# WENATCHEE BUSINESSJOURNAI

A PUBLICATION OF NCW MEDIA INC.

FEBRUARY 2019

# 'Retired' Federal Building to be nearly 'Fed-free' by 2020

By Gary Bégin

A Wenatchee iconic landmark, the Federal Building at 301 Yakima Street, once home to a unit of the Federal Bureau of Investigation, the Internal Revenue Service, USDA and other federal agencies, is now co-owned and operated by LocalTel and the city of Wenatchee for its administrative headquarters, including city hall.

The Wenatchee Federal Building was built in 1973 and is about 74,153 square feet. The building is also known as the old Post Office Building. The Social Security Administration is still there for now on the second floor, but the city of Wenatchee has moved in right above them on the third floor and is holding city council meetings on the second floor.

LocaTel is operating out of the back of the building for now and the USDA plans on remaining as

a tenant, but spent its most recent time on furlough along with nearly a million other federal workers.

As per normal Government Services Administration policy, moving an agency isn't just an overnight affair.

Honoring the original lease while still searching for a new office building is not always easy, especially in an office-poor environment like Wenatchee.

LocalTel, the cable television and internet/phone provider, bought the building last spring and partnered with the city to redesign the interior to accommodate its own and its new tenants' requirements.

A public notice sign was placed in front of the building last spring for a while telling one and all who stopped to read it that "five condominiums" meant for commercial use, would be constructed in the building and

SEE FEDERAL BUILDING PAGE 4



GARY BÉGIN/WBI

The "retired" Federal Building as it looks today.

#### Story and photos by Gary Bégin

DRYDEN - Tumwater Drilling and Pump based here, has a waiting list that's the envy of most companies no matter what they specialize

Tumwater's requests for water well drilling spiked in the spring of 2018 once the Hirst Decision was modified to allow for rural water wells to be drilled without the extreme statistical environmental criteria demanded by the original law, requiring great expense for small businesses, ranchers, farmers and families living outside urban boundaries.

Another well drilling company, MVM of Chelan, recently sunk a nearby well down to 360 feet and achieved six gallons-per-minute (GPM) of water flow, but that was the same amount they had gotten at 200 feet. The land owner might have thought a greater water volume was to be had by going deeper, but it was not to be.

Proving that when searching for water, sometimes deeper isn't better.

NCW Media was able to tag along with one of Tumwater's drilling crews as they started and completed a job at 3,100 feet above sea level, about five miles up in the hills above Lake Chelan last summer.

The drill hit four gallons-per-minute when it reached 175 feet. After the crew drilled down another 50 feet by direction of the client, it was decided by the landowners to call it good and settle on the four GPM as only two persons were homesteading this particular land and that volume seemed enough to keep them hydrated and also provide for other uses.

During the last fire season it was important for Tumwater to explain to prospective water well customers to understand that the site must be cleansed of excess dry plant growth and decay that might catch fire as the process of drilling requires welding pipe together to reach what is tantamount to liquid gold.

Once the rig is placed and stabilized according to the site's topography(it's top heavy), the drilling can begin on a spot chosen by a water "witcher."

The witcher (also known as dowsing, or divining) uses two sticks or twigs, possibly from a peach or willow tree or other species like

SEE TUMWATER DRILLING, PAGE 8

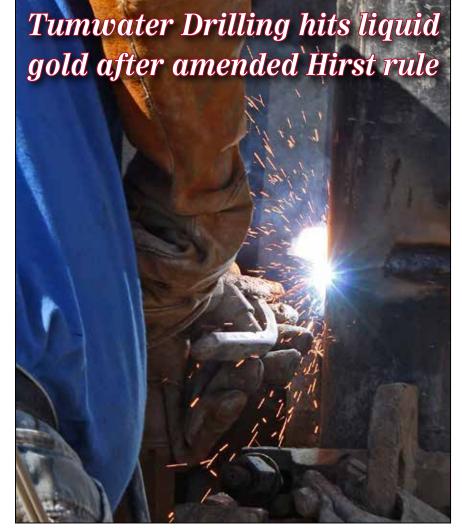
#### **NCW Regional Tourism** Summit - Feb. 11 @CTC

The 3rd Annual NCW Regional Tourism Summit this year focuses on Tourism Sustainability: sustaining what we have; integrating sustainable practices into tourism operations; leveraging resources to grow tourism products in our region.

Join us on Monday, February II for this informative and inspiring Summit with presentations and workshops held at the Confluence Technology Center, 285 Technology Center Way, Wenatchee from 10 a.m. - 2 p.m. Registration opens at 9:30 a.m.

The program features facilitators Nancy Smith (Leavenworth Chamber of Commerce), Jennifer Tate (Okanogan County Tourism Council), Simone Carlysle-Smith (Thompson Okanagan Tourism Association), Stacy Luck-

SEE NCW REGIONAL SUMMIT, PAGE 8



Welding sections of pipe must be done safely to avoid starting fires, especially when surrounded by dry conditions.

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Rep. Matt Manweller (R-Cle-Ulum) resigns after alleged 'sex scandal' See page 5



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#### The Wenatchee Business

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#### **NEWSSTAND LOCATIONS**

#### Wenatchee Plaza Super Jet

106 Okanogan Ave. Safeway, 501 N. Miller St. **East Wenatchee** 

#### Fred Meyer, 11 Grant Road

Safeway, 510 Grant Road

#### Cashmere

Martin's Market Place 130 Titchenal Way Cashmere Valley Record, 201 Cottage Ave., Suite 4

#### Leavenworth

Dan's Food Market 1329 U.S. Highway 2 215 14th St.

#### Chelan

Safeway, 106 W. Manson Rd. The Lake Chelan Mirror, 310 E. Johnson Ave. The Vogue — A Liquid Lounge, 117 E. Woodin Ave.

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thus - the "haves" versus the "have nots"? In this case it is vice versa. Big government, i.e., the state of Washington, wants more tax revenue so it can spend more money.

The "Tax and Spend" Democrats are flying their colors high indeed. Governor Jay Inslee wants \$10B more in spending, but his new taxes would cost nearly \$4B.

This chunk of cash includes mental health and orca recovery.

Orca recovery?

So now whales are more important than fiscal stability? Please God, end the madness. I love cats, dogs, horses, even whales and many other critters, but my brethren goes homeless, without medicine or food and we are paying a billion in tax money for orcas!

There are kids without shoes and single moms and the "working poor" but oh no, to heck with humanity, spend it on the whales.

We've got an opioid epidemic and local kids in gangs, water issues and fire issues and ... the list goes on.

To pay for this largesse towards our giant aquatic buddies Inslee, as if purposely trying to portray the stereotypical tax and spend liberal, is doing exactly that. It is a kick in the teeth for any hope of a serious rainy day fund.

Just remember how we squandered all this money the next time we have a in recent years, costing us billions.

Inslee wants a capital



Gary Bégin Managing Editor

gains tax on high income folks. He wants an increase in the business and occupation tax on professional services.

Is our Governor a drunken sailor on leave after a year at sea with more money than sense? Paraphrasing Sarah Palin – you betcha.

Representative Bruce Chandler, ranking Republican on the House budget committee in Olympia, mocked Inslee saying, "If you're an orca, a criminal, or someone who voted for the failed carbon tax ... you probably like this budget. If you're a small business owner... or the average citizen trying to make ends meet, you probably don't."

A wise man indeed. Clothe the naked among us before feeding the fish. Is that too much to ask? Take the whale money and use it on medicine and housing and job training real estate excise rates" making them into graduated rates to pay for the courtordered removal of barriers to fish passage.

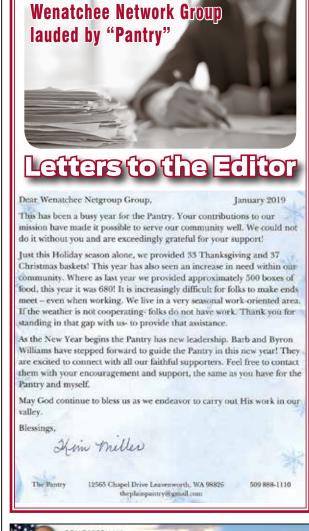
Again with the fish thing. Those with an interest in the real estate industry, agents, home buyers and sellers alike, will be footing the bill.

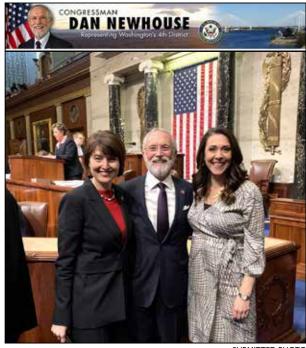
He also goes on the record as being anti-success since those among us with a little gelt are penalized for their entrepreneurial spirit by taxing capital gains including sales of stocks, bonds and other assets subjecting them to a nine percent tax.

His operating, capital and transportation budgets ask for \$1B on orca recovery efforts. Let that amount sink into your head for a bit. Billion is a real number, a really large number and chances are good that investing \$1B in whales will not pay taxpayers back in our lifetime and maybe not even your grandchildren's.

I look forward to hearing from Representatives Keith Goehner, Michael Steele and Brad Hawkins about all this taxing and spending. Do they agree with Chandler? Exactly what are they thinking? Stay tuned to The Bottom Line.

Gary Bégin can be reached at Gary@ncwmedia.net. His opinions are his alone and do not necessarily reflect the views of NCW Media ownership, management or employees.





Rep. Kathy McMorris Rodgers, Rep. Herrera Beutler and Rep. Dan Newhouse (center) at the opening session of the 116th Congress.



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# Columbia Riverkeepers suing Cashmere's Crunch Pak



#### By Gary Bégin

As of December, the U.S. District Court for Eastern Washington was in receipt of a lawsuit from a Hood River, Oregon non-profit alleging that Cashmere-based Crunch Pak, LLC, a sliced-apple and snack producer, has discharged pollutants into the Wenatchee River near its headquarters plant and then failed to report those discharges in a timely fashion.

Attempts to reach a company spokesperson have been unsuccessful.

The suit, brought by Columbia Riverkeeper, specifies three major violations by Crunch Pak to state stormwater permits issued by the Department of Ecology:

Released industrial stormwater into the

Wenatchee River from 2013 to 2018 which contained more than the allowed amount of pollutants.

- Failed to report these releases on more than one occasion.
- Did not take the corrective action required to fix pollutant levels.

Crunch Pak's attorney J. Patrick Aylward received the complaint from Columbia Riverkeeper in early January, but has not returned voice mail inquiries.

The suit also wants the court to order the company to work with Columbia Riverkeeeper in developing guidelines for its new stormwater permit.

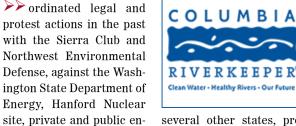
The suit claims 42 benchmark "exceedances," or events where allowed pollutant limits were exceeded. In these alleged instances, too much copper, or other regulated material, was contained in the company's stormwater runoff.

"Riverkeeper," a socalled environmental watchdog group, wants the company to be fined \$37,500 for every day it was allegedly in violation.

Columbia Riverkeeper's motto is, "...working to protect and restore the waters of the Columbia River and all life connected to it, from the headwaters to the Pacific Ocean," according to its website.

Another "Riverkeeper' website states, "Columbia Riverkeeper is a team of community organizers, environmental lawyers and scientists fighting for clean water."

The group has co-



ernment agencies. Value Crunch Pak is by far the largest employer in Cashmere and has plants in Cashmere and has plants in Cashmere and has plants in Cashmere and Cashmere an

tities as well as other gov-

several other states, producing snack foods paired with its patented sliced-apple product.

"Crunch Pak is the industry leader in fresh presliced apple packs. Your healthy snack on the go that is both nutritious and delicious," states the company's website.

Last summer "Riverkeeper" sued Chelan County PUD for polluting the Columbia River by discharging toxic water at its Rock Island Dam site.

The PUD had no comment at the time.



### The 12th District team

Rep. Keith Goehner (left), Sen. Brad Hawkins (center) and Rep. Mike Steele (right) – gathered in the House floor Jan. 15 to hear Gov. Inslee's State of the State address.



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### Port of Chelan's JC Baldwin remains

# Columbia Basin water advocacy group elects new board members

**CBDL** news release

The state's organization serving as the "voice" of the Columbia Basin Project elected new Board of Trustees to serve in 2019.

The Columbia Basin Development League has supported the Bureau of Reclamations Columbia Basin Project and future development since 1964.

Last month, 10 board members were elected with five being new to the board.

One position remains open after the sudden passing of Chet Pedersen of Quincy.

The new members include:

- Randy Gubler, Manager, Lad Irrigation, Moses Lake
- Matt Harris, Assistant Executive Director and Director of

Governmental Affairs, Washington State Potato Commission, Moses Lake

- Stephen McFadden,
   Executive Director, Adams County
   Economic Development Director,
   Othello
- Darcy Weisner, Superintendent, Educational Service District 123, Pasco
- Brad Peck, Franklin County Commissioner, Pasco

Five Board members were reelected including: JJ Danz, Danz Farms, Mesa; Joe Gross, Marlin Hutterian Brethren, Marlin; Michele Kiesz, Patty Kagele Farms, Ritzville; John Preston, Lindcrest Ranch, Warden; and Bill Wagoner, National Frozen Foods Corporation, Quincy.

Following board elections, the



SUBMITTED PHOTO

JC Baldwin

Trustees elected members to serve as the Executive Committee.

Mark Stedman of Davenport will take over leadership as Chair. Stedman is a Lincoln County Commissioner and formerly served nearly 40 years in the public education sector. Eli Stahl, Stahl Hutterian Brethren, Ritzville; JC Baldwin, Port of

Kevin Lyle, Windy Prairie Inc, Othello, will serve as Past Chair with Matt Hawley, Lamb Weston, Pasco, as Vice Chair; Jake Wollman Jr., Warden Hutterian Brethren, Warden, is Treasurer; Clark Kagele, Kagele Family Farms LLC, Odessa, is Secretary with At-Large members: Matt Harris; Stephen McFadden; Orman Johnson, Johnson Agriprises Inc., of Connell; and Dale Pomeroy, Port of Warden, Warden.

The remainder of the Board includes:

Alice Parker, P&P Farms, Royal City; Benjamin Leavitt, Blue Sun Farms Inc., Warden; Chip Dobson, Rosebud Vineyards Inc., Mattawa; Eli Stahl, Stahl Hutterian Brethren, Ritzville; JC Baldwin, Port of Chelan County, Wenatchee; John Moody, Moody Family, Ephrata; Mark Booker, Farmer, Othello; Mike LaPlant, McL Farms Inc., Ephrata; Milt Miller, Port of Moses Lake, Moses Lake; Reid Phillips, Phillips Ranch Corp, Ritzville; Roger Hartwig, Adams County Commissioner, Ritzville; Vicki Gordon, Port of Pasco, Pasco.

COLUMBIA BASIN

DEVELOPMENT LEAGUE

The League works in Washington, D.C. and Olympia advocating for a fully developed Columbia Basin Project that supports a robust regional and state economy and quality of life through efficient, well-maintained, affordable infrastructure and sustainable environmental stewardship.

#### CONTINUED FROM PAGE I

### 'Retired' Federal Building to be 'Fed-free' by 2020

then sold.

The public comment period ended in late May soon after the purchase by LocalTel. The city bought up the condos.

As far as the SSA is concerned, finding another office to move to has always been an important mission once the building was sold by the federal government, but "move to where" was the concern.

The Social Security Administration has chosen to take over the old Wenatchee City Hall right across Chelan Avenue from the current building around early 2020, according to spokesmen for that agency.

The FBI and IRS moved out years ago. Oddly enough, every once in a while someone shows up with packages, looks around and finally asks,"Isn't the Post Office still here?"

No, the customer service part of it moved many years ago to Maple Street across from Shopko. The processing and distribution section has moved to the Ohme Gardens area.

The iconic "Federal Wenatchee Bu Building" with its three Journal for updates.

**CONTINUED FROM PAGE I** 

ensmeyer (WVC Center

for Entrepreneurship), Roni

Holder-Diefenbach (Eco-

nomic Alliance of Okanogan

County), and Lynn Longan

(Washington State Depart-

ment of Commerce) and

Canadian partners from

stories of marble, stone courtyard and fountain is still serving the city, but it will be "Fed.-Free" in about one year, except for the USDA, heralding the end of a 46 year era.

The refurbishment will take place over the next year and the city will eventually move into the first floor.

Plans are also in the works for expansion to add even more space for offices and events. Other tenants will then be solicited to inhabit what will then become the most prestigious address in the city.

Plans to refurbish the fountain are also rumored to be in the works as well. There have even been 2018 Wenatchee Kennel Club events in the "old Post Office" building, but rest assured, the classy old gal is, itself, not going to the dogs anytime soon.

Perhaps in another 54 years, the city will be announcing plans to celebrate the centennial of one of Wenatchee's iconic structures.

Keep reading the Wenatchee Business Journal for updates.

# port of chelan county

# Another record year for Pangborn Memorial Airport

#### Port of Chelan news release

A record number of Airline passengers flew out of Pangborn Memorial Airport in 2018.

Passenger enplanements totaled 64,689 which represents a 7.2 percent increase over 2017.

Passengers flying into the greater Wenatchee Valley totaled 62,874 a 7.1 percent increase from 2017.

is a record for the Airport.

Due to passenger growth in 2017,

Total passenger volume of 127,563

Alaska Air added additional flights during the summer and holidays in 2018.

"Alaska continues to be a strong partner, adding more flights at

busy travel times supporting local residents and businesses", said Chelan County Port Commission President JC Baldwin.

The other major factor in the record passenger numbers was a significant reduction in cancellations in 2018.

The percentage of cancelled flights fell from 5.9 percent in 2017 to 2.7 percent in 2018.

"As our community seeks more air service, they continued to use the expanded Seattle service, which is the best way to get more flights to more destinations in the future", said Douglas County Port Commission President Jim Huffman.

2018 also marked important

progress in the communities' goal of securing additional air service. This past summer the Airport was awarded a \$750,000 Federal grant to secure non-stop regional jet service between Pangborn Airport and the San Francisco Bay Area.

This grant was matched by over \$400,000 in local pledges.

The Airport has held meetings with several interested airlines with the goal of obtaining new service by mid-2020.

The Airport is jointly owned by the Ports of Chelan and Douglas Counties.

