future in Chelan and how the city can make this new housing more affordable for many different household financial situations, while also putting downward pressure on the prices of existing homes.

Similarly, condominium complexes such as Park Pointe, Paradise View, and Chelan Resort Suites could easily be used as long-term residences if it wasn't for the fact that current zoning and STR code allows these to be used as commercial STRs, driving up prices for the entire Chelan housing market. Note that units in these complexes sold for about \$270,000, \$200,000,

and \$250,000, respectively, a decade ago before STRs began having a significant impact on Chelan's housing market.

Given this, STRs have clearly reduced the supply of residential housing. Housing that could otherwise be used as long-term residences is instead being used as commercial STRs.

RC₃ extensively reviewed all existing housing in Chelan. We conclude that, in addition to the over 410 STRs in Chelan, there are over 1,000 Non-STR Seasonal Houses that are owned by people outside of Chelan (over one-third of the housing stock).

These Non-STR Seasonal Houses also reduced the supply of residential housing over time (in that these houses were not sold into, or built for, the residential housing market).

One important point to make is that if the number of STRs and Non-STR Seasonal Houses in Chelan were to remain static going forward, their impact on housing prices in the future would be minimal. If every new house built in the future went toward increasing the supply of residential houses in Chelan, this would help to decrease house prices relative to the current pattern of housing growth.

As will be discussed further below, it is the rate of addition of new STRs and Non-STR Seasonal Houses over the past 12 years that has driven prices for residential housing up so quickly in Chelan over this period, and it is future housing supply and demand that will drive housing prices in Chelan going forward.

2. Residential Housing Construction Costs

The vast majority of new STRs that have been built in Chelan over the past dozen years have been in the Lookout development. Over 200 new houses have been built in the Lookout since it started in 2014, averaging about 20 permits per year for houses in the Lookout from 2014 through 2023¹. Chelan issued an average of just over 50 building permits for single-family homes per year during this period, meaning that about 40 percent of all building permits issued for single-family homes between 2014 and 2023 were for houses in the Lookout.

Currently, just over 70 percent of the houses in the Lookout have STR operating permits. The majority of the remaining 30 percent are owned as Non-STR Seasonal Houses. It is difficult to determine exactly how this 30 percent of houses in the Lookout is being used, but few to none appear to be used for long-term residential occupancy. Unlike other residential areas in Chelan, the Lookout is zoned to allow STRs. Since the economics of STRs encourage any house allowed

¹ The majority of building permits for houses in the Lookout were issued during this period.

to be an STR to be used as one, it is unsurprising that the majority of houses in the Lookout are used as STRs, not as long-term residential houses or even Non-STR Seasonal Houses.

As a result of the high number of new houses constructed in the Lookout for non-residential use from 2014 to 2023, which led to a much higher than typical level of house construction in general, much pressure was put on the local house construction industry to fill the demand. In fact, in some years during this period houses in the Lookout accounted for nearly 50 percent of all residential building permits issued causing the total number of building permits issued to be over 100 percent higher than the long-term average for Chelan before and after the buildout of the Lookout development.

The impact of this flurry of construction activity unsurprisingly drove up the cost of construction in Chelan due to supply/demand pressures.

In the real estate world, “highest and best use” defines the most profitable, legally permissible, physically possible, and financially feasible use of a property, maximizing its value. In this context, STRs represent the highest and best use of a residential house. Because it is the most profitable use, it encourages higher construction costs (profits to the builder and contractors), which are easily defrayed by the owner over the life of the STR. Those wishing to build housing for long-term residential use simply have no way to defray this additional cost.

Figure 1 (attached) demonstrates the sales prices of individual houses in the Lookout development over time compared to the sales prices for similar houses in areas with zoning that does not allow for STRs. These comparable homes outside of the Lookout have similar views; are of similar age, size, and finish quality; have larger lots; and have similar or better amenities (including garages, which most houses in the Lookout do not have). All else being equal, the houses outside of the Lookout should have sold for a similar price per square foot, if not higher.

However, as shown in the figure, houses in the Lookout sold for a premium of as much as 65% during this period. The obvious reason for this is the fact that they could be used as STRs, generating over \$100,000 in annual revenue in some cases, while still being available for occasional use by the owner.

There is plenty of evidence that this has driven up home construction costs in Chelan over this same period of time above and beyond what other areas in central and eastern Washington have experienced. Higher construction costs will eventually increase the price of all homes in the market.

In the 2010 to 2014 period of time, home construction costs in Chelan and throughout central and eastern Washington were very reasonable and comparable.² An experienced realtor in Chelan in 2010 indicated that new homes could be built in the Lake Chelan Valley for \$100 per square foot. Lake Chelan Construction Company advertised on their website in 2012 that they could build a low-end home for \$85 per square foot, a mid-range home for \$110 per square foot, and a high-end home for \$135 per square foot. One of the authors of this letter built a mid-range home in the Lake Chelan Valley in 2014 for under \$150 per square foot as construction costs were just starting to increase and the availability of contractors was beginning to get tight.

By 2016, mid-range homes were costing \$180 per square foot to build, and by 2021, people were paying \$300 or more per square foot to build mid-range homes. Local builders are currently quoting \$375 to \$400 per square foot for mid-range homes.

2014 coincided with the beginning of the flurry of new construction in the Lookout. The construction of new homes in the Lookout peaked in the 2021-2023 time period and has since gone to just about zero as all current phases of the development have now been built-out. Possibly related, Figure 1 shows that sales prices for homes in the Lookout peaked around 2023 and have since been declining.

It will be interesting to see if construction costs start declining in Chelan, as permits issued for new residential construction have decreased back to more typical rates since the completion of the Lookout. However, as will be discussed more later, the first phase of a new development allowing up to 27 STRs has just begun construction, and a second phase has been submitted for approval for 47 more lots allowing STRs. The developer has stated that their goal is to eventually build 359 houses that can be STRs. The cycle of upward pressure on construction costs may begin anew if Chelan chooses not to address the STR issue.

What the evidence does suggest is that residential construction costs in Chelan (and the surrounding area) have increased since 2014 to higher levels than in other municipalities in central and eastern Washington that have not experienced high growth of STRs and Non-STR Seasonal Houses. When an artificial intelligence tool was asked to estimate current residential construction costs, based on all available data, for Chelan, Wenatchee, and Spokane, it came up with the following table:

² In the aftermath of the Great Recession of 2008/2009.

City	Cost to Build a Basic Home (\$/sq ft)	Cost to Build a High-End Home (\$/sq ft)
Chelan	\$220-\$350	\$350 - \$500+
Wenatchee	\$180-\$300	\$300-\$400
Spokane	\$160-\$240	\$220-\$350

These costs do not include the price of land. These cost ranges are likely somewhat low based on anecdotal information compiled by RC₃ in talking to people who have recently built, or are planning to build, a new home in Chelan, and the cost of new homes for sale in Wenatchee and Spokane (which are much less than could be constructed in Chelan). However, the relative cost comparison is likely valid.

It is well-recognized that an increase in the cost to build new homes also increases the sales prices of existing homes. The “replacement cost principle” establishes that the cost to build a comparable new home sets the upper benchmark for value in a neighborhood. For example, the National Association of Home Builders notes (related to high construction costs; underline for emphasis):

Higher construction costs get passed on to home buyers in the form of higher prices, making it increasingly difficult for people to afford new homes. This can exacerbate existing housing affordability issues and slow down the overall housing market.

This effect can be seen in Chelan, even though STRs are only allowed in certain zones within the city.³ Existing homes that are in good condition are being sold at costs per square foot comparable to the cost to construct a new home, even if those homes have existed for a decade or more.

Unsurprisingly, as will be shown later in this letter, the cost of the median house in Chelan has increased more (on both a dollar and a percentage basis) than in other housing markets in central and eastern Washington over the 2016 to 2025 time period. These data can be shown to be correlated with the proliferation of new construction of houses within the Lookout and Non-STR Seasonal Houses elsewhere in Chelan.

If the construction of new STRs (and potentially Non-STR Seasonal Houses) is not constrained in some way in Chelan, this additional cost for all residential housing will continue to persist.

³ Note that many municipalities restrict STRs to only certain areas. This is not a unique feature of the Chelan STR situation.

3. STRs Increase Housing Prices

In addition to looking at the pressures caused by the construction of new STRs on housing prices, there are also a number of studies that have been conducted across housing markets that demonstrate that the proliferation of STRs will result in increases in housing prices greater than would otherwise occur.

One study has shown that once STRs exceed a density of about four percent, they start to have a negative impact on housing prices.⁴ One of the study's recommendations for local governments to address this issue is to:

Restrict (cap/limit) STRs or incentivize moderate use if STRs account for more than 4% of total housing stock.

Another often-cited study⁵ indicates that at the median growth rate in STRs across the country, the presence of STRs accounts for one-seventh (14.3%) of the increase in house prices (and one-fifth of the increase in housing rental rates). Clearly, Chelan has had a growth rate in STRs well above the median rate across the U.S., implying that more than one-seventh of the growth in house prices in Chelan over the past decade should be attributed to STRs.

This study was based on the growth in the number of AirBNB listings in individual markets. Chelan funded its own study looking at the local impact of STRs that was published in draft form in 2018.⁶ The study noted the incredible increase in the number of unique AirBNB listings for Chelan properties in the peak summer month, going from 19 in 2015 to 236 in 2018, accounting for less than one percent of the total dwelling units in Chelan in 2015 to nine percent in 2018 (note that not all STRs were advertising on AirBNB during the study period). This growth was well beyond the typical growth in AirBNB listings across the country during this period.

The median price of homes sold in Chelan has increased from about \$270,000 in Q4 of 2015 to nearly \$630,000 in Q3 2025, an increase of about \$360,000. Even if only one-seventh of this growth in price was attributed to the growth in STRs, that would represent about \$51,000. Given that the growth of STRs in Chelan has been much greater than the median rate across the U.S., it would not be unreasonable to assume that 20 percent (\$72,000) or 25 percent (\$90,000) of the increase in the median house price could be attributed to the growth in STRs in the city based on this study alone.

⁴ Sadie Dinatale, *Assessing and Responding to Short-Term Rentals in Oregon*, University of Oregon, 2017.

⁵ Kyle Barron, Edward Kung, and Davide Proserpio; *The Effect of Home-Sharing on House Prices and Rents: Evidence from Airbnb*; Oct 2020.

⁶ *Chelan Short-term Rentals Situation Assessment (draft)*, BERK Consulting, November 2018.

Chelan County promulgated a new STR code in 2021 that caps STR densities to no more than six percent of the housing stock. Part of the justification for this cap is provided in the code itself, which states (underline added for emphasis):

Short-term rental use is a commercial use. Where excess rental units exist in residential communities, it has been shown to be detrimental to the affordable residential housing inventory and adversely affect the residential character of those neighborhoods. [Chelan County code 11.88.290(1)(A)]

After over two years of studying the issue, Chelan County concluded that STRs do adversely impact housing costs and that it was worthwhile to place a cap on future growth of STRs to protect housing affordability for residents.

So, to summarize:

- 1) STRs comprise nearly 14 percent of the housing stock in Chelan, regardless of how the city might try to parse it. Even at half this density, it would be considered high.
- 2) One study shows that STR densities greater than about four percent start to pressure housing prices upward. Chelan County created its six percent cap on STRs with this study in mind.
- 3) Another study shows that growth in AirBNB listings for STRs at the national median rate (which Chelan exceeds by far) can account for one-seventh (14.3%) of the total increase in house prices (and one-fifth of the increase in home rents). Considering that STRs in Chelan have grown at much more than the national median rate, it is reasonable to expect that STRs are responsible for 20 or 25 percent of the increase in local house prices over the past decade. In fact, consistent with this, the median house price in Chelan increased about 47 percent more than the median house price in Wenatchee (a city with relatively few STRs) over the last decade.⁷

3.1. The Chelan County Tourism Impact Study

Chelan County hired BERK Consulting to complete a study looking at the impact of tourism on the county. In February of this year, BERK published a report titled *Chelan County Tourism Impact Study*. In the *Housing Impact* chapter of the study, after citing the median house price data and other literature studies that RC₃ has referenced in this letter, BERK concluded that

⁷ When comparing the percentage increase in the median house price in Chelan (134%) vs. the percentage increase in the median house price in Wenatchee (91%) between Q4 2015 and Q3 2025. Data taken from the Washington Center for Real Estate Research (<https://wcrer.be.uw.edu/>).

STRs do not have a “significant” impact on residential housing. While this might be an appropriate statement for areas with low densities of STRs, their conclusion was exactly the opposite of what the data in their own report showed for Chelan in particular.

RC₃ immediately submitted a letter to BERK⁸ pointing out the deficiencies in how they arrived at their conclusion and why they should have concluded the opposite for certain areas; i.e., that STRs have been shown to have a significant impact on housing prices in areas where they proliferate.

Ms. Dawn Couch with BERK reviewed RC₃'s letter and made some key changes to the report text, better acknowledging the impact of STRs on housing prices in areas where they are prevalent. Specifically, Ms. Couch noted the following changes that were made to the report in response to RC₃'s letter (underline added for emphasis):

We removed the sentence: “Impacts may be more pronounced at the block level, particularly for homes with unique amenities such as views or water access that are attractive to both visitors and residents.” And replaced it with “Impacts on housing prices are found to be greater in areas with low levels of owner-occupied housing or where short-term rentals make up a substantial portion of the housing supply.” (pg. 60).

