

Gig Harbor City Council Meeting

**July 26, 2004
7:00 p.m.**



"THE MARITIME CITY"

**AGENDA FOR
GIG HARBOR CITY COUNCIL MEETING
July 26, 2004 - 7:00 p.m.**

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

PUBLIC HEARINGS: Vacation of Harbor Street.

CONSENT AGENDA:

These consent agenda items are considered routine and may be adopted with one motion as per Gig Harbor Ordinance No. 799.

1. Approval of the Minutes of City Council Meeting of July 12, 2004 and Building Size Worksession 7/6/04.
2. Correspondence: a) Letter from Master Builders Association. b) Safe Streets – National Night Out.
3. State of Washington Dept. of General Administration – Surplus Property Agreement.
4. Approval of Payment of Bills for July 26, 2004:
Checks #44585 through #44707 in the amount of \$232,275.44.

OLD BUSINESS:

1. Second Reading of Ordinance – Adopting Findings of Fact Supporting for the Continuation of a Moratorium on Water Hook-ups.

NEW BUSINESS:

1. First Reading of Ordinance – Harbor Street Vacation – Hunter.
2. First Reading of Ordinance – Amending Setback Standards in the PCD-BP District.
3. Skansie Avenue Pedestrian Improvement Project Testing Services Contract.
4. Harbor Cove Settlement Agreement.

STAFF REPORT:

1. David Rodenbach, Finance Director - Quarterly Finance Report.

PUBLIC COMMENT:

COUNCIL COMMENTS / MAYOR'S REPORT:

ANNOUNCEMENT OF OTHER MEETINGS:

EXECUTIVE SESSION: For the purpose of discussing pending litigation per RCW 42.30.110(1)(i).

ADJOURN:

GIG HARBOR CITY COUNCIL MEETING OF JULY 12, 2004

PRESENT: Councilmembers Ekberg, Young, Conan, Dick, Picinich, and Ruffo.
Councilmember Franich acted as Mayor Pro Tem.

CALL TO ORDER: 7:00 p.m.

PLEDGE OF ALLEGIANCE:

PUBLIC HEARING:

1. School Impact Fees. Mayor Pro Tem Franich opened the public hearing at 7:01 p.m. No one signed up to speak, and the hearing was closed at 7:01 p.m.
2. Amendment to Front Street Vacation. This hearing opened at 7:01 p.m.

Glen Stenbak – 8817 Prentice Avenue. Mr. Stenbak explained that he lives adjacent to this property, explaining that due to a clerical error, he has been denied a boundary adjustment on his property. He spoke in favor of the correction to the street vacation.

There were no further comments and the public hearing closed at 7:02 p.m.

CONSENT AGENDA:

These consent agenda items are considered routine and may be adopted with one motion as per Gig Harbor Ordinance No. 799.

1. Approval of the Minutes of City Council Meeting of June 28, 2004 and Building Size Worksession 6/21/04.
2. Resolution No. 627 – Surplus Equipment.
3. Resolution No. 628 – Harbor Street Vacation Request – Hunter.
4. Well No. 6 Sand Repack Project – Contract Award.
5. Pump Station 2A Project Redesign – Consultant Services Contract.
6. Replacement of Court Computers.
7. Approval of Payment of Bills for July 12, 2004:
Checks #44472 through #44584 in the amount of \$245,672.06
8. Approval of Payroll for the month of June:
Checks #3267 through #3320 and direct deposit entries in the amount of \$257,790.80.

MOTION: Move to approve the consent agenda as presented.
Picinich / Ruffo – unanimously approved.

OLD BUSINESS:

1. First Reading of Ordinance – Adopting Findings and Facts for the Continuation of a Moratorium on Water Hook-ups. John Vodopich, Director of Community Development, presented this ordinance that continues the moratorium for a period of six months. He said that a decision by the Department of Ecology is due on September 10th.

2. Second Reading of Ordinance – Traffic Impact Fees. Steve Misiurak, City Engineer, explained that this ordinance would raise the traffic impact fees from \$108 to \$275. He provided a short PowerPoint presentation to address questions that were raised at the last meeting. He explained that what is being shown is a 50% developer / city participation of the net local cost of future projects. He explained that the Public Works Committee has recommended that the developer pay 60% of their 50% share, which is reflected in the ordinance.

Councilmembers asked for additional information on how Mr. Misiurak had arrived at the estimated levels for receiving grants, for developer participation, and for city participation. Mark Hoppen explained that the method shown is to establish a fee for trip-rate. After further discussing the formula, Councilmember Dick recommended that this be tabled until staff could bring back the engineer who developed the original fee structure to explain the method of calculation.

Mayor Pro Tem Franich asked if Council wanted to continue with the presentation. Councilmember Ruffo suggested that it be tabled until staff could get the right numbers to help them understand the information.

Councilmember Young said that from a procedures standpoint this should be tabled because at the meeting of June 14th, the ordinance had been voted down.

MOTION: Move to table this agenda item until staff could bring back the engineer who developed the original fee structure to explain the method of calculation.
Dick / Picinich – unanimously approved.

Mark Hoppen asked for clarification on the motion that this should be tabled until staff could get the information to Council and someone who voted against the ordinance chooses to bring it back. Councilmembers agreed that this is correct.

3. Second Reading of Ordinance – School Impact Fees. Mark Hoppen, City Administrator, presented this ordinance adopting the same level of impact fees adopted as Pierce County. He said that Council would also need to adopt the Interlocal Agreement that follows.

Councilmembers spoke in favor of the ordinance, even though the amount is well-below the unfunded need. Councilmember Dick recommended talking to Pierce County and other cities to adopt a number that works better. Councilmember Young agreed, adding that even developers have shown support for this impact fee.

MOTION: Move to adopt Ordinance 963.
Dick / Picinich – unanimously approved.

4. Interlocal Agreement with Peninsula School District. This was discussed briefly under the previous agenda item.

MOTION: Move to authorize the Mayor to adopt the Interlocal Agreement with Peninsula School District.
Dick / Conan – six voted in favor. Councilmember Picinich abstained.

5. First Reading of Ordinance Amendment to Front Street Vacation – Stenbak Property. John Vodopich explained that in March, 1991, the City Council approved Ordinance No. 877 which vacated a portion of Front Street. Recently, Pierce County notified the city of an error in the legal description. He said that this ordinance corrects this clerical error.

Councilmember Young asked why this was listed under old business. Mr. Vodopich explained that Mr. Stenbak would be appreciative if this were passed at this meeting, and Councilmember Young agreed and made the motion to adopt this at its first reading.

MOTION: Move to adopt Ordinance No. 964 under the emergency provision.
Young / Ruffo –

Mayor Pro Tem Franich and Councilmember Ekberg agreed that it makes sense because it is correcting a clerical error, but they would prefer to reserve the emergency passage for real emergencies. The two readings of an ordinance is to protect the public.

Councilmember Picinich called for the question.

RESTATED MOTION: Move to adopt Ordinance No. 964 under the emergency provision.
Young / Ruffo – four voted in favor. Councilmember Franich voted no. Councilmember Ekberg abstained.

NEW BUSINESS:

1. First Reading of Ordinance – Issuance and Sale of UTGO Bond – Acquisition of Real Estate. David Rodenbach, Finance Director, presented this ordinance proposing to put a proposition on the ballot for the voters to authorize a one million dollar bond for potential purchase of the Ancich Property. He clarified that amendments would be made to the ordinance to place the proposition on the November ballot rather than the September primary. This ordinance does not need to return at the next meeting for a second reading, allowing more time for consideration.

Mr. Rodenbach addressed questions regarding the amount and how specific the bond must be in identifying a particular property.

Mayor Pro Tem Franich said that this is a bold directive coming from staff, adding that this should have come from a Council recommendation. Councilmember Young pointed

out that the direction did come from Council as a result of the discussion held at the last building size worksession and the desire from the public to acquire waterfront property.

Councilmember Ekberg asked if a specific site had to be included in a bond or if you could ask for a lump sum to purchase multiple properties. Mr. Rodenbach explained that a bond can be as general or as specific as you want. Mr. Hoppen encouraged Council to identify specific properties, tied to specific amounts to provide the taxpayer a menu rather than to create a pot of money. Councilmember Young agreed, adding that this will help to alleviate the inherent distrust of the public that occurs when you have a blanket bond that is spent for things for which it wasn't sold.

Councilmember Dick voiced concern that this effort seems premature. He suggested that the city should obtain appropriate options on property and then go forward with a bond issue for the voters to decide.

Mr. Hoppen said that this effort should not be taken lightly, and he believes that if the voters are given a menu, and if you provide reasonable limits to what is being proposed, then the voters will be self-interested in what they choose to do.

Councilmember Ekberg mentioned another piece of property that the public was excited about and asked if a separate bond would be issued for each property that is identified, or if it could all be lumped together.

Jack Bujacich – 3607 Ross Avenue. Mr. Bujacich asked how much per thousand would this bond result in for the taxpayers. Mr. Rodenbach used an example of a \$300,000 property; the resulting tax would be \$27 per year for 20 years for each million dollar bond. Mr. Bujacich suggested going for a three-million dollar bond to construct the Maritime Pier and acquisition of future waterfront property as they become available.

Councilmember Young responded that it could be done, but if the voters do not pass the bond, funds for the Maritime Pier would be lost.

Mayor Pro Tem Franich asked for clarification of the breakdown. Mr. Rodenbach explained that the figures came from the Bank of America Securities, and are ballpark figures. He added that the real figures may be much lower.

Mayor Pro Tem Franich said that he would like to be able to assure the public of their cost. Mr. Rodenbach explained that you cannot put a not-to-exceed limit on a bond, but you can give a very conservative estimate, for which you can be reasonably sure that the limit will fall below.

There was continued discussion regarding how to proceed with the bond, and staff was directed to explore other options for Council to consider, such as inclusion of the cost of improvements to the Westside and Borgen Parks.

Councilmember Ekberg agreed that he would like to see other options. He then asked about the increase to the cost to construct a Maritime Pier. Mr. Hoppen explained that the figures he received indicate that it will be an absolute minimum of 1.7 million to construct a Maritime Pier on the Skansie Property.

Mayor Pro Tem Franich commented on the two cost breakdowns for construction of the Maritime Pier. He said that the difference in cost is due to length of the dock and the eight feet of water that DOE would like to see under the dock at mean low water. He continued to say that he spoke with Eric Anderson, Maker & Associates, who shared that the preferred option is to go with the shorter pier with 6-1/2 feet of mean low water. In addition, the unit price for the concrete structure has been lowered to \$90 per square foot and could go lower depending on several variables. He suggested that Council look into these costs, because it is important to bring a realistic figure to the public.

Mr. Hoppen voiced concern that if the city goes for a bond, that it is important that the project be able to be constructed within the amount of the bond. Based on the information that he has gathered to date, Mr. Hoppen said that he cannot guarantee that the job can be done for less than the amount in the ordinance. He added that the only way to generate this kind of money is to put away small amounts over the years, or to go to the voters for a bond.

Mayor Pro Tem Franich said that he is in support of a bond on the ballot, because it is the ultimate test of what the public wants. He then added that he thinks that it takes the city "off the hook" from spending money on projects that it should by asking the citizens for more money. He mentioned that the city "found" \$250,000 for lights at the athletic field and \$500,000 for a park on the Westside, using these examples of how money could be put away towards acquiring more waterfront property or construction of a Maritime Pier.

Mr. Hoppen explained that the current priorities are putting money away for road projects and buying down the existing debt; for the future, we need to ask the voters to be able to create a pot of money for these other things.

Councilmember Ruffo stressed that it is time to move forward, and that the bond system is the way to get the money quickly. Everyone is talking about the city acquiring waterfront property, so it is time to find a way to sell it to the community.

Councilmember Picinich agreed that it is time to get moving on both property acquisition and construction of the Maritime Pier as soon as possible. He said the Maritime Pier is long overdue and this is a chance to give this to the community.

Mr. Hoppen asked if Council wanted staff to return with a developmental proposal for existing properties. Councilmember Ekberg said that he would like to see some figures on what it would cost to get an idea of whether this is a realist way to improve the parks. In addition, he asked that the bond amount for property acquisition be increased.

Councilmember Ruffo agreed. Councilmember Young said that it is important to give the citizens the facts and to offer options to allow them to make the decision.

2. First Reading of Ordinance – Issuance and Sale of UTGO Bond – Construction of a Maritime Pier. This was discussed during the prior agenda item.

John Vodopich announced that there is one additional item of new business that was not included on the agenda. He explained that at the June 21st worksession, staff was directed to prepare for Council's consideration, an immediate moratorium on the issuance of development applications in the height restriction area. A copy of this ordinance has been given to Council to review. Under the provision allowing adoption of an ordinance at its introduction, adoption of this ordinance this evening would institute an immediate moratorium, followed by a public hearing at the August 9th Council meeting to adopt the findings and facts for continuation of the moratorium.

MOTION: Move to adopt Ordinance No. 965, authorizing a six-month moratorium.
Ruffo / Picinich –

Councilmember Young asked to be put on record as hating these types of things, but he requested this ordinance because of the importance of the situation. He added that he had spoken with a developer who recommended that the city should pull back until it could figure out what it was doing.

Mayor Pro Tem Franich said that he thought this would be covered under the water moratorium. Councilmembers explained that you could still develop if you used other water service such as a well. This moratorium will allow time to listen to the public and to obtain the expertise to determine what would make the most sense.

RESTATED MOTION: Move to adopt Ordinance No. 965, authorizing a six-month moratorium.
Ruffo / Picinich – unanimously approved.

STAFF REPORTS:

Chief Mike Davis passed out a written status report and offered to answer questions. Councilmember Ruffo commented that this was the most comprehensive report that Council has received from the Police Department.

PUBLIC COMMENT:

COUNCIL COMMENTS / MAYOR'S REPORT:

Mayor Pro Tem Franich commented that he received a letter from Carol Morris responding to a letter to the Planning Commission from Dawn Stanton. He asked that in the future, a copy of the original letter be attached to clarify the response.

ANNOUNCEMENT OF OTHER MEETINGS:

Council Worksession on all zones that currently have building size restrictions, except in the view basin: Monday, July 19, 2004, 6:00 p.m.

EXECUTIVE SESSION: For the purpose of discussing potential litigation per RCW 42.30.110(1)(i) and property acquisition per RCW 42.30.110(1)(b).

MOTION: Move to adjourn to Executive Session at 8:28 p.m. for approximately 20 minutes for the purpose of discussing potential litigation and property acquisition.
Picinich / Ruffo - unanimously approved.

MOTION: Move to return to regular session at 8:50 p.m.
Picinich / Ruffo – unanimously approved.

MOTION: Move to return to Executive Session for an additional fifteen minutes.
Picinich / Ruffo – six voted in favor. Mayor Pro Tem Franich voted no.

MOTION: Move to return to regular session at 9:10.
Dick / Ruffo – unanimously approved.