Contact Trent Moyers, Pangborn Airport Director, at 509-884-2494 for additional information.

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Annual Percentage Yield is accurate as of 11/13/2018

# the Thompson Okanagan Tourism Association. Registration includes a catered lunch by Ravenous

The agenda includes:

Catering.

• The latest news from the Route 97 Road Trip Touring Partnership

NCW Regional Tourism Summit - Feb. II @CTC

> • An orientation to the Biosphere Designation for Tourism Sustainability

 Workshops on: Growing your business with regional marketing assets; developing tourism businesses; and improving the environmental impact of your tourism operation.

There is a \$10 charge to attend this event sponsored by the North Central Washington Economic Development District.

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# Quincy's Ybarra replaces Manweller\* in 13<sup>th</sup> District after sudden weekend resignation

Washington State House Republican Communications news release

Rep. Alex Ybarra, R-Quincy, was ceremonially sworn into office by Associate Chief Justice Charles W. Johnson January 16. The newest representative for legislative District 13 was selected by commissioners from Grant, Kittitas, Lincoln and Yakima counties to fill the seat vacated by former Rep. Matt Manweller, R-Cle Elum.

"It's a tremendous honor and responsibility to do this kind of work. I was born and raised in Quincy. I love the people and the district," said Ybarra. "It's incredible to realize I have the opportunity to make a real difference for them in Olympia. My focus will always be on them and how government can do a better job providing solutions and outcomes on issues they care about the most."

House Republican leadership appointed the freshman legislator to sit on the House Appropriations Committee. Along with considering bills with large budget impacts, the committee is tasked with the critical responsibility of reviewing and approving the state's 2019-21 operating budget.

House Republican Caucus Leader Rep. J.T. Wilcox says Ybarra's appointment will help strengthen



WASHINGTON STATE HOUSE REPUBLICAN COMMUNICATIONS PHOTO

Associate Chief Justice Charles W. Johnson, left and newly sworn-in State Rep. for the 13th District Alex Ybarra (R-Quincy).

the work of Republicans this session.

"I am very happy to have such a highly qualified person joining our caucus. After reviewing Alex's biography and meeting with him, I decided to add him to the most demanding committee in the House, Appropriations. Ybarra's talents will make an immediate impact," said Wilcox, R-Yelm.

Ybarra will also serve on the House Civil Rights and Judiciary, and Consumer Protection and Business committees. The Civil Rights and Judiciary Committee oversees a broad range of legal issues including anti-discrimination measures, constitutional law, torts, probate, commercial law and civil commitments. And, along with several other responsibilities, the

Consumer Protection and Business Committee reviews financial service matters, insurance, and consumer protection service issues.

"I'm humbled to have been selected for each of these committees. Now, the real work begins. Today was my first full day. I'm looking forward to digging into the issues and being an effective voice for the people I represent,"

continued Vharra

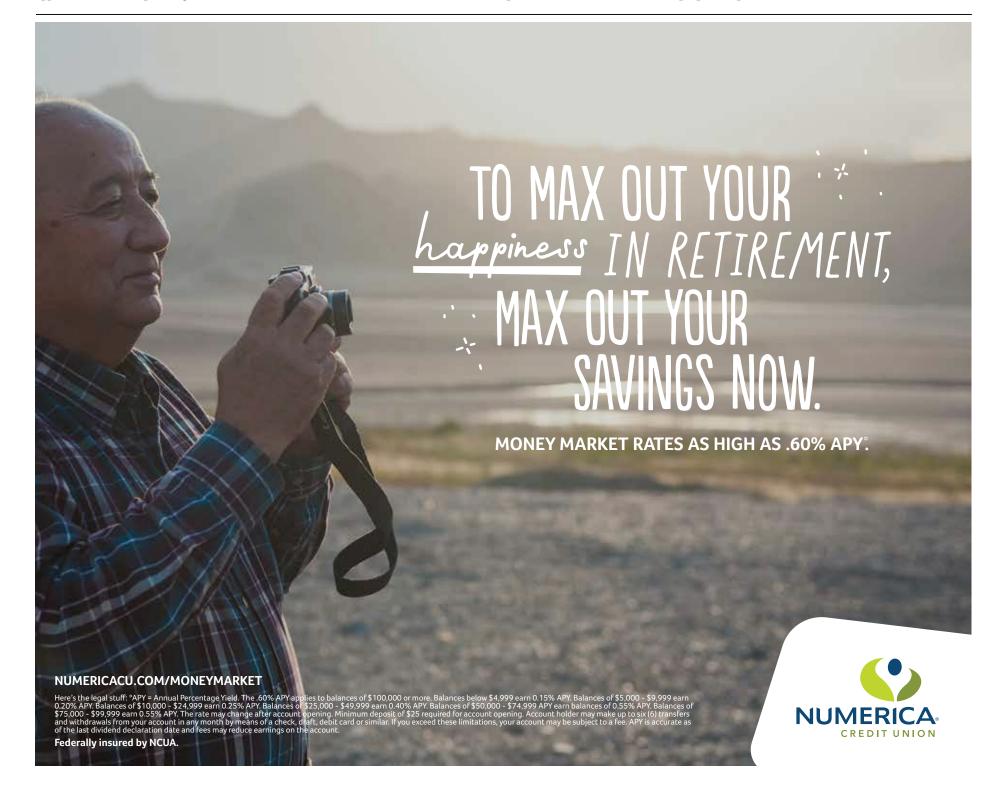
Currently employed by the Grant County Public Utility District as a reliability and compliance internal auditor, Ybarra has also worked for the Rocket Research Company as a scientist developing space shuttle hardware, cruise missiles and Mars lander equipment.

For more than seven years, Ybarra has served as a member on the Quincy School Board. Recently, he was also asked to be the vice president for the board of directors of the Washington State School Directors Association. The new lawmaker has worked on several legislative task forces and state commissions, including his 2016 appointment by the governor to the state Commission on Hispanic Affairs.

Ybarra's office location is 469 John L. O'Brien Building on the Capitol Campus. Contact information: Email address Alex.Ybarra@leg. wa.gov. Phone (360) 786-7808.

The 105-day legislative session began January 14 and is scheduled to end April 28.

\*Editor's Note: Former Rep. Matt Manweller, R-Cle Elum, resigned suddenly the weekend of January II just days before the start of the legislative session due to allegations of sexual impropriety by several women over a period of more than a decade.



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CHELAN COUNTY

# Trump signs "Early Action" hydro provision into law

**Chelan PUD** news release

WENATCHEE -Hydropower projects just got a boost from Congress with the passage of S. 3021, the America's Water Infrastructure Act of 2018

The bill, signed into law today by President Trump, includes an important provision that will spur investments in existing hydropower dams.

Chelan County PUD has been seeking the legislative change for five years as it prepares to relicense the Rock Island Dam.

"Hydropower faces new opportunities and challenges as demands on the electric system change," Chelan PUD General Manager Steve Wright stated.

"Congress has recognized that it is good public policy to encourage hydropower licensees to make new investments during the existing hydro license term, rather than waiting for relicensing. This provides value to Chelan PUD utility customers by protecting

our long-term investment in Rock Island. It also allows us to discuss other actions we can take, in advance of relicensing, with stakeholders that are willing to make early commitments," he added.

The bill directs the Federal Energy Regulatory Commission (FERC) to weigh early investments at hydropower projects when deciding the length of the next federal operating

Under the Federal Power Act, license terms are between 30 - 50 years. In 2017, FERC issued a policy stating that most new licenses will be for 40 years - with the potential to earn a 50-year license under certain conditions. However, there was still uncertainty around the types of investments that might count.

The new law ensures that "...redevelopment, new construction, new capacity, efficiency, modernization, rehabilitation or replacement major equipment, safety improvements, or

environmental, recreation, other protection, mitigation, or enhancement measures..." can help earn a longer license term.

The provision was part of a larger bill that passed the House by voice vote and the Senate by a recorded vote

The hydropower section received active, bipartisan support under the guidance of Washington legislators Senator Maria Cantwell (D-WA) and Representative Cathy McMorris Rodgers (R-WA). These lawmakers, who serve on the energy committees in the Senate and House, have worked on the "early action" concept in various forms over the past several years in an increasingly pro-hydro Congress.

"Senator Cantwell and Representative McMorris Rodgers are leading the nation on hydropower issues that make a real difference here at home. We would like to sincerely thank them both for championing this issue," said Wright.



Re-elected board members Dennis Bolz, left and Randy Smith as they took the oath of office last week. Bolz is starting his fourth, four-year term representing at-large District B. He lives in Wenatchee. Smith, from Cashmere, moves into his third, six-year term representing District. 2. Bolz was joined by his granddaughter Sophie.

# Chelan PUD Board affirms plan to meet 2019 performance goals

**Chelan PUD** news release

2019 will be another busy year for Chelan County PUD, commissioners agreed January 7 as they reviewed the District's performance plan outlining more than 70 initiatives under seven strategic objectives.

From writing a new strategic plan for 2020-2024 to continuing to pay down debt and investing in the District's physical assets and people, the 2019 performance plan is based on creating the best value for the most people for the longest period of time.

Repairs and rehab of units at Rocky Reach and in the first powerhouse at Rock Island Dam continue along with planning to modernize the 40-yearold horizontal units in the second powerhouse at Rock Island.

A decision on whether to build a new service center also is expected. A new customer information and billing system is scheduled for 2019.

Expansion of the PUD's world-class fiber network continues with plans to reach 1,033 more locations this year.

It will be challenging.

Steve Wright. Each item is individually identified to create clarity and accountability for highest priority actions, Wright

Commissioners thanked staff for committing to the plan, recognizing that the items listed go beyond the daily work of running the PUD.

"I have a great deal of respect for everyone in this room, your staff and the work you do," said board President Garry Arseneault.

"I see people here who like a challenge and rise to the challenge," said Commissioner Ann Congdon. "It's the old adage, 'If you want something done, give it to a busy person."

Commissioners started the new year with applause re-elected board members Dennis Bolz and Randy Smith as they took the oath of office.

Bolz is starting his fourth, four-year term representing at-large District B. He lives in Wenatchee. Smith, from Cashmere, moves into his third, six-year term representing District. 2.

A forecast for electric load growth of 3.5 percent this year is one of many BoardEffect paperless General Manager drivers of the work called for boardroom system.

in this year's performance plan, specifically substation planning and construction.

In 10 years, the PUD's electric load now of about 200 megawatts is forecast to increase by 48 megawatts.

In other business, commissioners:

■ Were updated on plans for Customer Relations staff training on Jan. 21, Martin Luther King Day.

PUD offices are open, but lobbies and customer operations will close so employees all can attend the first training on the new Customer Information System set to go live in late summer/early fall.

■ Heard that Chelan PUD Sunday sent two crews, flaggers and equipment to help Puget Sound Energy (PSE) restore power to customers left without service after last weekend's windstorm in King and Pierce counties.

Crews and equipment also helped Snohomish PUD and PSE restore service following a December storm, returning home on Christmas Eve.

■ Set a special meeting at 9 a.m. on Jan. 21, before the regular board meeting, for orientation on the

# **Town Toyota Center welcomes new** tenant Wenatchee Valley Skyhawks



The Town Toyota Center signed a three year contract to house Indoor Football named the Wenatchee Valley Skyhawks. The Skyhawks will play in the American West Football Conference, Currently, there are five teams in the league.

The Wenatchee Valley Skyhawks will play around the Westcoast including Tri Cities, Boise, Sacramento, and Reno.

The Wenatchee Valley Skyhawks will play at least six home games in the Town Toyota Center arena this season.

"The Town Toyota Center prides itself in bringing a different array of entertainment options to the Valley to bring a smile to all faces," said Mark Miller, General Manager of the Town Toyota Center.

The Indoor Football games will give another opportunity for constituents to be entertained and add to the overall economic impact of the Greater Wenatchee Valley. The Skyhawks will "bring good quality football," said Theo Hall of Hook Sports Media and owner of the Wenatchee Valley Skyhawks.

"We are so excited to play in Wenatchee and the Town Toyota Center. We are actively signing players and hope to sign a few local players so fans can really cheer on your Skyhawks football team," added Hall.

Arena Football is played indoors on a smaller field than outdoor football, resulting in a faster and higher-scoring game.

Football fans and sporting enthusiasts will enjoy the clean and luxurious amenities of the arena coupled with expeditious ticketing and food service in the fun and safe environment that is the regional Town Toyota Center.

For Skyhawks information and ticketing, please contact: The Wenatchee Valley Skyhawks

On line: www.wvskyhawks.com

Facebook: Like Skyhawks on Facebook @wvskyhawks Wenatchee Valley Skyhawks tickets will be available at the Town Toyota Center box office in the upcoming weeks.

**About the Town Toyota Center** 



Since inception in October 2008, the Town Toyota Center has drawn nearly 4 million guests to the Wenatchee area, generated nearly 70 million dollars in economic impact, hosted hundreds of Wenatchee Wild games, hundreds of concerts and shows, regional trade shows, basketball tournaments, and regional figure skating competitions.

The Town Toyota Center is a multipurpose arena containing 4,200 seats and a secondary permanent ice rink.



WENATCHEE BUSINESS JOURNAL FEBRUARY 2019 • **7** 



#### WSLC news release

OLYMPIA - The Washington State Labor Council, AFL-CIO (WSLC), the state's largest union organization with more than 600 affiliated unions representing some 450,000 rank-and-file members across the state, today announced its 2019 Shared Prosperity Agenda for the session of the Washington State Legislature that begins on Monday, Jan. 14.

"Last fall, voters elected and re-elected pro-labor candidates

# State's largest union organization sets legislative agenda for 2019

because, despite a relatively strong economy, working families are facing more uncertainty, fewer protections on the job, and rising costs to meet basic needs," said WSLC President Larry Brown.

"With our 2019 legislative agenda we are urging the Legislature to take proactive steps to promote the creation of good jobs, secure reliable benefits, improve how government delivers services, and invest in healthy communities. That's how to ensure that our current economic prosperity is truly shared."

Among the WSLC's priority labor issues for 2019 are:

Simplify employee classification

Incorrect worker classification strips hard-working Washingtonians of earned wages, creates an unlevel playing field for businesses, and siphons away state revenue.

By simplifying "independent contractor" definitions and improving enforcement, Washington state will support both workers and law-abiding employers.

#### Balance our tax code

Our infamous tax code is the most unfair and regressive in the nation. Enacting a Capital Gains Tax on sales of stocks and bonds, closing special interest tax breaks, and adopting a Real Estate Excise Tax and a Working Families Tax Credit will help balance our tax code and fund state services.

#### Public sector bargaining

As the federal government upends decades of public sector labor law, Washington should update its bargaining statutes to ensure that our public employees retain the freedom to join together and negotiate a fair return on their

#### Keep Washington working

Many of our state's most important industries rely on the dedicated work of immigrants.

The state should communities together to develop strategies to protect our immigrant workforce, and secure their rights as workers and as members of our communities.

In addition, the WSLC will be advocating for legislation the multiple other areas.

The a summary of the entire WSLC legislative agenda is available in PDF format or in HTML at The Stand.

If you have any questions, please contact WSLC Communications Director David Groves at 206-434-1301 or dgroves@wslc.org.

**WASHINGTON STATE DEPT OF** 

# 'Chumstick,' 'Stemilt' get DNR 'All Forest Restoration grants

**Edited DNR news release** 

The Washington State Department of Natural Resources (DNR) has awarded nine organizations across Washington with a combined \$1.8 million in new grant funding to help make forests in their communities healthier and more resilient to wildfires.

Through the All Lands Forest Restoration Grant Program, DNR awarded about \$1.6 million to help these groups plan and conduct forest health treatof overly dense forests.

Additionally, under the Building Forest Partnerships Grant Program, DNR awarded \$207,000 to help the organizations reach potential partners and the public through outreach activities, such as public meetings, forest field trips, and website development.

In all, the funding will lead to the estimated treatment of more than 1,800 acres of unhealthy forest and support the planning

LOCALLY OWNED. NATIONALLY AFFILIATED. GLOBALLY CONNECTED.

ments, such as the thinning to treat up to 120,400 more acres.

> "Solving our state's forest health crisis, which is a big contributor to our large wildfire seasons, will take an all-hands, all-lands approach to forest management," said Commissioner of Public Lands Hilary Franz, who leads DNR.

> "That's why DNR has joined forces with federal, tribal, local and industry partners on forest health, and why I am thrilled to support similar collabora

tions across our state at the regional level."

Both grant programs were established by the Washington Legislature in 2018, and Franz has requested \$2 million in the 2019-21 biennium to make sure these programs continue.

The grant recipients are all forest collaboratives – a mix of conservation groups, state and federal agencies, tribes, timber workers, and other community members - who are joining forces across property boundaries to improve forest health while also supporting the rural timber economy.

In Central and Eastern Washington, the collaboratives that received grant funding are working in highpriority watersheds identified in DNR's 20-Year Forest Health Strategic Plan.

DNR awarded the grant funding as follows:



Hoffman, (206) 999-8004 ♦ Stemilt Partnership, in Chelan County: Awarded \$107,198 in All Lands Forest Restoration funding and \$6,920 in Building Forest Partnerships funding. Local media contact: Mike Kaputa,

\$25,000 in Building Forest

Partnerships funding. Local media contact: Corrine

(509) 670-6935 Darrington Collaborative, in Northwest Washington: Awarded \$99,328 in All Lands Forest Restoration funding and \$25,000 in Building Forest Partnerships funding.

♦ North Central Washington Forest Health Collaborative: Awarded \$124,270 in All Lands Forest Restoration funding and \$25,000 in Building Forest Partnerships funding.

Other awardees are:

 Northeast Washington Forestry Coalition, Olympic Collaborative, Pinchot Partners, South Gifford Pinchot Collaborative Group, Tapash Sustainable Forest Collaborative.

Read more about what some of the collaboratives plan to do with their new funding on DNR's Ear to the Ground blog.

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# Never a dull moment at your Chelan PUD

You'll be hearing a lot from us soon - don't miss the chance join the conversation.

More definitely is more when it comes to talking with our customer-owners. You are the heart of public power. Chelan County PUD is looking for your input during the next several months when discussions about a new strategic plan, as well as a new centralized location for PUD services get underway.