We updated the recommendation on short-term rentals (pg. 67) from “While short-term rentals have a small impact on county-wide housing prices, they can reduce the housing available to long-term renters” to read “Short-term rentals can impact local housing prices and reduce the housing available to long-term renters.”

While these changes do not fully acknowledge how STRs have negatively impacted housing prices in areas such as Chelan (such an assessment is outside of BERK's scope of work), they at least no longer discount the likelihood that this is the case.

3.2. STR Cap Impact Example – Palm Springs, California

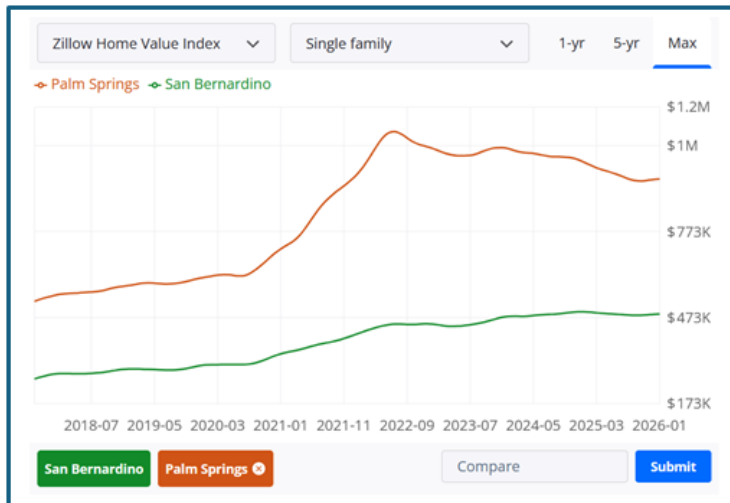
As described above, it is well-known that the proliferation of STRs can increase housing prices. On the flip side, there are examples of how caps that reduce the number of STRs can actually bring down housing prices.

Palm Springs, California is a well-known tourist destination, particularly in the winter months. Short-term rentals were sparse two decades ago, but with the proliferation of online advertising services such as AirBNB and VRBO, short-term rental ownership exploded. By 2021, STRs

⁸ https://coalitionofchelancounty.org/wp-content/uploads/2026/03/RC3-Letter-to-BERK-2_18_26.pdf.

accounted for roughly 30 percent of the housing stock. The demand for STRs drove up values for single-family homes over 80 percent between late 2020 and mid-2022.

The city of Palm Springs recognized the problem and passed a 20 percent STR cap ordinance in November of 2022. Values for single-family homes started dropping right about the time that the passage of the ordinance would have been imminent, and by late 2025 values had dropped 15 percent from the mid-2022 peak. Surrounding areas with a minimal percentage of STRs, such as San Bernardino, have seen a more steady pattern of increasing values for single-family homes, with no declines between late 2022 and late 2025 as were seen in Palm Springs.



With the enactment of the STR cap, single-family home values in Palm Springs have now increased a similar, more reasonable, percentage (roughly 50 percent) as in San Bernardino over the period from late 2020 to the end of 2025.⁹ The STR cap in Palm Springs has worked as expected.

In this case, the STR cap was set lower than the existing percentage of STRs. This somewhat drastic

approach was needed because STR growth had gotten out of hand before the city moved to cap STRs. Hopefully, Chelan will act more quickly in order to grandfather in existing STRs and not have to actually reduce their numbers.

4. STRs versus Non-STR Seasonal Houses

4.1. Relative Quantities

As mentioned above, in addition to over 410 STRs, there are over 1,000 Non-STR Seasonal Houses within Chelan’s housing inventory of roughly 3,000 deeded dwelling units.¹⁰

Although the inventory of Non-STR Seasonal Houses in Chelan is over twice that of STRs, it has built up over a much longer period of time. Data compiled by RC₃ show that over the past 12

⁹ All house price data for Palm Springs and San Bernardino for this analysis taken from Zillow.com.

¹⁰ Non-STR Seasonal Homes were identified as deeded dwelling units that did not have an STR license and had owners with a mailing address outside of Chelan.

years, new construction STRs and Non-STR Seasonal Houses in Chelan have been added to the housing inventory at about the same rate.

4.2. Relative Impacts on Housing Prices

After the Great Recession in 2008/2009, the Chelan housing market eventually stabilized at relatively low prices consistent with other markets in central and eastern Washington. It has only been over the past 12 years that house prices have increased rapidly and over this period of time, new construction STRs and Non-STR Seasonal Houses have grown comparably, implying that they have impacted construction costs, and therefore house prices, similarly.¹¹

Of course, over this same period of time some existing residential houses have been converted to STRs and Non-STR Seasonal Houses, and some Non-STR Seasonal Houses (and maybe a few STRs) have been purchased as residential houses. It is difficult to assess what impact this would have on house prices overall because it is difficult to determine the quantities involved, but it would have little effect on construction costs, which ultimately set the upper bound on housing prices.

As asserted in this letter, RC₃ believes that the rapid increase in housing prices in Chelan over the past 12 years has been the result of the rapid increase in construction costs, which can be tied back to the atypically-high rates of construction (which were equally affected by STRs and Non-STR Seasonal Houses).

Therefore, there is no basis to state that Non-STR Seasonal Houses have had a more significant impact on housing prices over the past 12 years than STRs, which some people with the city of Chelan have implied recently.

At the January 13, 2026, city council meeting, mayor Erin McCardle mentioned that both a study conducted by Washington State University¹² and the Chelan County Tourism Impact Assessment¹³ concluded that unoccupied second homes (Non-STR Seasonal Houses in the nomenclature of this letter) had a bigger impact on housing prices than STRs. This is simply not factual based on either of these studies. The WSU study mentions second homes only in the context of describing homes that are not long-term residential homes, not distinguishing in any

¹¹ Between 2014 and 2023, RC₃'s analysis estimates that about 29 percent of all residential building permits issued in Chelan have been for Non-STR Seasonal Houses and 28 percent were for STRs.

¹² *Housing Market Conditions in Tourism-Dependent Municipalities, Report to the Washington State Legislature Engrossed Substitute Senate Bill 5950, Section. 603.(48)*; Washington State University Metropolitan Center for Applied Research and Extension; December 20, 2024.

¹³ Chelan County Tourism Impact Assessment; BERK Consulting; February 2026.

way the impacts of Non-STR Seasonal Houses from STRs. In no manner does it state that Non-STR Seasonal Houses have a larger impact on housing prices than STRs.

The WSU study does, however, state that (underline added for emphasis):

We identified two policy areas that impact housing affordability in rural tourism-dependent areas of Washington: (1) short-term rental (STR) regulations; and (2) incentives, programs, and plans designed to encourage affordable and workforce housing development.

Previous research demonstrates that when STRs make up a substantial proportion of the potential housing supply, communities can face rising costs across all housing types.

RC₃ agrees with these statements.

The Chelan County Tourism Impact Assessment similarly only refers to second homes as describing both unoccupied second homes and STRs combined. Again, in no manner does it state that Non-STR Seasonal Houses have a larger impact on housing prices than STRs. Further, this assessment contains numerous false conclusions concerning the data it presents. This is discussed in Section 3.1 above. As it turns out, the information presented in the assessment actually supports the notion that STRs increase house prices in areas where STRs are prevalent.

4.3. Relative Economics

As mentioned earlier, STRs are a commercial housing use that provides income for owners. This incentivizes the purchase of houses for use as STRs. The owner can generate income based on short-term rentals, while also reserving some time for personal use of the house as a vacation home. The income offsets the costs of ownership, in some cases covering all associated costs.

No such economic incentive applies to Non-STR Seasonal Houses unless the owner is renting out the unit to family and friends in violation of Chelan's municipal code. As such, many more households can afford to purchase an STR than can afford to purchase a Non-STR Seasonal House.

This economic incentive for STR ownership puts upward pressure on prices since the owner can offset the higher price with the income provided by the STR. This is at the root of the fact that studies find that the proliferation of STRs in housing markets result in higher prices for all houses in the market.

5. The Past 12 Years in the Chelan Housing Market

As mentioned previously, the Chelan housing market has experienced an extreme increase in prices over the past 12 years. RC₃ contends that a portion of this increase, which is fairly unique to Chelan (and the surrounding area), comes from upward pressure on construction costs due to the demand to build new STRs and Non-STR Seasonal Houses.

In the period prior to the 2008/2009 Great Recession (e.g., 2004-2007) and after the market stabilized afterward (2013/2014), Chelan processed roughly 32 residential building permits per year on average.¹⁴ Beginning in 2015, this number began to increase (43 permits issued) and continued to ramp up from there, peaking in 2020 (97 permits issued). Annual permits issued stayed above the historical trend of roughly 32 permits per year until about 2023.

This period of significantly elevated residential building permits issued coincides with the buildout of the Lookout development. From 2014 through 2023, 41 percent of all residential building permits issued were for houses in the Lookout development. As noted earlier, over 70 percent of all houses in the Lookout have STR licenses and an unknown additional number likely are rented out short-term to family and friends without obtaining an STR license.

The following table estimates the increases in median house prices for a number of different markets with data compiled by the Washington Center for Real Estate Research from Q4 of 2015 through Q3 of 2025.¹⁵

City	Start	End	% Increase	\$ Increase
In Chelan County				
Chelan	\$269,037	\$630,500	134%	\$361,463
Wenatchee	\$246,375	\$470,174	91%	\$223,799
Central/Eastern WA, Outside Chelan County				
East Wenatchee	\$279,332	\$498,731	79%	\$219,399
Spokane	\$162,413	\$356,250	119%	\$193,838
Walla Walla	\$190,538	\$417,625	119%	\$227,088
Yakima	\$175,388	\$325,225	85%	\$149,838

¹⁴ Washington Center for Real Estate Research. This was the longest period of time available through this source.

¹⁵ Computed by comparing the average of the first four calendar quarters in the data set with the average of the last four calendar quarters in the data set.

Unsurprisingly, median house prices in all of these markets increased due to general inflationary pressures, which were unusually high during part of this period. Housing markets that started the period with relatively low prices (Spokane, Walla Walla, and Yakima) saw median house prices increase about \$150,000 to \$227,000. Compared to markets with higher starting prices, these dollar increases represent a relatively high percentage increase (85% to 119%).

Housing markets that started the period with relatively high prices (Chelan, Wenatchee, and East Wenatchee) saw median houses prices increase about \$219,000 to \$361,000, or 79 percent to 134 percent. Chelan was the clear outlier in this group (and across all of these markets) in both dollar (\$361,000) and percentage (134%) increase.

RC₃ contends that the primary driver for the exceptional increase in median house prices in Chelan is due to the proliferation of new STRs, as well as new Non-STR Seasonal Houses, during this period.¹⁶ This is something not experienced by the other housing markets shown.¹⁷

Figure 2 shows the change in median house prices in Chelan vs. the number of new residential building permits issued each year (blue triangles). The arrows superimposed on this graph represent the pricing pressure on construction costs expected to result from the amount that permits issued are above (or below) the longer term typical rate of about 32 permits per year. Note that with the completion of most of the buildout of the Lookout, the annual number of residential building permits issued has returned to the typical level near 32.

In Figure 2 there is a clear correlation between the size and direction of the pricing pressure arrows and the resulting median house prices. Although correlation is not always causation, a reasonable conclusion based on these data is that abnormally high levels of construction during part of this period led to the abnormally high increases in house prices. And since the majority of this construction was for houses not used for long-term residential purposes, it did little to help increase the supply of homes for those wishing to be residents.

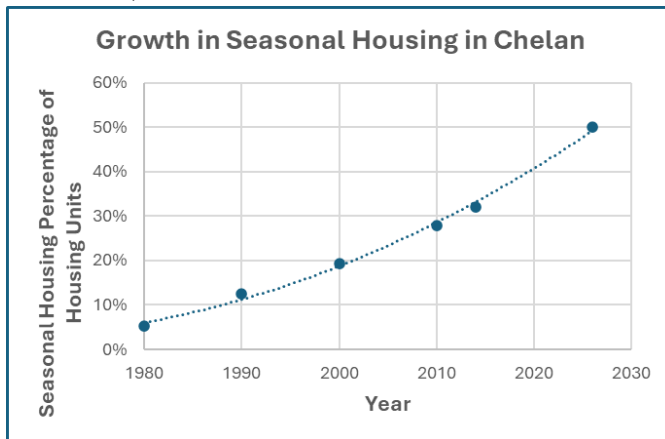
6. What the Future of Chelan's Housing Market Looks Like Now

Based on RC₃'s analysis, roughly 50 percent of all existing deeded dwelling units in Chelan are used seasonally (STRs and Non-STR Seasonal Houses combined). The growth of Non-STR Seasonal Houses has occurred over decades and continues today. The growth of STRs has occurred more recently, roughly doubling in the past 12 years. The following graph uses the

¹⁶ This proliferation of STRs and Non-STR Seasonal Houses is primarily due to the Lookout development, although some Non-STR Seasonal Houses were being built in other areas of Chelan as well.

¹⁷ Walla Walla did experience significant growth in STRs during the earliest part of this period, but new non-owner occupied STRs were disallowed by code enacted in November 2017.

current 50 percent figure, along with data from Chelan’s 2017 Comprehensive Plan, to show the nearly-exponential increase in seasonal homes in Chelan (STRs and Non-STR Seasonal Houses combined).



This trend clearly needs to be addressed if the city wishes to keep Chelan from becoming a center for transient visitors rather than a city of residents. As shown earlier in this letter, this trend has resulted in outsized increases in housing costs due to the lack of any policy to slow the growth of seasonal housing.

