

ORDINANCE NO. 1052

AN ORDINANCE OF THE CITY OF GIG HARBOR,
WASHINGTON, MAKING CERTAIN FINDINGS AND
ORDERING THE FORMATION OF A HOSPITAL BENEFIT
ZONE.

WHEREAS, the Washington State Legislature in its 2006 Regular Session approved SHB 2670, as Chapter 111, Laws of 2006 (the "Act"), authorizing the formation of hospital benefit zones; and

WHEREAS, the Franciscan Health System, a Washington nonprofit corporation ("Franciscan") is proposing to construct a hospital ("Hospital") at 11567 Canterwood Boulevard NW, and Franciscan received a certificate of need for the construction of the Hospital on June 15, 2006; and

WHEREAS, a hearing was held on July 24, 2006, after notice as provided by law, and after discussion of the proposed public improvements and the proposed boundaries of the benefit zone and due consideration thereof and of all objections thereto, the Council has determined to order the formation of a benefit zone in order to undertake the public improvements described below;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, DO ORDAIN; as follows:

Section 1. Definitions. As used herein, the following capitalized terms have the following meanings:

Act means Laws of Washington, Chapter 111, 2006 Regular Session.

Base Year means 2007 which is the calendar year immediately following the creation of the Benefit Zone.

Benefit Zone means the Gig Harbor Hospital Benefit Zone established by Section 4 of this ordinance.

Department means the State of Washington Department of Revenue.

Excise Taxes mean the local retail sales and use taxes authorized in RCW82.14.030.

Excess Excise Taxes mean the amount of Excise Taxes received by the City during each Measurement Year from taxable activity within the Benefit Zone over and above the amount of Excise Taxes received by the City during the Base Year from taxable activity within the Benefit Zone.

Excess State Excise Taxes mean the amount of Excise Taxes received by the State during the Measurement Year from taxable activity within the Benefit Zone over and above the amount of Excise Taxes received by the State during the Base Year from the taxable activity within the Benefit Zone. The term **Excise Taxes**, for the purpose of this definition, means state retail sales and use taxes imposed under chapter 82.08 and 82.12 RCW.

Fiscal Year means the year beginning July 1 and ending on June 30.

Franciscan means the Franciscan Health System, the owner and operator of the Hospital.

Hospital means St. Anthony Hospital to be constructed at 11567 Canterwood Boulevard NW and operated by the Franciscan.

Local Public Sources include, but are not limited to, private monetary contributions and Tax Allocation Revenues dedicated to the financing of the Public Improvements.

Local Tax means the sales and use tax authorized to be imposed by Section 7 of the Act.

Measurement Year means a calendar year, beginning with 2008 which is the year following the Base Year and each calendar year thereafter, that is used annually to measure the amount of Excess Excise Taxes required to be used to finance the costs of Public Improvements.

Public Improvements means the public improvements described in Section 2 of this ordinance.

State Contribution means the lesser of (i) two million dollars or (ii) an amount equal to Excess State Excise Taxes received by the State during the preceding calendar year.

Tax Allocation Revenues mean the tax revenues derived from the receipt of Excess Excise Taxes and distributed to the City in order to finance the Public Improvements.

Section 2. The City hereby designates a benefit zone within the boundaries of the City for the purpose of acquiring, constructing and installing the public improvements described on Exhibit A attached hereto and incorporated by this reference herein. The foregoing improvements are hereafter referred to as the "Public Improvements."

Section 3. The City Council hereby makes the following findings:

(a) The Public Improvements are expected both to encourage private development within the area described in Section 4(a) (the “Benefit Zone”) and to support the development of the Hospital;

(b) The Public Improvements proposed to be financed in whole or in part using hospital benefit zone financing are expected both to encourage private development within the Benefit Zone and to support the development of the Hospital;

(c) Private development that is anticipated to occur within the Benefit Zone, as a result of the Public Improvements, will be consistent with the county-wide planning policy adopted by Pierce County under RCW ch. 36.70A.210 and the City’s comprehensive plan and development regulations as adopted under authority of chapter 36.70 RCW; and

(d) The Public Improvements proposed to be financed in whole or in part using hospital benefit zone financing (as authorized under the Act) are reasonably likely to:

- (1) increase private investment within the Benefit Zone;
- (2) increase employment within the Benefit Zone; and
- (3) generate, over a period of time that the Local Tax is expected to be imposed, state and local sales use tax revenues that are equal to or greater than the aggregate State Contributions and Local Public Sources.