MOTION: Move to adjourn at 9:07 p.m.
Conan / Ruffo – unanimously approved.

CD recorder utilized:
Disc #1 Tracks 1 – 13.
Disc #2 Tracks 1 – 5.

Jim Franich, Mayor Pro Tem

Molly Towslee, City Clerk

**GIG HARBOR CITY COUNCIL
BUILDING SIZE ANALYSIS WORKSESSION
July 6, 2004 6:00 p.m. – Civic Center Community Rooms**

PRESENT:

Councilmembers: Derek Young, Paul Conan, Jim Franich, Bob Dick, and John Picinich. Mayor Wilbert was absent, and Councilmember Franich presided over the meeting. Councilmembers Ekberg and Ruffo were absent.

Staff: Mark Hoppen, John Vodopich, Steve Osguthorpe and Molly Towslee.

Mayor Pro Tem Franich opened the worksession at 6:03 and welcomed everyone. John Vodopich, Community Development Director, explained that this session was to address building size limitations in the height restriction area of the View Basin, with the exception of the DB and waterfront; two zones which were discussed in earlier worksessions. He gave an overview of the recommendations for each zone.

Councilmembers explained that they would address each zone marked in yellow on the handout, discuss any concerns, and accept any public comments before moving on to discuss the next zone.

Carol Davis asked for clarification on whether the recommendation for a 3500 s.f. / structure meant that more than one structure could be built on a parcel or lot. She said that the lots in the downtown area are small, asking if a series of 3500 s.f. structures could be built side-by-side, resulting in a large structure.

Councilmember Young explained that the reason behind the change to per structure rather than per lot was for city-wide zoning rather than for the smaller lots downtown. He said that a limit of 3500 per lot would encourage sub-division of larger lots, which may not be the best solution.

Steve Osguthorpe, Planning / Building Manger, read the setback requirements for the R-1 and R-2 zones.

Architect David Bowe used the white board to illustrate what could occur with separate buildings.

Mr. Osguthorpe said that this concern with separation of structures could be handled through a definition of structure that requires a physical separation between buildings as opposed to using the building code definition. Mr. Bowe voiced concern of how you could determine an appropriate spacing.

Councilmember Young explained that it would be similar to identifying setback requirements. He said that this is not such a concern in the R-1 or R-2 zones, but in the RB-1 and RB-2 zones where small office or small commercial buildings are allowed. He

said that they wanted to encourage an overall site-plan with smaller buildings rather than having the parcel subdivided.

Ms. Davis commented that the 3500 s.f. per structure may not be valid in all zoning districts and may have unintended consequences.

Councilmembers discussed the concern and agreed that further consideration is warranted.

Mayor Pro Tem asked how everyone felt about the 3500 s.f. limitation. Councilmember Conan said that it is okay in the downtown area, but he was unsure of that figure for lots further away from the waterfront.

Lita Dawn Stanton voiced concern that Council was about to give their stamp of approval for a 3500 s.f. limitation without enough information. Mayor Pro Tem Franich explained that no decisions were being made, and that Council was in no hurry to approve any limitations until the completion of the charette process. There was discussion about what limitations would be appropriate further up Soundview, and whether the issue is building size or view corridors.

Scott Wagner commented that it appears that the 3500 s.f. limitation was pulled from a hat. He recommended using the tax records to average the size of structures throughout the different areas. Councilmember Young said that he has information that the average Gig Harbor home is 2900 s.f.

Bruce Gair explained that the Planning Commission forwarded the recommendation for the 3500 s.f. limitation from information they obtained using the GPS picture of downtown. He said that the vast majority of the buildings were in the 3500 s.f. range. He said that the Planning Commission only made a recommendation to limit commercial buildings so as not to "step on any toes" by recommending that residential also be limited.

Scott Wagner said that the Aerial photo the Planning Commission used only shows the footprint. He asked if it matters if the structure has a basement, or if the building stays within the setbacks. He said that it should be a footprint limitation, not a total structure limit. Councilmember Young explained that by limiting the footprint you are giving an advantage to sloped lots. He said along Olympic Drive, there are several office buildings that have daylight basement structures.

Others agreed that it would not be a negative thing to have this advantage if it didn't affect the neighbors. Councilmember Young said that if building size is the issue, then this shouldn't be allowed. The back side of a building should have as much consideration as the front.

Mark Hoppen pointed out that the value is the view, and the question is the best way to address it.

Dick Allen pointed out that the design of a building has a great deal to do with what is acceptable. He used the BDR building and the ones built below as an example.

Lee Desta agreed that trees make a huge difference, and added how important it is to limit the height and the types of trees being planted when protecting the "mega-mansions."

Mr. Gair added that he remembered that the 3500 s.f. limitation came from the existing limits in the Millville zone.

Councilmembers discussed whether or not it was necessary to make a motion and decided that these two remaining worksessions were only to gain input. They recommended allowing the charette process to occur before any further decisions or directions were made.

Mr. Hunter said that the value in these meetings was the ability to bring out the concerns that came to light from the first draft of the ordinance. He reiterated that the previous votes were to allow larger buildings on the Westside and to take zoning changes off the table for consideration. John Vodopich explained that the zoning changes may come back as a result of the charrettes.

The discussion moved on to the R-2 zone.

Councilmember Young commented that in light of the discussion, the R-2 recommendation needs adjustment. He asked for clarification of how the size is currently regulated in R-2 and R-3. Steve Osguthorpe explained that in R-3 it is units per acre, and in the R-2 only a duplex is allowed. Councilmembers discussed size limitation in the R-2 zone.

Ms. Desta asked Council to refer to the large duplexes that were just constructed off Pioneer as examples of how large a structure could occur.

The discussion then moved on to the R-3 zone.

Councilmember Young said that he felt that there should be some limit in the R-3 zone, but he would like to encourage some non-residential uses in that zone due to the intense nature of the development. Steve Osguthorpe explained that there are currently no limits on size but the density is limited to eight units per acre.

Mr. Wagner said that there shouldn't be any limitation but density in this zone. Councilmember Picinich said that because there is only one R-3 parcel in the view corridor, he thought it should be kept at no limit.

The discussion then moved to RB-1.

Jack Bujacich asked why the Ancich parcels on Grandview were zoned RB-1 where they abut the residential parcels. He said that condos would be appropriate and would provide a good buffer for the commercial across the street and the residential down the hill.

Mark Hoppen explained that this may be an appropriate place for a zone mapping change.

Mr. Gair said that he had submitted a letter from five families that live on Butler that explained their concerns with the trees on the harbor side of Grandview, the concern that tall office buildings may be built on these parcels and the impact on traffic. Mr. Gair asked that Council review this letter.

Mr. Allen agreed that Grandview is a good buffer between residential and commercial.

Mr. Bowe said that he came to comment on the RB-1, and asked permission to illustrate some of the issues of this zone on the whiteboard. He explained that he has had an opportunity to study an RB-1 site in the view basin, and drew three zones, with the RB-1 between an R-1 and a C-1 zone. He explained that because this is a transition zone, and because of the required buffers and setback requirements, that the only way to make the property work is to sub-divide or to build higher-density residential.

Councilmember Young said that this illustrates what they were trying to prevent; the separation of projects. Mr. Bowe said that this creates lots of little buildings with their own parking lots in the view basin, which should be a higher density area.

Mark Hoppen explained that a property owner would attempt the maximum density in a transition zone. He said that this is the triangle on the map and what is adjacent is R-2, not R-1. He asked what kind of transition people would like to see in this area. He continued to explain, using the Spadoni Brothers property as an example. He said that because of the transition standards that limit the size of the building, this property would not support 5,000 s.f. structures. He said that you could get five buildings, but they would be the same size as the houses next door. He stressed that a number of standards are at work in the transition zone, not just the square footage. He said that the downtown triangle property would lend itself to a strange averaging problem due to the surrounding buildings.

This led to a discussion on whether height restrictions would be sufficient to accomplish the desired results. Mr. Bowe said that Gig Harbor has a unique way of measuring height. This was further discussed.

Councilmember Young said that the intent of the per structure limitation was to discourage haphazard subdivision and to encourage master site planning. He asked if the per lot limit is the direction that was preferred.

Mr. Bowe responded that there are principles and there are rules that supposedly enforce principles. He said that the principles should override the rules, so that when

you have a unique site, following the principles of the design means that you cannot follow a rules-based permitting process. This allows public input on the design so that the buildings all don't look the same. Any character will be lost because you can't design each site as if it was a flat parcel, adding that the developer wants to maximize the site.

Councilmember Franich asked if maximizing the site should be the driving force. Mr. Bowe said that the result would be residential and the downtown would disappear. Councilmember Franich disagreed. He said that if the triangle doesn't develop as commercial, the downtown will not die. Mr. Bowe said that the 3,500 or 5,000 limitation would discourage any commercial development and the downtown will become more residential. He added that the character of this area should be guided by guidelines, not square footage. He used other jurisdictions as an example of how each project is reviewed independently.

Councilmember Young pointed out that without limits, you would end up with a 65,000 s.f. building in place that you do not want, which has happened in the past with buildings that the public is unhappy.

Mr. Bowe said that this is an unfair analogy, because the Design Review Board was not allowed to review the entire project, only specific points. He said that you can't govern or legislate this with rules.

Lita Dawn Stanton said that she agreed with this analogy. She said that the city wants to rely on design review, but won't give them the power to be flexible. And yet, you want to use numbers to take care of what we don't trust with design review.

Councilmember Young said that up to this point, the fear has been a 65,000 s.f. building at the Finholm site, and if you don't have a limit, how would you prevent this. Ms. Stanton replied that she would be in favor of a larger building size limit if she believed that design review would have the power to dictate design without it being a subjective opinion challenge. She said that other jurisdictions are doing it, adding that what you want is to reflect neighborhoods, which requires three legs to design. These are staff, a board appointed because of their expertise, and the community. As it is now, there is no fluid interaction with the community.

Councilmember Young asked what would happen if a developer doesn't choose to go through a design review process. Mr. Bowe recommended that they not have a choice.

Mr. Gair said that the Planning Commission had completed the public hearings on the first look at the Design Review Manual, and he does not believe that they can develop a manual that can address the concerns and the legalities that will work for everyone. He said that they could deliver a manual for Costco and that neighborhood, or one for the Downtown Business zone, but without a look at the all different communities contained in this one town, no one book can do it all.

Steve Luengen. Mr. Luengen said that he found it very hard to get a large building on his site due to the averaging of the surrounding structures. He said that they had to average over three different zones, and his building had to be broken into two to obtain the smaller scale. He sympathized with what was said about the rules driving the structures, as he found that rules drove everything in his development and he was not pleased with the inability to work with the city to come up with a design that would work for the area.

Councilmember Young used Mr. Luengen's original drawings of a much larger building as an example of how the averaging rules and the requirement for a view corridor could work for a more acceptable project. Mr. Luengen agreed that in the end, he cannot say it was a bad thing, because he can see the merits and trying to make the building fit better in the area. He said that he had the same issues with the Design Review Board, when they were looking at such minute details of the plan that it was a disappointment. He wanted comment and feedback on the whole project, which they were unable to give. He added that if the DRB limited his building to a smaller size, he would have reverted to residential, which isn't what that area should be. That area should invite the public to sit down and enjoy the harbor.

Councilmember Franich said that he thought that the building is too big for that area and the two buildings are an example of how the Design Review Manual and Municipal Code can be manipulated to end up with a bigger building. He said that the area would have been better served with residential.

Mark Hoppen said that this another example of a mapping issue. The parcel was split between a commercial and residential zone.

Wade Perrow. Mr. Perrow echoed the comments that the community needs to be involved. He added that he lives in the urban City of Gig Harbor, and he likes to be able to walk down and go to the shops and feel like he is a part of the community. He asked how you can specifically define that any size limit is in the best interest, or is an ideal size. He said that there are safety standards written for roadways that pertain to the particular statistical information, but there is no such information on building size. He said that Councilmembers need to keep in mind that you cannot legislate good taste. What one person sees as good may not be what another sees as good. He used Spinnaker Ridge as an example of good development and cloistering of services. He said that these building size limitations are just a knee-jerk response.

Councilmember Franich said that the Planning Commission gave quite a lot of thought to and took a look at the existing neighborhoods to come up with the numbers that have been recommended.

The discussion moved on to the B-1 zone. There is only one in the entire city, located behind the Uddenberg Shopping Center and is supposed to be used for neighborhood business. Councilmember Young suggested that the Finholm area may be a good place for this zoning designation, which can be reworked to allow something like a grocery

center, but without the larger retail structures that are allowed in the B-2 zone. The Councilmembers discussed a small retail concept for the B-1 designation, and to replace the B-2 in the Finholm district with this new B-1 zone. Mayor Pro Tem Franich agreed that the Finholm and the Beach Basket areas need more consideration to make a decision that is best for the neighbors and the community. He added that a 65,000 s.f. limit is not appropriate there.

Steve Luengen said that again, you are trying to legislate design. He said that no one would build a 6500 s.f. building there, as there is no parking. Chuck Hunter warned that if you allow the 6500 s.f. limit there, someone would figure out how to do it.

Mark Hoppen said that it cannot be done because of the transition zone standards that would apply. Mr. Hunter pointed out that with buffers and meeting the DRB standards, you may be able to work through a lot of that, adding that a 6500 s.f. building is too large for this area. Mark Hoppen then commented that it doesn't make sense to zone the downtown and the north end differently.

Mayor Pro Tem Franich stressed that in the charette process, this area would be given a hard look. He said that the B-2 limits on the Westside would not work here. Mr. Hoppen said that it doesn't make sense to have larger buildings on the north end than in the downtown. This led to more discussion on what would be appropriate for a neighborhood zone with an emphasis on the scale of the existing buildings.

Councilmember Picinich said that he agreed with a B-1 designation for the Finholm area, pointing out that this isn't a large area. Councilmember Conan commented that he too agreed that the B-1 zone needs to be rewritten to fit. Councilmember Franich said that mass and scale was as important as uses. He again said that Mr. Luengen's building does not fit the existing scale of the neighborhood.

Mr. Luengen commented that the rules forced him to build out front. He originally wanted the placement of the structure further back on the property. Steve Osguthorpe explained that the main part of the property was zoned R-1.

Dick Allen said that an interesting fact is that as large as the Hennington Building is, it is not as noticeable because of the blending and landscaping.

Mr. Luengen commented that office space in the Finholm district is one of the things that is keeping it alive. He said that he is trying to place retail in his building, and there just isn't the interest.

Mr. Hoppen asked if the conjoined nature of the buildings on the uphill side of this area was of value. If this is desirable, maybe B-1 isn't the correct zone. He suggested a DB zoning designation, as this is the zone that is supposed to be across from WC.

Councilmember Young responded that it all depends upon what is appropriate for each neighborhood.