Looking forward, all available information suggests that this trend is set to continue.

The reason for this is that past iterations of Chelan government zoned too much of Chelan for tourist accommodations. Chelan has about 4,500 acres of land inside city limits (excluding the commercial airport zone). Of this, over 1,275 acres are areas zoned specifically as some form of “tourist accommodation”, which includes STRs (over 28 percent of all of the land within city limits).

An additional 730 acres are zoned such that STRs are allowed, some inside city limits and some outside city limits, but inside the urban growth area. The end result is that over one-third of the area within city limits allows for individual dwelling units to be used as STRs. This zoning cannot easily be undone - however, capping STRs would be a legal and effective way to address the issue without changing the zoning.

Based on current zoning, this land could accommodate well over a thousand additional STRs. The percent of available housing stock taken by STRs in Chelan could easily exceed 20 percent, or even 25 percent, in the relatively-near future if nothing is done to mitigate the growth of STRs. This is on top of the anticipated growth of Non-STR Seasonal Houses.

Because of the economic drivers associated with STRs discussed earlier, Chelan is seeing new development being permitted or proposed that is heavily focused on STRs.

One of those new developments is the Hiland Farms subdivision near the Chelan municipal golf course. The proposal for this development notes that they plan to create 359 lots over roughly 40 acres that are zoned to allow STRs. Note that the Lookout development has just over 200 such lots. The Hiland Farms subdivision has already platted the first 27 lots and construction has started. A request has been submitted to create the next phase of 47 lots.

A separate development located at the base of Chelan Butte is in the planning stages. Recent paperwork submitted by the landowners specifically calls out plans to build 200 STRs in the next 10 years and another 200 STRs over the 10 years after that, for a total of 400 new STRs.

Just these two projects could add 759 more STRs to Chelan, with over 1,000 acres of land zoned to allow STRs still remaining. This is the equivalent of nearly two Lookout developments every 10 years. These proposals imply that the rate of new STR construction would be nearly twice that caused by the Lookout development for decades into the future, keeping home construction costs high.

We note that although over 1,500 acres of land inside city limits allow for STRs, much of this land also allows for single-family, two-family, three-family and multi-family dwellings, townhouses, and cottage housing developments. If additional STRs were not allowed to be built on these lands, there would be a wide variety of types of residential housing that could be built instead, greatly improving the mix of residential housing available to those wishing to make Chelan their home.

City staff have noted that much of this land also allows for hotels¹⁸ and if STRs aren't allowed, then many new hotels will be built instead of residential housing. But hotels have been allowed on this land for decades. How many developers have decided to build a new hotel in Chelan in the past 20-plus years? None. The reason for this is that hotels have a completely different financial structure compared to STRs – they are riskier, more capital-intensive investments that do not convey the same benefits to the owner as STRs. An STR cap will not lead to a proliferation of hotels in Chelan.¹⁹ Further, the development of a hotel requires a full analysis of traffic and other types of impacts, as well as public input, to ensure that significant adverse impacts do not occur.

With no changes to city code to constrain this growth in STRs, Chelan's future will include:

- Continued rapid growth in STRs, with STRs and Non-STR Seasonal Houses continuing to comprise a greater and greater percentage of available houses for purchase or rent (about the current percentage of about 50%).
- Housing prices that continue to be much higher than other regional housing markets, making it difficult for even middle-income households to purchase or rent a house in Chelan.

¹⁸ City code defines a hotel as a building with at least six dwelling units.

¹⁹ We note that a 250-room hotel on the lower portion of Chelan Butte has recently been discussed, well before any public discussion of an STR cap, but is years away from any serious consideration.

- An urban center comprised mostly of transient visitors rather than a community of residents.

For this future to change, the City must be willing to take strong and decisive action.

7. Solutions

7.1.A Numerical Cap on STRs

RC₃'s letter to the City Council dated December 4, 2025, described in detail how other municipalities in Washington State and other nearby areas have implemented STR caps that have been upheld under legal scrutiny. Since Chelan already has code that requires all STRs to obtain a license and comply with operational standards, adding a cap to this existing code would be relatively simple. Enforcement to ensure that all operating STRs have a valid permit would continue as it currently exists.

Capping STRs at, for example, a level near the current number would have an immediate impact on the Chelan housing market. It would reduce the pace of new home construction in the near-term, producing the desired result of reducing construction costs (supply and demand). It would shift developer focus away from STRs and toward residential housing. All available evidence suggests that this would significantly slow the rise in housing costs in Chelan.

This would slow, and help reverse, the overall trend of seasonal housing becoming a larger and larger percentage of the available housing stock. The City's willingness to reshape the housing market will improve the livability of Chelan and encourage new residents to make Chelan their home. It will send a clear message about the City's priorities that will be appreciated by residents and tourists alike.

It is assumed that all existing licensed STRs would be grandfathered into the program (thus no decrease in tourist accommodations), though this grandfathering need not survive transfer of ownership in certain areas. Owners of existing STRs should actually support this program as it puts a cap on their potential competition for customers.

Taking this action would potentially require a moratorium on new STR licenses while the new code is being developed to prevent a run on STR licenses (Chelan County did this while developing its STR code).

Whether capped at the current level of STRs or slightly higher, all evidence suggests that this action would positively impact Chelan housing market prices.

7.2. What About Non-STR Second Houses?

City staff has rightly noted that Chelan also has a high percentage of existing housing stock as Non-STR Seasonal Houses that are not permitted as STRs. An analysis of existing properties confirms that over one-third of dwelling units within Chelan city limits are owned by persons or entities not residing in Chelan and not permitted as STRs.

It is difficult to confirm exactly how each of these dwelling units are being used. Possibilities include vacation/second homes used by the owners exclusively, rented long-term to tenants, used as STRs but not permitted, used as vacation rentals for family and friends only, etc.

Chelan city staff have asserted that these dwelling units that are second homes not permitted as STRs have a bigger impact on the local housing market than STRs. However RC₃'s analysis concludes that:

- Although Chelan has more Non-STR Seasonal Houses (over 1,000) than STRs (about 410) currently, the inventory of Non-STR Seasonal Houses has built up over a much longer period of time. What will most affect housing prices in Chelan going forward will be the change in inventories of these types of homes, not the current number, and
- Based on current growth rates, Non-STR Seasonal Houses have, at most, a similar impact on the Chelan housing markets that STRs do.

If the city wishes to also address Non-STR Seasonal Houses in Chelan, RC₃ would support this if it were done in an appropriate manner. A few cities (e.g., Honolulu, Berkeley, San Francisco, etc.) have assessed “vacancy taxes” on seasonal housing.²⁰ These taxes are typically several thousand dollars per year for houses that are not occupied a significant portion of the year.

There would be many details to work out to make such a tax work, including the amount of the tax, who is affected, and how compliance could be assured. But if housing prices in Chelan were to become more affordable in the future, it should be in service of those looking for long-term residences, not those wishing to purchase second homes.

We anticipate that there would be significant backlash to applying these taxes to existing Non-STR Seasonal Houses, but perhaps they could be applied to new houses of this type. Revenue from these taxes could then be directed toward affordable housing projects in the city, such as those developed through the Chelan Valley Housing Trust.

²⁰ Vacancy Taxes Across the U.S., <https://www.dawgsinc.com/vacancy-taxes-across-the-u-s/>.

8. Summary

Capping STRs is one regulatory action that the City of Chelan could take to increase housing affordability in Chelan that is legal, simple, effective, and likely to be supported by the vast majority of local residents and existing seasonal homeowners.²¹

RC₃ has also outlined how a tax/fee on Non-STR Seasonal Houses could help to positively impact the residential housing market and help to fund affordable housing, although this may be more complicated to implement and enforce.

In this letter, RC₃ has provided clear evidence that capping STRs would likely help to make housing in Chelan more affordable than it has been over the past few years. These market forces may not create a lot of “affordable housing” as defined by the Chelan Valley Housing Trust (affordable by households between 80 percent and 120 percent of the Area Median Income), but it can lower the cost of housing such that it is affordable for a larger segment of middle-class households and retirees who would like to move to Chelan and become part of its community.

We understand that this proposal may strike some as fairly severe. But that is the point and such measures are necessary to effect change. Otherwise, the current, undesirable market dynamics will continue. Similar decisions have been made by dozens and dozens of municipalities around the country because it is effective and the right thing to do.

After the housing market has had time to adjust, it would emerge with a focus on residential construction at a more reasonable cost.

There is another significant reason for the City to implement a cap on STRs beyond housing affordability. With recent announcements totaling nearly 800 new houses likely to be STRs already, and more to come, the continued rapid growth in STRs in Chelan will degrade its character. It is becoming a collection of housing for visitors instead of a community of residents. Current residents are adamantly and nearly-uniformly against this type of growth. The City needs to listen to its residents.

With an STR cap, Chelan will be more likely to attain the City’s stated goal of retaining its “small town charm”²² with a reasonable balance between tourist accommodations and long-term residences.

²¹ Assuming that existing seasonal homeowners (STRs and Non-STR Seasonal Houses) are grandfathered as part of any new program enacted.

²² Part of the City’s stated 2037 Chelan Comprehensive Plan Vision.



If no action on STRs is taken by the City, all available evidence indicates that STRs will continue to proliferate, resulting in continued high housing prices relative to other areas and a decline in what makes Chelan a desirable place to live.

We look forward to further discussion of this issue with the City and the local community.

Residents Coalition of Chelan County Board of Directors

cc: Erin McCardle – Chelan Mayor
John Ajax – Community Development Director

Figure 1

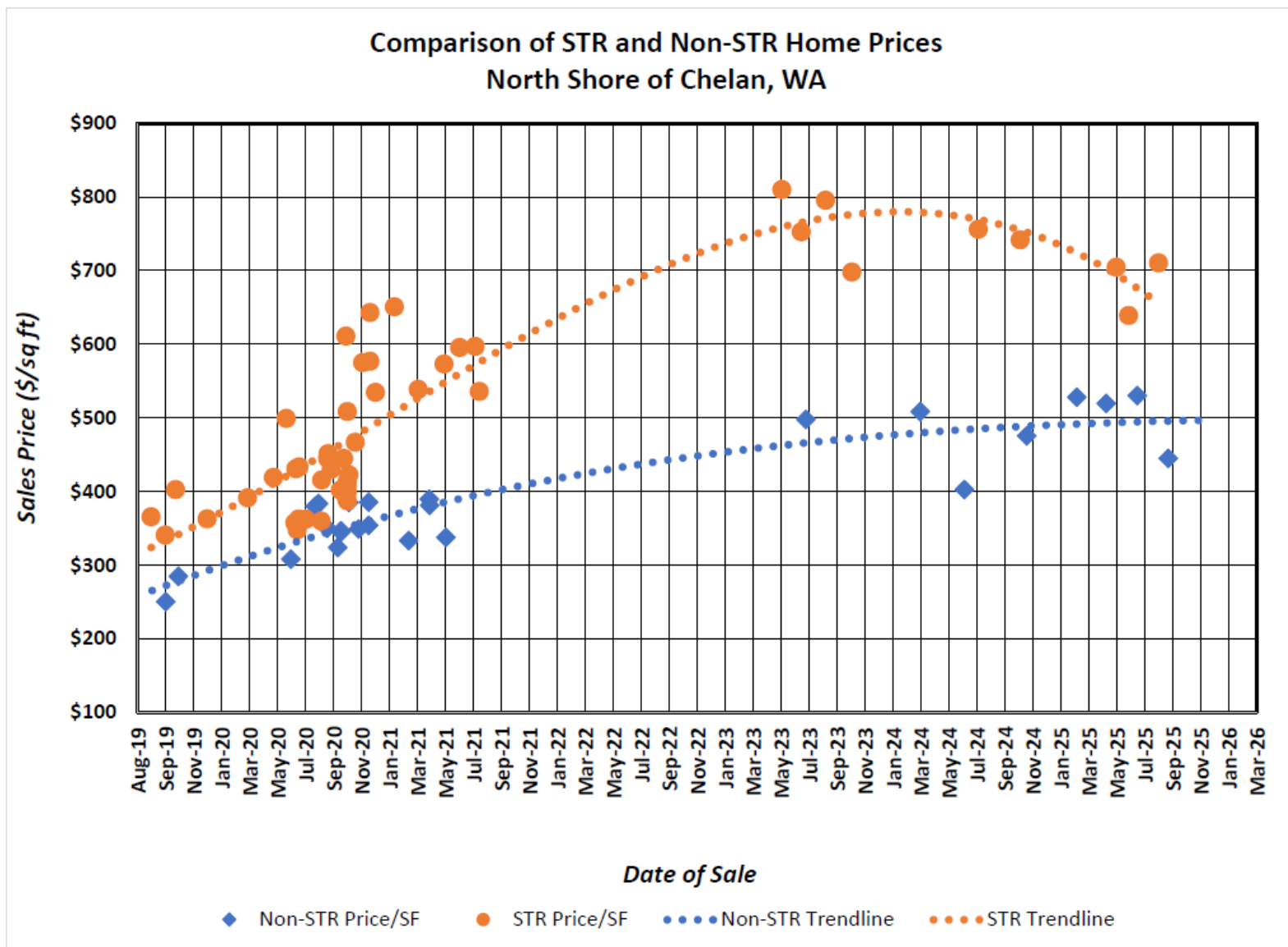
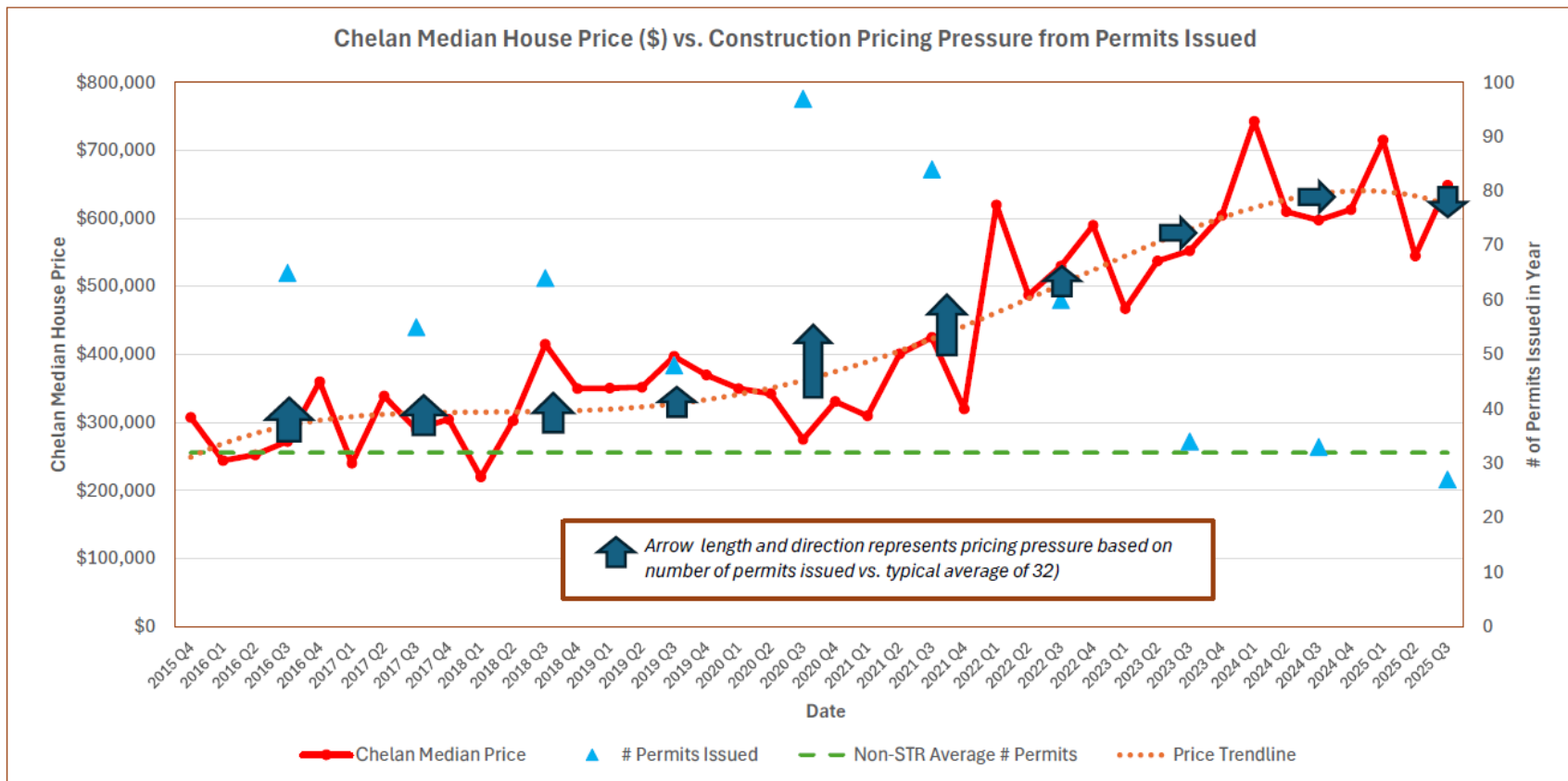


