

**CITY OF KALAMA
CITY COUNCIL
October 2, 2013**

CITY COUNCIL – DRAFT DEVELOPMENT AGREEMENT WITH PORT OF KALAMA

Mayor Pete Poulsen opened the workshop of the Kalama City Council at 6:05 pm. Councilmembers present were Mike Truesdell, Dominic Ciancibelli, Mike Langham, Don Purvis and Mary Putka. City staff present were City Administrator Adam Smee, Superintendent of Public Works Kelly Rasmussen, and Clerk/Treasurer Coni McMaster. Members in the audience are listed on the sign in sheet.

City Administrator Adam Smee outlined the draft agreement for the Council which has taken nearly a year to draft working with the Port staff. The attorneys are still making some minor revisions, but the content is pretty well defined. The intent of the agreement is to provide the Port and potential developers with a fixed set of standards and rules under which to market and develop the property. This means vesting certain code provisions so that throughout the development phases the same rules and criteria are applicable. This includes the new zoning code provisions the Council approved back in June, the current Shoreline Management and Critical Areas codes and the Public Works Standards. So the codes in place at the time of signing of the document will be the rules for the development even if the City makes code amendments afterwards. Vesting of code requirements keeps all guidelines the same for the duration of the project. Should an issue of health or safety arise the City can require code compliance. All of these things are applicable to only what the City has jurisdiction over and any development will have to meet state and federal regulations. Port Director Mark Wilson and Adam emphasized that this is a living document and has the ability to be amended as needed. There is no way for the City and Port to foresee everything the future may bring.

On the issue of the Shoreline Master Plan codes, the current code was adopted back in the 70's and there is currently an update in process. Any new code is going to be untested and very open to interpretation. The current rules have been tested with interpretations already made so all parties understand the elements and requirements. There are past practices in place. Department of Ecology and other entities will opportunities to comment and address issues through the various permitting and SEPA requirements. There will also be reviews during the next phase which will be the master plan application which will provide a more developed concept of what will be included in the project. The City will be the lead agency up through the master plan application phase. The Port will be lead agency when individual sites begin developing based upon the master plan.

The agreement includes a phasing of the project over 40 years with certain benchmarks required to be accomplished every 10 years. Issues of maintaining both current and future infrastructure are also addressed acknowledging that the City will not receive any revenues until the development of the property begins, so the Port is agreeing to help until the revenues are covering costs incurred. One of the big concerns has been the Meeker Drive Bridge which was discussed at length during the process. Both the Port and the City have consulted their insurance carriers regarding covering the bridge, finding out that most insurance will cap the coverage at a million dollars with the understanding that any catastrophic collapse would probably be covered by federal and/or state disaster relief funds. The Port has also commissioned an independent engineering report on the bridge so all parties will know the condition of the bridge based on an outside party examination.

Mayor Poulsen acknowledged that he has kept himself at arm's length from these negotiations as he is an employee of the Port. After reviewing the document, he does find it to be very workable and it doesn't burden the current citizens in any way. Port Director Mark Wilson commented that the Port is committed to the project in a way that will help the community and there may be compromises in the future to solve unforeseen problems. This will be long-term project and this document makes a good start in cooperation to make it happen. Once the attorneys have completed their final comments and the SEPA requirements have been met, the agreement will be brought back to the Council at a public hearing.

Mayor Poulsen adjourned the meeting at 7:05 pm. These minutes are not verbatim. A copy of the tape can be made available for listening.

Pete Poulsen - Mayor

Coni McMaster - Clerk/Treasurer