Ms. Stanton mentioned that the Luengen building is made up of 3,000 s.f. structures, and that according to the Design Manual, you could build this same thing all along the Finholm District. She asked whether it is the height or footprint that needs to be looked at.

Mr. Luengen commented that he chuckled when he heard that people said that the Harbor Inn is about right at its 3000 s.f. footprint, because his buildings are the same.

Chuck Hunter said that the trick on the height was the two zones and staff allowed the height to be calculated from the high side of the assessor's, R-1 zone. If it would have been measured from where the building actually sits, it would have been much lower, with the parking garage in the ground. Mr. Hoppen restated that the problem is with mapping, and a single parcel should never be split with two zones.

Mayor Pro Tem Franich stressed that is where you measure the height. Bruce Gair offered that the original building was supposed to be 63 feet high, and there has been a lot of mitigation since the original design.

Wade Perrow suggested that Council needs to identify a vision for that corridor, using Poulsbo, La Conner, and Port Townsend as examples of smaller cities on the water. He asked if you would rather see an asphalt parking lot, or if it would be nicer to see a building along there. He recommended developing a zone for that area that would compliment what happens on the water side. He said that several 3,000 s.f. buildings would not look as good as a longer monolithic building that has different store-front looks.

Mayor Pro Tem Franich said that for him, it all comes down to height. He said that the BDR Building and the Luengen Building are prime examples of structures that are too high. Mr. Perrow said that this is the reason that you have to complete a visioning process.

Councilmember Conan said that the one building, broken up into smaller pieces, sounds like a DB zone. Mr. Hoppen said that square footage limitations guarantees that it would be intimate looking. A consolidated approach in this area, with a limited height, might look good here, but it would require addressing the concerns voiced by Chuck Hunter that someone could "beat the rules" and build something out of scale.

Councilmember Dick asked if there are many properties with split zoning. It was determined that the Luengen property was the last site with this anomaly.

Discussion moved to the C-1 District. The only parcel identified as having C-1 zoning is located across from the Beach Basket on the corner of Harborview Drive.

Someone in the audience said that the city should just buy this property and turn it into a park. Councilmember Picinich agreed, or said that the city would offer to give the property owners a "write-off" if they donated the property to the city.

Joel Wingard said that he knew there was talk about restoring the tidelands where Donkey Creek goes into the bay. He said that one of PNA's issues is more access to the water. Councilmember Picinich said that this is also a goal of the Council, and to do what is best for the community by buying as much property in that basin including the Scofield Property and the Eddon Boat property. This is where the citizens need to get involved to buy these properties to preserve them for the public. Then Council wouldn't have to worry about zoning. He stressed that it is time for the city to get busy and buy the property, just as they should have bought the Ancich property when they had the chance. This would preserve the basin and provide access to the area. He said that it will take the citizens to give the support to move forward.

Jack Bujacich said that Council can create the bond issue and let the voters make the choice.

Mayor Pro Tem Franich asked that due to time constraints, that the discussion stay on the C-1 zone.

Ms. Stanton suggested pooling the Finholm District, along Harborview, and the DB District into one B-1 zone.

Bruce Gair explained that at one point the Planning Commission thought about a C-1 and a C-2 zone to avoid this argument; but an agreement could not be reached on how to define C-2.

Councilmember Dick said that if there is a vision for a low-intensity use here, why trigger immediate development by upzoning it to a higher density use. He encouraged the use of the visioning process for the property. He said that the prospect of public acquisition is great, but it takes a great deal of money, and to wait until someone has started on a project that will triple its value is silly, as you will never be able to buy it under those circumstances. He said that if you think the look and feel of this part of the neighborhood should be lower than it is, you shouldn't contemplate making it bigger.

Councilmember Conan commented that the property is currently zoned C-1 and you couldn't make it any bigger, unless you made it DB with no limits. Councilmember Dick said that this was his concern; the discussion that it be consistent and it become DB all along there. If you change the definition of DB, he could understand that logic.

Mark Hoppen clarified that it would be DB with limits. Mayor Pro Tem Franich explained that this property was zoned C-1 because the light company was located there. Mr. Hoppen explained that every place that there has been historical, industrial, or heavy commercial use has been zoned as a matter of history, not as a matter of the future. That is the problem.

Councilmember Picinich said that he would rather see B-1 than DB for that whole area from the marina on around. Councilmember Conan agreed with this comment.

There were no further comments, and Mayor Pro Tem Franich thanked the audience for participating. He announced that the next worksession is July 19th at 6:00 p.m.

The meeting was adjourned at 8:18 p.m.

Respectfully submitted:

Molly Towslee, City Clerk

MBA Master Builders Association of Pierce County

June 29, 2004

Mayor Gretchen Wilbert
City of Gig Harbor
3510 Grandview St.
Gig Harbor, WA 98335

Dear Mayor Wilbert:

Enclosed please find a check for \$2500 from the Master Builders Association of Pierce County (MBA) to help defray the costs for the consultant hired to expedite Gig Harbor's water right applications with the State Department of Ecology. MBA offers this contribution on behalf of our membership and with the hope it will help the City cover the added processing costs and reduce the length of time the development moratorium is in place in Gig Harbor. Moratoria are a last resort, and MBA recognizes the need to handle this issue as quickly as possible in order for the City to be able to remove the moratorium.

As Gig Harbor proceeds through the moratorium period, MBA requests that the City continue to accept development and building applications and begin processing them, even if they cannot be finalized or issued without water availability. This is to avoid a permit vacuum while the moratorium is in place and then a "permit application logjam" when it is lifted. The City can proactively review the permit applications and help prepare for when water is again available from the city system, thereby avoiding additional delays for the city and for applicants. Concerns about vesting projects can be dealt with in a variety of ways (e.g., through agreements with an applicant to comply with the most current regulations when water is again available.)

Please contact MBA at (253) 272-2112 with any comments or for more information.

Sincerely,



Scott Serven
President

Enc.

Cc: Gig Harbor City Council
John Vodopich, Director of Community Development

SAFEST
Uniting Neighbors Against Crime

NATIONAL
**NIGHT
OUT**
America's Night Out Against Crime

FIRST TUESDAY IN AUGUST



COMMUNITY DEVELOPMENT DEPARTMENT

TO: MAYOR WILBERT AND CITY COUNCIL
FROM: JOHN P. VODOPICH, AICP
COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: DEPARTMENT OF GENERAL ADMINISTRATION
- SURPLUS PROPERTY AGREEMENT
DATE: JULY 26, 2004

INTRODUCTION/BACKGROUND

Twice a year, the City staff reviews current equipment inventories and determines some equipment to be obsolete or surplus to the City's present or future needs. These items are presented to City Council and declared as surplus to be sold at public auction. The Department of General Administration has the facilities and personnel to sell the City's surplus equipment and vehicles at their surplus property yard in Auburn, Washington. In order for the City to continue utilizing the State of Washington surplus services, the City is required to renew its agreement with the Department of General Administration of the State of Washington.

POLICY CONSIDERATIONS

The Department of General Administration is authorized in accordance with RCW 43.19.1919 to sell surplus personal property for the purposes of selling City property, collecting payment from the buyer, and reimbursing the City for the proceeds of the sale(s) as described in the subject agreement.

FISCAL CONSIDERATIONS

Monies received from the sale of surplus items will be used to offset the costs for future vehicles and equipment.

RECOMMENDATION

I recommend that Council authorize the renewal and execution of the subject agreement as presented.

AGREEMENT

WHEREAS, the Department of General Administration of the State of Washington is Authorized by RCW 43.19.1919 to sell surplus personal property; and

WHEREAS, the City of Gig Harbor (hereinafter referred to as City of Gig Harbor) is authorized to sell surplus personal property; and

WHEREAS, the Department of General Administration has the facilities and personnel to sell surplus personal property; and

WHEREAS, sales/auctions are regularly scheduled at the Surplus Property Yard, 2301 C Street SW, Auburn, WA 98001,

THEREFORE, it is agreed pursuant to the terms of RCW 39.34.080, that;

1. The State of Washington, Department of General Administration, Surplus Property, hereinafter referred to as the State, agrees to sell, as agent for City of Gig Harbor, items declared surplus and turned over to the State for disposal.
2. In consideration for the services provided by the State, City of Gig Harbor hereby agrees to:
 - a). VEHICLES & EQUIPMENT: Pay 7.5% of the sale price for each vehicle/equipment sold; with a \$100.00 minimum and a \$900.00 maximum charge.
 - b). Accept the high bid received at sale or auction. Vehicles with a minimum bid **WILL NOT BE ACCEPTED.**
 - c). Deliver vehicle to the sale site prior to sale date.
 - d). Transmit titles to the State with a letter of transmittal at least four weeks prior to sale date.
 - e). Provide detailed information concerning the condition of the vehicle, to the State at time the titles are transmitted.
 - f). Provide tires for vehicle, including the spare, if any, that conform to the requirement of RCW 46.37.423.
 - g). Provide a statement that the mileage shown on the vehicle's odometer is correct.
 - h). Save and hold harmless the State of Washington, Department of General Administration, its officers, employees and agents (including the auctioneers) from and against, any and all claims arising from the sale transaction, either before, during, or after the sale, including but not limited to, claims of governmental agencies concerning the vehicle, claims made by the buyer or others based on faulty, damaged, missing or otherwise unsatisfactory parts or components, and claims for damage to property or injury to persons resulting from use of the vehicle.
3. The State of Washington agrees to sell the equipment, collect payment from the buyer, and reimburse the owing agency proceeds of sale less the seven and a half per cent (7.5%) fee, and an auction prep charge (wash & vacuum) of \$20
4. If for any reason, City of Gig Harbor accepts return of the vehicle from the buyer, the selling cost shall not be returned.

Tax ID# or Soc. Sec. # 91-6001435

'Pre-Sales' OK

Auction only

State of Washington Doug Coleman

City of Gig Harbor

Agency

X

Agency Signature (print name) Gretchen A. Wilbert, Mayor

Email wilbertg@cityofgigharbor.net

Phone: (253) 851-8136 Fax (253) 851-8563

3510 Grandview St

Address

Gig Harbor
City

WA
State

98335
Zip Code



COMMUNITY DEVELOPMENT DEPARTMENT

TO: MAYOR WILBERT AND CITY COUNCIL
FROM: JOHN P. VODOPICH, AICP
COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: SECOND READING OF AN ORDINANCE - ADOPTING FINDINGS OF
FACT SUPPORTING ORDINANCE NO. 960
DATE: JULY 26, 2004

INFORMATION/BACKGROUND

The City Council adopted Ordinance No. 960 which imposed an immediate moratorium for a period of up to six months on the acceptance of certain development permit applications and utility extension agreements on May 24, 2004. Adoption of this ordinance was predicated on the City Council holding a public hearing on the proposed moratorium within sixty (60) days after adoption (RCW 35A.63.220, RCW 36.70A.390). Such a hearing was held on June 28, 2004 after which the City Council deliberated and directed staff to prepare findings of fact on the subject of the moratorium justifying its continued existence for a period of six-months.

The City Attorney has drafted an ordinance justifying the continued existence of the moratorium for a period of six months.

First reading of this ordinance was held on July 12, 2004

RECOMMENDATION

I recommend that the Council adopt the ordinance as presented.

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO WATER AVAILABILITY FOR NEW DEVELOPMENT, ADOPTING FINDINGS AND CONCLUSIONS TO SUPPORT AN EMERGENCY MORATORIUM ON THE ACCEPTANCE OF APPLICATIONS FOR DEVELOPMENT OR UTILITY EXTENSION AGREEMENTS REQUIRING A WATER CONNECTION, WATER SERVICE OR AN INCREASE IN WATER CONSUMPTION TO AN EXISTING USE, DEFINING THE APPLICATIONS AND AGREEMENTS SUBJECT TO THE MORATORIUM, CONFIRMING THE MAINTENANCE OF THE MORATORIUM FOR SIX MONTHS AFTER INITIAL IMPOSITION AS THE EFFECTIVE PERIOD.

WHEREAS, the City Council of the City of Gig Harbor may adopt an immediate moratorium for a period of up to six months on the acceptance of certain development permit applications and utility extension agreements, as long as the City Council holds a public hearing on the proposed moratorium within sixty (60) days after adoption (RCW 35A.63.220, RCW 36.70A.390); and

WHEREAS, on May 24, 2004, the Gig Harbor City Council passed Ordinance No. 960 imposing an immediate moratorium on the acceptance of development applications and utility extension agreements requiring water service from the City's water system because the capacity in the City's water system is extremely low; and

WHEREAS, the City held a public hearing on the water moratorium on June 28, 2004; and

WHEREAS, the City Council desires to enter findings and conclusions in support of the continued maintenance of the moratorium for a period of six months after the adoption of the moratorium (which would be on or about November 24, 2004); Now, Therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON,
ORDAINS AS FOLLOWS:

Section 1. Definitions. For the purpose of this Ordinance, the following definitions apply:

A. **"Exempt Development Permits"** shall include any permit applications identified below:

1. Administrative interpretations;
2. Sign permit;
3. Demolition permit;
4. Street use permit;
5. Permits for interior alterations of a structure with no change in use;
6. Excavation/clearing permit;
7. Hydrant use permit;
8. Right of way permit;
9. Single family remodeling permit with no change of use;
10. Plumbing permit;
11. Electrical permit;
12. Mechanical permit;
13. Sewer connection permit;
14. Driveway or street access permit;
15. Grading permit;
16. Tenant improvement permit;
17. Fire code permit;
18. Boundary Line Adjustment;
19. Design Review approval.

Notwithstanding the inclusion of any permit in the list above, if any of the above permit applications will increase water consumption, such application shall not be exempt. In addition, an exempt permit shall include any other development application: (i) submitted to the City and complete on or before the effective date of this Ordinance; or (ii) that does not require water from the City's water system.

B. **"Non-Exempt Development Permits"** shall include any permits or permit applications for any "development activity," which is any construction or expansion of a

building, structure or use; any change in the use of a building or structure; or any changes in the use of the land that creates additional demand for water from the City's water system and requires a development permit from the City. A "development permit" is any land use permit required by the City for a project action, including but not limited to building permits, subdivisions, short plats, binding site plans, planned unit developments, planned residential developments, conditional uses, shoreline substantial developments, site plan reviews or site specific rezones, and certain types of applications for amendments to the City's comprehensive plan (see, GHMC Section 19.10.010).

"Non-exempt development permits" shall also include utility extension agreements for water service outside the City limits, as identified in GHMC 13.34.060, which have not been acted upon by the City Council on the effective date of this Ordinance, regardless of the date of submission or the completeness of the application/agreement materials.

Section 2. Purpose. The purpose of this moratorium is to allow the City adequate time to allow the Department of Ecology to process the City's water rights application so that the City may obtain additional water right approvals from DOE. In addition, the City may pursue any other options to obtain water for new development.

Section 3. Findings and Conclusions in Support of Moratorium. On June 28, 2004, the City Council held a public hearing on the moratorium imposed on June 24, 2004.