Figure 2





RESIDENTS COALITION of Chelan County

December 4, 2025

City of Chelan - City Council
135 E Johnson Avenue
Chelan, WA 98816

Re: Code Development to Limit Short-Term Rentals in Chelan

Dear Honorable City Council Members:

Residents Coalition of Chelan County (RC₃), along with its predecessor organization Residents United for Neighbors (RUN), was instrumental in helping Chelan County shape its code regulating and limiting the number of short-term rentals (STRs) in the unincorporated portions of the county. Over the roughly two years that it took to develop this code, we conducted extensive research on the impact of STRs on housing costs, livability, and community cohesiveness for residents living nearby.

With this letter, we are proposing that the City of Chelan adopt a cap on the total number of STRs that are allowed to operate within the city. We believe that this is something that may already be in the City's plans, but we are asking that the process be expedited.

The reasons for this proposal are provided below. We hope that by the time you finish reading this letter it will be clear that this is one of the **most impactful things that city council can do now to preserve the livability of the city in the future**. Many other cities and counties in both Washington and Oregon (and throughout the country) have already recognized this and have established appropriate caps on STRs in these areas to protect their communities.

Why Is an STR Cap Needed?

This section could be very long, but we will try to keep it relatively brief. Suffice it to say that many other cities and counties in Washington and Oregon, and throughout the U.S., have already asked this question, reviewed the available data, and concluded that a cap (or in some cases an outright ban) on STRs is needed. These caps are believed to be necessary to, among other reasons, boost the availability and/or the affordability of residential housing.

One of the key attributes of STRs is that they are inherently priced higher than identical dwelling units used only for residential occupation. In Chelan, for example, houses in the Lookout development (which are almost exclusively used as STRs) have historically sold for higher

prices (per square foot) than similar houses that cannot be used as STRs by virtue of their zoning.¹ This is because of the commercial income earning potential of the houses that can be used as STRs. STRs are also easier to sell at these prices because of this income earning potential, which helps to offset the cost of ownership.

This dynamic increases the price of, and reduces the availability of, residential houses for numerous reasons including:

- Builders can charge more to build STRs, since they can sell for a higher price. These higher building costs then get translated into the residential building market. Note that building costs in Chelan have skyrocketed along with the proliferation of STRs (e.g., with the rapid expansion of the Lookout).
- The values of existing residential homes rise because these more-expensive STRs are often used as comparisons (“comps”) when making assessments. The Chelan County assessor is actually aware of this issue but has not yet acted to make changes. As a result, the residential homes also pay higher taxes than they otherwise would. Both of these factors contribute to the higher cost of home ownership.
- Developers are more interested in projects that involve the construction of STRs (which are more profitable), rather than residential developments. This reduces the availability of residential housing, which in turn increases the prices of the few residential homes available (supply and demand).

These are some of the negative impacts to housing affordability and availability. A flood of additional STRs would also overwhelm Chelan’s infrastructure, further impair access to Lake Chelan and its water quality, make the Chelan Valley’s economy even more seasonally cyclical, and destroy the livability of the city.

Chelan currently has over 410 permitted STRs and about 3,000 total dwelling units. This equates to nearly 14 percent of the existing housing stock being STRs. As discussed below, this is a very high percentage, much higher than any other area in Chelan County, including outside of Leavenworth² or in Manson³.

For historical reasons, Chelan has zoned too much of its total acreage allowing for STRs. Chelan has about 4,500 acres of land inside city limits (excluding the commercial airport zone). Of this,

¹ RC₃ has evidence of this available to anyone who is interested.

² STRs are banned within the urban growth area for Leavenworth, but a high density of STRs can be found in the areas outside of the city urban growth area. At the high end, the Lake Wenatchee area has a density of STRs at 11.7% of the housing stock but will eventually trend to six percent due to Chelan County code passed in 2021. Note that Leavenworth does allow bed & breakfast establishments (owner occupied), but they are limited to no more than four percent of the housing stock.

³ The density of STRs in Manson is currently below the cap of six percent.

over 1,275 acres are areas zoned specifically as some form of “tourist accommodation”, which includes STRs (over 28 percent of all of the land within city limits). An additional 730 acres are zoned such that STRs are allowed, some inside the city limits and some outside the city limits, but inside the urban growth area.

Based on current zoning, this land could accommodate thousands of additional STRs and it seems that no one is considering what this could do to Chelan in the future. The percent of available housing stock taken by STRs in Chelan could easily exceed 20 percent, or even 25 percent, in the future if nothing is done to mitigate the growth of STRs.

Because STRs are financially lucrative for their owners, economic pressures push available housing toward becoming STRs instead of residential housing, even though both are allowed in all of these zones. Chelan has seen this play out in recent years - a high percentage of new houses built have been for use as STRs and even some existing residential homes have been converted to STRs. This trend needs to change if Chelan is going to adequately increase the supply of residential housing.

Part of the urgency of this issue is the fact that plans are currently underway to add a significant number of new STRs in Chelan. For example, a comprehensive plan amendment was just submitted to Chelan indicating that the Holiday Hills and adjacent developments on the base of Chelan Butte plan to add 400 new STRs (nearly equal to all currently-existing STRs!). Another developer has also expressed a desire to build an unknown number of STRs further up on Chelan Butte on land that could theoretically accommodate over 1,000 additional STRs. The Hiland development near the municipal golf course will eventually add hundreds of new homes in zoning that allows them to be STRs.

We would also note that new Growth Management Act requirements to improve housing affordability will need to be addressed in the upcoming update to Chelan’s Comprehensive Plan. This was discussed by Chelan’s consultant Brian Points (Points Consulting) at a recent joint City Council and Planning Commission meeting in early November. Mr. Points specifically called out the issue with STRs and second homes in Chelan, which reduce housing availability. Capping the number of STRs in Chelan to refocus development on residential housing would help to address this issue in the Comprehensive Plan update.

We hope that this discussion is sufficient to demonstrate why the potential proliferation of STRs in Chelan should be addressed as soon as possible. More information can be provided if it is desired.

What Caps Have Other Jurisdictions Implemented?

So, how do we know when the number of STRs is too many?

A 2017 study titled *Assessing and Responding to Short-Term Rentals in Oregon*, published by the University of Oregon Department of Planning, Public Policy, and Management, provides the

following recommendation containing a quantitative threshold for cities looking to potentially regulate STRs (bold font added for emphasis):

*“Restrict (cap/limit) STRs or incentivize moderate use if STRs account for more than **4% of total housing stock.**”*

The basis for the four percent threshold is rooted in the premise that too many STRs in a given housing market will constrain the availability of housing for new residents wishing to live in that community (thus driving up rental rates and housing prices), and the observation using real-world data of the percent of the total housing stock when this begins to be observed. Many municipalities used the four percent figure as a starting point when developing STR caps

In this context, Chelan’s percentage of STRs at nearly 14 percent is extremely high.

Chelan County, for example, finalized new STR regulations in 2021 and was aware of the University of Oregon study. Four percent was initially considered as a cap. However, with pushback from the STR industry, and acknowledgement of the number of existing STRs, a cap of six percent of the existing housing stock was eventually promulgated.

Table 1 attached provides a few examples of jurisdictions within Washington and Oregon that have established STR caps based either on percentages or absolute numbers. While the table is not exhaustive, it is certainly representative of the levels that most caps in these two states have been set at.

As can be seen in Table 1, percentage caps in the range of four percent to ten percent have been used, all well below where Chelan is currently.

Numeric caps are easier to track, since the stock of available housing does not need to be continually assessed to determine the denominator in the percentage calculation. Table 1 shows a number of jurisdictions in Washington and Oregon that have utilized numeric caps, along with the populations of those jurisdictions for reference.

Chelan’s current pool of approximately 411 STRs for a city with a population less than 5,000 is already an outlier compared to the caps shown in Table 1, representing an STR-to-population ratio much higher than desired by any of these other jurisdictions.

How Could a Cap Be Implemented?

Dozens of cities and counties in Washington and Oregon, and hundreds around the country, have enacted new code to mitigate the proliferation of STRs and the detrimental effects that result from this. The number of STRs in Chelan has grown rapidly over the last decade and it is anticipated that this rapid growth will continue into the foreseeable future if the City takes no action to address it. We believe it is well past time that the impact of STRs on Chelan be considered.

In some jurisdictions, new non-owner occupied STRs are simply not allowed, by virtue of simply not allowing them or by setting caps at or below the current number of STRs. Others have capped STRs at levels above the current number of STRs, allowing for some additional growth. This usually occurs when the current number of STRs is relatively low.

When a jurisdiction announces that it is considering limiting STRs, there is the possibility of a rush of conversions or applications for new STRs in order to get them established before new rules take effect. In the past, jurisdictions have used moratoriums on new STRs to preclude this rush while new rules are being developed. This was done in a number of cases within Washington in the past few years, including when Chelan County was developing its STR code. These moratoriums are allowed by Washington law and have been used for 12 months or more as STR code was being developed.

City council should also be aware that the courts have upheld time and time again that cities and counties have the legal right to regulate and limit STRs in their jurisdictions based on their authority to regulate land use. In fact, Chelan County's STR code was challenged before the Growth Management Hearing Board on multiple fronts and was upheld in all aspects other than one minor technicality.

What Is Right for Chelan?

We propose that Chelan take immediate action to cap the number of STRs within city limits, which also needs to consider the entire urban growth boundary. Since numeric caps are easier to track and require less data to be generated annually, we suggest that this type of cap is most appropriate.

Given how high the number of STRs is already, this cap should be at or near the current number of STRs (for example, somewhere between the current number of permitted STRs and 450). Keep in mind that the cap number can be changed in the future if appropriate, and an STR moratorium can be used to limit STR growth immediately if a cap near the current number of STRs is desired (to prevent a rush of STR applications).