All PUD customers are asked to let us know about how you think we can provide the best utility service for the most people for the longest period of time. Customers will be hearing from us a lot in the next few months. These important conversations will guide District operations for years into the future.

Please respond!



CHELAN COUNTY

The PUD will be asking the community lots and lots of questions.

These may be through formal surveys, commentary on social media sites, or simply asking you to email us with your ideas.

We value your time, and however much you're willing to share with us, to answer important questions about:

- Strategic planning through 2024
- The potential for combining utility operations and customer services
- Investing in our grid to meet growing electric load & ensure reliable power

You'll find details on

strategic planning ourpublicpower.org soon and background on Service Center planning at

chelan pud. org/Service Center.

Look for updates on new infrastructure at chelanpud org, too.

The more customers and community members involved gives us a better idea on how to work on quality of life issues here in Chelan County. Join us! More is definitely more.

Find us at Facebook.com/ ChelanPUD and follow us on Twitter @ChelanPUD.



Wenatchee Business Journal **8** • February 2019

# Tumwater Drilling hits liquid gold after amended Hirst rule



The top-heavy drilling rig must be leveled before any drilling can begin.

CONTINUED FROM PAGE I

hazel. When the sticks react in a downward and crossed motion it signals water has been located.

It is a practice hundreds of years old, documented back to at least the 1500s. Flags are staked at the point indicated by the rods and the drilling spot is thus memorialized for the crew to focus their labors and the drill on. A few hours later, liquid gold is struck.

The cost of the job in this story was about \$13,000 before a pump and any additional piping was placed. It should be noted that costs can vary depending on many factors, such as the topography, rock and soil density and depth of

The electrical pump to pull the water out of the hole can be hooked to a windmill to generate power, solar panels, gas generator or propane generator system.

Water is then pumped into a cistern, heavy duty plastic water tank or other container. From there the water is then drawn into the cabin either by an additional pump or by gravity. The cost

is directly tied to the required Homesteader-type "off the grid" television shows feature the importance of a water source on property meant for human self sufficiency and survival.

Luckily for rural Washington residents, the amended Hirst Decision now allows for Tumwater and other water drilling companies to satisfy the urge to live off the land and to do so without breaking the laws, even if they were made by urban politicians to begin

Keep reading NCW Media publications Cashmere Valley



The end result is a wellhead ready to have a pump installed.

Record, The Leavenworth Echo, Lake Chelan Mirror and Wenatchee Business Journal, for updates on laws passed in Olympia this session that affect rural life in North Central Washington.

Editor's Note: Some of

the facts in this article have been modified to protect the privacy of the landowners, including the names of the Tumwater workers, specific time and location of the drilling and the neighboring landowners.



Tumwater workers monitor the flow of water.



## The Hawkins Report direct from Olympia

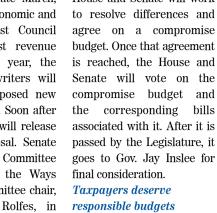
Legislature will consider and vote on many proposals during this 105-day session. Of those the most significant will be a new state operating budget, to take effect July 1.

Adopting a new operating budget typically is the most important responsibility we have because it funds most of state government's core services, including K-12 education, higher education, public safety and corrections, health and human services, and other operations of state government. Considering the growth in our state economy and the increased investments in K-12 education and other services, the next two-year operating budget

could be nearly \$50 billion. Two-year operating budget development

Sometime in late March, after the state Economic and Revenue Forecast Council releases its first revenue forecast of this year, the House budget writers will unveil their proposed new operating budget. Soon after that, the Senate will release its budget proposal. Senate Ways and Means Committee staff will assist the Ways and Means Committee chair, Sen. Christine Rolfes, in developing the budget.

Those proposed budgets. in the coming weeks, will be advanced through their committees and debated in their respective chambers -



I have always advocated for balanced budgets that demonstrate a prudent use of your tax dollars. I am proud of the additional investments the state has made in recent years to K-12 education and other services, due in large part to the growth in our state economy. Given the additional revenues expected through our current taxes, I see no need for new, additional taxes to fund state operations. In the weeks ahead, we will begin to see whether the majority party agrees with this philosophy and is willing to work together to avoid excessive spending and advance a responsible, bipartisan



budget. I certainly hope so.



# **Apple Association picks** 2019 Young Apple Leaders

Several Washington apple industry members selected by U.S. Apple Association to be in its class of 2019 Young Apple Leaders

The U.S. Apple Association (USApple) today announced its class of 2019 Young Apple Leaders.

Twenty-one accomplished and aspiring young women and men were selected by the organization to join with, and learn from, USApple leaders as they advocate on important issues impacting growers and the \$15 billion per year apple industry.

The 2019 Young Apple Leaders include Washing-

- Toni Lynn Adams, Washington Apple Commission, East Wenatchee
- Nicole Gordy, Sage Fruit Company, Yakima
- Logan Janin, Taggares Fruit Company, Burbank, Washington
- Garrett Joeckel, CMI Orchards, Wenatchee
- Tyler Monson, Monson Fruit Company, Selah
- Aylin Moreno, McDougall & Sons, Inc., Wenatchee
- Marianne Plath, Washington Fruit and Produce Co., Yakima The 2019 class will hit

the ground running on March 13 as part of US-Apple's Capitol Hill Day.

**USApple** Joining members from across the nation, the young leaders will meet with members of Congress to discuss hard-hitting issues affecting the future of the apple

"The 2019 Young Apple Leaders' class is the largest in USApple history, and the industry is fortunate to have so many bright young people who want to be involved," said Jim Bair, president and CEO of USApple.

"These young leaders are enthusiastic and eager to make a difference. Whether it is tariffs that are damaging our export markets, or the need for labor to harvest our crops, they understand what is being debated and decided in Washington today will have long-term implications for the next generation of apple producers and they want to be in a position to help shape that policy."

The YAL program equips the next generation of American apple growers and with an understanding of federal regulatory and legislative apple issues, and provides an opportunity to learn from peers and apple leaders from around the country.

Young apple growers and individuals in applerelated businesses who are at the start of their career through the age of 35 are eligible to participate. Now in its tenth year, the YAL program has been a great success in grooming future leaders. Several previous participants have already worked their way up through committees and onto the USApple Board of Directors.

Sponsors of the 2019 YAL program include: California Apple Commission, Columbia Fruit Packers, Domex Superfresh Growers, Farm Credit East, Hudson River Fruit Distributors, Knouse Foods Cooperative, Inc., Michigan Apple Committee, New York Apple Sales, Inc., Ohio Apples Marketing Program, Northwest Farm Credit Services, Sage Fruit, Wilbur-Ellis and Yakima Fresh.



I had a great discussion on election issues and costs last Saturday at Pybus Market with Chelan County Auditor Skip Moore (left) and Douglas County Auditor Thad Duvall (right). Their expertise and feedback are helpful to me as a member of the Senate's State Government, Tribal Relations and Elections Committee.

WENATCHEE BUSINESS JOURNAL FEBRUARY 2019 • **9** 



# IRS kicks off 2019 tax-filing season as tax agency reopens

Use IRS.gov to avoid phone delays

WASHINGTON - The Internal Revenue Service successfully opened the 2019 tax-filing season today as the agency started accepting and processing federal tax returns for tax year 2018. Despite the major tax law changes made by the Tax Cuts and Jobs Act, the IRS was able to open this year's tax-filing season one day earlier than the 2018 taxfiling season.

More than 150 million individual tax returns for the 2018 tax year are expected to be filed, with the vast majority of those coming before the April tax deadline. Through mid-day Monday, the IRS had already received several million tax returns during the busy opening

"I am extremely proud of the entire IRS workforce. The dedicated IRS employees have worked tirelessly to successfully implement the biggest tax law changes in 30 years and launch tax season for the nation," said IRS Commissioner Chuck Rettig.

"Although we face various near- and longer-term challenges, our employees are committed to doing everything we can to help taxpayers and get refunds out quickly."

Following the government shutdown, the IRS is working to promptly resume normal operations.

"The IRS will be doing everything it can to have a smooth filing season," Rettig said. "Taxpayers can minimize errors and speed refunds by using e-file and IRS Free File along with direct deposit."

The IRS expects the first refunds to go out in the first week of February and many refunds to be paid by mid- to late February like previous years. The IRS reminds taxpayers to check "Where's My Refund?" for updates. Demand on IRS phones during the early weeks of tax season is traditionally heavy, so taxpayers are encouraged to use IRS.gov to find answers before they

#### April deadline; help for taxpayers through e-file, Free File

The filing deadline to submit 2018 tax returns is Monday, April 15, 2019, for most taxpayers. Because of the Patriots' Day holiday on April 15 in Maine and Massachusetts and the Emancipation Day holiday on April 16 in the District of Columbia, taxpayers who live in Maine or Massachusetts have until April 17 to file

With major changes made by the Tax Cuts and Jobs Act, the IRS encouraged taxpayers seeking more information on tax reform to consult two online resources: Publication 5307, Tax Reform: Basics for Individuals and Families, and Publication 5318; Tax Reform What's New for Your Business. For other tips and resources, visit IRS.gov/ taxreform or check out the Get Ready page on IRS.gov.

The IRS expects about 90 percent of returns to be filed electronically. Choosing e-file and direct deposit remains the fastest and safest way to file an accurate income tax return and receive a refund.

The IRS Free File program, available at IRS. gov, gives eligible taxpayers a dozen options for filing and preparing their tax returns using brand-name products.

IRS Free File is a partnership with commercial partners offering free brandname software to about 100 million individuals and families with incomes of \$66,000 or less.

About 70 percent of the nation's taxpayers are eligible for IRS Free File. People who earned more than \$66,000 may use Free File Fillable Forms, the electronic version of IRS paper forms.

#### Most refunds sent in less than 21 days; EITC/ACTC refunds starting Feb. 27

The IRS expects to issue more than nine out of 10 refunds in less than 21 days. However, it's possible a tax return may require additional review and take longer. "Where's My Refund?" has the most up to date information available about refunds. The tool is updated only once a day, so taxpayers don't need to check more often.

The IRS also notes that refunds, by law, cannot be issued before Feb. 15 for tax returns that claim the Earned Income Tax Credit or the Additional Child Tax Credit. This applies to the entire refund - even the portion not associated with the EITC and ACTC. While the IRS will process the EITC and ACTC returns when received, these refunds cannot be issued before Feb. 15. Similar to last year, the IRS expects the earliest EITC/ACTC related refunds to actually be available in taxpayer bank accounts or on debit cards starting on Feb. 27, 2019, if they chose direct deposit and there are



no other issues with the tax

"Where's My Refund?" on IRS.gov and the IRS2Go mobile app remain the best way to check the status of a refund. "Where's My Refund?" will be updated with projected deposit dates for most early EITC and ACTC refund filers on Feb. 17, so those filers will not see a refund date on "Where's My Refund?" or through their software packages until then. The IRS, tax preparers and tax software will not have additional information on refund dates, so these filers should not contact or call about refunds before the end of February.

This law was changed to give the IRS more time to detect and prevent fraud. Even with the EITC and ACTC refunds and the additional security safeguards, the IRS still expects to issue more than nine out of 10 refunds in less than 21 days. However, it's possible a particular tax return may require additional review and a refund could take longer. Even so, taxpayers and tax return preparers should file when they're ready. For those who usually file early in the year and are ready to file a complete and accurate return, there is no need to wait to file.

#### New Form 1040

Form 1040 has been redesigned for tax year 2018. The revised form consolidates Forms 1040 1040A and 1040-EZ into one form that all individual taxpayers will use to file their 2018 federal income tax return.

The new form uses a "building block" approach that can be supplemented with additional schedules needed. Taxpayers with straightforward tax situations will only need to file the Form 1040 with no additional schedules. People who use tax software will still follow the steps they're familiar with from previous years. Since nearly 90 percent of taxpayers now use tax software, the IRS expects the change to Form 1040 and its schedules to be seamless for those who e-file. Free tax help

Low- and moderateincome taxpayers can get help filing their tax returns for free. Tens of thousands of volunteers around the country can help people correctly complete their returns.

To get this help, taxpayers can visit one of the more than 12,000 community-based tax help sites that participate in the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs. To find the nearest site, use the VITA/ TCE Site Locator on IRS.gov or the IRS2Go mobile app.

#### Filing assistance

No matter who prepares a federal tax return, by signing the return, the taxpayer becomes legally responsible for the accuracy of all information included. IRS. gov offers a number of tips about selecting a preparer and information about national tax professional groups.

IRS urges all The taxpayers to make sure they have all their year-end statements in hand before filing. This includes Forms Forms 1099 from banks and other payers. Doing so will help avoid refund delays and the need to file an amended return.

W-2 from employers and

#### Online tools

The IRS reminds taxpayers they have a variety of options to get help filing and preparing their tax returns on IRS. gov, the official IRS website. Taxpayers can find answers to their tax questions and resolve tax issues online. The Let Us Help You page helps answer most tax questions, and the IRS Services Guide links to these and other IRS

Taxpayers can go to IRS. gov/account to securely access information about their federal tax account. They can view the amount they owe, pay online or set up an online payment agreement; access their tax records online; review the past 18 months of payment history; and view key tax return information for the current year as filed. Visit IRS.gov/secureaccess review the required identity authentication process.

The IRS urges taxpayers to take advantage of the many tools and other resources available on IRS.

The IRS continues to work with state tax agencies and the private-sector tax industry to address taxrelated identity theft and refund fraud. As part of the Security Summit effort, stronger protections for taxpayers and the nation's tax system are in effect for the 2019 tax filing season.

The new measures attack tax-related identity theft from multiple sides. Many changes will be invisible to taxpayers but will help the IRS, states and the tax industry provide additional

protections, and tighter security requirements will better protect tax software accounts and personal information.

#### Renew ITIN to avoid refund delays

Many Individual Taxpayer Identification Numbers (ITINs) expired on Dec. 31, 2018. This includes any ITIN not used on a tax return at least once in the past three years. Also, any ITIN with middle digits of 73, 74, 75, 76, 77, 81 and 82 (Example: 9NN-73-NNNN) is now expired. ITINs that have middle digits 70, 71, 72 or 80 expired Dec. 31, 2017, but taxpayers can still renew them. Affected taxpayers should act soon to avoid refund delays and possible loss of eligibility for some key tax benefits until the ITIN is renewed. An ITIN is used by anyone who has tax-filing or payment obligations under U.S. tax law but is not eligible for a Social Security number. reason, the IRS urges anyone with an expired ITIN needing to file a tax return this tax season to submit their ITIN renewal application soon.

#### Sign and validate electronically filed tax returns

All taxpayers should keep a copy of their tax return. Some taxpayers using a tax filing software product for the first time may need their adjusted gross income (AGI) amount from their prioryear tax return to verify their identity.

Taxpayers using the same tax software they used last year will not need to enter their prior year information to electronically sign their 2017 tax return. Taxpayers can learn more about how to verify their identity and electronically sign tax returns at Validating Your Electronically Filed Tax Return.

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Wenatchee Business Journal **10** • February 2019

# The Good, the Bad and the Ugly: 2018

By Manus Clancy

If we're grading on a curve, 2018 was a solid 'A' for CMBS issuers and investors. No one will mistake 2018 with the record-setting year of 2007, as new loan volume was about 12% lower than 2017. But looking deeper, there was plenty of "good" in

Rating last year on absolutes would be like comparing the Browns to the Patriots. If Cleveland had won eight games, the city would have hosted a parade around Public Square.

If New England only won that many, citizens from Maine to Massachusetts would angrily dump their Sam Adams into Boston

In 2017, CMBS issuers had a natural source of loans as mortgages written a decade earlier were maturing and kept the securitization conveyor belt humming. As the so-called "Wall of Maturities" ended, CMBS pros worried that sourcing new collateral would be challenging.

But not only did they manage to corral collateral for new loans, they kept issuance levels nearly on par with 2017.

year-over-year gap closes by a greater margin if you include CLO

issuance, but it was still an impressive feat.

Beyond issuance levels, CMBS spreads and property valuations held mostly steady, even with plenty of "bad" and "ugly" events that could have inflicted

Among the speedbumps ignored by the CMBS and commercial real estate markets: The potential of a trade war between the United States and China; several large retail bankruptcies and liquidations (e.g. Sears, Bon-Ton, Toys "R" Us); rising credit spreads for junk bonds late in the year; a volatile US stock market; the sell-off of technology stocks during the fall; and of course, the fear that interest rates would increase.

With that as a backdrop, we offer up this year's version of The Good, the Bad and the Ugly.

#### **Good Headlines** from 2018

Tanuary: As legacy loans from the Wall of Maturities fade away, the Trepp CMBS Delinquency Rate hits its lowest level in two years.

ebruary: In a game New Yorkers could equate with spending 3+ hours in a pillory, the underdog Philadelphia Eagles outlast the New England Patriots



to claim their first Super Bowl title.

million CMBX 7 loan against 175 West Jackson Boulevard in Chicago is sent to special servicing. However, it was later returned to the master servicer after the collateral was sold and the loan was assumed.

Tune: The Trepp CMBS Delinquency falls below 4% and hits its lowest level since the Great Financial Crisis.

ugust: After a few Ayears in the spotlight, the long-running saga of 666 Fifth Avenue ends. The A-note was repaid after Brookfield bought the Manhattan office with a 99-year lease paid up front.

eptember: The \$138.0 million Westside Pavilion loan is defeased. Backed by a Los Angeles mall, shopping accompanying CMBX 6 loan had been with the special servicer after Macy's and Nordstrom announced plans to close.

Ctober: The Boston Red Sox win their fourth World Series in 15 years by topping the Los Angeles Dodgers in five games.

Tovember: Amazon announces its HQ2 decision as the firm will split its new headquarters between New York's Long Island City and Crystal City,

**Bad Headlines** from 2018

Tanuary: Macy's, U Sears, and Sam's Club announce store closings.

January: The 10-Year Treasury yield cracks 2.5%, its highest level in 10 months.

ebruary: Tops Markets, which operates grocery stores in New York and New England, files for bankruptcy.

Tarch: Southeastern Grocers, jewelry retailer Claire's, and Toys "R" Us all file for bankruptcy.

March: Operators of Farm Fresh and Aaron Brothers announce those franchises will be ended.

pril: The 2014 loan A against McKinley Mall in Buffalo, New York sent to special servicing.