Section 4. There is hereby established a hospital benefit zone of the City to be known as "Gig Harbor Hospital Benefit Zone" (herein referred to as the "Benefit Zone").

(a) The boundaries of the Benefit Zone shall be as described on Exhibit B attached hereto and incorporated by this reference herein.

(b) The estimated cost of the Public Improvements is \$136,570,000, all of which is expected to be financed by the Bonds.

(c) The Excess Excise Taxes to be used to finance the Public Improvements are expected to be in place for thirty (30) years.

(d) The average amount of tax revenue to be received in all Fiscal Years through the imposition of the "Local Tax" is \$60,000,000.

(e) The City anticipates that the use of Excess Excise Taxes by the City will commence in 2011.

(f) In Section No. 3 of this ordinance, the City Council has made the findings required by Section 3(g) of the Act.

Section 5. Application to the Department. The City Administrator is hereby directed to make application to the Department in the form and manner prescribed by the Department and file the same as soon as practicable on or after August 1, 2006.

Section 6. Effective Date. This ordinance shall take effect and be in full force five (5) days after publication of an approved summary consisting of the title.

PASSED by the City Council and approved by the Mayor of the City of Gig Harbor this 24th day of July, 2006.

CITY OF GIG HARBOR



CHARLES L. HUNTER, MAYOR

ATTEST/AUTHENTICATED:

By: 

MOLLY TOWSLEE, City Clerk

APPROVED AS TO FORM:

By: 

CYNTHIA WEED

FILED WITH THE CITY CLERK: 7/5/06
PASSED BY THE CITY COUNCIL: 7/24/06
PUBLISHED: 7/26/06
EFFECTIVE DATE: 7/31/06
ORDINANCE NO: 1052

EXHIBIT A-1

DESCRIPTION OF PUBLIC IMPROVEMENTS

The group of improvements, beginning with the SR 16/Burnham Drive interchange project which is the cornerstone of the plan, plus several other important arterial improvements, are all essential to support that interchange or to divert some of the forecast demand away from that interchange. Completing all of these improvements is the key to maintaining LOS standards for the interchange area when North Gig Harbor is fully developed. These projects are described next.

Reconstruct the SR 16/Burnham Drive Interchange. This configuration replaces two roundabouts with one signalized intersection at the mid-point of the arterial bridge across the freeway. The arterial bridge is expanded to provide four through travel lanes plus turning lanes. Estimated Cost is \$40M.

Reconstruct the Existing Roundabout Intersection of Borgen Boulevard with Canterwood Boulevard/Burnham Drive as a Signalized Intersection. This high volume intersection is east of the SR 16/Burnham Drive interchange as reconstructed, and will need to be converted to a signalized intersection in lieu of the current six-legged roundabout at the same time as the SPUI interchange conversion. Estimated Cost is \$400K. New East-West Arterial Connection between Canterwood Boulevard and Purdy Drive, across SR 16, north of the SR 16/Burnham Drive Interchange. A new arterial connection is proposed across SR 16 between South Purdy Drive on the west and Canterwood Boulevard on the east. Estimated Cost is \$7.5M.

New East-West Arterial Connection between Burnham Drive and Bujacich Road, across SR 16, at or near 96th Street NW. Connect across the freeway at 96th Street a longer surface route that would contour southerly from 96th Street to cross SR 16 up to one quarter mile south of 96th Street, then contour back to that east-west alignment. Estimated Cost is \$13M.

Improved Arterial Connection North-South between Bujacich Road and Wollochet Drive, west of SR 16. Construct an arterial connection between Bujacich Road to Rosedale Street. Estimated Cost is \$15M.