While some may suggest that this could have a negative economic effect, we do not believe this to be the case for a number of reasons, including the following:

- By prioritizing and promoting residential housing, the STR cap will increase opportunities for new residents to move to Chelan (greater availability and affordability). Studies have shown that a dwelling unit used for residential purposes actually produces as much, or more, annual economic activity compared to a dwelling unit used for short-term rental.⁴

⁴ RC₃ can provide additional information on this issue if desired.

- Setting a cap at or above the current number of STRs will have no immediate effect on the quantity of tourist accommodations and, therefore, the tourist economy. This gives the City and the business community time to take advantage of this anticipated future economic dynamic.
- A proliferation of STRs can lead to overtourism of an area. In Chelan's case, this increases the costs to the city in terms of the increased infrastructure needed. Additionally, this increases traffic, leads to overcrowding at Lake Chelan access points, and degrades the overall visitor experience. This can discourage visitors from coming to Chelan in the future (i.e., killing the goose that laid the golden egg).
- Overtourism may also cause existing residents to move away as livability of the area decreases. This outflow of residents would have a negative economic impact.
- Further increasing STRs will only increase the seasonality of Chelan's economy, making it even more difficult for restaurants and other similar service businesses to survive. Increasing residential housing, on the other hand, provides for a more stable year-round economy.

Existing STR owners should actually support this proposal. The rapid growth in STRs suggested by recently-declared development has the potential to decrease both occupancy percentages and rental rates of existing STRs. This is particularly true if the broader economy (state and/or national) suffers a recession.

We realize that this is a lot to digest, but hopefully it is clear that now is the time to adopt a cap on STRs in Chelan before the issue becomes even more difficult to mitigate without having to decrease the number of existing STRs (a more problematic situation).

Again, we feel that this is one of the most important issues that city council can undertake at this time to try to preserve the livability of Chelan. We can just about guarantee that the vast majority of local residents will support this proposal.

Please contact us at info@coalitionofchelancounty.org with any questions or comments.

Thank you for your time and consideration,

Residents Coalition of Chelan County Board of Directors

(Julie McCoy, Ken Yalowitz, Brian Patterson, Dorothy Johnston, Kathy Branch, Ken Hemberry, Ed Martinez, David Stoller, and Brian Shugrue)

cc: Erin McCardle – Chelan Mayor
John Ajax – Chelan Community Development Director

Table 1. Existing STR Cap Examples in Washington and Oregon

City/County	Short-Term Rental Cap *	City/County Population
Jefferson County, WA	4%	Not relevant for percent cap
Winthrop, WA	10%	Not relevant for percent cap
Chelan County, WA	6%	Not relevant for percent cap
Vancouver, WA	870	~ 200,000
Port Angeles, WA	200	~ 20,000
San Juan County, WA	211 (Orcas Island)	~ 6,000
	337 (San Juan Island)	~ 9,100
	135 (Lopez Island)	~ 3,150
North Bend, OR	64	~ 10,500
Newport, OR	200	~ 10,400
Lincoln City, OR	285	~ 10,100
Cannon Beach, OR	No new STR permits issued (42 currently).	~ 1,600

** Numeric cap is a fixed number of STRs allowed; percent cap is a percent of the available housing stock (number of dwelling units).*



City of Chelan

DRAFT

TENTATIVE ADVANCED AGENDA
For Planning Discussion Purposes Only - this is a work in
progress;
items are tentative and subject to change.
May 21, 2026

June 02, 2026 City Council Workshop

1. Special Presentations, Proclamations, and Awards
 - a. Main Street Week – June 8-14 (McCardle)
2. Public Hearing
 - a. Resolution No. 2026-14XX 2027-2032 STIP (Youngren) (L2-3)
2. Workshop Discussion Items
 - a. Policy Level Discussion and Housing Grant Funding (McAloon/Evans)
 - b. Rate Cost Recovery, City Fees and Licenses (Special Events) (McAloon)
 - c. Comprehensive Plan Discussion (Ajax)
 - d. Public Works Project Status Update (Youngren)
 - e. Short Term Rental Cap discussion (Ajax) (L1-1)
 - f. National Golf Foundation Final Update (Cooper) (L1-1)

June 09, 2026 City Council Meeting

1. Consent Agenda
 - a. Voucher / Minutes
 - b. Resolution No. 2026-14XX Water Use Efficiency (WUE) goals (Youngren) (L2-2)
2. Special Presentations, Proclamations, and Awards
 - a. Retirement of Outgoing Finance Director Tupling Proclamation (McCardle)
 - b. America 250 Proclamation (McCardle)
 - b. Chelan County Sheriff's Office Annual Report (McCardle)
 - c. Boys & Girls Club Seasonal Update (Chavez/McCardle) - CONFIRMED
3. Public Hearings
 - a.
4. Motion Considerations
 - a. Resolution No. 2026-14XX 2027-2032 STIP (Youngren) (L3-3)
5. Administrative Reports
 - a. Ordinance No. 2026-16XX Title 2 Administration and Personnel (McAloon) (L1-3)
 - b. Resolution No. 2026-14XX Council Rules of Procedure (Gallucci) (L1-2)
 - c. Chelan County Regional Justice Center Amendment No. 1 to the Interlocal Agreement for Inmate Housing (McAloon) (L1-3)
6. Informational Items
 - a. Tentative Advanced Agenda (McAloon)
 - b. Council Committee Reports (Various Councilmembers)
 - c. Lake Chelan Chamber of Commerce Financial Report (Evans)
 - d. Contract Intake Log (Gallucci)

June 23, 2026 City Council Meeting - CANCELLED

June 30, 2026 Council Strategic Retreat

- 1.

July 14, 2026 City Council Meeting

1. Consent Agenda
 - a. Voucher / Minutes
2. Special Presentations, Proclamations, and Awards
 - a. Chelan Valley Feral Cat Project (Gallucci)
 - b. Parks & Recreation Professionals Day Proclamation – July 17, 2026
 - c. Chelan County Regional Justice Center Amendment No. 1 to the Interlocal Agreement for Inmate Housing (McAloon) (L2-3)
3. Public Hearings
 - a.
4. Motion Considerations
 - a. Resolution No. 2026-14XX Council Rules of Procedure (Gallucci) (L2-2)
5. Administrative Reports
 - a. Ordinance No. 2026-16XX Title 2 Administration and Personnel (McAloon) (L2-3)
 - b. Comprehensive Plan Update from the June 17th Planning Commission - Foundation:
Chapter 1 (Overview and Vision),
Chapter 2 (Land Use), and Critical Areas Ordinance compliance updates
6. Informational Items
 - a. Tentative Advanced Agenda (McAloon)
 - b. Council Committee Reports (Various Councilmembers)
 - c. Contract Intake Log (Gallucci)

July 28, 2026 City Council Meeting

1. Consent Agenda
 - a. Voucher / Minutes
 - b. Chelan County Regional Justice Center Amendment No. 1 to the Interlocal Agreement for Inmate Housing (Evans) (L3-3)
2. Special Presentations, Proclamations, and Awards
 - a.
3. Public Hearings
 - a.
4. Motion Considerations
 - a. Ordinance No. 2026-16XX Title 2 Administration and Personnel (McAloon) (L3-3)
5. Administrative Reports
 - a. Public Works Project Status Update (Youngren)
 - b. Comprehensive Plan Update from the July 15th Planning Commission Community & Housing:
Chapter 3 (Subarea Plans),
Chapter 4 (Housing), and ESHB 2266 STEP housing code amendments
6. Informational Items
 - a. Tentative Advanced Agenda (McAloon)
 - b. Council Committee Reports (Various Councilmembers)
 - c. Lake Chelan Chamber of Commerce Financial Report (Evans)
 - d. Lake Chelan Airport Quarterly Report (Evans)
 - e. Contract Intake Log (Gallucci)

August 04, 2026 City Council Workshop

1.

August 11, 2026 City Council Meeting

1. Consent Agenda
 - a. Voucher / Minutes
2. Special Presentations, Proclamations, and Awards
 - a. Housing Authority of Chelan County & the City of Wenatchee Presentation (Vicki Carr & President & Sasha Sleiman/ McCardle)
3. Public Hearings
 - a.
4. Motion Considerations
 - a.
5. Administrative Reports
 - a.
6. Informational Items
 - a. Tentative Advanced Agenda (McAloon)
 - b. Council Committee Reports (Various Councilmembers)
 - c. Lake Chelan Chamber of Commerce Financial Report (Evans)
 - d. Contract Intake Log (Gallucci)

August 25, 2026 City Council Meeting

1. Consent Agenda
 - a. Voucher / Minutes
2. Special Presentations, Proclamations, and Awards
 - a.
3. Public Hearings
 - a.
4. Motion Considerations
 - a.
5. Administrative Reports
 - a. Comprehensive Plan Update from the August 19th Planning Commission
Economy & Climate:
Chapter 5 (Economic Development)
Chapter 10 (Climate Change and Resiliency)
6. Informational Items
 - a. Tentative Advanced Agenda (McAloon)
 - b. Council Committee Reports (Various Councilmembers)
 - c. Contract Intake Log (Gallucci)

Upcoming Topics:

1. Chelan Fire Protection District No. 7 Interlocal Agreement for Fire Protection (McAloon)
2. Public Works Project Status Update
 - October (Youngren)
3. Lake Chelan Airport Quarterly Reports (Evans)
 - Q3 - October, Q4 – January 27
4. Lake Chelan Chamber of Commerce Quarterly Update (Steele / McAloon)
 - Confirmed Scheduled Date: December 1
5. CDRPA / City Joint Meeting (McAloon)
 - September 2026
6. Boys & Girls Club of Snohomish County (Evans) (CONFIRMED Months)
 - September (Recap of Summer), November (Recap of Fall and into Winter)
7. Cascadia Conservation District Presentation (Tentative)
8. Comprehensive Plan (CONFIRMED)
 - September 22nd – AR - Comprehensive Plan Update from the September 16th PC
 - Infrastructure & Services:**
 - Chapter 6 (Utilities)
 - Chapter 7 (Capital Facilities)
 - Chapter 8 (Parks and Recreation)
 - October 27th – AR- Comprehensive Plan Update from the October 21st PC
 - Mobility & Final Comment:**
 - Chapter 9 (Transportation),
 - the Peterson Place private comprehensive plan proposal,
 - omnibus public comment on the full plan
 - November 10 – Briefing
 - November 24 – Public Hearing
 - December 8 - Adoption

Upcoming Proclamations:

Finance & Accounting Week – September
 Arbor Day – Fall
 Breast Cancer Awareness Week - October

Liaison Committee Report

Name of Meeting: *

Manson Community Council

Date of Meeting: *

2026-05-19

Key Meeting Notes: *

Meeting notes should consist of key agenda items that had significant discussion. Each item can be briefly summarized in 2 - 4 sentences.

Priorities discussed included community feedback to UGA zoning, need more sidewalks, need for more parking particularly diagonal parking for the downtown. Discussion continues for need to have an emergency exit route out of Manson and hope the county will look at backroad options as a solution. Council briefly touched on their needs for more affordable housing as well as dark sky initiative. Efforts to promote dark sky include giving out approved bulbs. There is discussion of implementation at current homeowner association of about 100 to become dark sky compliant. Planned night sky viewing, use of approved bulbs, in June at echo valley for community to attend, possibly 12th or 14th of June.

Community Comments are wrapping up for SEPA Announcement SDP-26-020 Reiser Boat Lift Project at Mill Bay Beach Community Dock. Also SEPA Announcement SDP-26-008 Kidd Jet Ski Lift and Stairs Installation Project.

Aaron Edward's, CEO and Marcus Miller, Chief of Outpatient & Ancillary Services from Lake Chelan Health presented an overview of health services offered, growth over the years and request to hear from the community of what services they travel out of the area for and possibility of LCH bringing closer to home for better access.

Upload applicable meeting documents here if available:

Max upload is 25MB per file

Submitted By

Signature *

Agustin Benegas

Signature Date *

2026-05-21

Liaison Committee Report

Name of Meeting: *

Cascadia Conservation District May Meeting

Date of Meeting: *

2026-05-08

Key Meeting Notes: *

Meeting notes should consist of key agenda items that had significant discussion. Each item can be briefly summarized in 2 - 4 sentences.

NRCS Report from Scott Scroggie - Process of getting 18 applications funded. 18 is a high number for them, they usually see 2-3 applications per year. 1 new staff member locally with NRCS, will work out of Waterville.

The CSP and EQUIPT programs are moving to a first come first serve process next year for applications.

An updated MOU between NRCS and CCD is being review and hopefully signed by the June meeting.

CCA - Staff report from Isobel Woolner - Wildfire NCW Website, a bilingual resource. Isobel walked everyone at the meeting through the website and how to find information.

Grant applications, contracts, budget reveiw and approval - ED Ryan Williams reviewed where dollars are going on their award grants, as well as funding they are receiving.

Annual work plan was reviewed -July 1 2026 to June 30 2027. State law requires they have a long range plan and a annual work plan

NCW Forest Health Collaboration - They are seeking recommitment letters. Board supports stating in the collaboration.

ED REPORT - Updates on procurement policy, financially supporting 3 youth campers from Chelan County, who will participate in the Foster Creek conservation district summer camp. 2027-2037 rates and charges proposed and discussed so Ryan can be prepared to review and discuss with County Commissioners .