A pril: A default is filed on the loan behind Manhattan's Flatiron Hotel. pril: The 10-Year A Treasury yield hits 3%. May: Cold feet?
David's Bridal hires restructuring advisors. The firm later filed for bankruptcy.

Stonestown Tune: 🔰 Galleria in Francisco, backed by \$179.3 million in CMBS 2.0 debt, loses Macy's and Nordstrom as anchors.

ctober: The \$80 million Three Westlake Park loan heads to special servicing after the Houston office collateral loses Conoco Phillips as tenant.

**Ugly Headlines** from 2018

**Pebruary:** The value of JPMorgan International Plaza I & II in suburban Dallas, which backs a \$151.8 million loan, reduced sharply.

pril: Retailer Bon-Ton Announces it will

pril: Wyoming Valley AMall in northeastern Pennsylvania loses Bon-Ton and Sears in the same week. Its \$73.7 million loan was sent to special servicer three months later.

May: The loan against the former OfficeMax Headquarters near Chicago resolved with 88% loss severity.

ay: The value of the Fashion Outlets of Las Vegas, which backs a \$65.2 million CMBX 6 loan, reduced by almost 80%.

**Ctober:** Sears enters Chapter 11 bankruptcy protection and announces it will close almost 200 stores.

**Ctober:** Washington Prime throws in the towel on West Ridge Mall & Plaza, two Kansas retail centers which back CMBS 2.0 loans.

This article was originally featured in The Year-End 2018 magazine, which contains research from Trepp and Commercial Real Estate Direct.



# Rep. Mike Steele's legislative update

It's the third week of the is House Bill 1064. 2019 legislative session. Already, we've seen floor action on a couple of

940). Our state constitution allows the people the right to approve or reject some state laws through the initiative process.

In November, voters approved I-940, which deals with the use of force by law enforcement and other police training standards.

Last year, several law enforcement groups opposed I-940. In order to fix some of the inconsistencies of the original initiative, law enforcement and community groups - including De-Escalate Washington, the original sponsors of I-940 came together to find common ground. The result

The new deadly-force standard outlined in the bill is a more objective, balanced definition of the use of deadly training and investigatory

The bill was approved by the House unanimously, 98-0, and now moves on to the Senate for further consideration.

#### Committee work

In odd-numbered years, like 2019, the Legislature is tasked with reviewing and approving the state's twoyear spending plans.

Those plans are broken down into three main categories: the operating, transportation and capital budgets.

The bulk of our time this session will be focused on debating and discussing various proposals for those budgets.

As I reported in my previous email update, revenue, the governor has proposed a more than 22 percent increase in spending for the 2019-21 operating budget.

In order to balance, the \$54.4 billion plan would require hefty new taxes, including a capital gains income tax, an increase to B&O taxes, and a change to the state's real estate tax.

In the House Appropriations Committee, which deals mainly with fiscal policy, we've heard from several individuals and representatives of different organizations seeking additional funding. In some cases, they are asking for even more money than what the governor has requested.

Although we have just begun to evaluate the fiscal policy proposals before the One of those was on a bill force by law enforcement. It despite \$4 billion of committee, I'm opposed to that amends Initiative-940 (I- also contains clarification on unexpected additional many of these big spending requests.

> In the House Education Committee, we continuing our work on McCleary. That includes taking a deep nosedive into K-12 education policy.

> We've held several work sessions on education funding and spent time learning about the different functions of education organizations around the

> As the ranking member of the committee, it's good to see new members getting familiar with all the nuances of education policy.

> One of the most interesting conversations this year is on

whether the state should go to a simple majority for bond-votes. Although this deals mainly with the capital budget, it's also a topic in education.

Because I'm assigned to both the Education and Capital Budget committees, I'm hearing about it from each perspective.

In the Capital Budget Committee, we are learning about the use of crosslaminated timber in several construction projects around the state.

And, we've also heard which is asking the capital permission from budget to fund the bulk of the \$1.1 billion the governor would like to spend on orca recovery.

#### House Page Program

The House Page Program connects students to the government in a truly remarkable way.

For one week they work in Olympia and actively participate in the process of our state government.

Each year, students from around the state apply to the program.

Along with delivering messages and documents to legislators and staff, students attend "page

school" and learn about the inner-workings of our state government.

Frequently, the experience results in life-long civic engagement. In fact, many of these students go on to become local, state or even nationally elected officials.

While working at the state Capitol, pages live with host families in Olympia-area neighborhoods. Pages are paid \$35 per day.

To become a page, applicants must a legislative sponsor, be between the ages of from the Orca Taskforce, 14-16, and obtain written parents and school.

> If you, or someone you know, is interested in participating in the House Page Program please give my office a call.

We would love to talk to you and answer any questions you may have.



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# MEMBER MESSENG

"Driven to Promote and Protect Small Business"

**FEBRUARY 2019 ASSOCIATION NEWSLETTER** 

PAGE 1

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Thank You to the following valued renewing members this month. We're extremely grateful to each of you for your continued membership, involvement and support!

- Augustedge, PLLC 6 years
- Boyer Mountain Pool Inc. 3 years
- BTO Construction 21 years
- C & C Investment Properties LLC 15 years
- Carlisle Classic Homes 1 year
- Cashmere Valley Mortgage 21 years
- Collins Fashions 6 years
- Dan Beardslee Consulting 1 year
- Davis, Arneil Law Firm LLP 3 years
- Deep Water Home & Electronics 6 years

- Eagle Fence Store 21 years
- Erlandsen & Associates, Inc. 17 years
- Forte Architects 8 years
- HandyFix 2 years
- Inland Fire Protection, Inc. 20 years
- Jones Concrete 2 years
- Kelley Imaging Systems 4 years
- Marson & Marson Lumber 21 years
- Midway Building Supply 1 year
- Patriot Plumbing, Heating & Cooling Inc. 2 years Pinnacle Painting – 12 years
- Quality Restoration and Repair LLC 1 year
- Shades Window Tinting 2 years
- Slabjack Geotechnical 6 years
- Standard Paint & Flooring 6 years
- Summitt Construction 21 years
- The Wenatchee Downtown Association 2 years
- The Wenatchee World 15 years
- Town Toyota 13 years
- Velocity Insurance Group 7 years
- Washington Federal 4 years
- Wenatchee Valley Technical Skills Center 7 years





# **MOTIVE**



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Email us for more information: Info@BuildingNCW.org

Visit us online at: www.BuildingNCW.org

# Free training workshop

■ What: Employer's Introduction to L&I

When: April 2, 2019 at 9:00am

Where: 519 Grant Road, East Wenatchee

■ *Why:* Attending this free workshop will make it easy for all business owners and managers to work with L&I.

You will learn:

✓ The essentials about workers' compensation, quarterly reporting, what to do if your employee is injured, wage and hour laws, and contractor registration rules

- ✓ How to save money and time by using L&I resources to develop a safety culture at your business
- Various ways L&I partners with you to keep your workforce safe and healthy

This workshop is also available online. View the webinar schedule online at www.lni.wa.gov/main/ workshopstraining. For more information contact the L&I Small Business Liaison Office at 1-800-987-0145 or SmallBusiness@lni.wa.gov.

#### WELCOME NEW BNCW MEMBERS!

To view each of our valued member company's complete profile, we invite you to visit BNCW's website at www.BuildingNCW.org and click on the membership directory tab. Thank you!

- Pro Foam John Barry 509-679-3772
- Xtreme Concrete Julio Gonzalez 509-668-8899
- Valencia Fencing, LLC Ismael Valencia 509-668-7900
- American Pacific Mortgage Janice Brown 509-888-6700
- **DC Custom Construction Inc. Christina Arnall** 509-787-2044
- Chelan Glass and Door **Robert Guerin** 509-682-2634



For more information about becoming a BNCW member, please contact Membership Development Specialist Sarah Daggett at (509) 293-5840. We look forward to sharing with you the benefits of membership!

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# MEMBER MESSENGER

"Driven to Promote and Protect Small Business"

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# BNCW's:

#### FROM A DIFFERENT PERSPECTIVE

#### **Terrific Toil**

12,000 net new jobs in November, the biggest increase since 2/18, upward revisions totaling 58,000 for September and October, and Y-o-Y wage growth of 3.2%, the best in over a decade, make the November employment report outstanding. Moreover, the unemployment rose to 3.9% from 3.7% because of more folks working and looking for work! With data like this, household consumption will remain strong and there will be no recession."

> Elliot F. Eisenberg, Ph.D. GraphsandLaughs LLC elliot@graphsandlaughs.net Cell: 202.306.2731,

> > www.econ70.com

# Many contractors are still risking substantial fines... Get certified

Does your business involve the renovation, repair or painting of structures built before 1978?

If so, there are federal regulations in effect which may prevent you from performing your work.

Under the U.S. Environmental Protection Agency's Lead-Based Paint Renovation, Re-pair, and Painting (RRP) Program construction firms must apply for and receive EPA Certification to disturb paint as part of their work in pre-1978 homes, childcare facilities and schools.

In addition, all of these jobs must be performed by an EPA Certified Renovator (individuals who have completed an EPA-accredited, full-day training course) working for an EPA Certified Firm and specific work practices must be implemented to prevent lead contamination.

Specifically, this training course is required for any contractor that is involved in any activity that will – or has the potential to – disturb six square feet of lead-based paint in a room, or 20 square feet on the exterior.

The rule does not apply to minor maintenance or repair activities; however, window replacement is not considered minor maintenance or repair under the federal regulations.

Who Should Take This Class?

✓ Home Improvement/Renovation Contractors



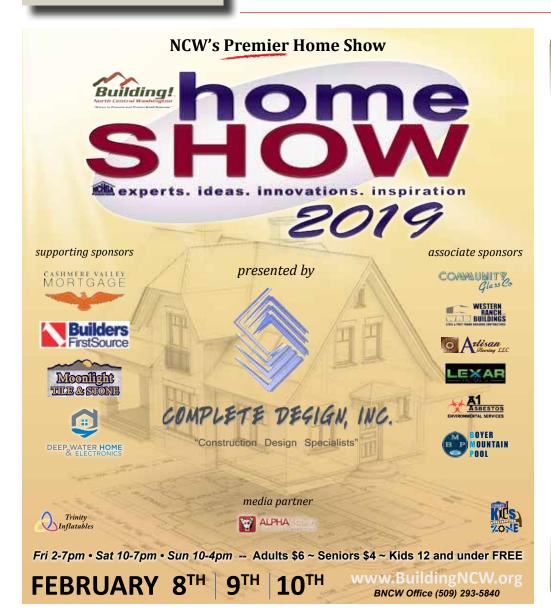
- √ Remodelers/Carpenters
- ✓ Painters
- √ Plumbers
- ✓ Electricians
- ✓ Maintenance Personnel
- ✓ Residential Property Managers/Owners✓ Workers Removing or Modifying
- Painted Surfaces

  ✓ Anyone disturbing more than 6 sq. ft.

  (interior) & 20 sq. ft. (exterior) of lead-based paint.
- *What:* EPA Certified Lead-Safety for Renovation, Repair & Painting Training
- Cost: \$235 Members \$285 Non-Members
- Instructor: NICA Staff

Class size is limited to 8 students Pre-registration is required

- When: February 20, 20198:00am 5:00pm w/Check-in at 7:45am
- Where: BNCW Conference Room, 2201
- N. Wenatchee Avenue
- *How:* Register online at *www. BuildingNCW.org* or call the BNCW office at *(509) 293-5840*.



# Getting Involved Pays Dividends!

One of the best ways to leverage your BNCW membership, while establishing new relationships with other Association member companies, is to get involved in one of the many committees, events and leadership opportunities that are available!

In addition to being a fun way to help advance the mission of your Association, such opportunities have a way of leading to new relationships and new business opportunities, too!

It's important to note that we fully appreciate that our members' schedules vary widely, so, we seek member committee involvement at whatever level suits our members' wishes and comfort level; in other words, we want you at whatever level of involvement is comfortable for you!

Here are a few committee examples where we are seeking member involvement.

- ◆ 2019 BNCW Golf Tournament Planning Committee
- ◆ 2019 BNCW Home Tour & Remodeling Expo Planning Committee
- BNCW Membership Committee

- BNCW Communications Committee
- BNCW Government Affairs Committee
- BNCW Political Affairs Committee

For information on these and other opportunities to get involved, please contact the BNCW offices at (509) 293-5840.

"Our company joined BNCW for the opportunity to gain market exposure within our industry through specific advertisement. What I later discovered is the opportunity is far beyond that. By becoming involved in various activities such as Nothing but Networking, the Home Tour & Remodeling Expo and the annual Auction, we have deepened relationships we never had. I would recommend everyone not only advertise through BNCW, but more importantly, become involved to have some fun and strengthen your business relationships." Proud member, Patrick Davidson



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# Top 10 Most Cited L&I Violations in 2018

### Attribution: Approach Management Services

L&I released its list of the Top 10 Violations in 2018 for construction jobsites. With inspectors visiting construction jobsites more than 13,000 times last year alone, it pays to take a few minutes and think about how your company measures up in the following areas:

- I. Accident prevention program (safety plan)
- **2.** Fall protection
- 3. Ladder Use
- 4. Asbestos, Tremolite, Anthophyllite, and Actinolite
- **5.** Tools Hand and Power
- **6.** Personal Protective Equipment (PPE) Head Protection
- 7. Scaffolding
- 8. Management's Responsibility
- 9. General Protection Requirements
- **10.** Personal Protective Equipment (PPE) Construction

Violations for any of these areas generally result in mandatory, minimum fines of \$1,000 to \$7,000 each. (First aid training and certification is also frequently cited, but does not come with financial penalties.) The fines quickly multiply based on the severity of the violation – the likelihood that a worker would be injured – or in cases of a willful or repeat violation.

For example, let's say you have an employee working 30 feet in the air, with little documented training, and using

improper fall protection. That fine would be \$7,000. If your company gets cited five more times within three years, your next fine will be \$105,000 for that occurrence.

The bottom line is that it's not unusual to see fines in the tens of thousands of dollars, with several each year costing \$100,000 or more. An ineffective safety program can put your company our of business.

While there are ten frequently cited violations, Approach safety manager Holly Markee says three focal points can help your company to protect itself and its employees from safety violations and potential accidents:

**Imployers** – Safety needs to run through the company, from the top down and from the bottom up. Know what safety rules pertain to your business and how to comply with them. Train employees about the importance of safety and why the rules are in place.

**Employees** – Each member of the team must be accountable and must follow company safety rules. Consider selecting a different employee each week on a crew to make sure everyone is following safety rules.

**3** • accountable but should not be babysitters for crews. Safety needs to be everybody's responsibility.

With this mindset in place, says Holly, "Your company



is going beyond just reading the manual for ten minutes and signing a form. You're building a safety culture with clear expectations because, at the end of the day, all citations are preventable and it all starts with training and accountability."

When it comes to getting a safety program up and running, start with the basics:

- □ Accident Prevention Program (APP) this bit of documentation is required by law for every employer. Having it written, implemented with training, and enforced is the first step for any company and will keep your company from being cited for #1 violation in the state lack of an APP a \$2,000 to \$3,000 fine.
- □ Safety Meetings these are required each time you open a new jobsite and weekly thereafter.
- □ **Safety Training** provide training programs for the hazards your employees are exposed to.
  - Example 1 fall protection how to wear it, take care of it, and inspect it.
  - Example 2 training a new tool, which is required whenever a new tool is introduced.
- Enforcement disobeying a safety rule must result in immediate discipline and documentation. But, also take time to talk with employees about why rules are in place and to thank employees doing the right thing.



#### Learn the L&I rules and get required written safety plans for:

- Accident Prevention
- Fall Protection
- Equipment Safety
- Heat Stress
- Proper Lifting
- Fire Extinguishers
- PPE
- Tools and Electrical
- GHS Compliant HAZCOM
- Respiratory Protection
   Excavation and Trenching

Get the L&I required plans, forms, and training resources needed for your company – all

in one class!

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COMPLIANCE AND ACCIDENT PREVENTION IN ONE DAY!

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Date: March 20, 2019

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Address: 2201 N. Wenatchee Ave.
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Time: 9:00 am - 3:30 pm

Price: \$100 Members/\$150 Non-Members

Call BNCW at 509-293-5840 to register, or visit <u>www.buildingncw.com</u> to register online.



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# Labor & Industries - Silica Rule

Hopefully, by now, you're aware that last year, L & I put into place a new Silica Rule that went into effect. Essentially, if your company performs tasks with any of the following materials, you will likely be required to generate a site/project specific Silica Exposure Control Plan to limit worker exposure to respirable crystalline silica in the workplace.

- Asphalt
- Brick
- Cement
- Concrete
- Concrete Block Drywall
- Fiber Cement products
- Grout
- Gunite/Shotcrete
- Mortar
- Paints containing silica
- Plaster
- Refractory Mortar/Castables
- Rock • Roof Tiles (concrete)
- Sand
- Soil (fill dirt; top soil)
- Stone
- Stucco/EIFS
- Terazzo • Tile (Clay and Ceramic)
- TThe new rule sets very low

Permissible Exposure Limits (PELs) before triggering specific measures to limit employees' exposure. It's important to note that the absence of visible dust does not mean that no airborne silica is present.

Even though all trade contractors will be required to ensure that they are limiting exposure to crystalline silica on a jobsite, but the general contractor will be held responsible for their sub-contractors, too. So, in other words, both the sub-contractor and the general contractor can be cited for failing to meeting the requirements of the new rule.

There's a very helpful online checklist tool that provides employers with a template style approach to creating project or site-specific exposure control plans. Visit https://plan.silica-safe. org to use this very helpful resource.

Labor & Industries began compliance enforcement on October 1, 2018. The Department has been hiring scores of new enforcement officers. Violations will be considered serious and penalties will be significant.

BNCW is working with our primary education provider - NICA - to begin offering competent person training to our members to help ensure as pain-free compliance as is

The first class opportunity is scheduled for Tuesday, March 12, 2019.

This class will be held at the BNCW office at 2201 N. Wenatchee Ave., Wenatchee from 9:00am to 3:30pm. Please arrive at 8:45am for registration. You can sign-up and pay on our website at www. buildingncw.org/events.