A. John Vodopich, Gig Harbor Community Development Director, provided the chronology of events on the Council's adoption of the water moratorium. During the old

business portion of the Council meeting, Mr. Vodopich explained the background of the water moratorium. First, he explained that in 2000, the City submitted two water right applications to the Washington State Department of Ecology ("DOE"). DOE is extremely backlogged in their review of water right applications.

The City contacted DOE when the water emergency arose and DOE stated that they would need six to eight years to process the City's 2000 permit applications. In the alternative, DOE proposed that the City execute a cost-reimbursement contract with one of DOE's consultants who could process water right applications. It was explained that in order for this consultant to process the City's water right applications, he would have to process all of the water right applications (that had been submitted for this area) first, and then he could process the City's application. The contract would require the City to pay the consultant for processing all of the applications prior to Gig Harbor's and if there were sufficient water at this point, to process Gig Harbor's application. DOE informed the City that even after the City paid for this consultant to process the water right applications, there may not be water available for Gig Harbor. This contract was executed by the City Council on June 10, 2004, and DOE's consultant is currently at work processing the applications.

In addition, Mr. Vodopich had discussed the progress of the application review and noted that the contract calls for DOE to render a decision on the City's applications by September 10, 2004, with a 30 day appeal period. The Council asked Mr. Vodopich how many ERU's would be available to the City if both water right applications were granted, and he answered that the applications were for approximately 2,800 ERUs and 1,200 ERU's.

B. David Freeman, Snodgrass Freeman & Associates, 3019 Judson Street, Gig Harbor, testified as to his concern that the City had sent back the applications that were subject to the moratorium. He believed that the City should have allowed those applicants who had submitted project applications prior to the moratorium to continue through the process of site plan review, even during the pendency of the moratorium. He recommended a queuing system that would allow the City staff to review the applications in the order of submittal, so that there would not be a rush of applications flooding the City when the moratorium is lifted.

C. Theo Giddeon, Master Builders Association. Mr. Giddeon agreed with the concerns voiced by Mr. Freeman and with the recommendation for a queuing system. He said that he believed this would allow a smoother transition once the moratorium was lifted.

D. Carol Morris, City Attorney. Ms. Morris said that there was no guarantee when the moratorium would be lifted, it could be months or years from now. During the moratorium, the City may change its codes. If the City staff processed applications subject to the moratorium now, under the current codes, an applicant may believe that his/her application will be reviewed and approved/denied under the existing codes. This may or may not be true, because the City may amend its codes and the application may be subject to the new codes. In addition, if the City staff processed applications subject to the moratorium now, and the codes did change, it would mean that staff would be required to review and process applications twice.

She also responded to the comment made that other cities had reviewed applications while a moratorium was pending by stating that those situations were likely

very different from the current situation in Gig Harbor. Usually, when a city imposes a moratorium, the City is in control of the date the moratorium will expire. In Gig Harbor, there is no information about when the City will have water, and the City Council cannot fix a date when the moratorium will be lifted. Because of the possibility that the City could change the codes before the moratorium is lifted, which could be years in the future, she recommended that the Council not adopt a queuing system or require staff to review applications subject to the moratorium at this point.

After this testimony and the staff reports, the City Council briefly discussed the concerns regarding the queuing system for those applications that were in process when the moratorium was lifted. The Council agreed that these applications were far enough along in the process that they would have an advantage over any new applications, when resubmitted after lifting of the moratorium. The Council determined that they would re-evaluate this issue in six months to determine if any other action would be required.

The City Council determined to maintain the moratorium imposed by Ordinance No. 960 for the six-month period allowed by state law, based on the above facts. The Council noted that there was no testimony or evidence introduced in opposition of the moratorium. The Council concluded that maintenance of the moratorium was required for the public health, safety and welfare, given that there was no water available for new development at this time.

Section 4. Moratorium Maintained. A moratorium shall be maintained on the acceptance of all non-exempt development permit applications for property inside and outside the City limits for six months, which began on the date of adoption of Ordinance

No. 960. If the City has not received water rights on or before November 1, 2004, the City Council hereby directs the City Clerk to schedule a public hearing on the extension of the moratorium, to be held before expiration of this moratorium on or about November 24, 2004. The Council shall make the decision to terminate the moratorium by ordinance, and termination shall not otherwise be presumed to have occurred.

Section 5. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 6. Effective Date. This Ordinance shall take effect and be in full force five (5) days after passage and 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 26th day of July, 2004.

MAYOR Gretchen A. Wilbert

ATTEST/AUTHENTICATED:

Molly Towslee, City Clerk

APPROVED AS TO FORM:

Carol A. Morris, City Attorney

FILED WITH THE CITY CLERK: ___/04



"THE MARITIME CITY"

COMMUNITY DEVELOPMENT DEPARTMENT

TO: MAYOR WILBERT AND CITY COUNCIL
FROM: JOHN P. VODOPICH, AICP
COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: FIRST READING OF AN ORDINANCE
- HARBOR STREET VACATION REQUEST - HUNTER
DATE: JULY 26, 2004

INTRODUCTION/BACKGROUND

On July 12, 2004, City Council approved a resolution setting July 26, 2004 as the date to hear public testimony regarding the requested street vacation initiated by Chuck and Dianne Hunter. The City received a petition on June 21, 2004 from Mr. and Mrs. Hunter, to vacate portions of Harbor Street abutting their properties as shown on exhibits A and B on the attached ordinance in accordance with GHMC 12.14.002C.

Specifically, the request is for the vacation of the portion of Harbor Street right-of-way currently held by the City, and abutting the northwest property frontage of parcel no. 4097000151 and southwest property frontage of parcel no. 4097000052. Prior research on this right-of-way has determined that this portion of Harbor Street was platted in Pierce County in 1888 and was not opened or improved by 1905, therefore it automatically was vacated by operation of law in 1896. The City's ability to open this portion of Harbor Street is barred by lapse of time and the City has no interest in the street. In order to ensure that this portion of Harbor Street is placed on tax rolls and the ownership is formally recorded, the property owner has requested that the City vacate the street under GHMC 12.14.

The right-of-way proposed for vacation along Harbor Street is surplus to the City's needs, and the City does not have any plans for improving the right-of-way proposed for vacation. The vacation request will not eliminate public access to any property.

FISCAL CONSIDERATIONS

The processing fee has been paid in accordance with GHMC 12.14.004.

RECOMMENDATIONS

I recommend that Council approved the ordinance as presented at the second reading.

PETITION

Come now Charles L. Hunter and Dianne Hunter, husband and wife, and petition the City of Gig Harbor, pursuant to Section 12.14.002 (A) and Section 12.14.018(C) of the Gig Harbor Municipal Code, to vacate that portion of the unopened road abutting the following described real property located in the City of Gig Harbor, Pierce County, Washington owned by them:

Lot 12, Block 2, Map of the City of Gig Harbor, Washington territory, according to the plat recorded in Volume 2 of plats, Page 4, Records of Pierce County;
EXCEPT the Southwesterly 5 feet of the Northwesterly 105 feet.
ALSO EXCEPT the Southeasterly 15 feet thereof.

Immediately northeast of the Petitioners' property is the unopened road called "Harbor Street" on the face of the plat. The portion of unopened "Harbor Street" abutting Petitioners' property is described as follows:

Commencing at the Northwest Corner of Lot 7, Block 2 of the Plat of Gig Harbor; thence Northeasterly along the North line of said Plat to the Northeast Corner of Lot 12, Block 2 of said Plat to the point of beginning; thence South 37°31'09" East 119.97 feet; thence North 52°32'23" East 30.00 feet; thence South 37°31'09" East 2.60 feet; thence North 52°26'38" East 20.20 feet; thence North 52°29'49" West 126.88 feet; thence South 52°31'19" West 17.40 feet back to the point of beginning.

The plat, which includes the Petitioners' property and unopened Harbor Street, was recorded on April 28, 1888, when the property was in unincorporated Pierce County, Washington.

That portion of Harbor Street abutting the Petitioners' property was unopened for five years prior to the enactment of Washington Session Laws of 1909, Chapter 90.

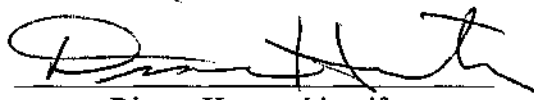
That portion of Harbor Street abutting the Petitioners' property was vacated as a matter of law pursuant to Washington State Session Laws of 1889-90, Chapter 19, § 32.

Petitioners' request that pursuant to Section 12.14.018(C) of the Gig Harbor Municipal Code and the Session laws of 1889-90, Chapter 19, § 32, the City of Gig Harbor adopt a vacation ordinance for that portion of unopened Harbor Street described herein.

Our check for \$150.00 is attached to cover the administrative cost as required by Section 12.14.004 (A). We have previously provided you with the survey.

Dated this 21 day of June, 2004


Charles L. Hunter


Dianne Hunter, his wife

ORDINANCE NO.

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
GIG HARBOR, WASHINGTON, VACATING A PORTION
OF HARBOR STREET, BETWEEN NORTH HARBORVIEW
DRIVE AND FRANKLIN AVENUE.**

WHEREAS, the City has the authority to adopt a vacation ordinance to formally remove the cloud on the title of the referenced right-of-way area, but this street vacation ordinance does not affect the rights of anyone, including any rights the public may have acquired in the right-of-way since the street was vacated by operation of law; and

WHEREAS, the portion of Harbor Street subject to this vacation request was created in the Plat of the Town of Artena, recorded in the records of Pierce County in 1891; and

WHEREAS, the referenced portion of street right-of-way has never been opened or improved as a public street; and

WHEREAS, the referenced portion of street right-of-way was located in Pierce County during the period of five years prior to 1909, and there is no evidence that it was used as a street during such period; and

WHEREAS, the City Council passed Resolution No. 628 initiating the procedure for the vacation of the referenced street and setting a hearing date; and

WHEREAS, after the required public notice had been given, the City Council conducted a public hearing on the matter on July 26, 2004, and at the conclusion of

such hearing determined that the aforementioned right-of-way vacated by operation of law and lapse of time; Now, Therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON,
ORDAINS AS FOLLOWS:

Section 1. The City Council finds that the unopened portion of the platted Harbor Street right-of-way, lying between North Harborview Drive and Franklin Avenue, abutting the southwest property frontage of Parcel No. 4097000052 and northwest property frontage of Parcel No. 4097000151, attached hereto as legally described in Exhibit A and incorporated by this reference and as shown as depicted on Exhibit B, has vacated by lapse of time and operation of law under the Laws of 1889-90, Chapter 19 (Relating to County Roads), Section 32, p. 603, as Amended By Laws of 1909, Chapter 90, Section 1, p. 189, repealed in 1936 by the Washington State Aid Highway Act (Laws of 1936, Chapter 187, p. 760).

Section 2. The City has the authority to adopt a vacation ordinance to formally remove the cloud on the title of the referenced right-of-way area, but this street vacation ordinance does not affect the rights of anyone, including any rights the public may have acquired in the right-of-way since the street was vacated by operation of law.

Section 3. The City Clerk is hereby directed to record a certified copy of this ordinance with the office of the Pierce County Auditor.

Section 4. This ordinance shall take effect five days after passage and publication as required by law.

PASSED by the Council and approved by the Mayor of the City of Gig Harbor
this _____ day of _____, 2004.

CITY OF GIG HARBOR

By:

Gretchen Wilbert, Mayor

ATTEST/AUTHENTICATED:

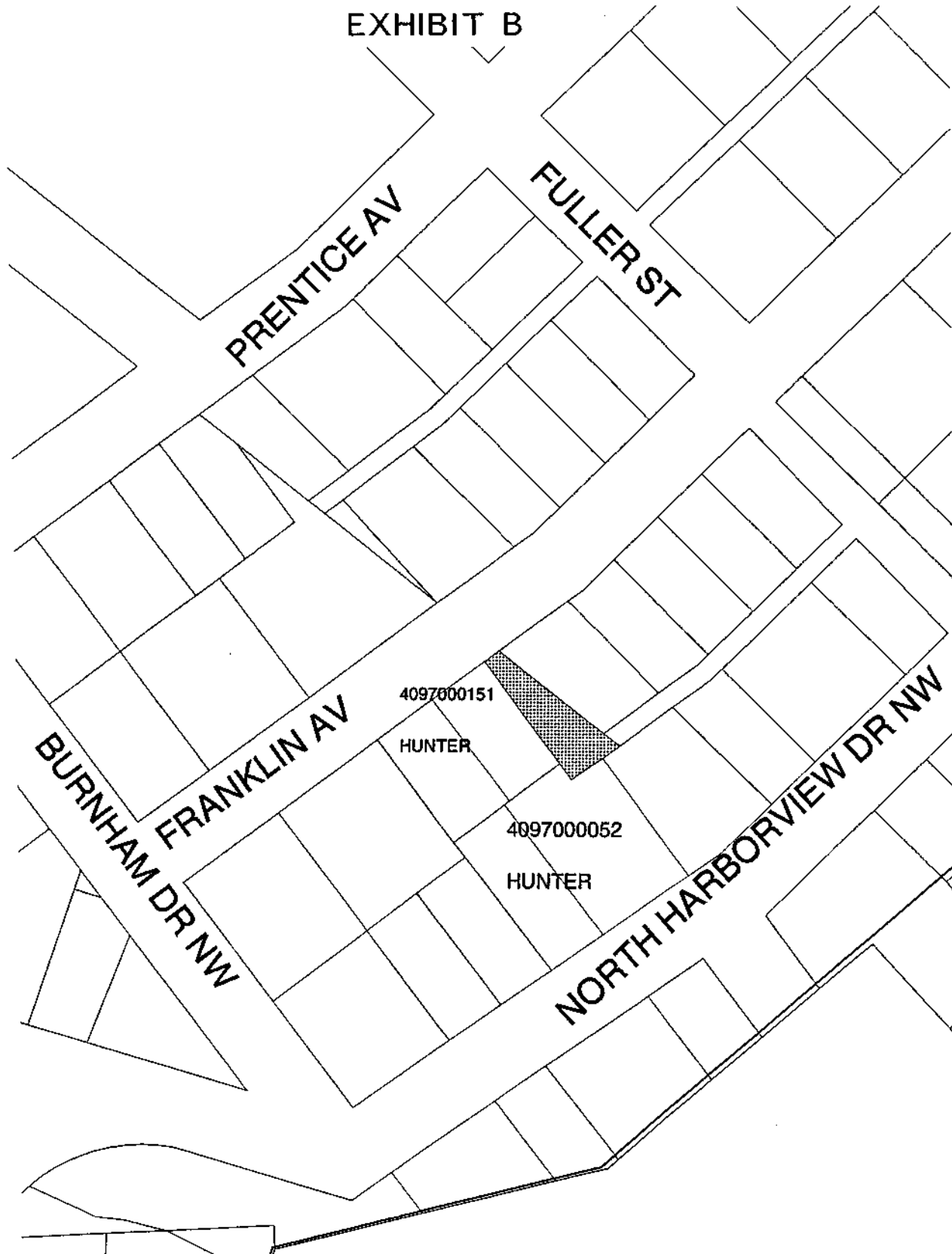
By: _____
Molly M. Towslee, City Clerk

APPROVED AS TO FORM:
Office of the City Attorney:

By: _____
Carol A. Morris

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:

EXHIBIT B

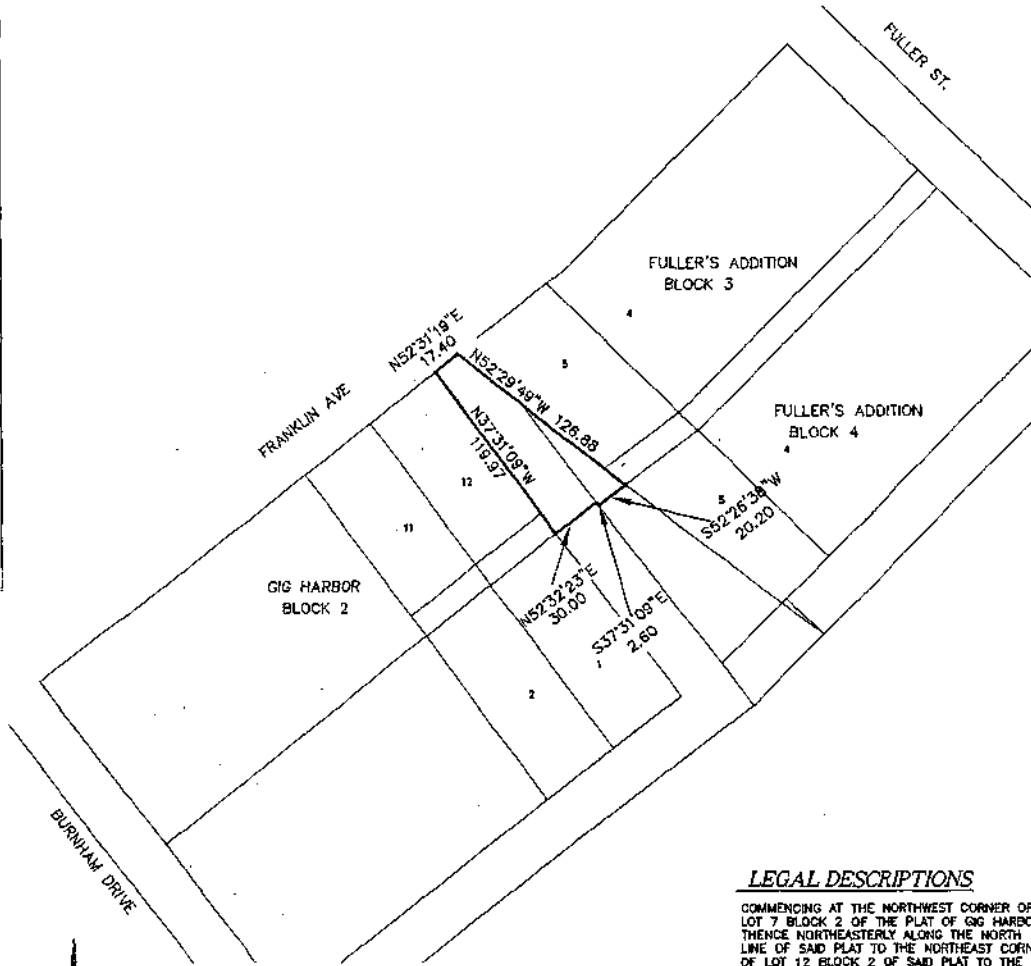


HUNTER STREET VACATION

EXHIBIT A

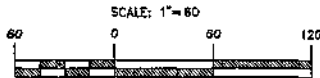
EXHIBIT MAP

A PORTION OF THE THE SOUTHEAST QUARTER
 OF THE NORTHEAST QUARTER OF
 SECTION 6, TOWNSHIP 21 NORTH, RANGE 2 EAST, W.M.
 CITY OF GIG HARBOR PIERCE COUNTY, WASHINGTON



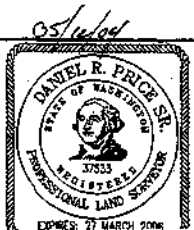
LEGAL DESCRIPTIONS

COMMENCING AT THE NORTHWEST CORNER OF LOT 7 BLOCK 2 OF THE PLAT OF GIG HARBOR THENCE NORTHEASTERLY ALONG THE NORTH LINE OF SAID PLAT TO THE NORTHEAST CORNER OF LOT 12 BLOCK 2 OF SAID PLAT TO THE POINT OF BEGINNING, THENCE SOUTH 37°31'09" EAST 119.97 FEET, THENCE NORTH 52°32'23" EAST 30.00 FEET, THENCE SOUTH 37°31'09" EAST 2.60 FEET, THENCE NORTH 52°26'38" EAST 20.20 FEET, THENCE NORTH 52°29'49" WEST 126.88 FEET, THENCE SOUTH 52°31'19" WEST 17.40 FEET BACK TO THE POINT OF BEGINNING.



LAND SURVEYOR'S CERTIFICATE
 THIS MAP CORRECTLY REPRESENTS A SURVEY
 MADE BY ME OR UNDER MY DIRECT
 SUPERVISION IN CONFORMANCE WITH THE
 REQUIREMENTS OF THE SURVEY RECORDING
 ACT AT THE REQUEST OF CHARLES HUNTER
 MAY 2004

DANIEL R. PRICE
 CERTIFICATE NO. 37533



DAN PRICE LAND SURVEY

7201 201ST STREET CT. E.
 SPANAWAY WA 98387
 OFFICE (253) 875-8075
 FAX (253) 875-8076

**SUMMARY OF ORDINANCE NO.
of the City of Gig Harbor, Washington**

On _____, 2004 the City Council of the City of Gig Harbor, Washington, approved Ordinance No. _____, the summary of text of which is as follows:

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
GIG HARBOR, WASHINGTON, VACATING A PORTION
OF HARBOR STREET, LYING NORTHWEST OF NORTH
HARBORVIEW DRIVE AND SOUTHWEST OF FRANKLIN
AVENUE IN GIG HARBOR, WASHINGTON.**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GIG HARBOR:

The full text of this ordinance will be mailed upon request.

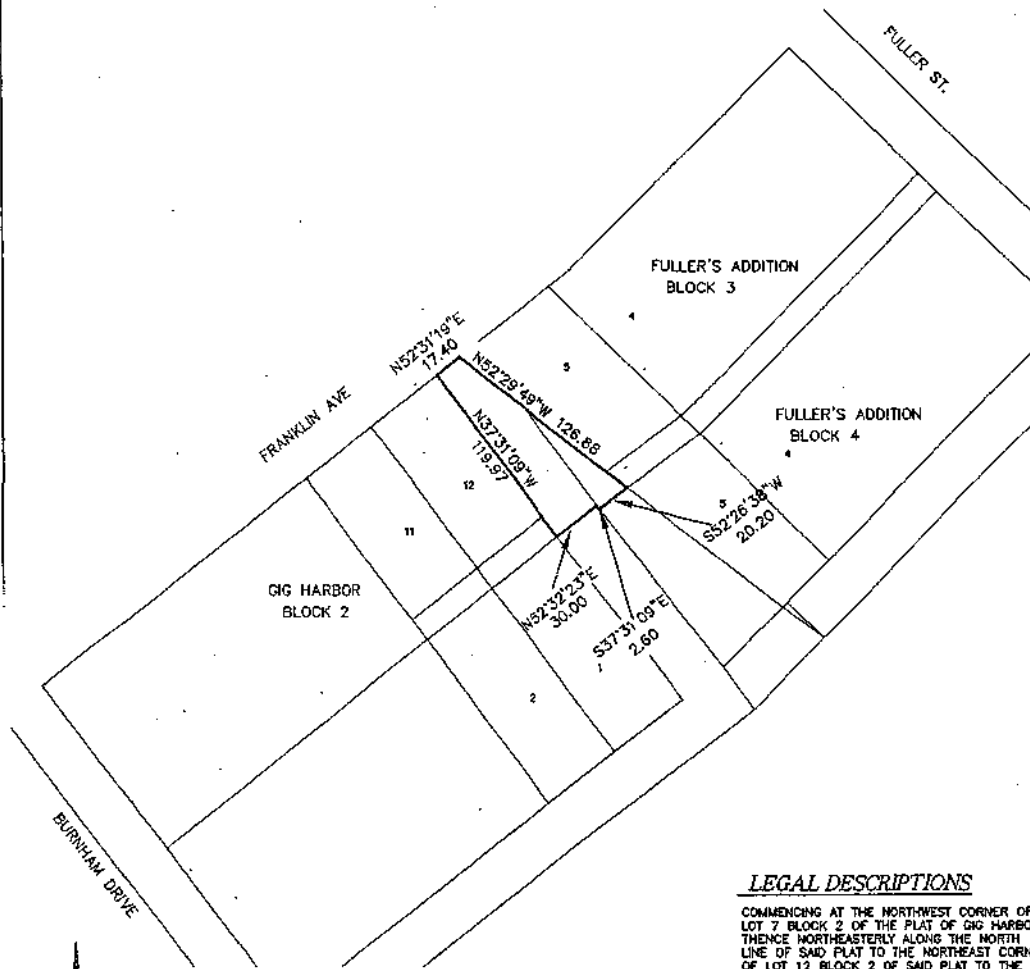
APPROVED by the City Council at their regular meeting of _____,
2004.

BY: _____
MOLLY M. TOWSLEE, CITY CLERK

EXHIBIT A

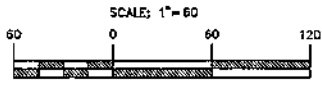
EXHIBIT MAP

A PORTION OF THE THE SOUTHEAST QUARTER
 OF THE NORTHEAST QUARTER OF
 SECTION 6, TOWNSHIP 21 NORTH, RANGE 2 EAST, W.M.
 CITY OF GIG HARBOR PIERCE COUNTY, WASHINGTON



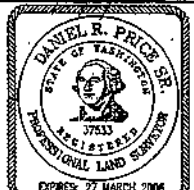
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 MAY 2004

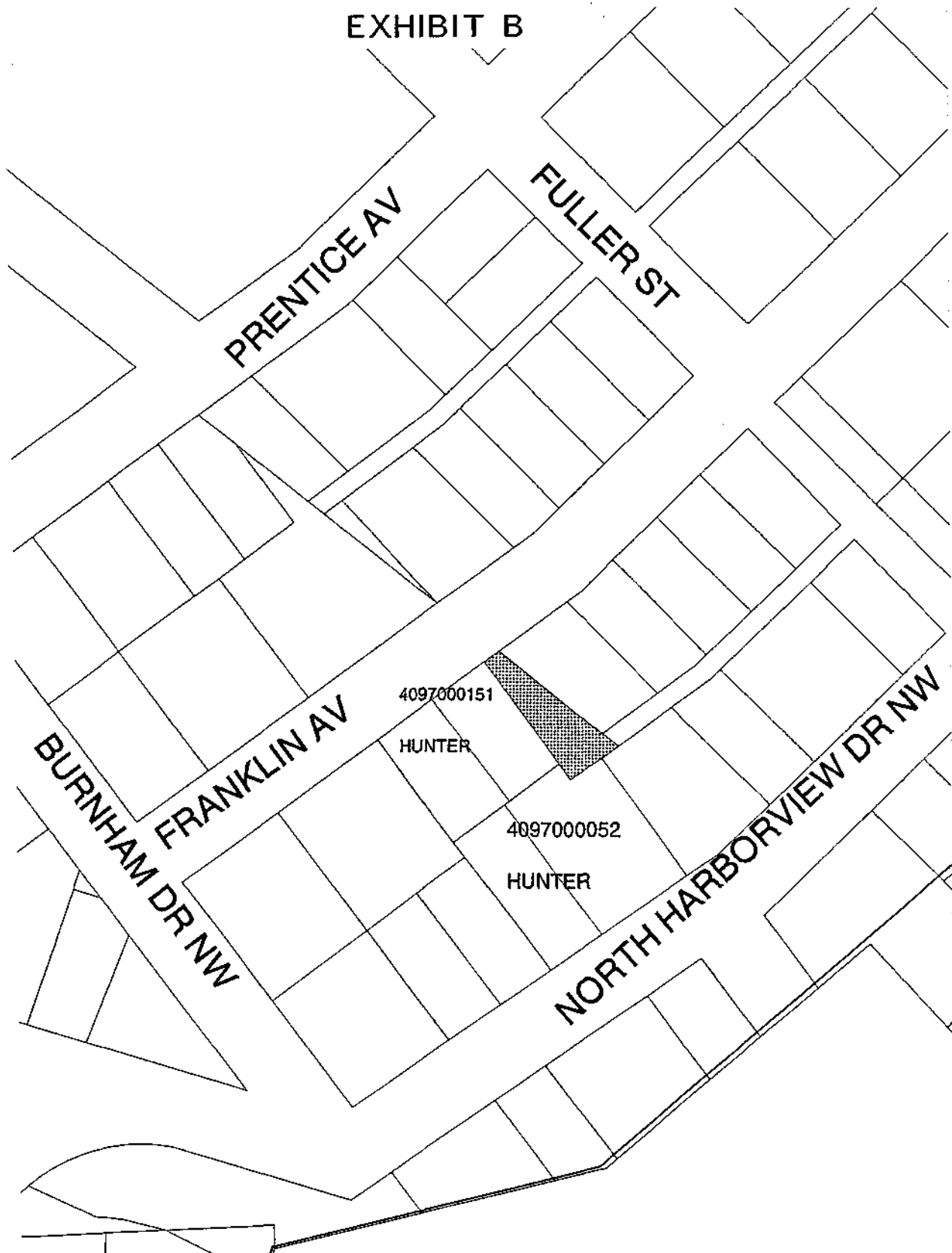
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 SPANAWAY WA 98387
 OFFICE (253) 875-8075
 FAX (253) 875-8076

EXHIBIT B



HUNTER STREET VACATION



COMMUNITY DEVELOPMENT DEPARTMENT

TO: MAYOR WILBERT AND CITY COUNCIL
FROM: JOHN P. VODOPICH, AICP
COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: FIRST READING OF AN ORDINANCE AMENDING THE SETBACK
STANDARDS IN THE PCD-BP DISTRICT
DATE: JULY 26, 2004

INFORMATION/BACKGROUND

Attached for the Council's consideration is a draft ordinance amending the setback requirements in the PCD-BP district (Planned Community Development – Business Park) as defined in GHMC section 17.54. The proposed will better reflect types of uses permitted or conditionally permitted in the district, and establishing categories that uses will be listed under for purposes of defining setback requirements.