Upload applicable meeting documents here if available:

Max upload is 25MB per file

CCD Agenda 5.8.26.docx	29.36KB
Draft Cascadia CD FY2027 Annual Plan of Work 5.11.26.pdf	3.45MB

Submitted By

Signature *



Signature Date *

2026-05-12

**CASCADIA CONSERVATION DISTRICT
REGULAR DISTRICT MEETING
1350 McKittrick St.
Wenatchee, WA 98801
Friday May 8, 2026
1:30 p.m.**

Please Note: Cascadia Conservation District meetings are open to the public; however, *due to limited seating, meeting attendance may be available by Zoom video or call-in only. Instructions are at the end of the agenda. Please call the District to ask about available seats.*

GENERAL

Public Comment

Consent Agenda:

- April 10, 2026 Regular District Meeting Minutes
- April Treasurer’s Report and authorize paying bills.

Correspondence – None

NRCS Report – Scott Scroggie

WSCC Report – Allisa Carlson

Staff Report – Isobel Woolner

Grant Applications, Contracts and Budget Review and Approval

Other Business:

- Annual Plan of Work
- NCW Forest Health Collaborative Recommitment
- Executive Director’s report

Board Member Comments & Open Discussion

Meeting Details:

Link: https://zoom.us/j/98769611557	Dial: +1 253 215 8782
One tap mobile: +12532158782,,98769611557#	Meeting ID: 987 6961 1557

Meeting Details:

Link: https://zoom.us/j/98769611557	Dial: +1 253 215 8782
One tap mobile: +12532158782,,98769611557#	Meeting ID: 987 6961 1557



CONSERVATION DISTRICTS
OF WASHINGTON STATE
your window to healthy lands



CASCADIA
CONSERVATION DISTRICT

Cascadia Conservation District

Annual Plan of Work for State Fiscal Year 2027
July 1, 2026 - June 30, 2027



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Mission:

To encourage wise stewardship and conservation of all natural resources for current and future residents in Chelan County by:

- Being an active advocate for wise land use and water management decisions;
- Promoting a reasonable approach to environmental problems;
- Providing locally-led, voluntary, non-regulatory solutions to local environmental problems;
- Educating both adults and youth about natural resources stewardship, and;
- Monitoring and responding to future trends that affect the environment.

Annual Plan of Work Contact:

Ryan Williams - Executive Director

ryanw@cascadiacd.org

509-306-3407

Natural Resource Priority

Community and Landscape Resilience

Protect and restore forest environments, including urban forests, creating a more fire-resilient landscape that will reduce the negative fire effects such as hazardous air quality, loss of critical habitat, structure loss, and flood events. Assist with post-fire recovery and increase access to prescribed fire as a management tool for private landowners.

Objectives

- Assess and/or reduce wildfire fuels on 400 acres of private land;
- Assist 3 communities with Firewise USA Designation;
- Assist, develop or implement 3 community workshops/trainings;
- Provide on-site technical assistance and home/landscape assessments to a minimum of 40 households;
- Provide roving chipper program and free brush disposal days at transfer stations for at least 10 communities as an alternative to burning;
- Provide introductory prescribed fire training and live fire experience to at least 50 Chelan County Residents;
- Continue implementation Home Hardening Incentive Program for at least 10 residents, and;
- Improve access to wildfire and forest health resilience programs for non-English speaking residents

Data Sources: Community Wildfire Protection Plans, Forest Plans, BAER Reports, National Cohesive Wildland Fire Management Strategy, DNR 20-Year Forest Health Plan, WA 10-Year Wildland Fire Strategic Plan, DNR 1784 Fuel Break Analysis

Natural Resource Partners: Cities of Chelan, Cashmere, Entiat, Leavenworth, and Wenatchee, Chelan County Fire Districts, Chelan PUD, The Wilderness Society, Chelan County Emergency Management, Firewise and Fire Adapted Communities, WA Resource Conservation and Development Council, WA Department of Commerce, CORRIM, NCW Forest Health Collaborative, WSU Cooperative Extension Service, WA Conservation Commission, WA Department of Natural Resources, US Forest Service, USDA Natural Resources Conservation Service, and numerous other nonprofit, private, and public participants.

Total Budget: \$1,812,400.90

Funding Sources

- WA Conservation Commission (WSCC)
- WA Department of Natural Resources (WADNR)
- WA Department of Commerce
- Natural Resources Conservation Service (NRCS)
- US Fish and Wildlife Service (USFWS)
- Forest Service (USFS)
- CORRIM
- Chelan PUD
- The Wilderness Society
- WA Resource Conservation and Development Council
- FEMA
- Private Funding Sources
- Rates & Charges



Activities for Community and Landscape Resilience in FY2027	Position Responsible
Implement programs to reduce biomass through more efficient burning (flamecap kilns, air curtain burners) and non-burning alternatives (roving chipper, free brush disposal days). Support alternatives to burning in at least 10 communities.	Forestry Program Manager (FPM), Forest and Community Resilience Specialist (F&CRS), Education and Outreach Specialist 2 (EOS2)
Implement comprehensive defensible space and home hardening programs focused on providing outreach and education, technical assistance and cost share for community members. Complete 400 acres of fuels treatment on private land	FPM, F&CRS, EOS2
Support the development of landscape scale forest restoration projects by working with private landowners and partners to develop multi-landowner, cross-boundary fuels reduction projects.	FPM, F&CRS
Participate in local and state working and learning groups focused on wildfire preparedness and recovery (WAFAC, Stemilt Partnership, Washington Prescribed Fire Council, NCW Forest Health Collaborative, post-fire recovery workgroup, and WA Fire Adapted Communities and all Chelan County Fire Adapted Communities). Seek opportunities for local groups to be more inclusive and representative of the community	FPM, F&CRS
Continue implementation of Chelan County's Community Wildfire Protection Plan by assisting with coordination, project implementation and grant sourcing.	FPM, F&CRS, EOS2
Continue implementation of the Leavenworth Landscapes partnership through a Community Wildfire Defense Grant.	FPM, F&CRS
Implement a home hardening incentive program on at least 10 properties	FPM, F&CRS, EOS2
Complete an Industrial Symbiosis project in partnership with the City of Leavenworth to turn storm debris into Biochar	FPM, F&CRS, EOS2
Seek out additional sources of funding to develop resilience to funding swings.	Executive Director, FPM, F&CRS

Natural Resource Priority

Habitat Enhancement

Protect and restore aquatic and upland habitat by encouraging landowners to protect and enhance riparian buffer health, install structures that increase in-stream complexity, and promote the utilization of native plants. Plan, develop and implement projects that increase pollinator, aquatic and upland habitat availability and connectivity.

Objectives

- Restore 10 acres and .5 mile of stream through the installation and enhancement of riparian buffers, and installation of in-stream structures such as beaver dam analogs, post assisted log structures, and complex wood additions.
- Work to restore critical habitat for locally ESA listed species
- Assist, develop or implement 3 community workshops/trainings;
- Provide on-site technical assistance to a minimum of 40 properties;
- Assist landowners with post-installation monitoring and maintenance of structures and plantings;
- Coordinate aquatic and upland restoration actions to utilize forest treatment material for habitat restoration projects.

Data Sources: Watershed recovery plans for WRIA 46, 40a, 47, 10-year CRM prioritization, Upper Columbia Salmon Recovery Plan, Wenatchee and Entiat Watershed Assessments

Natural Resource Partners: Bureau of Reclamation, Trout Unlimited, Cascade Fisheries, Confederated Tribes of the Yakama Nation, Confederated Tribes of the Colville Reservation, Chelan County Natural Resources Department, Upper Columbia Salmon Recovery Board, US Fish and Wildlife Service, Chelan Douglas Land Trust, USDA Forest Service, WA Conservation Commission, and WA Department of Fish and Wildlife.

Total Budget: \$2,309,328.01

Funding Sources

- WA Conservation Commission (WSCC)
- WA Department of Natural Resources (WADNR)
- Natural Resources Conservation Service (NRCS)
- Upper Columbia Salmon Recovery Board
- Forest Service (USFS)
- US Fish and Wildlife
- HCP Tributary Committees
- Salmon Recovery Funding Board (SRFB)
- Priest Rapids Coordinating Committee
- Yakama Nation Fisheries
- Department of Ecology
- Bureau of Reclamation
- WA Department of Fish and Wildlife
- Rates & Charges



Activities for Habitat Enhancement in FY2027	Position Responsible
<p>Conduct outreach and technical assistance to develop, plan, permit and implement 300 riverscape restoration structures in priority reaches in the Wenatchee and Entiat watersheds. Structure types include beaver dam analogs, post assisted log structures, unanchored wood structures and other in-stream enhancement.</p>	<p>Habitat Restoration Specilaist II (HRS2), Water Resource Specialist II (WRS2), Habitat Restoration Technician II (HRT2), Habitat Restoration Technician I (HRT1), Education and Outreach Specialist (EOS)</p>
<p>Work with project partners to continue the CRM team (Trout Unlimited and Cascade Fisheries), coordinating habitat restoration work throughout Chelan County. Share staff resources as needed with members of the group.</p>	<p>Executive Director (ED), Conservation Program Director (CPD), CPD HRS2, WRS2, HRT2, HRT1, EOS</p>
<p>Assist landowners in monitoring and maintaining their planting and in-stream project sites. Revisit 100% of projects implemented in the past 5 years annually.</p>	<p>HRS2, WRS2, HRT2, HRT1, EOS</p>
<p>Develop and coordinate monitoring activities on project sites and incorporate drone photography into ongoing activities</p>	<p>HRS2, WRS2, HRT2, HRT1, EOS</p>
<p>Continue to seek funding and partnership opportunities for habitat enhancement activities.</p>	<p>ED, CPD, HRS2, WRS2, HRT2, HRT1, EOS</p>
<p>Seek out additional sources of funding to develop resilience to funding swings.</p>	<p>ED, PD, HRS2, WRS2, HRT2, HRT1, EOS</p>
<p>Support Entiat Watershed Planning Unit (4 meetings annually) and Watershed Action Team (8 meetings annually)</p>	<p>WRS2</p>
<p>Conduct outreach and technical assistance to develop, plan and implement 10 acres of riparian restoration along priority reaches in the Wenatchee (WRIA 45, Entiat (WRIA 46), Alkali-Squilchuck (WRIA 40) and Chelan (WRIA 47) watersheds.</p>	<p>HRS2, WRS2, HRT2, HRT1, EOS2</p>

Natural Resource Priority

Agricultural Sustainability and Water Resources

Promote sustainable agriculture through technical assistance for on-farm practice enhancements such as irrigation efficiencies, soil health, water quality improvements, and other productivity enhancing activities. Support food hubs, connecting producers to local markets and improving resilience to climate and market changes.

Objectives

- Install 12 on-farm practices that improve water efficiencies, productivity, soil health or water quality;
- Assist, develop or implement 3 community workshops/trainings;
- Provide on-site technical assistance to a minimum of 40 farms;
- Develop and implement outreach activities to farmers;
- Certify 3 Salmon Safe farms;
- Develop 6 water quality conservation plans.

Data Sources: NRCS Field Office Technical Guide, Wenatchee Valley College Agriculture Program staff, Washington State Department of Health Growing Food System Guide, Ag Census Data, WSU Cooperative Extension Service agricultural data, USDA People's Garden Initiative, Bureau of Reclamation WaterSMART, local surveys

Natural Resource Partners: Natural Resource Conservation Service (NRCS), Farm Bureau, Ag Cooperatives, Fruit Warehouses, Chelan County, Farmers Markets, School Districts, 4-H and FFA Clubs, Wenatchee Valley College, WSU Cooperative Extension Tree Fruit Research Program, WSU Master Gardeners, WA Department of Agriculture, WA Conservation Commission, Cities of Chelan County, Washington Water Trust, Trout Unlimited, Bonneville Environmental Foundation, Chelan Douglas Land Trust, Xerces Society

Total Budget: \$1,167,716.11

Funding Sources

- WA Conservation Commission (WSCC)
- Natural Resources Conservation Service (NRCS)
- National Association of Conservation Districts (NACD)
- Department of Ecology
- National Fish and Wildlife Foundation
- Bureau of Reclamation
- Rates & Charges



Activities for Agricultural Sustainability and Water Resources in FY2027	Position Responsible
Incorporate soil health, weed and pest control practices into conservation planning services for landowners.	Conservation Program Director (CPD), Water Resource Specialist II (WRS2), Agricultural Resource Specialist 1 (ARS1)
Participate, when possible, in implementation of the Voluntary Stewardship Program.	Executive Director (ED), CPD, ARS1
Outreach to farms who are unfamiliar and/or are part of sectors of agriculture that Cascadia CD programs and services have not historically worked with (e.g. ranchers, beekeepers, vineyards, other stone fruit varieties).	CPD, ARS1, Education and Outreach Program Manager (EOPM), Education and Outreach Specialist (EOS)
Continue engagement with farmers throughout Chelan County to increase awareness of programs offered by Cascadia CD.	CPD, ARS1, EOPM, EOS
Implement an irrigation efficiencies program by providing technical assistance and funding, where available, for water conservation projects.	CPD, WRS2, ARS1
Assist the Lake Chelan water quality monitoring program and provide feedback on water quality monitoring programs developed by Department of Ecology, USDA, WSDA and others.	CPD, WRS2, Habitat Resource Specialist II (HRS2)
Continue to seek funding and partnership opportunities for agriculture in Chelan County to develop resilience to funding volatility.	ED, CPD, WRS2, ARS1, EOS
Certify 3 Salmon Safe Farms and develop 6 water quality conservation plans on properties in Chelan County.	CPD, ARS1
Provide technical assistance and cost share to implement 12 agricultural efficiencies and other conservation projects on. Priority project types include irrigation efficiency upgrades (water conservation), air quality protection, ag and water resource preservation, water quality protection, and energy conservation.	WRS2, ARS1

Natural Resource Priority

Education & Outreach

Educate both adults and youth about natural resources stewardship, promote awareness of, and encourage participation in, Cascadia's voluntary natural resource programs and provide high quality outdoor education experiences to all students within Chelan County.