(509) 886-4114 Cell 670-2021

Pat Brown Lic# INDUSCI011L3

101 South Roland East Wenatchee, WA 98802





#### **BNCW EVENTS**

#### **BNCW's February Board of Directors Meeting**

■ February 21, 2019, 7:00am to 9:00am **Building North Central Washington** 2201 N. Wenatchee Ave, Wenatchee

#### **Chairman: Amy Gustin**

The Board of Directors is the policy-making body of the Association and is responsible for the business affairs of the Corporation according to BNCW's bylaws.

Our Directors meet the Third Wednesday of each month in the boardroom of the BNCW offices.

These meetings begin at 7:00am and are open to any BNCW member to attend. If you wish to contact any of the officers or directors, please visit the BNCW website for their contact information.

#### BNCW's February CPR & First Aid Training

■ February 12, 2019, from 4:00pm to 6:00pm Held at Building North Central Washington, 2201 N. Wenatchee Avenue, Wenatchee

\$49/person, includes Continuing Ed credits and is good for new and recertification.

#### Call BNCW at (509) 293-5840 to Register!

Were you aware that as an employer, unless you are able to get an injured employee to medical care within 3-4 minutes, you are required to have trained and equipped employees? This two-hour class will provide attendees with their certification.

Our instructor — George Templeton — puts on a great class that is enjoyable and informative, too.

Pre-registration Required. Seats are limited to 15 and fill-up quickly, so reserve your spots early! You may also register online at BuildingNCW.org.



### Toiletries Drive at 2019 BNCW Home Show

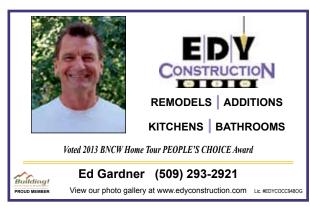
When you visit this year's BNCW Home Show, we hope that you will consider bringing a few donation items to support the Women's Service League of North Central Washington's toiletries drive.

With your contribution, you will also receive a discounted ticket into the Show.

WSLNCW volunteers will be collecting toiletries throughout the Show and distributing the donated items to local non-profits that help the homeless.

For more information on this effort, please visit WSLNCW's website at www.wslncw.org.

Thank you!





**BNCW Members** Save on your cell phone and health insurance costs! CALL 293-5840 TO LEARN HOW FEBRUARY 2019



#### **Chelan-Douglas CAN** adds Rios to board

The Chelan-Douglas Community Action Council is pleased to announce a new member to the Board of Directors. Cassie Rios, Washington Trust Bank joined the board in December.

#### **GWATA** announces new board president and board members

GWATA is pleased to announce the appointment of Stacy Luckensmeyer as the President of its Board of Directors effective January 1, 2019. Stacy steps into this role after Ron Brown, who was President 2016-2018.

Stacy has been on GWATA's Executive Board since 2015,

first serving a year as Board Treasurer then as the Board Vice President from 2016-2018.

Stacy is the Business and Industry Liaison for Wenatchee



Stacy Luckensmeyer

Valley College and oversees the Center for Entrepreneurship. She has been with the College for more than 8 years and has held her current position

"It's an honor to serve both the organization and our community as president for 2019," Stacy Luckensmeyer said. "GWATA has seen such a tremendous growth over the last few years, with the addition of the Flywheel Investment Conference and

our expanding membership base."

"With such a strong board and our very talented executive director and staff, we look forward to connecting

with our region even more and continuing to meet the needs for which your Technology Alliance is uniquely positioned," Luckensmeyer added.



Shaunna Larson

#### LMRE recognizes Shaunna Larson on her achievement

"Congratulations to Shaunna Larson on her new role as Designated Broker at Laura Mounter Real Estate & Co. With over 15 years of experience with LMRE, Shaunna is well positioned to lead the firm forward. Along with her new duties she will continue helping her clients with their real estate needs.

Laura Mounter will continue working with clients buying and selling real estate, and looks forward to 2019. "

# Wenatchee Valley Museum & **Cultural Center hires Director of Development & Communications**

The Wenatchee Valley Museum and Cultural Center (WVMCC) is pleased to announce the hiring of Kristin Lodge as the new Director of Development Communications, a role she started January 3. Previously Lodge held the position of Digital Marketing Manager for ENews Networks since 2014.

Keni Sturgeon, Executive Director of WVMCC said, "I am very excited she is joining the museum team. She is going to be a great asset as we move into 2019 and beyond." Lodge said, "It is an honor to join the talented staff and dedicated volunteers at the Wenatchee Valley Museum & Cultural Center. I look forward to helping the museum grow



Kristin Lodge

as a community resource, gathering space, and hub for education and exploration."

Lodge is an experienced non-profit professional with a background that includes 15 years of work in development and communications.

Prior to her role at ENews Networks in Wenatchee, Lodge served as the Development Manager at Providence Child Center Foundation in Portland, Oregon from 2010-2011. Prior to that, she worked central marketing and Advancement at the University of Washington in Seattle from 2003 – 2010.

Lodge holds bachelor degrees arts Communications Political Science from the University of Washington.

She has served on the board of the Pybus Market Charitable Foundation since 2015.

She also served on the Sunnyslope Elementary School PTSA Board of Directors since 2017, and as a Greater Wenatchee Soccer Club & OPS FC Coach since 2016.

### Wenatchee Valley Dispute Resolution Center welcomes new Executive Director

The Wenatchee Valley Dispute Resolution Center is a nonprofit organization dedicated to providing mediation services, training, and programs to assist people in the peaceful resolution of disputes while complimenting the judicial system.

After over a year of contracting with an interim director, the WVDRC Board is pleased to announce the hiring of Jennifer Talbot as Executive Director.

Jennifer has been a part of

the Wenatchee community for over 20 years. She joins the WVDRC after providing leadership in variety of organizations to facilitate and manage communication, initiatives, outreach, team building, strategic planning, and staff development. recently earned her Master's degree in Organizational Leadership with a concentration in Servant-leadership Gonzaga University.

Jennifer will be working with the Board and staff



Jennifer Talbot

About the WVDRC

Mediation is a voluntary process that provides an opportunity and an environment for mutually and efficiently resolving conflicts in a private, safe, and positive environment.

With the help of certified skilled mediators, parties share their views and

have the opportunity to address important issues in a cooperative constructive

Resolutions are created together and accepted by both parties that reflect the individual values and needs of both.

PO Box 3391 (14 N. Mission Street), Wenatchee, Washington 98807 509-888-0957 www.wvdrc.org

to support the conflict resolution program and further develop the vision and strategic plan of the organization.

Her organizational skills and community connections will play a central role in this process.

"I am looking forward to being a champion for the service that our mediators provide for the community and advancing the organization's mission through outreach, partnership, and collaboration," says Jennifer.

#### About the Wenatchee Valley Museum and Cultural Center



Through creative programs, exhibits and publications, the Wenatchee Valley Museum & Cultural Center tells the stories of the people who built, live, work, and play in our community. The Museum strives to foster an appreciation for our collective community memory through: Honoring the Arts, Preserving & Sharing Our History, Celebrating Our Culture, and Exploring Science & Ingenuity.

The Museum is proud to share a variety of exhibits interpreting life in North Central Washington dating back to the Ice Age. From 11,500-year-old Clovis points discovered in an East Wenatchee orchard to household articles used in Wenatchee homes around 1900, the past comes alive at the Wenatchee Valley Museum & Cultural Center.

The Museum is a 501(c)(3) nonprofit organization that operates with the support of the cities of Wenatchee and East Wenatchee, and is housed in two historic federal-style downtown buildings that served early Wenatchee as the Post Office and Annex. For more information, contact the museum at 509-888-6240.

#### **Position Opening**

**Research & Development** Manager, Wenatchee (Stemilt Growers)



Direct research in horticulture and post-harvest physiology and related pre- and post-harvest techniques for the current varieties and new varieties.

Requirements: PhD in Horticulture Science, or a closely related field; and 5 years of experience

in any Research Horticulturalist occupation.

**Experience must include:** Evaluation of fruit quality; Diagnoses of defects and disorders of tree fruit; Management of research trials on fruit quality control, quality assurance, food safety, and horticultural trials; Agricultural technology for use in orchards and packing facilities including near-infrared spectroscopy, agrometeorological instruments, fruit quality instrumentation; Management of research cold storage facility; Management of Biosafety Level 1 food safety laboratory; Management of fruit quality laboratory; and Research experience in physiology, imaging, non-destructive fruit quality evaluation, ripening and cold storage of fruit.

To apply, please submit your resume to:

https://secure4.entertimeonline.com/ta/6146864.jobs?JobsSearch=1 or in person at Stemilt Human Resources Office located at 3135 Warehouse Road in Wenatchee, WA referencing Job Code #18-256

# Cashmere Chamber of Commerce adds two to board

#### By Kalie Drago

In a community that is close knit, bustling with opportunities to get involved in and harboring the charming small town vibe - many Cashmere community members sought positions to give back and get involved locally.

The Cashmere Chamber of Commerce is one entity that allows its board members the ability to give back to the community while also feeding into the prosperity of the local economy.

On January 15, two new board members were welcomed to the Chamber -Karen Christensen and Pam Leighton.

Pam Leighton is the executive director of the Cashmere Food Bank and will be



Karen Christensen



**Pam Leighton** 

representing that entity in her new position.

"I felt that being a member of the Chamber was an honor actually, but also a way for me to get information about the food bank out there into the community so people know who we are, what we are and what our needs are," said Leighton.

Leighton is a familiar face - she has been in Cashmere since 1988 and over the course of those years gained knowledge and adoration for the town along with membership amongst other Cashmere organiza-

She is a charter member of the Kiwanis club and

SEE CASHMERE CC, PAGE 16

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# Cordell, Neher & Company lauded for 'Community Service'

The 2018 Corporations for Communities Award, presented by Washington Secretary of State Kim Wyman (third from left above), was given to Cordell, Neher & Company in late 2018 for its continued efforts at providing volunteer time and labor to local and regional non-profit organizations.

Representing the firm are company principals Tim Dilley, Steve Neher, Sean Patton and Kris Loomis.

"We place a strong emphasis on community service and believe that it's important to give back to the communities that support our work and our clients

"This value is so strongly held by our entire team that we select one regional non-profit organization to support through volunteer efforts each year. Our

entire team participates, and in the past we've supported the work of these organizations through activities such as stripping and staining picnic tables, clearing wood, hauling bark, and staining the lodge at the Scout-A-Vista camp; cutting new trails, clearing brush, and smoothing mountain bike trails at Squilchuck State Park; serving meals at Lighthouse Ministries;

splitting wood at the YMCA camp and various other important efforts.

"We are proud to have done this for over 20 years, and it is both fun and rewarding for our team. We're pleased to have the ability to positively impact organizations that serve such important purposes in our region," explained Managing Director Kristine Loomis.

#### **CONTINUED FROM PAGE 15**

#### Cashmere Chamber of Commerce adds two to board

was the past president about four times. Leighton has also played Mrs. Claus alongside her husband, Santa Claus, for the Christmas in Cashmere.

"We had so much (playing the Claus") and I want to continue to give back to the community in anyway I can," said Leighton.

"I'm hoping that becoming a chamber member will help me see some of the needs in our community and I want to support, as much as I can, the city of Cashmere."

The other new addition to the Chamber is Karen Christensen.

She has ties to the Cashmere community in the form of being involved in the Cascade Closet Co., working with the gnome committee portion of the Chamber and has a personal connection due to her children being enrolled in the Cashmere School District.

"I thought it was something I could do (being a board member) and sounded fulfilling to me," said Christensen.

"I'm looking to help out where I can and to assist the other board members in the goals for the Chamber of Commerce and for the community."

She was nominated for the position and decided she could not only offer something to the role, but learn something as well from her fellow.

Christensen will remain helping out the gnome committee and was also added to the Scare-Crazy committee.

"It seems like a really good group of people >>

(the Chamber board). It seems that everyone has some great skill sets so I'm excited to learn from the people who have more experience and helping out where I can," said Christensen.



# Wenatchee Business Journal's RESTAURANT GUIDE





Advertise your business lunch specials!

Call Carol Forhan, 509-548-5286
or Lindsay Timmermans, 509-860-7301

Wenatchee, WA 98801

509-393-6101

# City of Wenatchee New Business Licenses December 2018

Decembe	r 2018
Al Asbestos LLC	Timothy Powell
I I I 5 Walla Walla Ave	Asbestos, Mold Remediatio
Wenatchee, WA 98801	
506-782-8889	
Family Builders LLC	Samuel Beregoroy
Ephrata, WA 98823	Independent Contractor
509-237-9476	
Action Research	Jennifer Tabanico
3630 Ocean Ranch Blvd	Social Marketing
Oceanside, CA 92056	
760-722-4000	
ACME Buffing & Waxing	Henry Pierce
Cashmere, WA 98815	Buffing & Waxing Floors
509-699-8301	
Sage Brush Dental	Erich Jurges
1114 N Mission	Dental Office
Wenatchee, WA 98801	
509-436-8202	
Walker Family Holdings LLC	Mike & JoAnn Walker
Wenatchee, WA 98801	Property Management
509-662-2873	F3. y . mmgement
Neat and Sweet LLC	Connie Woodson
11726 E Mt Spokane Dr	Construction Final Cleaning
Mead, WA 99021	Construction Final Cicaring
509-217-0444	
PMH Development LLC/	Daine Cines & Daham Vante
Knutson Builders	Paige Sires & Robert Knuts
Wenatchee, WA 98801	Residential Construction
509-264-0930	Ron Fila
Star Construction LLC	New Construction/
Wenatchee, WA 98801	Remodels
509-423-0995	6. 141
Klotz Electric LLC	Steven J Klotz
Wenatchee, WA 98801	Electrician
509-393-3778	
Roof-To-Wall LLC	Sergio, Gera, Adam Ayala
Wenatchee, WA 98801	Roofing, Siding, Drywall
509-415-5220	
Safari Room	Candace Armstrong
Wenatchee, WA 98801	Nightly Rental
509-679-2448	
Occupational Therapy Services, LLC	Christine A Evenson
Wenatchee, WA 98801	Occupational Therapy
509-679-5744	Services
Cash & Carry Stores LLC	Smart & Final Stores LLC
200 Ferry St	Grocery Store
Wenatchee, WA 98801	
509-662-6865	
Ernesto's Beauty Salon	Manuel Ortiz
820 S Wenatchee Ave	Hair Salon, Brow Wax
Wenatchee, WA 98801	
509-699-9842	
Two Six Window Cleaning	Charles Baumann & Adam Pingel
Wenatchee, WA 98801	Window & Gutter Cleaning
509-264-9979	
Novas Bar & Grill	Maria Eve Gome & Roman
Brother's Music Entertainment LLC	Robles
212 S Wenatchee Ave	Bar
509-431-2245	
Horacio's Auto Repair	Horacio Venegas
1820 N Wenatchee Ave	Auto Repair
\\\/\contaboo\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	-F ··