Harbor Hill Drive, South Extension to Burnham Drive. Extend Harbor Hill Drive from its current terminus down to Burnham Drive. Estimated Cost is \$6M.

New Collector Arterial, Canterwood Boulevard to Borgen Boulevard to 50th Street to Harbor Hill Drive. Construct a new road from Canterwood Boulevard to Borgen Boulevard. Estimated Cost is \$15M.

EXHIBIT A - 2

CFPs from the City's 2004 Comp Plan

Stormwater

Project Name	Cost*
1 (DC1012) Burnham Dr	\$ 39,000
2 (AW1027) Peacock Hill Ave	\$ 24,000
3 Donkey Crk Fish Enhancement Study	\$ 62,000
4 McCormick Crk Fish Enhancement Study	\$ 62,000
TOTAL = \$187,000	

* In 2006 Dollars (WSDOT Indice for Construction Costs)

EXHIBIT A – 3

CFPs from the City's 2004 Comp Plan

Water

Project Name	Cost*
1 Storage Tank Mtce	\$ 150,000
2 Replace Source Meters	\$ 23,000
3 Leak Detection & BFP Inventory	\$ 66,000
4 Upgrade Perrow Well	\$ 179,000
5 GH North Well (#7)	\$ 1,100,000
6 500,000 Gallon Storage Tank	\$ 2,925,000
TOTAL = \$ 4,443,000	

* In 2006 Dollars (WSDOT Indice for Construction Costs)

EXHIBIT A - 4

CFPs from the City's 2004 Comp Plan

Wastewater

Project Name	Cost ¹
1 Outfall Misc ²	\$ 77,000
2 WWTP Aeration Modifications, Complete ²	\$ 215,000
3 WWTP Dewatering ²	\$ 1,108,000
4 WWTP Headworks ²	\$ 416,000
5 WWTP Headworks Complete ²	\$ 427,000
6 Outfall Construction Phase 1 ²	\$ 542,000
7 Outfall Construction Phase 2 ²	\$ 558,000
8 Outfall Construction Phase 3 ²	\$ 4,461,000
9 WWTP Clarifier ²	\$ 679,000
10 WWTP UV Disinfection ²	\$ 398,000
11 Gig Harbor North (East Side) ³	\$ 3,224,000
12 Peacock Hill Ave from 99th St to Harbor Estates ³	\$ 3,162,000
13 Peacock Hill Ave from Harbor Estates to North UGA Boundary ³	\$ 4,545,000
14 54th Ave south of Bujacich Rd ³	\$ 2,238,000
15 East Side of Highway 16, North of Rosedale St ³	\$ 1,599,000
16 Woodhill Drive ³	\$ 864,000
17 Burnham Dr from Harborview Dr to 96th St	\$ 862,000
18 N Harborview Dr from Peacock Hill Ave to LS#2	\$ 450,000
19 LS#4, Phase 1	\$ 2,119,000
20 LS#4, Phase 2	\$ 558,000
21 LS#8	\$ 1,074,000

TOTAL = \$ 29,576,000

1. In 2006 Dollars (WSDOT Indice for Construction Costs)
2. This project is for system-wide improvements. Cost shown is only 50% of estimated construction costs
3. Currently shown in the 2004 Comp Plan as developer funded.

EXHIBIT A - 5

CFPs from the City's 2004 Comp Plan

Parks

Project Name	Cost*
1 Burnham Dr	\$ 421,000
2 City Park at Crescent	\$ 1,920,000
3 Gig Harbor North	\$ 3,033,000
4 Trail - City Park/Sunset	\$ 90,000
5 WWTP	\$ 482,000
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TOTAL = \$ 5,464,000	

* In 2006 Dollars (WSDOT Index for Construction Costs)

EXHIBIT A - 6

CFPs from the City's 2004 Comp Plan

Summary

Facility	Cost*
1 Stormwater	\$ 187,000
2 Water	\$ 4,443,000
3 Wastewater	\$ 29,576,000
4 Parks	\$ 5,464,000
TOTAL = \$ 39,670,000	