Objectives

- Implement outreach and education activities recommended in FY2025 review;
- Develop and implement 4 community workshops such as native planting 101, adults in the forest;
- Annually engage at least 3000 students in outdoor education programs such as Kids in the Creek, Kids in the Snow, Kids in the Forest and the After School Program;
- Develop and distribute quarterly newsletters to all households in Chelan County;
- Attend at least 16 community events such as farmers markets, Pechanga Mercadito and others.

Data Sources: Cascadia CD Outreach Strategic plan, Program Survey Responses, Common Core and Next Generation Science Standards, Watershed Plans, Community Wildfire Protection Plans, local input from school districts, Wenatchee Valley College, and other educational organizations.

Natural Resource Partners: Cities of Chelan County, Wenatchee Valley Museum & Cultural Center, Fire Districts, Farm Bureau, Upper Columbia Salmon Recovery Board, WSU Cooperative Extension Service, WA Association of Conservation Districts, National Association of Conservation Districts, WA Department of Agriculture, WA Conservation Commission, WA Department of Ecology, WA Department of Natural Resources, WA Department of Commerce, WA Recreation & Conservation Office, Columbia Breaks Fire Interpretive Center, The Wildfire Project, Team Naturaleza, Friends of Northwest Hatcheries, Washington Native Plant Society, North Central Educational Service District, Wenatchee 21st Century Community Learning Center, Cascade Fisheries, South Douglas CD, Franklin CD, USDA Natural Resources Conservation Service, US Forest Service, US Fish & Wildlife Service, US Bureau of Reclamation, School Districts, Pinnacles Prep Charter School, Wenatchee River Institute, Chelan-Douglas Land Trust, the Wenatchee Community for the Advancement of Family Education (CAFE), Parque Padrinos, Chelan and Douglas County School & Education Institutes, Trout Unlimited, and more.

Total Budget: \$221,810.59

Funding Sources

- WA Conservation Commission (WSCC)
- Natural Resources Conservation Service (NRCS)
- National Association Conservation Districts (NACD)
- Washington Department of Fish and Wildlife (WDFW)
- Department of Ecology (DOE)
- Recreation and Conservation Office - No Child Left Inside
- National Fish and Wildlife Foundation
- Bureau of Reclamation
- Rates & Charges



Activities for Education and Outreach in FY2027	Position Responsible
Continue implementing outreach strategy developed in 2025. Continue improving the approach and methods for collecting and utilizing outreach information.	Executive Director (ED), Conservation Program Director (CPD), Education and Outreach Program Manager (EOPM), Education and Outreach Specialist 2 (EOS2)
Keep public informed through District newsletter (printed and electronic), Wenatchee World, Local print (The Cashmere Valley Record, Leavenworth Echo, and Entiat Lookout) and online media outlets, annual reports, informational materials, District website, radio interviews, partner presentations and social media outlets.	All Staff
Participate in state, local and national forums to keep connected and enhance overall outreach efforts such as Conservation Commission CPO Workgroup, NCW Forest Health Collaborative, Friends of Northwest Hatcheries, Team Naturaleza, P'squouse River Connections, and others.	ED, CPD, EOPM, EOS2
Participate in community events such as Salmon Festival, Earth Day Fairs, Entiat Kite Festival, Swallow-fest, River Appreciation Days, Fiestas Mexicanas, and Farmers Markets.	EOPM, EOS2
Participate in education programs with partners including Kids in the Creek, Kids in the Forest, Kids in the Snow, Water on Wheels, Wheat Week, Wenatchee Naturalist Course, After School & Summer Programs, and Shrub-Steppe programs, and others that focus on natural resource education. Incorporate agriculture, forestry and urban conservation into these educational programs.	EOPM, EOS2, Resource Specialist 1 (RS2), Resource Specialist 2 (RS2)
Seek opportunities to provide outreach and educational opportunities for non-English speaking audiences, Adults in the Forest.	EOPM, EOS2
Host workshops on topics such as Forest Health, Backyard Gardening, Water Conservation, Native Planting 101, Firewise community networking events, agricultural, habitat restoration and other natural resource topics.	EOPM, EOS2
Continue to seek funding and partnership opportunities for education and outreach in Chelan County.	ED, CPD, EOPM, EOS2

Natural Resource Priority

Urban and Community-Based Conservation

Engage urban communities in small-scale agricultural opportunities, promote conservation practices in an urban setting, and encourage the use of native plants throughout Chelan County.

Objectives

- Certify at least 8 Heritage Gardens;
- Provide support to at least 3 community gardens or community organizations related to food distribution;
- Provide soil test kits to at least 15 landowners;
- Conduct Maintenance and incorporate plant signs at the Saddle Rock Native Plant Garden.

Data Sources: Wenatchee Valley College Agriculture Program Staff, WSU Cooperative Extension service, USDA Agricultural Census, City and County Census Data, School District Data, WA State Environmental Health Disparities Map, Urban Tree Canopy Assessments, Stormwater planning, NRCS Urban Agriculture Program, Chelan County Noxious Weed Program, Derby Canyon Natives, Waterwise Garden (WSU Horticulture), USDA Food Desert Mapping

Natural Resource Partners: Native Plant Society, WSU Cooperative Extension Service Master Gardener Program, WA Department of Agriculture, WA Conservation Commission, National Association of Conservation Districts, USDA Natural Resource Conservation Service, US Fish and Wildlife Service, Benton CD and other Heritage Garden Conservation Districts, Team Naturaleza, Wenatchee CAFÉ, Women's Resource Center, Wenatchee River Institute, Eastside Rebuild, Xerces Society, cities and Chelan County school districts.

Total Budget: \$45,089.10

Funding Sources

- WA Conservation Commission (WCCC)
- National Resources Conservation Service (NRCS)
- National Fish and Wildlife Foundation (NFWF)
- National Association Conservation Districts (NACD)
- Rates & Charges



Activities for Urban and Community-Based Conservation in FY2027	Position Responsible
Provide technical assistance and cost share (when available) to implement urban conservation projects such as native plantings, water conservation, Heritage Garden program, and urban agriculture.	Conservation Program Director (CPD), Water Resource Specialist II (WRS2), Agricultural Resource Specialist 1 (ARS1)
Incorporate pollinator friendly and soil health practices into conservation planning services for landowners in urban settings.	CPD, ARS1
Continue development of an Urban Agriculture program and provide outreach and technical assistance to community and food production systems.	CPD, ARS1
Support after-school programs or in-classroom learning for school gardens and career connected learning.	CPD, ARS1, Education and Outreach Specialist (EOS)
Continue maintenance and provide technical assistance and education at the Saddle Rock Native Plant Garden	CPD, ARS1, EOS
Continue implementation of the Heritage Garden program in Chelan County	CPD, WRS2, ARS1
Continue to seek funding and partnership opportunities for urban conservation in Chelan County.	CPD, WRS2, Habitat Resource Specialist II (HRS2)

Cascadia Conservation District

Certified

Heritage Garden

This landscape displays cultural and natural features of the Columbia River Basin and uses sustainable gardening practices





www.hgcd.info



District Priority

District Operations and Cultural Resources

Maintain effective and efficient operations including accounting, grant vouchering, personnel management, Supervisor elections & appointments, training & development, annual planning, budgeting, and reporting and have enough staff, office space and equipment to support all goals.

Objectives

- Keep informed and work proactively on policies affecting voluntary implementation of conservation practices;
- Continue to monitor natural resource-related policy development at local, regional and state level;
- Be available to the citizens of Chelan County as a liaison and technical resource for local environmental solutions;
- Seek creative and cost-effective solutions to funding and operations challenges;
- Operate in accordance of a high level of accuracy, accountability, and efficiency;
- Meet Conservation Commission and other state and federal agency requirements for operations, policies and procedures;
- Maintain good business practices and internal controls;
- Provide Cultural Resources support to other Conservation Districts and partners.

Total Budget: \$311,945.08

Funding Sources

- WA Conservation Commission (WCCC)
- WA Department of Natural Resources (WADNR)
- Natural Resources Conservation Service (NRCS)
- WA Resource Conservation & Development Council (RC&D)
- US Fish and Wildlife Service (USFWS)
- Forest Service (USFS)
- Upper Columbia Salmon Recovery Board
- Salmon Recovery Funding Board (SRFB)
- Department of Ecology
- National Fish and Wildlife Foundation
- Bureau of Reclamation
- Rates & Charges
- WA Department of Fish and Wildlife
- HCP Tributary Committees
- Yakama Nation
- Washington Emergency Management Department (WA EMD)
- Private Funding Sources



Activities for District Operations in FY2027	Position Responsible
Provide timely assistance to landowners as requests are received.	All Staff
Regularly meet with County Commissioners and cities to receive information and keep them updated on District activities and needs.	Executive Director (ED), Board of Supervisors (BOS)
Provide assistance to other districts and partners as requested including conducting cultural resources investigations for BMP implementation.	ED, Archaeologist
Participate in WACD efforts to work with legislators in support of priority legislation.	ED, BOS
Seek funding for training opportunities, including WADE training, to encourage professional development of staff.	CPD, WRS2, ARS1
Conduct annual District election and appointment activities.	Election Officer
Complete Rates and Charges Renewal Process	All Staff
Review and/or update as needed: partner agreements, policy resolutions and employee handbook.	ED, Financial Coordinator (FC)
Develop internal training and guidance documents for cross discipline training, grant training, IT resources, etc.	ED, FC
Hold annual planning workshop.	All Staff
Hire staff and/or host interns as necessary to assist with District programs.	ED
Develop and implement an operations efficiency plan for administrative functions including file organization, grant application process and other district operations efficiency improvements.	ED



Cascadia Conservation District

State Fiscal Year 2027 Budget (July 1, 2026 - June 30, 2027)

Income

Expenses

Funding Source	Amount	Expense Type	Amount
WA Conservation Commission	\$1,318,331.65	Salaries & Benefits	\$2,102,771.12
WA Department of Ecology	\$1,186,359.18	Supplies	\$111,296.93
Bureau of Reclamation	\$73,196.68	Fuel and Fleet	\$8,850.00
Natural Resources Conservation Service	\$343,268.79	Computers and Technology Products	\$10,000.00
Rates and Charges	\$202,000.00	Small Tools and Minor Equipment	\$13,250.00
Washington Emergency Management Department	\$44,754.37	Professional Services	\$3,029,124.47
WA Recreation and Conservation Office	\$552,690.50	Cost Share	\$158,094.66
Tributaries Mitigation Committee	\$33,938.18	Travel	\$114,776.47
US Forest Service	\$767,190.95	Miscellaneous Operating	\$134,447.05
Bonneville Power Administration	\$107,190.16	Software Subscriptions	\$77,100.00
National Association of Conservation Districts	\$33,680.26	Printing, Advertising, Public Outreach	\$31,884.73
WA Department of Natural Resources	\$96,679.27	Machinery and Equipment	\$44,000.00
Environmental Protection Agency	\$50,000.00	Reserve	\$32,694.36
National Fish and Wildlife Foundation	\$31,460.40	Total	\$5,868,289.79
Non-Profits and Private Donations	\$39,679.03		
Interlocal Agreements	\$169,775.98		
Yakama Nation	\$7,305.60		
WA Department of Fish and Wildlife	\$4,020.00		
US Fish and Wildlife Service	\$548,888.10		
Priest Rapids Coordination Committee	\$243,842.90		
Upper Columbia Salmon Recovery Board	\$14,037.79		
Total	\$5,868,289.79		

Liaison Committee Report

Name of Meeting: *

Parks & Recreation Advisory May Meeting

Date of Meeting: *

2026-05-21

Key Meeting Notes: *

Meeting notes should consist of key agenda items that had significant discussion. Each item can be briefly summarized in 2 - 4 sentences.

Called to Order 5:16pm

PARAB Members in attendance: Linda Reister, Janet Heg, Matt Engstrom, Brad Nelson.

Director Cooper, Council members Chitty & Collins

Vicki Martz - Public/Citizen Comments: Confusing new bathroom signs being gender neutral. Comments on the number of grills inside park to accommodate potential use and need.

Minutes approved

Discussion around the final draft that has been shared with PARAB members on the golf course study by consultant Richard Singer. A lot of great comments, suggestions, ideas, and questions. Would like to have another joint meeting with City Council to discuss further course(s) of action.

Memorial Day weekend update: See more info in attachment.

PRA grant: More into attached. PARAB members discuss edto potential projects. Don Morse Playground and PUD ballfields for going after grant funds for construction planning which is what the grant funds are used for. To get projects shovel ready.