REAL ESTATE

FEBRUARY 2019 WENATCHEE BUSINESS JOURNAL / NCWBUSINESS.COM

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	TOP PR	OPERT	I <b>ES – D</b> ecember	2018	8							
Buyer	Seller	Sale price	No. Street	,	City	Acreage	Sq ft.	Year Built	Bedr	Bathr	Pool	Firepl
MCBRIDE MARK C TRUSTEE	WILT ROBERT G & JACQUELINE M	\$2,250,000	1310 EASY	ST	WENATCHEE	3.0400	3775	2009	4	8	Y	Y
KMO HOLDINGS LLC	SHIFLETT STANTON D	\$1,251,400	511 PINEDALE	LN	WENATCHEE	20.0000	2311	2003	4	3	N	N
DOWNTIME CHELAN LLC	SANFORD KEVIN J & JANINE E	\$1,000,000	386 PORCUPINE	LN	CHELAN	0.2800	2234	2015		3.5	N	N
WA SUNNYSLOPE APARTMENTS I LLC	STUMPF FARMS INC	\$894,000	3272 SCHOOL	ST	WENATCHEE	7.9000	0	0			N	N
ELIZABETH LYN VARGAS TRUST	SHARP FRED L & JANET	\$870,000	322 HIGHPOINT	PL	CHELAN	2.5000	3171	2003	3	2.5	N	N
WILT ROBERT G & JACQUELINE M	SPRINGWATER HOMES LLC	\$825,000	181 BURCH VIEW	LN	WENATCHEE	1.2900	2267	2018	3	2.5	N	Y
SJOLIN CRAIG & JILL	JOHNSTON RALPH & GAYLE	\$820,000	65 HELIOS HILLS	LN	MANSON	0.6100	1046	1986	2	1.75	N	Y
STUBSTEN DOUGLAS W & REBECA S	BUSK HEIDI M & ROBERT F JR	\$785,000	119 LONG	DR	CHELAN	0.7100	2983	1999		3	Y	Y
TRACEY PHILIP W TRUSTEE	BORMAN RANDY	\$740,000	85 WILLOW POINT	RD	MANSON	0.1900	624	1962	3	2	N	N
NUNN CHRIS & BROOK	KENT GENE	\$687,000	16080 RIVER	RD	LEAVENWORTH	1.9600	1677	1991	3	1.75	N	Y
BROWN KENNETH & JANELLE	BENDOKAS JON & CARRIE	\$670,000	20687 MIRACLE MILE		LEAVENWORTH	0.3300	2073	2006	3	2	N	N
MUMME DANIEL & DANA	CUNDY MARK T & DAWN M	\$670,000	428 PORCUPINE	LN	CHELAN	0.1000	1668	2014	3	2	N	N
FERRIER KATHLEEN A	SPECTER EQUITIES LLC	\$616,500	IIO S WATER	ST	CHELAN	0.2200	3053	1951	4	4	N	N
MITCHELL REED & SCHMITTEN INSURANCE INC	GELLATLY FAMILY OFFICE PROPERTY LLC	\$615,000	22 N CHELAN	AVE	WENATCHEE	0.3300	3892	1958			N	N
CORPORATION OF THE CATHOLIC BISHOP OF YAKIMA	HAUFF ORCHARDS LLC	\$613,000	JESKE	RD	PESHASTIN	12.2600	0	0			N	N
WHITESITT SEAN & RAINIE	STEWART LYLE & ERIN WYLIE-STEWART	\$600,000	5715 AIRPORT	RD	CASHMERE	0.5900	2920	2016	4	2.5	N	N
HUTSELL DAVID & WIEST MAYA	GIDEON VAN & CORRINA	\$589,000	3140 BERMUDA	ST	MALAGA	0.3100	1208	2009	2	3	N	N
HALSEY STEPHEN & ANGELA	LAMB DERRIL A		18700 US HWY 2		LAKE	4.9900	2643	2008		3	N	N
TOTH ANDREW & CONNIE	CORRIGAN DAVID M & MARY	\$580,000	II2 S EMERSON	AVE	WENATCHEE WENATCHEE	0.1700	3152	1922	5	3	N	γ
CANNING ANDREW & CAMILLE	GOTTI DION ETAL	\$535,000	2003 BROADWAY NORTH	,,, <u>-</u>	WENATCHEE	0.3800	2990	1994	3	2.5	N	N
CREEK ALLEN & FLEMING ANN	HANAN MITCHELL R & KARLA	\$530,000	413 ALLISON	ST	WENATCHEE	0.3100	2605	2014		3	N	y
TL NISSI ENTERPRISES LLC	LEE RONALD BRUCE	\$526,000	676 CIRCLE	ST	WENATCHEE	0.7800	3240	2002		,	N	N
RENNIE DAVID & SHAYNE T	BROWNLEE KEVIN M & KAILA S	\$516,500	264 SUNNY MEADOWS	LOOP		0.4300	0	0			N	N
GUSTAFSON RON E & DIANA R	HALVERSON THOMAS J & KATHLEEN MAC PHERSON H/W	\$515,000	580 IVAN MORSE	RD	MANSON	4.1200	1465	1974	3	1	N	Y
VON VRECKIN KEITH A	MAC PHERSON H/W MC INTYRE FAMILY TRUST		11144 CHUMSTICK	HWY	LEAVENWORTH	1.9700	1824	1977	J	1.5	N	v
ADLER HOLDINGS LLC	SCHMID HULDREICH & LIN		11775 US HWY 2	Пүү і	LEAVENWORTH	1.9700	1575	1976	'	1.3	N	N
FLETCHER GEORGE G III	SENCENBAUGH CHERILYN	. ,	331 CASCADE	ST	LEAVENWORTH	0.2800	2028	1976	3	,	N	V
		\$485,000							J	2		I N
SACHSENMAIER MAURY E & TINA	HAUGER JAY D & CHRISTINE L TRIGG	\$475,000	200 JOSEPH	ST	LEAVENWORTH	0.0000	1300	0	,	,	N	N
WAY LORI J	SANBORN PETER ETAL	\$475,000	9610 EAGLE CREEK	RD	LEAVENWORTH	1.4700	1608	1986	3	2	N	N
ICICLE ROAD LLC	FILLMAN CLINTON J	\$450,000		RD	LEAVENWORTH	0.9700	910	2002	2	1	N 	N
HENRY BRET A	KLN PROPERTY INVESTMENTS LLC	\$450,000	20 DIETRICH	RD	CHELAN	1.5500	3195	1973	4	2.75	N	Y
HALLE DAIVS J & LAURA J	VALERI PATRICK & DESILEE	\$430,000	912 PIONEER	AVE	CASHMERE	0.2300	1965	1998	3	2.5	N	N
EN INVESTMENTS LLC	HUBER DONALD P	\$416,500	445 N MISSION	ST	WENATCHEE LAKE	0.1800	3205	1979			N	N
CUNNINGHAM MARGARET	KUNZMAN DOUGLAS W & DEBRA J FLORES ZAPATA JONATHAN M &		19589 NASON	RD	WENATCHEE	0.2500	1280	1982	3	2	N	N
AZEVEDO PERRY & HANNAH ETAL	LENDA P GUTIERREZ	\$400,000	1201 SUMMER HILL	PL	WENATCHEE	0.2200	1482	1969	4	2.75	N	Y
GENTLES ROSELYNN & IRAWAN FANDHI	TOTH ANDREW	\$395,000	1024 COLUMBINE	ST	WENATCHEE	0.1400	1944	1930	4	1.5	N	Y
CHRISTIANSEN CARL & TAMARA R	STYLES JUDY	\$395,000	1121 SPLETT	ST	WENATCHEE	0.7300	2247	1993	3	3	N	Y
JOHNSON TOBY LEE	STRONG BETTY A	\$385,000	404 VALLEY VIEW	DR	CASHMERE	0.4000	1675	1957	3	1.5	Y	Y
GILLASPIE JACOB N & KASANDRA L	STEWART DOUGLAS	\$380,000	II53 APPLELAND	DR	WENATCHEE	0.4300	1368	1959	4	1.75	N	Y
BOYD JESSE H	US BANK NA AS TRUSTEE C/O CITI MORTGAGE	\$376,596	291 SKI HILL	DR	LEAVENWORTH	0.6900	2336	1973	4	2	N	Y
PAGE GABRIELLE & LEHMANN PHILLIP	DEMMERT MICHELLE M & GEORGE G FLETCHER III	\$372,000	10595 MERRY CANYON	RD	LEAVENWORTH	1.0800	1263	2009		I	N	N
KYLLONEN MAXIMILLIAN A	PARKINS HENRY W & ELLYN M	\$369,000	510 CEDAR	ST	LEAVENWORTH	0.1600	1450	1912	3	I	N	N
ORNELAS RUBEN & KIMBERLEY	LINDER JOHN HOWARD	\$360,000	1916 LION	PL	WENATCHEE	0.3300	2115	1999	3	3	N	N
HILLIARD SILIAS J & JAMIE L	GARRETT KAREN L	\$355,000	1833 JEFFERSON	ST	WENATCHEE	0.2600	2218	1979	4	2.5	N	N
SANFORD KEVIN J	PEER KYLE W	\$355,000	405 E CHELAN	AVE	CHELAN	0.2100	1256	1961	3	2.75	N	γ
ST DENNIS FRANCIS & MICHELE	STRAWN RANDY & PATRICIA	\$350,000	3797 KNOWLES	RD	WENATCHEE	0.5000	1636	1985	3	3	N	N







# Trepp's 10 Market Predictions for 2019

**By Manus Clancy** 

Legendary investor and Blackstone Vice Chairman Byron Wien is famous for his annual list of 10 surprises which he's



Manus Clancy

published for the better part of three decades. Wien's lists contain events that he believes have a 50% or greater chance of happening, but for which investors consider a

long shot.

With apologies to Wien, here is our

own list of 10 predictions for the structured finance, commercial real estate, and broader financial markets in 2019.

## I. The start of 2019 will resemble January 2016

The financial markets were slammed with volatility during December 2015 and into January 2016. That period was hallmarked a blowout in credit spreads, collapsing oil prices, and stock market swings which gave investors vertigo. Sounds a lot like Q4 2018,

doesn't it? The figurative brakes on CMBS lending could be tapped this month as spread uncertainty rises, causing the market to look a lot like early 2016.

## 2.A new wave of retail closings weighs on the CMBS market

Retailers of all sizes will begin to announce store closings if holiday brick-and-mortar sales fail to meet expectations. Even before the holiday sales figures came in, Sears stated it will shutter 80 locations in the coming months following a \$4.4 billion takeover bid from Sears Holdings Chairman Eddie Lampert. CMBS investors tied to deals exposed to Macy's and JCPenney will also be watching intently. You can find lists which examine CMBS loans backed by Sears, Macy's, and JCPenney locations here.

3. Leveraged loan outflows from late 2018 will dampen CLO issuance in early 2019

Although CLO issuance skyrocketed in 2018, the year ended in worrisome fashion. In particular, leveraged loan investors felt the jitters as sizable outflows were made from loan ETFs. This doesn't appear to be stopping in the immediate future, so CLO

deal volume (like CMBS) in early 2019 will likely fail to maintain 2018's lively pace.

#### 4. CMBS spreads stabilize in Q2 2019

The volatility from Q4 2018 and Q1 2019 should retreat in conjunction with the winter's freezing temperatures. CMBS issuance volume will reemerge, spreads will tighten, and the CMBS and CRE markets will return to normal.

### 5. The Federal Reserve does not raise interest rates at all in 2019

Much like we had to rethink our prediction that the Giants would be playing for Super Bowl LIII, the reaction to the December 2018 rate hike will give the Fed pause. The big Q4/Q1 stock sell-off will also contribute to their shift toward neutrality. See how interest rates have affected CRE over recent years.

### 6. Defaults on student housing CMBS continue to rise

The overbuilding of student housing in certain markets will leads to more student housing loan defaults. Trepp data as of December 2018 show that just less than 6% of student housing-backed debt in private-label CMBS is delinquent. While that

number may not seem high, keep in mind that that figure exceeds the December delinquency rate for all five major property types.

# 7. Oversupply in some major US MSAs leads to several large office loan defaults

Houston, we're watching you.

8. CMBS issuance for 2019
fails to meet 2018 levels

Because of the slow start to the year, CMBS issuance ends 2019 10% lower than the final tally from 2018.

That would represent the second consecutive year-overyear decrease in issuance as

2018's figure lagged that from 2017.

# 9. Several major US corporations announce headquarter moves

Competitions for state incentives are already under fierce contention. Adding that to the confluence of high tax base and labor costs will lead several firms headquartered in the Northeast US or the Rust Belt to move south.

## 10. No major legislative action takes place

Partisanship in Washington should remain high in 2019, meaning no infrastructure deal will be cemented in 2019.



Wenatchee Area

# December 2018

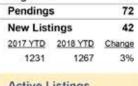
# Real Estate SNAPSHOT

Provided by Pacific Appraisal Associates

Median Sales Price

#### Residential Real Estate Market



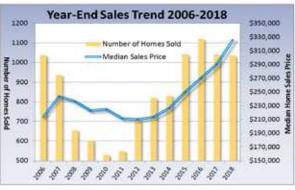


Active Listings
147

V-20% A 7%
From From Dec. 2017

Dec. 2017 2018
138 147





	\$325 YTD	***************************************	▲ 12% rom 2017 YTD \$290,000
	Last 90	days:	\$320,000
	Average	e Sales Pri	ce
ŀ	YTD:	2017	7 2018
	13%	\$317,216	\$358,019

#### **Building Permits - YTD**

	2017	2018
Single Family	242	257
Plex Units	12	12
Apartments (units)	28	220

Average SP to LP Ratio (Sold Price to Original Listing Price)

98%		97%
YTD Average		6 Month Average
YTD:	2017	2018
	98%	98%

Price Range (thousands)	0-150	151-200	201-250	251-300	301-350	351-400	401-450	451-500	501-550	551-600	601-650	651-700	701+	All Range
Number of Active Listings & Pendings	5	3	14	41	30	46	11	24	13	13	2	3	14	219
Average Number Sold per Month	2.2	5.0	8.8	17.2	18.5	11.2	6.7	4.7	5.3	2.8	1.7	0.7	2.3	87.0
Indicated Mos. Present Supply	2.3	0.6	1.6	2.4	1.6	4.1	1.7	5.1	2.4	4.6	1.2	4.5	6.0	2.5

#### 2018 vs. 2017:

12%

-0.5% Decrease in Number of Homes Sold

ncrease in Number of

% Single Family Building Permits

Increase in the Median Home Sales Price

	2017	2018	Change
Condo	3%	0%	-100%
Single Family Homes	3%	3%	0%
Multi-Family	3%	2%	-33%
Plex	3%	2%	-33%
Overall	3%	2%	-33%

Housing Rental Companies in the Wenatchee Area. This.

data will be reported on a quarterly basis.

Residential Market: Single Family Homes and Condos

For past Snapshot Issues, visit us at www.pacapp.com



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# Wenatchee Business Journal's PROFESSIONAL SERVICES DIRECTORY

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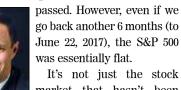
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On December 22nd, 2017, the "Tax Cut and Jobs Act of 2017" was signed into law. Exactly 12 months later, the S&P 500 was down nearly 10%. In fairness, much of the benefit to the stock market was already baked into stock prices before the tax bill was

**PAGE 19** 



market that hasn't been impressed with the tax cut; our economy hasn't responded much either. In the 4th quarter of 2017, our GDP was 2.9%.

However, a year later, estimates for the 4th quarter of 2018 are closer to 2.7%. That is still a strong economy, but where's the payoff for

"the biggest tax cut in history?" In directly related news, our annual budget deficit is up 17% over the last year. That's not a typo.

**MARKET** 

**UPDATE** 

Blackburn

So, the stock market is down, our economy is slower, and we're going deeper into debt every day. It's becoming clear that the tax cut was little more than a year-long party – and now it's the morning after.

Instead of cutting taxes, we should have been paying down the debt or making longterm investments. We picked exactly the wrong time to try to stimulate the economy.

All of this was predictable. Here's how I explained it last March: When an economy is in a recession, there's slack in the "economic rope." That means there are plenty of people who don't have jobs, lots of empty office buildings to fill, and lots of idle manufacturing equipment to ramp back up.

At times like that, you can stimulate the economy without causing inflation and interest rates to rise. But that's not where our economy is. At this point, our economic rope is tight - if you pull on it, the whole thing will move.

In addition, everyone agrees that the tax bill and increased budget will leave us with a higher national debt. If you go to the bank for a loan when you already have a lot of debt, and you'll want even more debt in the future - that bank is going to charge you a really high interest rate.

We are already seeing that effect here in America. Since the start of the year, the 10-year US Treasury Bond yield has risen more than 15%, which means higher interest rates for everyone.

So, although we might all be saving money on our tax bills, we're already paying more for credit cards, auto loans, and mortgages. Similarly, if the tax bill allows your employer to give you a 3% increase in your salary, but also causes inflation to pick up to 3% - there's no net benefit to you. In other words - every bit the economy improves from this point will likely be matched by higher interest rates and higher inflation.

This just wasn't the right time for economic stimulus. If you are fat and happy, that's not the time to stuff your face with even more cake. Unfortunately, that's exactly what America is doing. In fact, if we keep eating cake, we might get a stomach ache. The markets are starting to realize that.

Unfortunately, we are now in a very difficult spot. I think nearly everyone expects a recession sometime over the next few years. Unless something dramatic happens before then, we will head into that recession with already low taxes, already low interest rates - and a massive amount of debt. That's not a good place to be.

Brad Blackburn, CFP®, is the owner of Blackburn Financial, Registered Investment Advisor at 121 Cottage Ave., Cashmere. He can be reached at 509-782-2600 or email him at brad@blackburnfinancial.net.





**OPINION** 

State Rep.

Matt Shea

Right off the bat, the call for tax increases is ringing loud and clear.

Despite record tax collections, which have grown 17 percent (\$4 billion) since the last biennium, there are those in state government who always want more.

governor The used his State of the State address this week to outline his plan for more spending, increased taxes, and his desire to implement an aggressive environmental agenda.

He wants \$3.7 billion in tax increases and would spend about a billion dollars to save the orcas.

I am pleased to announce that my colleagues in the Legislature have asked me to take a leadership role by serving as the ranking member on the House

# The Peter Principle

The Peter Principle is alive and well in our country. In the business world, there are multiple examples. This article addresses how to recognize it and how to overcome being

a party to its continuance. Frist, let us define the term "Peter Principle".

The Business Dictionary describes it as: "Observation that in a hierarchy people tend to rise to their level of incompetence. Thus, as people are promoted, they become progressively lesseffective because performance in one job does not guarantee similar

performance in another."

The late Dr. Laurence J. Peter is credited with this theory based on his book "The Peter Principle".

**BETTER** 

**BUSINESS** 

David S.

Murray

An excellent example of the Peter Principle is the promotion of your highest producing salesperson to the role of sales manager. A good salesperson does not necessarily make for a good sales manager.

We see other examples with our elected government officials, sitting boards of directors, CEO's, CFO' and COO's, and all other levels of management positions.

While promoting from within the ranks is a positive benefit for those employees who have a proven performance record and the technical abilities for the move up the ladder, often the promotion is based on time served rather than competency to perform in the new senior position. This is the worst, but sadly, the most often used method implemented in the promotion process. Competence at one level does not necessarily qualify a person to be promoted to the next level. It might just prove that employee has reached their level of competence in his or her current position.

For example, I had a class A driver who was well liked by the customers he delivered to on a daily basis. He approached me to ask if he could move to an outside sales position when one became available to better his financial future. Not wanting to disappoint him I agreed but only after he read a number of sales books and took our standard sales qualification test.

He did both and passed the test with flying colors. When the position arose, he hit the streets. After 90 days he came to me to ask if his old job was available. I asked why and he responded he was much happier driving truck then being a salesmen.

His main issue was dealing with customers when complex problems were presented that he was expected to resolve. He returned to his former job and is still driving. While the Dave Murray is a retired CEO, COO and VP of promoted person may have the competence to do the job, passion for the job is first and foremost. Without passion they will become ineffective and may even suffer from anxiety and depression.

Management must ensure competence and passion are present before moving an employee up the ladder.

Assuming the candidate has the passion



for the new position but lacks the competence should he/she still be given the opportunity to advance?

The question then becomes can they develop the skill to become competent? More commonly known as 'on the job training'.

If the company has the time and energy to monitor the employee's progress, this can be a successful gratifying program. Seven issues need to be present in the candidate before you enter into an on the job training program:

Do they have the passion?

Are they committed to perform the work required?

Do they have the drive to exceed expectations?

Do they have the technical ability?

Management needs to know their strengths and weaknesses.

Can they manage themselves?

Do they has a history of being dependable? Promoting from within is a positive model for any company.

In addition, the employees see fellow workers moving up the ladder and that can only be viewed as a plus.

Customers also recognize the company's efforts to foster development of the employees.

To avoid falling into the Peter Principal trap, ensure whomever you select in the promotion process is competent.

Laurence J. Peters wrote in his book; "The Peter Principle Why Things Always Go Wrong": "Sometimes I wonder whether the world is being run by smart people who are putting us on or by imbeciles who really mean it". He continued; "Work is accomplished by those employees who have not yet reached their level of incompetence." Everyone deserves a chance to advance. As an employer it can be one of the biggest moral builders for the person being promoted as well as fellow employees.

It's your job to make sure they don't fail in the promotion or in you're on the job training program.

Sales and Marketina now living in Wenatchee. He is associated with several organizations along with a private consulting firm. He may be reached at tmtdm4@aol.com. His views and opinion expressed or implied should be reviewed by a recognized professional prior to any implementation. This article is not intended as a substitute for professional business advice.