EXHIBIT B

BOUNDARIES OF THE BENEFIT ZONE

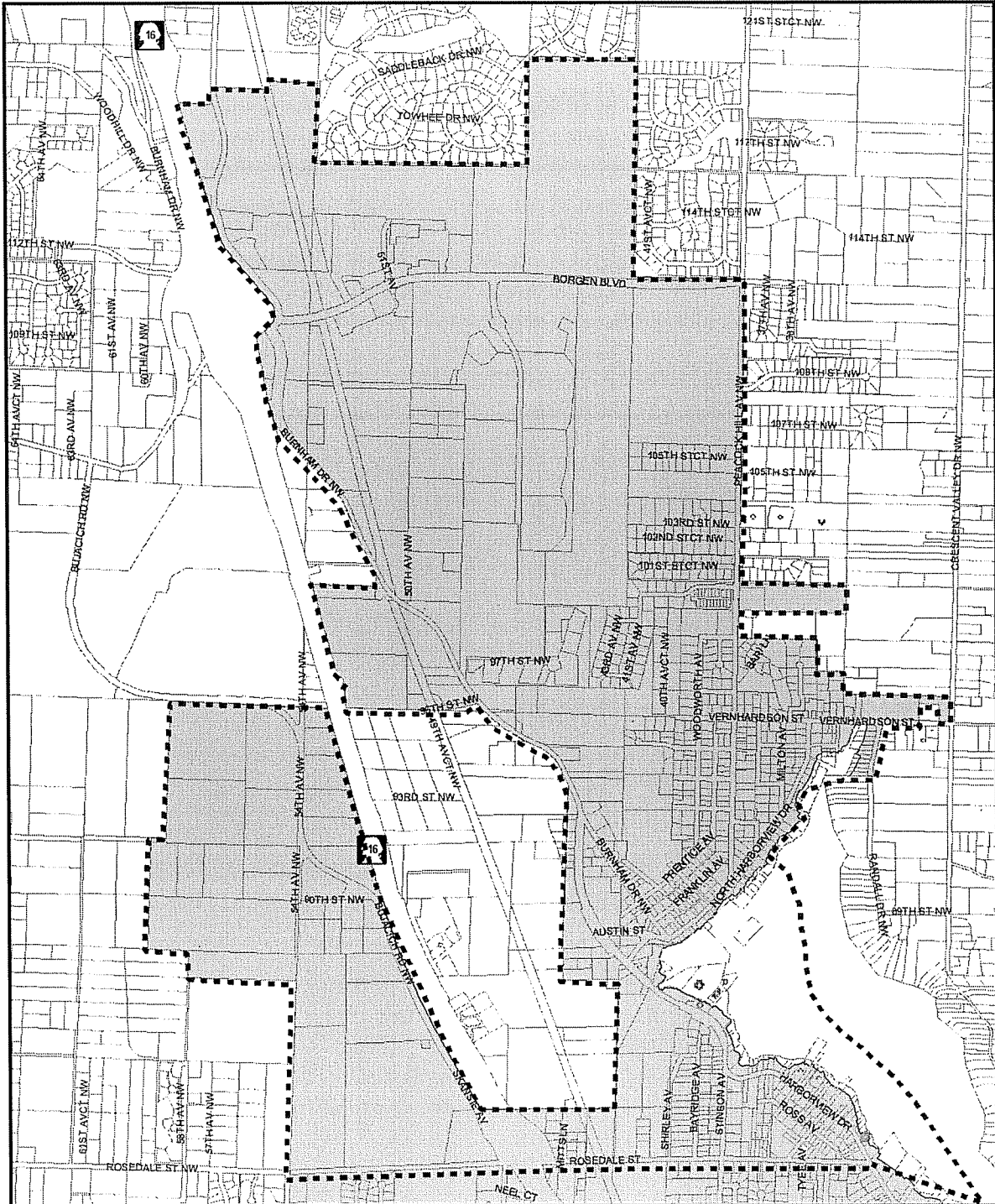


EXHIBIT B