June 15th Ribbon cutting at Lakeside Park ~ 5:30pm(TBD)

Motion to adjourn - 6:38pm

Upload applicable meeting documents here if available:

Max upload is 25MB per file

Parks Agenda Packet 5.21.26.pdf

840.45KB

Submitted By

Signature *



Signature Date *

2026-05-21

May 21, 2026
5:15 PM

**CITY OF CHELAN
PARKS AND RECREATION ADVISORY
BOARD AGENDA**

Parks and Recreation
Administration Building
Meeting Room

1. CALL TO ORDER AND ROLL CALL
2. AGENDA CHANGES
3. CITIZEN COMMENTS
Items not on the agenda. Time limited per the President.
4. MINUTES
 - A. April 16th, 2026 Parks and Recreation Advisory Board Meeting Minutes
5. OLD BUSINESS
 - A. National Golf Foundation Recommendation Discussion
6. NEW BUSINESS
 - A. Memorial Weekend Update
 - B. Planning for Recreation Access (PRA) Grant
7. PARKS AND RECREATION DIRECTOR AND CITY STAFF COMMENTS
8. BOARD COMMENTS
9. ADJOURNMENT



City of Chelan

Parks and Recreation Advisory Board Meeting April 16, 2026

BOARDMEMBERS AND ADMINISTRATIVE PERSONNEL PRESENT

Boardmembers:

Brad Nelson
Linda Reister
Matt Engstrom

Staff Present:

Parks and Recreation Director Audrey Cooper
Golf Professional Jim Oscarson

Council Members Present:

Councilmember Brad Chitty
Councilmember Shane Collins

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 5:41pm.

2. AGENDA CHANGES

None.

3. CITIZEN COMMENTS

Items not on the agenda. Time limited per the President.

None.

4. MINUTES

A. March 19, 2026 Parks and Recreation Advisory Board Minutes.

Suggestion Motion: I move to approve the March 19, 2026 Parks and Recreation Advisory Board Minutes.

MOTION:	I move to approve the March 19, 2026 Parks and Recreation Advisory Board Minutes.
MOVER:	Boardmember Mat Engstrom
SECONDER:	Boardmember Brad Nelson

AYES:	Boardmember Brad Nelson, President Linda Reister, Boardmember Mat Engstrom
NAYS:	None
RESULT:	Passed

5. OLD BUSINESS

A. Lake Chelan Golf Course Spring 2026 Report

Golf Pro Jim Oscarson provided an update on course projects, events, tournaments, and rounds played since opening day at the Lake Chelan Golf Course.

B. Chelan Gorge Park

The board discussed the lease agreement for Chelan Gorge Park ball fields with the PUD and the options available to the City to help maintain the fields and funding opportunities for future development. The board discussed ball field user groups and community organizations that could be contacted to identify current needs and funding or volunteer labor available.

6. NEW BUSINESS

A. May 5th Special Parks Board Meeting at City Council Workshop

The Parks and Recreation Advisory Board will join City Council for a Special Meeting at the May 5th Council Workshop when Richard Singer from National Golf Foundation will provide a presentation on the golf study recommendations.

B. Lakeside Park Tour

After the meeting was adjourned, Parks Board members toured Lakeside Park to see the improvements nearing completion.

7. PARKS AND RECREATION DIRECTOR AND CITY STAFF COMMENTS

Parks and Recreation Director Cooper updated the board regarding upcoming playground maintenance work at Don Morse Park, the status of the parks security contract, spring projects completed by the park maintenance team, and that opening day at the Putting Course is May 1st.

8. BOARD COMMENTS

Park Board Member Mat Engstrom asked if the organizational structure of the golf course would be included in the National Golf Foundation evaluation.

9. ADJOURNMENT

The meeting was adjourned at 6:24pm.

Parks Department – Memorial Day Weekend Update

As the City heads into Memorial Day weekend, Parks staff are focused on getting facilities, staffing, and operations ready for the start of the busy season in our waterfront parks.

The RV Park is filling up for the holiday weekend, with all Prime Sites fully booked. There are still standard RV and RV/Tent sites available. We anticipate booking more reservations between now and the holiday weekend as many guests wait for the ten-day forecast before they book a campsite this time of year.

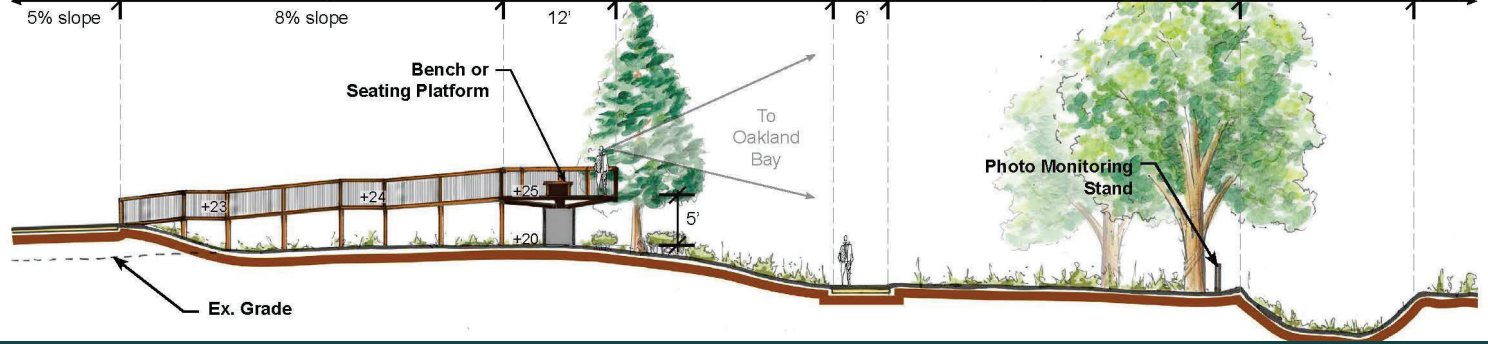
Seasonal marina staff will be working over the holiday weekend to assist with anticipated increases in boat activity. The increase of woody debris on the lake is making its way onto Park beaches and into the Marina. Staff are working to clean up debris as quickly as possible; this will be an ongoing issue this year. City staff are tracking time and expenses associated with the debris removal to seek reimbursement and assistance from WCIA and FEMA. Parks is partnering again this year with Chelan County Natural Resources to offer voluntary watercraft inspections at the Marina. Their inspection team will be set up in the Marina parking lot on select weekends throughout the season.

Phoenix Security will begin their weekend/holiday coverage starting Memorial Day Weekend. Their staff will be onsite at both Don Morse and Lakeside parks to provide a security presence and assist with communicating park rules. Chelan County Sheriff's Office will also have a presence in the parks over the upcoming holiday weekend to support a safe and family-friendly environment in the parks.

Maintenance crews have completed installation of charcoal grills and hot coal bins at both Don Morse and Lakeside parks. A-frame signage will be deployed at all paid parking lot entrances to clearly communicate park rules and parking requirements.

At Lakeside Park, fencing and parking lot striping improvements are nearly complete and will help improve traffic flow. You may notice that the chain link fencing is still on site around the playground and restroom area. Some final punch list items are nearing completion by the contractor in the restroom building and playground. We are also giving certain lawn areas as much time as possible to establish before heavy foot traffic. The goal is to fully reopen the park by Memorial Day weekend at the latest. Some areas of the park will continue to be fenced off after opening to allow plants and grass to establish.

The Parks department is thrilled to have returning parking enforcement staff this season, which reduces training time and builds on relationships established last year. Overall, the Parks department is in a good position heading into the holiday weekend and ready for increased visitation.



Planning for Recreation Access Grant Program

2026 Grant Schedule

(Consult the PRA web page for updates)

- May 13: PRISM Online open for applications
- July 15: Applications due

Grant Limits

- Comprehensive Plans: \$100,000
- Site Specific Plans: \$200,000
- No match required

Who May Apply?

- Towns, cities, counties
- Federally recognized Tribes
- Special purpose districts (ports, schools, parks, conservation, etc.)
- Qualified nonprofit organizations

How to Apply

For details, visit

<https://rco.wa.gov/grant/plan-rec-access/>

Recreation and Conservation Office

PO Box 40917

Olympia WA 98504-0917

Telephone: (360) 902-3000

Washington Telecommunications

Relay Service, dial 711

Email: info@rco.wa.gov

Website: <https://rco.wa.gov/>

Grants for Community-Led Planning to Expand Outdoor Recreation Access

The Planning for Recreation Access (PRA) grant program, created in 2021 by the Washington State Legislature, provides planning grants to help communities with limited outdoor access identify recreation needs, engage their residents, and develop plans that improve access and support future recreation investments. The planning grants are for outdoor facilities open to the public.

Grant Categories

Community-wide comprehensive plans that do the following:

- Assess existing conditions and gaps
- Set long-term visions, priorities, and timelines
- Engage the community in the planning process
- Establish eligibility in Recreation and Conservation Office grant programs that require planning

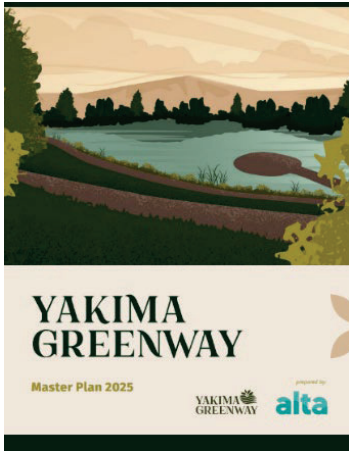
Site-specific plans that may include the following:

- Feasibility studies
- Architectural and engineering designs
- Environmental and cultural resource surveys
- Construction-ready plan sets
- Permitting

Eligible Planning Costs

- Consultant and contract services
- Staff time
- Community outreach
- Project administration

Previously Funded Project Examples

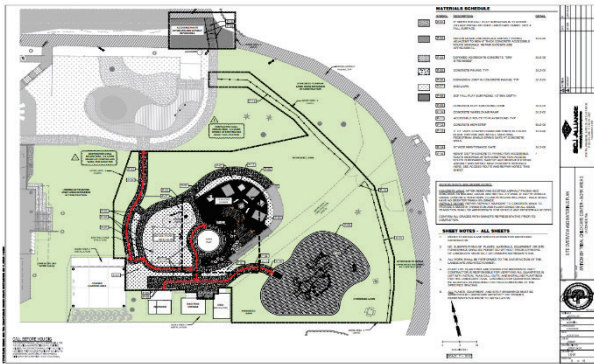
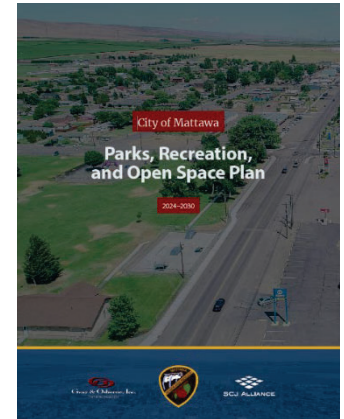


Yakima Greenway Foundation: Renewing the Yakima Greenway Master Plan

The Yakima Greenway Foundation used a \$75,322 PRA grant to hire a consultant to update its master plan that was updated last in 1995. The plan covers twenty miles and includes identifying priorities through community engagement and developing plans to incorporate accessibility and education opportunities, improve safety and road crossings, and accommodate multiple user groups.

City of Mattawa: Parks, Recreation, and Open Space Plan (PROS Plan)

The City of Mattawa, population 3,335, used a \$60,000 PRA grant to hire a consultant to guide the creation of its first PROS Plan. The project included involving stakeholders to develop a needs assessment, conducting a landscape inventory and analysis, establishing mission and vision statements, defining community goals and objectives, developing a strategic plan, setting priorities, and creating conceptual plans and a timeline for a capital improvement program.

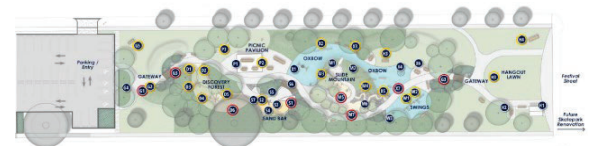


Swinomish Indian Tribal Community: Swinomish Tribe Playspace Design

The Swinomish Indian Tribal Community used a \$45,000 PRA grant to create construction-ready plans and designs for the renovation of a playground. The goals of the project were to improve safety and accessibility, provide protection from the weather, enhance learning opportunities, and better reflect community values. This project completed the final two phases of a three-phased planning project.

City of Longview: Cloney Park Inclusive Playground Design

The City of Longview used a \$250,000 PRA grant to pay for architectural designs, construction blueprints, engineering plans, and permits to redesign a park. The designs included a fully inclusive playground and restrooms and upgrades to the parking lot and lighting. The City received development funds in the following grant cycle, and the ribbon cutting will be held in 2026.



"When we design for every *body*, we design for *everybody*!"

Links to projects featured above: [Capitol Land Trust](#), [Yakima Greenway Trust](#), [City of Mattawa](#), [Swinomish Indian Tribal Community](#), [City of Longview](#).

Submission Date	Submitter	Department	Company Name	Project Name, Project Number and Document Name if applicable	Term Start Date	Term End Date	Dollar Value
5/19/2026	Audrey Cooper	Parks and Recreation	Boys and Girls Clubs of Snohomish County	Chelan Gorge Park Facility Use Agreement	2026-04-14	2026-12-31	\$0.00
5/8/2026	Kali Taylor	Building and Planning	Donogh Dynamics, LLC	Demolition and removal of fire damaged structure at 418 E, Woodin Ave	2026-05-06	2026-05-20	\$54,768.02
5/8/2026	Travis Denham	Public Works	Washington State Transportation Improvement Board	Bradley and Johnson Intersection Improvements Project, TIB Funding Agreement	2024-01-01	2026-12-31	\$0.00
5/7/2026	Audrey Cooper	Parks and Recreation	Pacific Engineering & Design	Lakeside Park Mitigation Monitoring and Reporting	2026-05-18	2026-12-31	\$12,500.00