Environment and Energy Committee.

It will take some careful planning and bold maneuvering to keep Seattle environmental politics out of Washington state energy policies. As we witnessed in November, the voters of this state are not in favor of carbon taxes.

I am also on the House Civil Rights and Judiciary Committee and the House Transportation Committee. And, I am working on legislation to once-and-for-all

provide car-tab relief, provide assistance to our veterans, and further protections of our Second Amendment rights. Stay tuned for more information throughout the legislative session!

Matthew Thomas Shea (born April 18, 1974) is an American politician of the Republican Party. He is a member of the Washington House of Representatives, representing the 4th Legislative District.

**20** • February 2019 Wenatchee Business Journal



## Washington Business Bank Reports Record 2018

OLYMPIA – Jon M. Jones, President and CEO, of Washington Business Bank today announced the results for the 4th quarter and yearend 2018.

The bank posted a net income of \$239,750 for the quarter ended December 31,

Fourth quarter income was 24% higher than the 3rd quarter.

Year-end December 2018 earnings were \$776,551. Earnings year-to-date represent a .94% Return on Average Assets (ROAA) and an 8.45% Return on Average Equity (ROAE).

The Bank remains well-capitalized with a Tier 1 Capital Ratio of 13.87% at December 31, 2018. Loans outstanding increased in the 4th quarter of 2018 to \$76,053,500 from \$68,300,500 at the same period in 2017, an

increase of 11.35%

Total Deposits increased 12.70% to \$72,356,000 in Q4 2018 over \$64,199,000 in Q4 2017.

"Best year yet!" stated CEO Jones. "Two years in a row with double digit increases in loans and deposits. We are proud that more members of the community value our local ownership and our great team of banking experts."

Q4 2018 Highlights

- ◆ 4th quarter 2018 net income 24% higher than 3rd quarter 2018 at \$239,750
- ◆ Year-end 2018 record net income of \$776,551
- ◆ Loans outstanding grew by 11.35% over 2017
- ◆ Total Deposits grew 12.70% over 2017
- Bank remains wellcapitalized at 13.87% Tier 1 Capital

#### About Washington Business Bank

Case No./Title

Washington Business Bank was founded in 2002 and is one of Washington's premier community-owned financial institutions. The bank was voted "Best Bank" in The Olympian's "Best of South Sound" contest for the third year in a row and is rated "5 Stars" by Bauer Financial. Headquartered in Olympia, Washington,

Washington Business Bank's mission is to provide financial services that enable their clients to become more successful.

The bank is located at 223 5th Ave. SE (corner of 5th and Franklin) in downtown Olympia. Phone 360-754-1945. Fax 360-456-0252. wabizbank.com. Member FDIC, Equal Housing Lender.

# IRS

# IRS waives penalty for many whose tax withholding and estimated tax payments fell short in 2018

WASHINGTON – The Internal Revenue Service announced today that it is waiving the estimated tax penalty for many taxpayers whose 2018 federal income tax withholding and estimated tax payments fell short of their total tax liability for the year.

The IRS is generally waiving the penalty for any taxpayer who paid at least 85 percent of their total tax liability during the year through federal income tax withholding, quarterly estimated tax payments or a combination of the two.

The usual percentage threshold is 90 percent to avoid a penalty. The waiver computation announced today will be integrated into commercially-available tax software and reflected in the forthcoming revision of Form 2210 and instructions.

This relief is designed to help taxpayers who were unable to properly adjust their withholding and estimated tax payments to reflect an array of changes under the Tax Cuts and Jobs Act (TCJA), the farreaching tax reform law enacted in December 2017.

"We realize there were many changes that affected people last year, and this penalty waiver

**ludgment** Description



will help taxpayers who inadvertently didn't have enough tax withheld," said IRS Commissioner Chuck Rettig.

"We urge people to check their withholding again this year to make sure they are having the right amount of tax withheld for 2019."

The updated federal tax withholding tables, released in early 2018, largely reflected the lower tax rates and the increased standard deduction brought about by the new law.

This generally meant taxpayers had less tax withheld in 2018 and saw more in their paychecks.

However, the withholding tables couldn't fully factor in other changes, such as the suspension of dependency exemptions and reduced itemized deductions. As a result, some taxpayers could have paid too little tax during the year, if they did not submit a properly-revised W-4 withholding form to their employer or increase their estimated tax payments.

The IRS and partner groups conducted an extensive outreach and education campaign throughout 2018 to encourage taxpayers to do a "Paycheck Checkup" to avoid a situation where they had too much or too little tax withheld when they file their tax returns.

Although most 2018 tax filers are still expected to get refunds, some tax payers will unexpectedly owe additional tax when they file their returns.

#### Additional Information

Because the U.S. tax system is pay-as-you-go, taxpayers are required, by law, to pay most of their tax obligation during the year, rather than at the end of the year.

This can be done by either having tax withheld from paychecks or pension payments, or by making estimated tax payments.

Usually, a penalty applies at tax filing if too little is paid during the year. Normally, the penalty would not apply for 2018 if tax payments during the year met one of the following tests:

- The person's tax payments were at least 90 percent of the tax liability for 2018 or
- The person's tax payments were at least 100 percent of the prior year's tax liability, in this case from 2017.

However, the 100 percent threshold is increased to 110 percent if a taxpayer's adjusted gross income is more than \$150,000, or \$75,000 if married and filing a separate return.

For waiver purposes only, today's relief lowers

the 90 percent threshold to 85 percent.

This means that a taxpayer will not owe a penalty if they paid at least 85 percent of their total 2018 tax liability.

If the taxpayer paid less than 85 percent, then they are not eligible for the waiver and the penalty will be calculated as it normally would be, using the 90 percent threshold.

For further details, see Notice 2019-11, posted today on IRS.gov. Like last year, the IRS urges everyone to check their withholding for 2019. This is especially important for anyone now facing an unexpected tax bill when they file.

This is also an important step for those who made withholding adjustments in 2018 or had a major life change to ensure the right tax is still being withheld.

Those most at risk of having too little tax withheld from their pay include taxpayers who itemized in the past but now take the increased standard deduction, as well as two-wage-earner households, employees with nonwage sources of income and those with complex tax situations.

To help taxpayers get their withholding right in 2019, an updated version of the agency's online Withholding Calculator is now available on IRS.gov.

With tax season starting Jan. 28, the IRS reminds taxpayers it's never too early to get ready for the tax-filing season ahead.

While it's a good idea any year, starting early in 2019 is particularly important as most tax filers adjust to the revised tax rates, deductions and credits.

Although the IRS won't begin processing 2018 returns until Jan. 28, software companies and tax professionals will be accepting and preparing returns before that date.

Free File is also now available.

The IRS also reminds taxpayers there are two useful resources for anyone interested in learning more about tax reform.

They are Publication 5307, Tax Reform: Basics for Individuals and Families, and Publication 5318, Tax Reform What's New for Your Business.

For other tips and resources, visit IRS.gov/ taxreform or check out the Get Ready page on IRS.gov.

# United States Bankruptcy Court Eastern District of Washington

Report Period: 11/26/2018 - 01/28/2019

Case INO./ Title	Judginent Description	Judgillelit Date
11-05136-FPC7 WAYNE ALLEN DICKINSON	Avoid Lien	11/28/2018
and KUMCHU DICKINSON	Document: 40	
12-00870-FLK7 Sandra Spurling	Avoid Lien	12/3/2018
	Document: 25	
12-03067-FLK7 Maura M Chacon	Avoid Lien	12/3/2018
	Document: 30	
15-03212-FPC7 CHRISTI LYNN BAILEY	Avoid Lien	1/9/2019
	Document: 29	
	Avoid Lien	1/9/2019
	Document: 30	
16-02592-FPC7 David Michael Cooney	Avoid Lien	12/3/2018
	Document: 28	
18-00027-FLK7 John Art Contreras	Avoid Lien	12/10/2018
and Rosemary Contreras	Document: 52	
	Avoid Lien	12/10/2018
	Document: 51	
	Avoid Lien	12/10/2018
	Document: 53	
	Avoid Lien	12/10/2018
	Document: 54	
18-01368-FLK13 Allen W. BONE	Avoid Lien	12/19/2018
and Corrina T. BONE	Document: 69	
18-02366-FLK7 Norma L. SILVA	Avoid Lien	11/26/2018
	Document: 20	
18-03153-FPC13 William J. Deatherage	Allowing Sale Free and Clear of Liens	1/7/2019
and Nancy A. Deatherage	Document: 49	
18-03352-FLK13 San Juanita Soto	Avoid Lien	1/22/2019
	Document: 35	

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### **IRS launches Instagram** account to help taxpayers

Agency adds social media platform to reach more taxpayers

WASHINGTON part of a larger mission of helping all taxpayers understand and meet their tax responsibilities, the Internal Revenue Service announced today its debut on Instagram, adding this platform to its social media portfolio.

The IRS News account instagram.com/irsnews will provide taxpayers the latest information on a variety of topics as taxpayers face numerous tax law changes for the upcoming 2019 filing season related to the Tax Cuts and Jobs Act. The IRS Instagram account will taxpayer-friendly information to help people Get Ready for the upcoming tax season. And it will provide the latest tax scam information to help support Summit Security initiative, a joint effort between the IRS, states and the nation's tax industry to combat tax-related identity "The addition of Instagram is another step for the IRS to share information more widely and reach additional taxpayers," said

IRS Commissioner Chuck Rettig. "This platform will help make people aware of important options they have during the upcoming filing season as well as other tax information they might not be aware. The IRS will continue to work with and help taxpayers in as many ways possible." Research shows that more than 70 percent of U.S. young adults between 18 and 24 are active on Instagram. The IRS plans to use Instagram to better serve this segment of the population, sharing content on tax topics that affect all

The IRS Instagram account will also periodically share information in Spanish and other languages.

taxpayers.

@IRSnews will also work in conjunction with IRS.gov and other existing agency social media options.

social Other media platforms offering official IRS information include:

**✓** YouTube. The IRS offers video tax in English, Spanish or American Sign Language.

**✓** *Twitter.* Follow

IRSnews for tax-related announcements and tips.

@IRStaxpros tweets news and guidance for tax professionals. Tweets from @IRSenEspanol have and the latest tax information in Spanish.

✓ Facebook. News and information for taxpayers and tax return preparers.

✓ *LinkedIn*. The IRS shares agency updates and job opportunities.

The IRS social media effort works closely with IRS2Go. Taxpayers can use this free mobile app to check their refund status, pay taxes, watch IRS YouTube videos and get IRS Tax Tips via email. Like Instagram, the IRS2Go app is available from the Google Play Store for Android devices, or from the Apple App Store for Apple devices. IRS2Go is available in both English and Spanish, based on the phone settings.

The IRS also reminds taxpayers they can subscribe to a number of email subscription services for the latest tax information. Taxpayers can visit e-News subscriptions to sign up.

# IRS confirms tax filing season to begin January 28

WASHINGTON - Despite the government shutdown, the Internal Revenue Service today confirmed that it will process tax returns beginning January 28, 2019 and provide refunds to taxpayers as scheduled. "We are committed to ensuring that taxpayers receive their refunds not with standing the government shutdown. I appreciate the hard work of the employees and their commitment to the taxpayers during this period," said IRS Commissioner Chuck Rettig.

Congress directed the payment of all tax refunds through a permanent, indefinite appropriation (31 U.S.C. 1324), and the IRS Appropriations Contingency has consistently been of the

view that it has authority to pay refunds despite a lapse in annual appropriations. Although in 2011 the Office of Management and Budget (OMB) directed the IRS not to pay refunds during a lapse, OMB has reviewed the relevant law at Treasury's request and concluded that IRS may pay tax refunds during a lapse.

The IRS will be recalling a significant portion of its workforce, currently furloughed as part of the government shutdown, to work. Additional details for the IRS filing season will be included in an Plan to be released publicly

and accurate tax return.

The filing deadline to submit 2018 tax returns is updated FY2019 Lapsed Monday, April 15, 2019 for most taxpayers. Because of the Patriots' Day holiday on April 15 in Maine and Massachusetts and the Emancipation Day holiday on April 16 in the District Columbia, taxpayers who live in Maine or Massachusetts have until April 17, 2019 to file their returns. Software companies and tax professionals will be accepting and preparing tax returns before Jan. 28 and then will submit the returns when the IRS systems open later this month. The IRS strongly encourages people to file their tax returns electronically to minimize

in the coming days. "IRS employees have been hard at work over the past year to implement the biggest tax law changes the nation has seen in more than 30 years," said Rettig. As in past years, the IRS will begin accepting and processing individual tax returns once the filing season begins. For taxpayers who usually file early in the year and have all of the needed documentation, there is no need to wait to file. They should file when they are ready to submit a complete

errors and for faster refunds.

### IRS Free File opens today in advance of tax season

WASHINGTON -An improved version of IRS Free File begins its 17th filing season last week as a dozen private-sector partners offer their brandname products to help eligible taxpayers navigate the new tax reform law and electronically prepare their tax returns.

The free online software program, accessible only through IRS.gov, is available for taxpayers to use in advance of the start of the filing season on Jan. 28.

A number of changes were made to Free File this year, strengthening the program to make it even more taxpayer friendly. More than 53 million taxpayers have used Free File since the program's inception.

The public-private partnership between the Internal Revenue Service and the Free File Alliance provides free, brand-name tax software and free electronic filing to taxpayers who earned \$66,000 or less last year. Some providers offer both free federal and free state tax preparation.

Active duty military personnel with incomes of \$66,000 or less may use any Free File software product offering a military option without regard to other criteria.

"Free File is an important tool that allows taxpayers free access to electronic filing of their tax returns," said IRS Commissioner Chuck Rettig. "The program has been a great partnership with the private sector, and we've taken steps to improve Free File this year. With these changes to the Free File program as well as the new tax law, this is a great year for people to consider using this option for preparing their taxes."

Starting today, taxpayers can go to www.irs.gov/ freefile to find the Free File software product that matches their situation. Each partner sets its own eligibility standards, generally based on age, income or state residency.

Taxpayers can do their taxes online from IRS.gov or they can use the IRS2Go mobile app to access Free File and do their taxes on their mobile phones, tablets or any app-enabled device.

For taxpayers who earned more than \$66,000, there is Free File Fillable Forms, the electronic version of IRS paper forms which will be available when the IRS begins the filing season on Jan. 28.

#### Who can use Free File

Any individual or family whose adjusted

income for 2018 was \$66,000 or less can find at least one Free File software product they can use. Often, taxpayers are eligible for multiple products. The income limitation means that 100 million taxpayers -70 percent – are eligible to use Free File.

Workers, families with children, first-time filers and seniors who meet the income criteria are all eligible for Free File.

The software supports all the new tax law changes as well as long-time benefits such as the Earned Income Tax Credit. While most products have a set of eligibility requirements, 10 Free File partners have a special offer for active duty military personnel by making their sole eligibility criteria an income of \$66,000 or less.

IRS Free File is all that's needed for residents of Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming where there is no state income tax. Some Free File partners offer free federal and free state return preparation. And some states have their own Free File program.

#### Who can use Free File

Taxpayers can only access Free File from IRS.gov. To get started, simply go to IRS.gov/freefile.

Use the "Help Me" tool to enter a bit of information such as age, income, and state residency. The tool will match the taxpayer with the software products.

Generally, taxpayers will have several options from which to choose.

Taxpayers also can review all the offers made by each of the 12 partners if they do not want to use the tool. Once taxpavers make their selection, they will be directed away from IRS.gov to the provider's website to prepare their return.

Also, taxpayers can use the IRS2Go app to access Free File, Simply download the IRS2Go app onto any app-enabled device.

From their phones or tablets, taxpayers can access the "Help Me" tool and go to the provider's website to do their taxes.

Free File will be available to taxpayers from Jan. 11 through the mid-October deadline for extension filers. Taxpayers, regardless of income, also can use Free File to file an extension from the April 15 deadline.

#### New agreement offers new consumer protections

The IRS and the Free File Alliance, the consortium of the 12 partners, reached a new agreement recently

to extend the Free File program through Oct. 31,

This new memorandum of understanding also included several new consumer protections. These include:

♦ Removing the "valueadd" button from Free File partner landing pages. Free File members will remove any button or link on their Free File landing pages that would take taxpayers to non-Free File programs.

The change is designed to improve the transparency of the program, and to make the navigation easier for taxpayers to use Free File.

♦ Taxpayers can return to the IRS Free File page if they don't qualify for an offer. To use Free File, taxpayers must use IRS.gov to connect to a company offering Free File.

If the taxpayer doesn't qualify for a free filing option on a particular member site, the new agreement requires these companies to offer taxpayers the option to easily return to IRS.gov to see if they qualify for another Free File offer.

**♦** Returning taxpayers' first option must be Free File. If a taxpayer returns to a Free File member's website the following year after using the free program, the first option after logging into their account will be the Free File option – before receiving any other offers from the company.

♦ Follow-up emails to taxpayers who used Free File the previous year will welcome them back to the Free File service. This change will strengthen rules for members sending follow up emails to prior year customers, reminding them of the availability of Free File.

To help increase program participation, Free File members will email prior year participants welcoming them back to the Free File program.

The email cannot contain information about any non-Free File service or product or any other marketing or soliciting, except for free or paid state tax preparation offers.

♦ Emphasis on the in-place review process. Both the IRS and a third party already review each Free File option before filing season to ensure the program standards are being followed by Free File members.

The new agreement now reinforces this longstanding requirement, which has always also included an unannounced review during filing season.



Wenatchee Business Journal **22** • February 2019

## **Wenatchee MSA** (Chelan and Douglas Counties)

# Labor Area Summary – November 2018

#### **Overview**

This report provides an update on the Wenatchee MSA economy incorporating not seasonally adjusted, nonfarm employment

Unemployment rates, not seasonally adjusted

Statistics, Local Area Unemployment Statistics (LAUS)

Wenatchee MSA, January 2016 through November 2018

data. Analysis focuses on year-over-year (between November 2017 and November 2018) and average annual (between 2016 and

Source: Employment Security Department/WITS; U.S. Department of Labor, Bureau of Labor

and civilian labor force 2017) changes in the labor market.