The PCD-BP standards were adopted in 1997 as part of the overall Gig Harbor North development regulations. The PCD acronym used in all Gig Harbor North zone designations stands for "Planned Community Development". Accordingly, the PCD standards were intended to provide a "planned" approach to an entire area without relying upon standard Euclidian zoning practices. While that "planned" approach is not specifically defined in the code or Comprehensive Plan, the staff recalls that the idea behind Gig Harbor North was to take a more holistic approach to planning the area and to strive for an appropriate mixture of complimentary uses that would provide housing, shopping and employment opportunities, all carefully integrated into what was then a relatively untouched natural environment. It is therefore assumed that large setback areas between uses were intended to achieve compatibility between residential development and such uses as light manufacturing, warehousing, distribution facilities, research and development facilities and (under a recent amendment) hospitals. However, the district also allows less impacting uses that are often found in zones abutting residential development, such as professional office.

To address these differing uses, the applicant's proposal establishes two different categories of uses and places the more impacting type of uses (e.g., manufacturing) into one category, and the less impacting (e.g., professional office) into the other. The proposal then defines different setbacks for each of the two categories, with the more impacting uses requiring a wider setback for the structures on the site than the less impacting uses.

A public hearing before the Planning Commission was held on July 1, 2004. After receiving public testimony, the Commission voted unanimously to forward to the City Council a recommendation to approve the proposed amendments.

POLICY CONSIDERATIONS

Applicable land use policies and codes are as follows:

A. Comprehensive Plan: There are no comprehensive plan policies that specifically address setback requirements. There are, however, policies pertaining to vegetation retention, timber, woodland and wildlife habitat which are implemented, in part, under zoning code setback and landscape standards (discussed under subsection B below). Specific Comp Plan goals and polices are as follows:

No. 1 on page 29 has the goal to "incorporate existing vegetation into site plan. As much as possible, site plans should be designed to protect existing vegetation. . ."

No. 14 on page 37 states that, "Those lands within the urban growth area which contain commercially valuable timber are considered suitable for conversion to non-forestry uses, consistent with the goals of this Plan the State Forest Practices Act."

No. 15 on page 37 has the goal to, "Enforce exacting standards governing possible land use development of existing, natural open space areas which contain prime wildlife habitat characteristics. Promote use of clustered development patterns, common area conservancies and other innovative concepts which conserve or allow, the possible coexistence of natural, open space area within or adjacent to the developing urban area. . ."

No. 17 on page 37 has the goal to "protect lands, soils or other wooded areas which have prime woodland habitat characteristics. Promote use of buffer zones, common areas, trails and paths, and other innovative concepts which conserve or increase woodland habitats. . ."

B. Gig Harbor Municipal Code: Section 17.78.070(A) requires perimeter areas (elsewhere defined as setback areas) to be landscaped. Section 17.78.050 requires the retention of significant trees within required perimeter landscaping areas.

Section 17.54.030(B) defines setback areas for the PCD-BP zone. Setback standards are: "No structure shall be closer than 150 feet to any residential zone or development or closer than 50 feet to any street or property line. Parking shall not be located any closer than 30 feet to a property line."

Section 17.54.030(D) states that, ". . . All required yards shall be landscaped in accordance with the landscaping requirements of Chapter 17.78 GHMC."

The Intent stated for the PCD-BP zone of GHMC Section 17.54.010 states that, "The business park district provides for the location of high quality design development and operational standards for technology research and development facilities, light assembly and warehousing, associated support service and retail uses, business and professional office uses, corporate headquarters and other supporting enterprises. The business park district is intended to be devoid of nuisance factors, hazards and potentially high public facility demands. Retail uses are not encouraged in order to preserve these districts for major employment opportunities and to reduce the demand for vehicular access."

C. Design Manual: Page 24 of the design Manual includes "transition zone" standard that apply wherever two zoning designation meet. The standards require that buildings on parcels abutting an opposing zone be no larger or taller than the average footprint size and height of the closest three parcels in the opposing zone. The Manual also states that buffer or screens can be an acceptable means of meeting the zone transition standards (as opposed to architectural standards). The 150-foot setback would provide a meaningful buffer between abutting zones if its natural vegetation were retained.

ENVIRONMENTAL ANALYSIS

After review of a completed environmental checklist and other information on file with the agency, the City of Gig Harbor has determined this proposal will not have a probable significant adverse impact on the environment. A DNS was therefore issued for this proposal. The DNS does not become final until the end of the comment period, which is August 6, 2004. The deadline for appealing the SEPA determination is August 20, 2004. The public may submit written comments up to the end of the comment period.

FISCAL IMPACTS

There are no adverse fiscal impacts associated with this rezone.

RECOMMENDATION

The staff recommends that the Council adopt the ordinance at the second reading, which is scheduled for August 23, 2004.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO LAND USE AND ZONING, CHANGING THE SETBACK REQUIREMENTS IN THE PCD-PB DISTRICT AS DEFINED IN GHMC SECTION 17.54 TO REFLECT TYPES OF USES PERMITTED OR CONDITIONALLY PERMITTED IN THE DISTRICT, AND ESTABLISHING CATEGORIES THAT USES WILL BE LISTED UNDER FOR PURPOSES OF DEFINING SETBACK REQUIREMENTS.

WHEREAS, the City of Gig Harbor has adopted setback standards in the PCD-BP zone that require a greater setback for structures that for parking lots; and

WHEREAS, the setbacks in the PCD-BP district are intended to provide adequate separation between abutting residential development or districts and uses allowed in the PCD-BP district that have a high nuisance factor potential; and

WHEREAS, some permitted uses in the PCD-BP district have less potential to impact abutting residential than other permitted or conditionally permitted uses; and

WHEREAS, a proposed text amendment has been submitted that places permitted uses having more potential for impacting residential development in one stated category, and those have less potential for impacting residential development in a second category, and which provides a reduced setback for the uses in the less impacting category of uses; and

WHEREAS, the proposed setbacks for those uses in the less impacting category of uses are similar to setbacks adopted for the same or similar types of uses allowed in other zoning districts in the City, and

WHEREAS, the Council finds that the proposed setbacks provide adequate separation between the various types of uses allowed in the PCD-BP zone and residential development, and

WHEREAS, the City's SEPA Responsible Official issued a determination of Non-significance for the proposed setback amendments on June 4, 2004 pursuant to WAC 197-11-350; and

WHEREAS, the City Community Development Director forwarded a copy of this Ordinance to the Washington State Department of Trade and Community Development on June 7, 2004, pursuant to RCW 36.70A.106; and

WHEREAS, the City Planning Commission held a public hearing on this Ordinance on July 1, 2004, and made a recommendation of approval to the City Council; and

WHEREAS, the City Council considered this Ordinance during its regular City Council meeting of July ____, 2004; Now, Therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. Chapter 17.54 of the Gig Harbor Municipal Code is hereby amended to read as follows:

**Chapter 17.54
PLANNED COMMUNITY DEVELOPMENT
BUSINESS PARK (PCD-BP)**

Sections:

17.54.010 Intent.

17.54.020 Permitted uses.

17.54.030 Performance standards.

17.54.010 Intent. The business park district provides for the location of high quality design development and operational standards for technology research and development facilities, light assembly and warehousing, associated support service and retail uses, business and professional office uses, corporate headquarters and other supporting enterprises. The business park district is intended to be devoid of nuisance factors, hazards and potentially high public facility demands. Retail uses are not encouraged in order to preserve these districts for major employment opportunities and to reduce the demand for vehicular access. (Ord. 747 § 4, 1997).

17.54.020 Permitted uses. ~~The following uses are permitted in the planned community development business park district:~~

~~A. Research and development facilities.~~

~~B. Light assembly and warehousing.~~

~~C. Light manufacturing.~~

~~D. Service and retail uses which support and are ancillary to the primary uses allowed in the business park district.~~

~~E. Professional offices and corporate headquarters.~~

~~F. Distribution facilities.~~

~~G. Vocational, trade and business schools.~~

~~H. Book and magazine publishing and printing.~~

~~I. Financial and investment institutions.~~

- J. Commercial photography, cinematography and video productions facilities.
 - K. Reprographic, computer, courier services, mail and packaging facilities.
 - L. Trails, open space, community centers.
 - M. Schools, public and private.
 - N. Public facilities.
 - O. Adult family homes and family day care.
- (Ord. 747 § 4, 1997).

The following uses are permitted in the planned community development business park district:

Category I uses:

- A. Research and development facilities.
- B. Light assembly and warehousing.
- C. Light Manufacturing.
- D. Distribution facilities.
- E. Vocational, trade, and business schools.
- F. Book and magazine publishing and printing.
- G. Commercial photography, cinematography and video production facilities.
- H. Reprographic, computer, courier services, mail and packaging facilities.
- I. Trails, open space, community centers.
- J. Schools, public and private.
- K. Public facilities.

Category II uses:

- A. Service and retail uses which support and are ancillary to the primary uses allowed in the business park district.
- B. Professional offices and corporate headquarters.
- C. Financial and investment institutions.
- D. Adult family homes and family day care.

17.54.025 Conditional Uses.

Subject to the requirements of Chapter 17.64 GHMC and the procedures for conditional uses as set forth in this title, the following uses may be permitted in a PCD-BP district:

Category I uses:

- A. Hospitals. (Ord. 958 § 1, 2004).

17.54.030 Performance standards.

All uses in the business park zone shall be regulated by the following performance standards:

- A. General. Uses which create a risk of hazardous waste spills must provide hazardous waste containment provisions that meet building code, fire code and health and environmental regulations to prevent air, ground and surface water contamination.

~~B. Setbacks. No structure shall be closer than 150 feet to any residential zone or development or closer than 50 feet to any street or property line. Parking shall not be located any closer than 30 feet to a property line.~~

B. Setbacks.

1. Category I uses: No structure shall be closer than 150 feet to any residential zone or development or closer than 50 feet to any street or property line. Parking shall not be located any closer than 40 feet to any residential zone or development, or closer than 30 feet to any street or property line.

2. Category II uses: No structure shall be closer than 40 feet to any residential zone or development or closer than 30 feet to any street or property line. Parking shall not be any closer than 40 feet to any residential zone or development or closer than 30 feet to any street or property line.

C. Open Space. A minimum of 20 percent of the site, excluding setbacks, shall remain in open space, with either retained natural vegetation or new landscaping.

Section 2. Severability. If any section, sentence, clause or phrase of this Ordinance is held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, clause or phrase of this Ordinance.

Section 3. Effective Date. This Ordinance shall take effect and be in full force five (5) days after passage and 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 ___ day of _____, 2004.

CITY OF GIG HARBOR

GRETCHEN WILBERT, MAYOR

ATTEST/AUTHENTICATED:

By: _____
MOLLY TOWSLEE, City Clerk

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

By: _____
CAROL A. MORRIS

FILED WITH THE CITY CLERK: _____
PASSED BY THE CITY COUNCIL: _____
PUBLISHED: _____
EFFECTIVE DATE: _____
ORDINANCE NO: _____



COMMUNITY DEVELOPMENT DEPARTMENT

TO: MAYOR WILBERT AND CITY COUNCIL
FROM: JOHN P. VODOPICH, AICP
COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: SKANSIE AVENUE PEDESTRIAN IMPROVEMENT PROJECT, CSP-0302
GEOTECHNICAL MATERIALS TESTING
- CONSULTANT SERVICES CONTRACT
DATE: JULY 26, 2004

INTRODUCTION/BACKGROUND

Materials testing assistance is necessary for this project to ensure that materials used meet the requirements of the plans and specifications. All materials testing must be performed in accordance with the requirements and procedures of the Washington State Department of Transportation (WSDOT).

The materials testing firm of Krazan and Associates, Inc was selected as the most qualified to perform the work. Their selection was based on their understanding of the work, and extensive past testing experience with the City.

Council approval of the Consultant Services Contract is requested.

POLICY CONSIDERATIONS

Krazan & Associates, Inc. is able to meet all of the City's standard insurance provisions for professional services contracts.

FISCAL CONSIDERATIONS

The amount budgeted in 2004 for this project was \$98,000.00. The contract for these testing services is \$4,295.00. The combined total of the previously awarded Fox Island Construction contract (\$107,459.00) and this contract exceeds the total budgeted amount by \$13,754.00. However, there are sufficient funds in the 2004 Street Operating Fund to cover the cost of this contract.

RECOMMENDATION

I recommend that the Council authorize execution of the Consultant Services Contract with Krazan and Associates, Inc. for materials testing services for the Skansie Avenue Pedestrian Improvement Project in the amount not to exceed four thousand two hundred ninety-five dollars and zero cents (\$4,295.00).

**CONSULTANT SERVICES CONTRACT
BETWEEN THE CITY OF GIG HARBOR AND
KRAZAN AND ASSOCIATES, INC.**

THIS AGREEMENT is made by and between the City of Gig Harbor, a Washington municipal corporation (hereinafter the "City"), and Krazan and Associates, Inc., a corporation organized under the laws of the State of Washington, located and doing business at 20714 State Hwy. 305 NE, Suite 3C, Poulsbo, Washington 98370 (hereinafter the "Consultant").

RECITALS

WHEREAS, the City is presently engaged in the construction of the Skansie Avenue Pedestrian Improvement Project and desires that the Consultant perform testing and inspection services necessary to provide the following consultation services.

WHEREAS, the Consultant agrees to perform the services more specifically described in the Scope of Work, dated July 19, 2004 including any addenda thereto as of the effective date of this agreement, all of which are attached hereto as **Exhibit A – Scope of Work and Cost**, and are incorporated by this reference as if fully set forth herein.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, it is agreed by and between the parties as follows:

TERMS

I. Description of Work

The Consultant shall perform all work as described in **Exhibit A**.

II. Payment

A. The City shall pay the Consultant an amount based on time and materials, not to exceed Four thousand two hundred ninety-five dollars and zero cents (\$4,295.00) for the services described in Section I herein. This is the maximum amount to be paid under this Agreement for the work described in **Exhibit A**, and shall not be exceeded without the prior written authorization of the City in the form of a negotiated and executed supplemental agreement. PROVIDED, HOWEVER, the City reserves the right to direct the Consultant's compensated services under the time frame set forth in Section IV herein before reaching the maximum amount. The Consultant's staff and billing rates shall be as described in **Exhibit A**. The Consultant shall not bill for Consultant's staff not identified or listed in **Exhibit A** or bill at rates in excess of the hourly rates shown in **Exhibit A**; unless the parties agree to a modification of this Contract, pursuant to Section XVIII herein.

B. The Consultant shall submit monthly invoices to the City after such services have been performed, and a final bill upon completion of all the services described in this Agreement. The City shall pay the full amount of an invoice within forty-five (45) days of receipt. If the City objects to all or any portion of any invoice, it shall so notify the Consultant of the same within fifteen (15) days from the date of receipt and shall pay that portion of the invoice not in dispute, and the parties shall immediately make every effort to settle the disputed portion.

III. Relationship of Parties

The parties intend that an independent contractor-client relationship will be created by this Agreement. As the Consultant is customarily engaged in an independently established trade which encompasses the specific service provided to the City hereunder, no agent, employee, representative or sub-consultant of the Consultant shall be or shall be deemed to be the employee, agent, representative or sub-consultant of the City. In the performance of the work, the Consultant is an independent contractor with the ability to control and direct the performance and details of the work, the City being interested only in the results obtained under this Agreement. None of the benefits provided by the City to its employees, including, but not limited to, compensation, insurance, and unemployment insurance are available from the City to the employees, agents, representatives, or sub-consultants of the Consultant. The Consultant will be solely and entirely responsible for its acts and for the acts of its agents, employees, representatives and sub-consultants during the performance of this Agreement. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Consultant performs hereunder.

IV. Duration of Work

The City and the Consultant agree that work will begin on the tasks described in **Exhibit A** immediately upon execution of this Agreement. The parties agree that the work described in **Exhibit A** shall be completed by September 15, 2004; provided however, that additional time shall be granted by the City for excusable days or extra work.

V. Termination

A. Termination of Agreement. The City may terminate this Agreement, for public convenience, the Consultant's default, the Consultant's insolvency or bankruptcy, or the Consultant's assignment for the benefit of creditors, at any time prior to completion of the work described in **Exhibit A**. If delivered to consultant in person, termination shall be effective immediately upon the Consultant's receipt of the City's written notice or such date stated in the City's notice, whichever is later.

B. Rights Upon Termination. In the event of termination, the City shall pay for all services satisfactorily performed by the Consultant to the effective date of termination, as described on a final invoice submitted to the City. Said amount shall not exceed the

amount in Section II above. After termination, the City may take possession of all records and data within the Consultant's possession pertaining to this Agreement, which records and data may be used by the City without restriction. Upon termination, the City may take over the work and prosecute the same to completion, by contract or otherwise. Except in the situation where the Consultant has been terminated for public convenience, the Consultant shall be liable to the City for any additional costs incurred by the City in the completion of the Scope of Work and Cost referenced as **Exhibit A** and as modified or amended prior to termination. "Additional Costs" shall mean all reasonable costs incurred by the City beyond the maximum contract price specified in Section II(A), above.

VI. Discrimination

In the hiring of employees for the performance of work under this Agreement or any sub-contract hereunder, the Consultant, its subcontractors, or any person acting on behalf of such Consultant or sub-consultant shall not, by reason of race, religion, color, sex, national origin, or the presence of any sensory, mental, or physical disability, discriminate against any person who is qualified and available to perform the work to which the employment relates.

VII. Indemnification

The Consultant shall defend, indemnify and hold the City, its officers, officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits, including all legal costs and attorneys' fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City. The City's inspection or acceptance of any of the Consultant's work when completed shall not be grounds to avoid any of these covenants of indemnification.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, agents and volunteers, the Consultant's liability hereunder shall be only to the extent of the Consultant's negligence.

IT IS FURTHER SPECIFICALLY AND EXPRESSLY UNDERSTOOD THAT THE INDEMNIFICATION PROVIDED HEREIN CONSTITUTES THE CONSULTANT'S WAIVER OF IMMUNITY UNDER INDUSTRIAL INSURANCE, TITLE 51 RCW, SOLELY FOR THE PURPOSES OF THIS INDEMNIFICATION. THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE MUTUALLY NEGOTIATED THIS WAIVER. THE CONSULTANT'S WAIVER OF IMMUNITY UNDER THE PROVISIONS OF THIS SECTION DOES NOT INCLUDE, OR EXTEND TO, ANY CLAIMS BY THE CONSULTANT'S EMPLOYEES DIRECTLY AGAINST THE CONSULTANT.

The provisions of this section shall survive the expiration or termination of this Agreement.

VIII. Insurance

A. The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the Consultant's own work including the work of the Consultant's agents, representatives, employees, sub-consultants or sub-contractors.

B. Before beginning work on the project described in this Agreement, the Consultant shall provide evidence, in the form of a Certificate of Insurance, of the following insurance coverage and limits (at a minimum):

1. Business auto coverage for any auto no less than a \$1,000,000 each accident limit, and
2. Commercial General Liability insurance no less than \$1,000,000 per occurrence with a \$2,000,000 aggregate. Coverage shall include, but is not limited to, contractual liability, products and completed operations, property damage, and employers liability, and
3. Professional Liability insurance with no less than \$1,000,000. All policies and coverage's shall be on a claims made basis.

C. The Consultant is responsible for the payment of any deductible or self-insured retention that is required by any of the Consultant's insurance. If the City is required to contribute to the deductible under any of the Consultant's insurance policies, the Contractor shall reimburse the City the full amount of the deductible within 10 working days of the City's deductible payment.

D. The City of Gig Harbor shall be named as an additional insured on the Consultant's commercial general liability policy. This additional insured endorsement shall be included with evidence of insurance in the form of a Certificate of Insurance for coverage necessary in Section B. The City reserves the right to receive a certified and complete copy of all of the Consultant's insurance policies.

E. Under this agreement, the Consultant's insurance shall be considered primary in the event of a loss, damage or suit. The City's own comprehensive general liability policy will be considered excess coverage with respect to defense and indemnity of the City only and no other party. Additionally, the Consultant's commercial general liability policy must provide cross-liability coverage as could be achieved under a standard ISO separation of insured's clause.

F. The Consultant shall request from his insurer a modification of the ACORD certificate to include language that prior written notification will be given to the City of Gig

Harbor at least 30-days in advance of any cancellation, suspension or material change in the Consultant's coverage.

IX. Exchange of Information

The City warrants the accuracy of any information supplied by it to the Consultant for the purpose of completion of the work under this Agreement. The parties agree that the Consultant will notify the City of any inaccuracies in the information provided by the City as may be discovered in the process of performing the work, and that the City is entitled to rely upon any information supplied by the Consultant which results as a product of this Agreement.

X. Ownership and Use of Records and Documents

Original documents, drawings, designs and reports developed under this Agreement shall belong to and become the property of the City. All written information submitted by the City to the Consultant in connection with the services performed by the Consultant under this Agreement will be safeguarded by the Consultant to at least the same extent as the Consultant safeguards like information relating to its own business. If such information is publicly available or is already in consultant's possession or known to it, or is rightfully obtained by the Consultant from third parties, the Consultant shall bear no responsibility for its disclosure, inadvertent or otherwise.

XI. City's Right of Inspection

Even though the Consultant is an independent contractor with the authority to control and direct the performance and details of the work authorized under this Agreement, the work must meet the approval of the City and shall be subject to the City's general right of inspection to secure the satisfactory completion thereof. The Consultant agrees to comply with all federal, state, and municipal laws, rules, and regulations that are now effective or become applicable within the terms of this Agreement to the Consultant's business, equipment, and personnel engaged in operations covered by this Agreement or accruing out of the performance of such operations.

XII. Consultant to Maintain Records to Support Independent Contractor Status

On the effective date of this Agreement (or shortly thereafter), the Consultant shall comply with all federal and state laws applicable to independent contractors including, but not limited to the maintenance of a separate set of books and records that reflect all items of income and expenses of the Consultant's business, pursuant to the Revised Code of Washington (RCW) Section 51.08.195, as required to show that the services performed by the Consultant under this Agreement shall not give rise to an employer-employee relationship between the parties which is subject to RCW Title 51, Industrial Insurance.

XIII. Work Performed at the Consultant's Risk

The Consultant shall take all precautions necessary and shall be responsible for the safety of its employees, agents, and sub-consultants in the performance of the work hereunder and shall utilize all protection necessary for that purpose. All work shall be done at the Consultant's own risk, and the Consultant shall be responsible for any loss of or damage to materials, tools, or other articles used or held by the Consultant for use in connection with the work.

XIV. Non-Waiver of Breach

The failure of the City to insist upon strict performance of any of the covenants and agreements contained herein, or to exercise any option herein conferred in one or more instances shall not be construed to be a waiver or relinquishment of said covenants, agreements, or options, and the same shall be and remain in full force and effect.

XV. Resolution of Disputes and Governing Law

Should any dispute, misunderstanding, or conflict arise as to the terms and conditions contained in this Agreement, the matter shall first be referred to the City Engineer and the City shall determine the term or provision's true intent or meaning. The City Engineer shall also decide all questions which may arise between the parties relative to the actual services provided or to the sufficiency of the performance hereunder.

If any dispute arises between the City and the Consultant under any of the provisions of this Agreement which cannot be resolved by the City Engineer's determination in a reasonable time, or if the Consultant does not agree with the City's decision on the disputed matter, jurisdiction of any resulting litigation shall be filed in Pierce County Superior Court, Pierce County, Washington. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The non-prevailing party in any action brought to enforce this Agreement shall pay the other parties' expenses and reasonable attorney's fees.

XVI. Written Notice

All communications regarding this Agreement shall be sent to the parties at the addresses listed on the signature page of the agreement, unless notified to the contrary. Unless otherwise specified, any written notice hereunder shall become effective upon the date of mailing by registered or certified mail, and shall be deemed sufficiently given if sent to the addressee at the address stated below:

CONSULTANT
Jeffrey M. Bowers
Construction Services Manager
20714 State Hwy. 305 NE, Suite 3C
Poulsbo, Washington 98370
(360) 598-2126

Stephen Misiurak, P.E.
City Engineer
City of Gig Harbor
3510 Grandview Street
Gig Harbor, Washington 98335
(253) 851-6170

XVII. Assignment

Any assignment of this Agreement by the Consultant without the written consent of the City shall be void. If the City shall give its consent to any assignment, this paragraph shall continue in full force and effect and no further assignment shall be made without the City's consent.

XVIII. Modification

No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of the City and the Consultant.

XIX. Entire Agreement

The written provisions and terms of this Agreement, together with any Exhibits attached hereto, shall supersede all prior verbal statements of any officer or other representative of the City, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner whatsoever, this Agreement or the Agreement documents. The entire agreement between the parties with respect to the subject matter hereunder is contained in this Agreement and any Exhibits attached hereto, which may or may not have been executed prior to the execution of this Agreement. All of the above documents are hereby made a part of this Agreement and form the Agreement document as fully as if the same were set forth herein. Should any language in any of the Exhibits to this Agreement conflict with any language contained in this Agreement, then this Agreement shall prevail.

IN WITNESS WHEREOF, the parties have executed this Agreement on this _____ day of _____, 200__.

CONSULTANT
By: Jeffrey M. Bowers
Its Principal

CITY OF GIG HARBOR
By: _____
Mayor

Notices to be sent to:
CONSULTANT
Jeffrey M. Bowers
Construction Services Manager
20714 State Hwy. 305 NE, Suite 3C
Poulsbo, Washington 98370
(360) 598-2126

Stephen Misiurak, P.E.
City Engineer
City of Gig Harbor
3510 Grandview Street
Gig Harbor, Washington 98335
(253) 851-6170

APPROVED AS TO FORM:

City Attorney

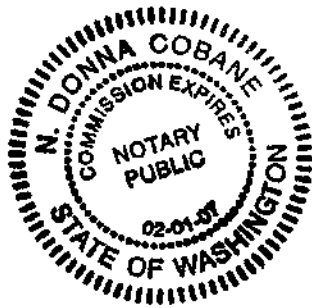
ATTEST:

City Clerk

STATE OF WASHINGTON)
)
COUNTY OF Kitsap) ss.

I certify that I know or have satisfactory evidence that Jeff Bowers
is the person who appeared before me, and said person acknowledged that (he/she)
signed this instrument, on oath stated that (he/she) was authorized to execute the
instrument and acknowledged it as the Principle of
Kramer & Assoc Inc., to be the free and voluntary act of such party for
the uses and purposes mentioned in the instrument.

Dated: 7/21/04



N. Donna Cobane
N. Donna Cobane
(print or type name)

NOTARY PUBLIC in and for the
State of Washington, residing at:

Kitsap City

My Commission expires: 2/07

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that Gretchen A. Wilbert is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the Mayor of Gig Harbor to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.


Dated: _____

(print or type name)

NOTARY PUBLIC in and for the
State of Washington, residing at:

My Commission expires: _____

**EXHIBIT A
SCOPE OF SERVICES**

 **Krazan & ASSOCIATES, INC.**

GEOTECHNICAL ENGINEERING • ENVIRONMENTAL ENGINEERING
CONSTRUCTION TESTING & INSPECTION

July 19, 2004

KA Proposal No.:

P04-131PR1
Page 1 of 4

Client: City of Gig Harbor
GUS GARCIA
3510 Grandview St.
Gig Harbor, WA 98335

Telephone: (253) 851-4278
Fax: (253) 853-7597

Project: Skansie Ave. Pedestrian St. Improvements/Gig Harbor, WA

Dear Mr. Garcia:

Thank you for the opportunity to submit this proposal for construction testing and inspection services for the above referenced project. We propose to perform the necessary services on a time and material basis.

ANTICIPATED SERVICES

DESCRIPTION	UNIT	RATES		AMOUNT
Soils Compaction Inspection- Regular Time	25	\$40.00	hr.	\$1,000.00
Soils Compaction Inspection- Overtime Time	4	\$60.00	hr.	\$240.00
Nuclear Densometer Rental/Security Fee	5	\$10.00	ea.	\$50.00
Asphalt Inspection - Regular Time	8	\$40.00	hr.	\$320.00
Reinforced Concrete Inspection - Regular Time	16	\$40.00	hr.	\$640.00
Compressive Strength Samples {concrete, grout, mortar}	12	\$17.00	ea.	\$204.00
Project Management	2	\$55.00	hr.	\$110.00
Report Preparation/Processing	2	\$40.00	hr.	\$80.00
Sample Pick Up	4	\$40.00	hr.	\$160.00
Mileage	900	0.49	mile	\$441.00
Moisture Density Relationship {ASTM D1557}	2	\$180.00	ea.	\$360.00
Soil Sieve Analysis {ASTM C136}	2	\$95.00	ea.	\$190.00
Asphalt Rice Analysis	1	\$100.00	ea.	\$100.00
Asphalt Marshall Method	1	\$175.00	ea.	\$175.00
Asphalt Extraction/Gradation {ASTM D2172}	1	\$225.00	ea.	\$225.00
CONSULTING SERVICES IF REQUIRED				
Field Geologist/Field Engineer		\$60.00	hr.	\$0.00
Senior Engineering Geologist		\$80.00	hr.	\$0.00
Senior Environmental Geologist		\$85.00	hr.	\$0.00
Staff Engineer		\$85.00	hr.	\$0.00
Senior Engineer		\$95.00	hr.	\$0.00
Principle Engineer		\$110.00	hr.	\$0.00
TOTAL ESTIMATED PROJECT BUDGET:				\$4,295.00

With Offices Serving The Western United States



"THE MARITIME CITY"

COMMUNITY DEVELOPMENT DEPARTMENT

TO: MAYOR WILBERT AND CITY COUNCIL
FROM: JOHN P. VODOPICH, AICP
SUBJECT: HARBOR COVE SETTLEMENT AGREEMENT
DATE: JULY 26, 2004

INFORMATION/BACKGROUND

Attached for the Council's consideration is a settlement agreement proposed on behalf of the owners of 3711, 3801, 3803, and 3805 Harborview Drive, known as the Harbor Cove site. On February 18, 2004, the City issued a Mitigated Determination of Non-significance (MDNS) for the demolition of all upland structures on the Harbor Cove site. The applicant appealed the historic preservation section and the toxics cleanup section of the MDNS on behalf of the property owners on March 17, 2004.