> **Unemployment rates** Civilian Labor Force (CLF) data show that

Washington's

fell five tenths of a point between 2016 and 2017, from 5.3 percent to 4.8 percent. Between the Novembers of 2017 and 2018 the rate

In the MSA, the annual average unemployment rate fell from 6.0 to 5.1 percent between 2016 and 2017, a nine-tenths point decrease.

Year over year, monthly

2018 was 962, a marginal dip from the 974 closed sales Year-to-Date (YTD) in seasonally adjusted average annual unemployment rate November 2017. The number of active listings jumped from 140 in November 2017 to 183 in November 2018 (up 30.7 percent). Meanwhile the median sales price of homes/condos sold dropped two-tenths point, from 4.6 to 4.4 percent. the Wenatchee Market Wenatchee continued to climb, from \$290,000 in the first eleven months of 2017 to \$325,955 YTD in November 2018, up 12.4 percent. Statewide, percentage construction has been adding workers for the

>> or condominiums sold

from January to November

past 81 consecutive months

(from March 2012 through

■ Year over year, retail

merchandise

trade employment (i.e.

stores, food stores, motor

vehicle and parts dealers,

etc.) in the Wenatchee

MSA has contracted for

the past five months (July

through November 2018). In

November 2018, retail trade

tallied 6,200 jobs, a 300-job

and 4.6-percent downturn

from the 6,500 jobs this

November 2017. In calendar

year 2017, retail trade

netted roughly 100 new

jobs across the Wenatchee

MSA (Chelan and Douglas

counties). However, job

growth last year was

centered in Douglas County

versus neighboring Chelan

County. Revised 2017 annual

average Quarterly Census

Employment and Wage

(QCEW) data reveal that

Douglas County retailers

provided 1,687 in 2017

versus 1,520 jobs in 2016;

a 167-job and 11.0 percent

employment increase - good

economic news for Douglas

County. Across the river

however, in Chelan County,

retail trade fell from 4,484

provided

November 2018).

general

industry

rates declined for 17 months (from October 2016 through February 2018), stagnated in March 2018, rose a tick in April 2018, before declining again for the past seven months (May through November 2018) - excellent economic news.

eating and drinking places) increased by 6.3 percent November (6,400 jobs) to November 2018 (6,800 jobs). Across Washington, the number of jobs in this industry has been expanding, year over year, for 98 consecutive months (October 2010 through November 2018). **Agricultural** 

#### employment/ production

The Bureau of Labor Statistics' Quarterly Census of Employment and Wage (QCEW) program, conducted Washington by the **Employment** State Department Security provides agricultural nonagricultural employment and wages for firms, organizations individuals employees are covered by the Washington State Employment Security Act. Frequently termed "covered" or "QCEW" data, this information provides a reliable data set for comparing employment and wage trends at the county level. In September 2018 revised annual average QCEW data for calendar year 2017 became available. An analysis of industry employment changes from 2007 through 2017 shows

that in Chelan County: ■ Total covered employment rose from 39,447 in 2007 to 43,920 in 2017, a 4,473-job and 11.3-percent upturn. The number of agricultural jobs (a subset of total covered employment) increased from 9,036 in 2007 to 10,418 in 2017, a 1,382-job and 15.3-percent uptrend. In 2007 Chelan County's agricultural industry accounted for 22.9 percent of total covered employment. 2017agricultural employment accounted for 23.7 percent of total covered employment countywide.

■ Total covered wages rose from \$1.193 billion (in 2007) to \$1.714 billion (in 2017) a \$520.5 million and 43.6 percent upturn. The agricultural payroll (a subset of total covered wages) advanced from \$169.0 million in 2004 to \$275.3 million in 2017, a \$106.3 million and 62.9 percent uptrend. In Chelan County's industry agricultural accounted for 14.2 percent of total covered wages and by 2017 agricultural wages tallied 16.1 percent of total covered payroll; meaning that the agricultural share of wages increased 1.9 percentage points (from 14.2 to 16.1 percent) during this ten-year period. Hence, one could generalize that in the most recent ten-year period, the footprint made by agriculture on payroll dollars in Chelan County has become relatively larger.

#### Total nonfarm employment

Novembers of 2017 and 2018.

Unemployment rate

6%

5%

Between and 2017, Washington's labor market provided 77,900 new nonfarm jobs, an annual average increase of 2.4 percent. In November businesses government organizations across Washington supplied 3,468,800 nonfarm jobs (not seasonally adjusted), compared to 3,365,300 jobs in November 2017, a 3.1 percent year over year employment increase. The state's economy has posted year over year nonfarm employment increases for the past 98 consecutive months (October 2010 through November 2018).

The Wenatchee MSA's nonfarm labor market provided 700 new jobs between 2016 and 2017, an increase of 1.7 percent,

less than Washington's 2.4percent job growth rate during 2017. Total nonfarm employment in this twocounty MSA has increased

8.3% 8.2% 7.5% 6.7% 6.4% 4.8% 5.0% 5.1% 4.6% 4.8% 5.5% 6.2%

-2017 7.8% 7.5% 6.3% 5.1% 5.3% 4.3% 3.5% 4.3% 3.8% 3.8% 5.0% 6.0%

2018 6.9% 7.0% 6.3% 5.2% 4.9% 3.9% 3.2% 3.9% 3.3% 3.8% 4.9%

The Wenatchee MSA's unemployment rate dipped by one-tenth of a percentage point between the

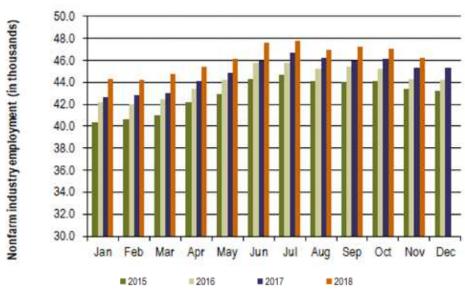
Jan Feb Mar Apr May Jun Jul Aug

or stabilized, year over year, in each of the past 79 months (May 2012 through November 2018). Between the Novembers of 2017 and

Sep Oct Nov Dec

2018 the number of nonfarm jobs in the Wenatchee MSA (Chelan and Douglas counties) rose by 900 - a 2.0

Nonfarm industry employment Wenatchee MSA, January 2015 through November 2018 Source: Employment Security Department/Labor Market and Economic Analysis (LMEA)



Nonfarm employment in the Wenatchee MSA rose 2.0 percent between the Novembers of 2017 and 2018.

#### **Employment and** unemployment

Washington's Civilian Labor Force (CLF) expanded by 89,522 residents (a 2.5 percent upturn) 2016 to 2017. The state's labor force has grown, year over year, for the past 58 months (February 2014 through November 2018). In November 2018 Washington's CLF tallied 3,830,301 residents versus 3,755,206 in November 2017 equating to 75,095 more Washingtonians in the labor force (up 2.0 percent).

The Wenatchee MSA's CLF grew from 63,825 residents in 2016 to 65,530 in 2017, a 2.7 percent upturn. Year over year, the Wenatchee MSA's Civilian

Labor Force (CLF) advanced 3.5 percent between the Novembers of 2017 and 2018 (meaning there were 2,212 more residents in the labor force this November than in November 2017). This labor force growth was quite strong, although the number of unemployed expanded by 77 (up 2.5 percent) during this timeframe. The result: the rate dipped from 5.0 percent in November 2017 to 4.9 percent in November 2018 (see Figure 3). The current, 4.9 percent unemployment rate is the lowest reading in the Wenatchee MSA for the month of November since electronic records were implemented by our agency in 1990 (28 years ago) encouraging news for the

#### local economy. **Nonfarm industry** employment

Between the Novembers of 2017 and 2018 total nonfarm employment in Chelan and Douglas counties (the Wenatchee MSA) rose 2.0 percent, from 45,300 to 46.200 jobs. Washington's nonfarm market expanded by 3.1 percent during this timeframe. Highlights of changes year-over-year follow.

■ In the mining, logging and construction category (see Figure 3) most jobs are in "construction." Year over year, the pace of job growth in the Wenatchee MSA's construction industry has surpassed the pace of growth statewide from July

(for 17 consecutive months). Construction 2,800 jobs across Chelan and Douglas counties in November 2017 versus 3,100 in November 2018, a strong 10.7 percent upturn. There were 1.2 percent fewer home or condo sales (i.e., closed sales) in the first eleven months of this year versus January through November 2017 across the Wenatchee market (i.e., in Wenatchee, Malaga, East Wenatchee, Orondo and Rock Island, WA) according to the November 2018 Real Estate Snapshot newsletter Pacific published by **Appraisal** Associates. Specifically, the number of single family homes

> shopping. ■ Year over year, the Wenatchee MSA's leisure and hospitality industry (primarily hotels

(versus "brick-and-mortar")

jobs in 2016 to 4,386 in 2017; 2017 through November 2018 a 98-job and 2.2-percent downturn. Although Current provided Employment Statistics (CES) job estimates for November 2018 are available only for the consolidated Wenatchee MSA (Chelan and Douglas counties), it is likely this trend continues and that much of the recent softness in local retail is centered in Chelan County versus Douglas County. Conversely, Washington's

retail industry has added jobs for 98 consecutive months (October 2010 through November 2018). The caveat here is, of the 3,500 retail trade jobs added between the Novembers of 2017 and 2018, approximately 3,400, or 97.1 percent of these new jobs, are in "other retail trade" which includes online



Donald W. Meseck, Regional Labor Economist **Employment Security Department** 

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# How our local Olympia reps voted

Business Journal would like to know.

WashingtonVotes.org provides a free periodic roll call service to media outlets as long as the Legislature is in session.

The reports are customized to the legislative districts in your market area and feature individual legislators' votes on key issues, including recorded votes on amendments.

We encourage you to publish this report in print or on-line to help keep your readers informed and engaged about how their representatives perform in Olympia.

To update your information, or to let us know you will publish the report, please drop us an e-mail at wavotes@wavotes.org. State Lawmakers took their first recorded votes of this year's session in the House of Representatives on Thursday, passing a resolution (House Concurrent Resolution 4401) regarding legislative conduct, and a compromise bill (House Bill 1064) to amend Initiative 940, which was approved by state voters last November.

Both measures passed unanimously on a recorded roll call vote of 98-0. It is customary to pass such unanimous consent legislation via a simple voice vote, but members called for a recorded vote in this instance.

House Concurrent Resolution 4401, Adopting the code of conduct of the Washington state legislature. Passed the House on January 24, 2019 by a vote of 98-0.

This measure sets forth a code of behavior for legislators, staff, lobbyists and members of the state capital community in general, requiring that they must: (1) Conduct themselves with self-awareness, self-respect, and professionalism; (2) Treat all others with respect, dignity, and civility, regardless of status or position; and (3) Refrain from engaging in hostile, intimidating, offensive,

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"How did my state lawmakers vote in or unlawful activities or behaviors that Olympia? Readers of the Wenatchee may amount to discrimination, harassment, sexual harassment, or bullying.

> HCR 4401 is now before the Senate for further consideration.

12 Rep. Keith Goehner (Dryden) (R) Y 12 Rep. Mike Steele (Chelan)

House Bill 1064, Concerning law enforcement. Passed the House on January 24, 2019 by a

HB 1064 would modify the provisions of 2018's Initiative 940 relating to deescalation training for police, investigations of deadly force incidents, and rendering of first aid. It would also require the state to reimburse a peace officer for reasonable defense costs when he or she is found not guilty or charges are dismissed in certain circumstances.

These modifications to Initiative 940 were included in a bill last session after agreement among law enforcement and community leaders, but the state Supreme Court last summer ruled it unconstitutional and ordered that the original measure be placed before voters.

Washington state law provides that an initiative that was approved by voters can only be amended or repealed for two years by a two-thirds supermajority vote in both chambers.

HB 1064 has met that requirement so far with its unanimous passage in the House. The bill is now before the Senate for further consideration.

12 Rep. Keith Goehner (Dryden) (R) Y 12 Rep. Mike Steele (Chelan)

SOURCE: WashingtonVotes.org is a project of the Washington Policy Center. Please visit www.WashingtonVotes.org and check out our new Olympia news service, Washingtonvotes. org News, which is featured on the home page. We're also on Facebook and Twitter, at washingtonvotes.org.

Featured Member: **Harvest Valley** -Narvest Valley **Pest Control** PEST CONTROL **David Kaylor** Living Healthy, PHONE: 509-797-0090 Local & Pest Free! david@hvalleypestcontrol.com

#### WENATCHEE VALLEY FRIDAY

Tammy McCants Martin Morris Agency Inc. 509-663-1331	Annette Sanders House Cleaning* Meal Preparation 509-679-9347	Les Lomedico Central Washington Heating and Air 509-663-3557
Don Hester	Verl Sutton	David Kaylor
NCW Home Inspections, LLC	Clean Connection	Harvest Valley Pest Control
509-670-9572	509-663-9562	509-797-0090
Dr. Jacob Kragt	Cindy Smith	Scott Sanders
Abundant Life Chiropractic	Laura Mounter Real Estate	First Choice Floor Coverings
509-888-5260	509-664-6278	509-663-6200
Joel Frank	Matt Bruggman	Grant Loranger
Equilus Financial Group	Plumb Perfect	Grant's Home Repair
509-665-8349	509-663-3602	509-264-9598
RNI	Kevin Key K & R Quality Roofing 509-393-1437	Plug into the power of a business networking membership! Current seat valued at
Business Network Int'l.		32k per year! Call 509-860-7438.





# 'Flywheel' 2019 \$100k competition now in progress

The Flywheel Investment Conference is accepting applications from Washington State startups who are looking for funding. Companies can apply to compete for a \$100,000+ investment award during the Flywheel Investment Conference on Thursday, April 18 in downtown Wenatchee. The application deadline is March 1. To apply visit flywheelconference.com/ apply

Any Washington state startup looking for funding is encouraged to apply. In addition to the \$100,000+ investment award, one of the finalists will be voted audience favorite and win a \$5,000 cash prize.

The investment award is funded by investors in the Flywheel Angel Network, a group of angel investors based in North Central Washington. Additional benefits to applying and attending the Conference include: company recognition in the Conference program, discounted ticket prices, and an opportunity to connect with investors from around the Pacific Northwest.

"Flywheel is a unique opportunity to see what North Central Washington has to offer for new companies," said Will Clausen, founder and CEO of Cartogram, the 2018 Flywheel Investment Conference winner.

"It was an exceptional experience, and I fully recommend Washington entrepreneurs give it a try. There is a special emphasis on having a cordial place for entrepreneurs to come to learn and present their companies to investors from around the Pacific Northwest."

Applications for early stage companies to compete at the 2019 Flywheel Conference are open now until March 1. All industries will be considered; the only requirement is that the company is a Washington State business.

Investors will narrow down the

applications to the top six companies who will compete live on stage to an audience of attendees and investors during the Flywheel Conference.

**Immediately** following presentations, the fund investors will deliberate and select one winner who will receive an investment offer during the conference's after-party event.

Flywheel Investment Conference is directed by the nonprofit organization GWATA and presented by Moss Adams, Ogden Murphy Wallace, Confluence Health, and Microsoft.

Tickets are open to the public and on sale now at flywheelconference.com/ tickets. Early bird pricing is available until March 1.

GWATA's mission is to bring people and technology resources together to create a thriving community. As a 501(c)3 our focus is on technology, entrepreneurship, and STEM Education. GWATA serves 100+ business members and hosts over 3,000 attendees through our various events annually. In addition, GWATA serves as Co-Director of the Apple STEM Network which is focused on developing pathways for students in STEM, therefore opening the doors to new opportunities and careers in our valley.

#### **About the Flywheel Investment Conference**

The Flywheel Investment Conference is an annual full-day event that generates momentum and resources for early stage companies. The Flywheel Conference is a unique opportunity angel investors, capitalists, entrepreneurs, startups and community members to come together to connect, learn, and develop resources for building companies. Held in downtown Wenatchee, WA. the event features an investment competition, educational seminars, keynote presentations, and after-party celebration. More information at flywheelconference.com.

#### New contractors Chelan-Douglas December 2018

Name	Address	City
CHAPA'S CONSTRUCTION LLC	14911 RED DELICIOUS ST	ENTIAT
CLEAR VISION WINDOW CLEANING	1125 MCKITTRICK ST #39	WENATCHEE
DNM PLUMBING	1520 S MILLER ST	WENATCHEE
INTEGRITY FLOOR INSTALLATION	85 RED HAWK DR	ORONDO
JF INDUSTRIAL LLC	712 FRANCE ST	EAST WENATCHEE
KING'S CONCRETE	PO BOX 119	MONITOR
KW RESIDENTIAL CONTRACTOR	5009 NW CASCADE AVE	EAST WENATCHEE
PROPERTY SOLUTIONS PLUS	PO BOX 922	MANSON
R C CONSTRUCTION	319 32ND ST NW	EAST WENATCHEE
VEKSEL CONSULTING /CONTRNG LLC	PO BOX 680	WENATCHEE

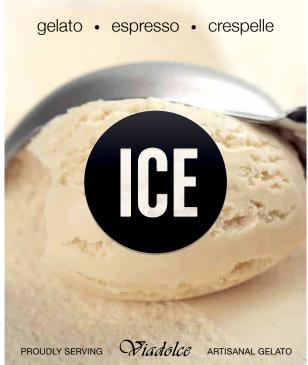
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# East Wenatchee continues to grow

New office building just off Eastmont scheduled for tenancy by spring.

Read more about it in the next WB| March edition.



GARY BÉGIN/WBJ

### New name, same location

Cash and Carry now Smart Food Service. Read more about the reason for the change in the March WBJ.



7 North Worthen, Pybus Market 509-667-ROSE (7673) fullbloom@charter.net www.wenatcheefloral.com

#### **Pybus February Events**

Indoor playground: 9 a.m. – noon daily Cancelled for February 20

Tuesdays

Pybus University: 7 p.m.

Thursdays

Dance Enthusiasts: 7 p.m. Friday Night Music: 6-8 p.m.

#### February 9

- Summer Camp Fair: 10 a.m.-2 p.m.
- February 15
- Rails & Ales Festival: 5:30-8 p.m. February 17
- 7th annual Wenatchee Empty Bowls Community painting, 1-6 p.m.

#### February 20

- TEDx Wenatchee Live Streaming Simulcast, Noon-5 p.m. February 23
- Firewise Day, 10 a.m.- 1 p.m.

For more activities go to **PybusPublicMarket.org** 



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