The Historic Preservation section of the MDNS required a level 1 Historic American Building Survey (HABS) for the Glein Boatyard building and required a level 3 HABS for other structures onsite greater than 50 years old.¹ The proposed settlement preserves the requirement for a HABS (level one) for the boat yard building and will require a level one HABS on the residence. The settlement does allow a slight modification to the level one HABS requirements to limit the written history such that it would not include the larger contextual history of the pleasure boat industry in Gig Harbor and South Sound.

The MDNS required that demolition permits could be issued once the environmental clean up was completed or when the applicant had obtained an approved plan for the cleanup from the Department of Ecology (DOE). The language in the settlement indicates that the applicant has entered the voluntary clean-up process with DOE and that the applicant shall continue to work with DOE to achieve compliance with the Model Toxics Control Act.

POLICY CONSIDERATIONS

The City's SEPA process is codified in chapter 18.04 of the Gig Harbor Municipal Code.

FISCAL IMPACTS

There are no adverse fiscal impacts associated with this settlement.

RECOMMENDATION

The City Attorney and staff recommend that the City Council approve the settlement agreement.

¹ A level 1 HABS requires structural drawings, photographs and an extensive written history of the site and its relationship to the history of the region. The requirements for a level 3 HABS differ from a level 1 only in that a sketch is substituted for full structural drawings.

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (hereinafter "Agreement") is entered into by and between the CITY OF GIG HARBOR, a Washington municipal corporation (hereinafter "City"), and Eileen Tellefson and Marsan LLC, effective as of the date of the last signature herein.

RECITALS

WHEREAS, Eileen Tellefson and Marsan LLC (hereinafter "Owners") are the owners of certain real property located at 3711, 3801, 3803 and 3805 Harborview Drive, Gig Harbor (hereinafter the "Property"), in Pierce County, Washington; and

WHEREAS, A & J Development submitted an application on behalf of the Owners for a Demolition Permit (hereinafter the "Permit") for the Property to the City in 2003; and

WHEREAS, the City issued a MDNS for the Permit on February 18, 2004; and

WHEREAS, appealed the MDNS on March 17, 2004; and

WHEREAS, the City and The Owners have discussed resolution of the appeal under the terms and conditions set forth in this Settlement Agreement; and

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and obligations of the parties as set forth below, the parties agree and promise as follows:

TERMS

Section 1. Revision of the MDNS. The City will issue a Revised MDNS on the demolition permit, which is attached hereto as Exhibit A. A copy of the Revised MDNS will be sent to The Owners and all other persons and agencies requesting or requiring notice of same.

Section 2. Recordation of the Revised MDNS. The parties agree that the Revised MDNS, attached hereto as Exhibit A, will be recorded by the City against the Property. The legal description of the parcels for which the Revised MDNS will be recorded are as follows:

Parcel 0221053074: See Exhibit B

Parcel 0221053050: See Exhibit C

Section 3. Recordation of the Fulfillment of the MDNS. The parties further agree that on issuance of the Permit, a document indicating the fulfillment of the requirements of the

Revised MDNS, in the form of the document attached hereto as Exhibit D, will be executed by the Mayor of the City of Gig Harbor and recorded.

Section 4. Further Appeals of the Revised MDNS. The parties understand and agree that the City's issuance of the Revised MDNS and The Owners's agreement not to appeal the Revised MDNS (as long as it issues exactly as set forth in Exhibit A) are material terms of this Settlement, and that it relates only to the Revised MDNS, not the City's decision on the Permit. The parties understand and agree that if there is no third party appeal of the Revised MDNS or Permit, the conditions of the Revised MDNS shall become conditions of the Permit, and after issuance of the Permit, The Owners further agrees not to appeal any condition of the Permit that is duplicated in the Revised MDNS.

The parties acknowledge that the City must observe the procedures allowing comment and appeals of the Revised MDNS as well as the Permit after issuance. A third party may choose to appeal the Revised MDNS and/or Permit. If a third party appeals the Revised MDNS or the Permit, nothing in this Settlement Agreement will allow or can be interpreted to allow The Owners to control or influence the City's handling of the appeal of the Revised MDNS or the Permit. The parties agree that if a third party appeals the Revised MDNS or the Permit, and after processing the appeal, the City decides to attach different or additional conditions on the Revised MDNS or the Permit, and The Owners is not satisfied with the different or additional conditions on the Revised MDNS or the Permit, this Settlement Agreement will be null and void and of no further effect. If The Owners are not satisfied with the different or additional conditions on the Revised MDNS or the Permit resulting from a third party appeal, nothing in this Settlement Agreement shall prevent The Owners from appealing the different or additional conditions.

Section 5. Notice. All required notices under this Agreement shall be delivered to the parties' representatives at the addresses listed below:

To the City:
Steve Osguthorpe
Planning and Building Manager
3510 Grandview Street
Gig Harbor, WA 98335

To the Owners:
Harbor Cove Group
108 S Jackson Suite # 300
Seattle WA 98101

Section 6. Representations or Warranties. The parties acknowledge that no other person or entity, nor any agent or attorney of any person or entity, has made any promise, representation or

Section 13. Counterpart Originals. Each signatory to this Agreement may sign a separate original of the Agreement. In such event, the Agreement remains as binding and enforceable as it would be if all parties signed the Agreement at the same time and place.

Section 14. Third Party Beneficiaries. This Agreement is neither expressly nor impliedly intended to be for the benefit of any third party, and is neither expressly nor impliedly enforceable by any third party.

CITY OF GIG HARBOR

By: _____
MAYOR

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

OWNERS

By: Eileen Tellefson
Eileen Tellefson

By: Sandra Schaubert
Marsan LLC

By: Marcia Johnson
Marsan LLC

STATE OF WASHINGTON)
COUNTY OF _____) ss.

I certify that I know or have satisfactory evidence that Gretchen Wilbert is the person who appeared before me, and said person acknowledged as the Mayor of The City of Gig Harbor that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it to be (his/her) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____

NOTARY PUBLIC in and for the
State of Washington, residing
at: _____
My Commission expires: _____

STATE OF WASHINGTON)
COUNTY OF Pierce) ss.

I certify that I know or have satisfactory evidence that Eileen Tellefson is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, and acknowledged it to be (his/her) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: June 30th 2004 Bonnie Latham



NOTARY PUBLIC in and for the
State of Washington, residing
at: Bellevue WA
My Commission expires: 02-19-08

STATE OF WASHINGTON)
COUNTY OF Pierce) ss.

I certify that I know or have satisfactory evidence that Marcia Johnson is the person who appeared before me, and said person acknowledged as the _____ of Marsan LLC that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it to be (his/her) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: June 30th 2004 Marcia Johnson



NOTARY PUBLIC in and for the
State of Washington, residing
at: Bellevue WA
My Commission expires: 02-19-08

STATE OF WASHINGTON)

COUNTY OF Spice) ss.

I certify that I know or have satisfactory evidence that Sandra Schausmayer is the person who appeared before me, and said person acknowledged as the she of Marsan LLC that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it to be (his/her) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: June 30th, 2004 Bonnie L. Latham



NOTARY PUBLIC in and for the
State of Washington, residing
at: Albion WA
My Commission expires: 02-19-08

Exhibit A

**Revised Mitigated Determination of Nonsignificance (MDNS)
W.A.C. 197-11-970**

Environmental Review Application No.: SEPA 03-25

Parcel Number: 0221053074 and 0221053050

Action: Demolition Permit

Proposal: Proposal includes phased demolition of the structures at 3711, 3801, 3803, and 3805 Harborview Drive and associated improvements, and lowering of portions of the existing bulkhead.

Location: 3711, 3801, 3803, and 3805 Harborview, Gig Harbor

Proponent: Harbor Cove Group
106 S Jackson Suite #300
Seattle WA 98101

Lead Agency: City of Gig Harbor

I. DESCRIPTION OF PROPOSAL:

The proponent proposes phased demolition of structures located at 3711, 3801, 3803, and 3805 Harborview and associated improvements. Demolition includes a boat building facility housing the Northwest Boat Yard, a residence presently used as an office for the boat yard, and two commercial structures that formerly housed the Pandora's Box and Wild Birds Unlimited businesses. Demolition includes removal of retaining walls, parking areas and vegetation associated with said structures. Phasing includes early demolition and removal of the two structures that have no historic, toxic cleanup, or other issues.

The proposal also includes lowering the existing bulkhead on the south portion of the property so that the top of the bulkhead is approximately at the height of Mean Higher High Water (MHHW).

II. ANALYSIS:

A. Shoreline and Critical Areas. The subject site is located in the Urban Shoreline Environment and additionally has steep slopes ranging from 15% to nearly vertical. The site is presently bisected by three drainage culverts which drain Harborview drive in this vicinity. Due to the steep slopes on the site a geotechnical report has been submitted to and reviewed by the City of Gig Harbor Community Development Department. The steep slopes and shoreline location necessitate mitigation to ensure protection of the slopes and shoreline environment.

1. Erosion Control and Slope Stability. Since rainfall during demolition is possible, precautions should be taken to prevent significant degradation of waters of the state. The site could be eroded by channelized water or by sheet flow as identified in the geotechnical report. Additionally, steep slopes on the site support Harborview Drive and if weakened could result in a massive road failure. Therefore, it is necessary to ensure that both short and long-term erosion control is adequate to protect the shoreline and slopes.

Mitigation: An erosion control and grading plan shall be submitted to this department that addresses both short-term and long-term erosion control prior to the issuance of demolition permits for this site relative to any proposed grading. The

erosion control plan shall be submitted by the geotechnical firm retained for this project and/or submitted with a letter from the geotechnical engineer of record indicating that the plan conforms to all relevant recommendations contained within the geotechnical report for this site. The erosion control plan shall be consistent with the City Storm Water Design Manual chapter 3 and shall include a Spill Prevention Control and Counter Measures (SPCC) plan. The applicant shall submit documentation that the erosion control plan has been submitted to the Department of Ecology for review. Erosion control measures shall be installed and inspected by City staff prior to the start of demolition. A representative of Krazan & Associates, Inc., or another geotechnical firm shall inspect and evaluate all temporary and permanent slopes for stability and shall review subsurface conditions during earthwork to ensure that the assumptions made based on preliminary fieldwork are accurate. Inspection reports shall be submitted by the proponent to the building official before the project is finalized.

2. **Water Quality.** The Department of Ecology submitted comments related to water quality when performing work below the Ordinary High Water Mark (OHWM). The current application request does not include any work below the OHWM; however, the alteration of the bulkhead is adjacent to the OHWM.

Mitigation: No work is to be conducted forward of the OHWM.

3. **Waste Disposal.** Demolition debris contains potentially harmful material including asphalt which can leach petroleum contaminants into the soil. The proposal additionally includes the removal of portions of the treated lumber bulkhead. The Shoreline Master Program prohibits the storage or disposal of solid waste in the shoreline environment.

Mitigation: Temporary storage of demolition debris shall be located above the OHWM. No storage is permitted on tidal areas. Additionally, removed materials shall be disposed of at a facility that has been approved to accept such materials. The owner shall contact the Tacoma-Pierce County Health Department and proceed through their Waste Disposal Authorization Process to determine if the waste is acceptable and what facilities are authorized to take the debris. The owner of the property shall provide to the City verification that the demolition debris was disposed of at an authorized facility and the correct Tacoma-Pierce County Health Department procedures were followed before the project is finalized.

4. **Other Regulations.** The proposed project is subject to the provisions of the Shoreline Master Program, the Gig Harbor Municipal Code, the Uniform Building Code, and the Storm Water Design Manual.

Mitigation: The project shall comply with all applicable City regulations.

B. **Historic Preservation.** The subject site includes the Glein Boat Building, built in the mid 1940s, as well as the Glein home and two other older commercial structures. The site was used as a boat yard prior to the construction of the current boat yard. The Gig Harbor Shoreline Master Program in chapter 3.06 Commercial Fishing Industry states "The commercial fishing industry consists of the vessels, the moorage facilities and the upland facilities and structures that provide direct support to the industry." The SMP goes on to state that "Preservation of the fishing character of the City is a primary consideration in evaluating the effects of a shoreline proposal." The SMP does not include direct regulatory language to implement these statements. The boat yard has played an important role in supporting the commercial fishing industry as well as making significant contributions to recreational boating in the Harbor. In fact, the boat yard is where the first Thunderbird sailboats were designed and built. The boats were very popular and have continued to grow in popularity. The Thunderbird association has worldwide memberships and events. The Gig Harbor Peninsula Historical Society has a significant collection relating to Thunderbird sailing, including Hull #1, which was recently donated to them.

1. **Site Preservation.** The demolition of the Glein-Hoppen Building/Boatyard and the associated residence will permanently erase a unique historical element of the Gig

harbor waterfront. This history should be preserved for future generations in a manner consistent with accepted standards and sensitive to the local context.

Mitigation: A Historic American Buildings Survey (HABS) shall be prepared for the Glein-Hoppen Building/Boatyard and the associated, adjacent residence. The boatyard shall be documented by a level one HABS and the adjacent residence shall be documented by a level three HABS as defined by the Department of the Interior's Guidelines for Architectural and Engineering Documentation contained in the federal register, as modified herein.

The Level I documentation for the Glein-Hoppen Building/Boatyard shall consist of a full set of measured drawings depicting existing conditions (including associated dock and ways) and large format negatives of exterior and interior view. Photocopies with large format negatives of historic views, particularly of the interior, if available, shall be prepared. HABS Level I documentation also typically includes a comprehensive historic narrative and description of the resource. However, because the demolition of this building will irrevocably and significantly alter the historic Gig Harbor waterfront, because the local Museum maintains some amount of historical information on the building and associated themes, and because an alternative methodology will have a more direct benefit to the community and others, the following mitigation element will be followed. The usual historic narrative requirement shall be pared back substantially to focus only on a description of the building relative to the boat building process, overall site development (including associated residence), and an overview of Ed Hoppen's contributions to the boat building industry in Gig Harbor and environs. The larger contextual history of the pleasure boat industry in Gig Harbor and South Sound (including the impact of the T-Bird), which would typically be included in such a narrative, would not be required.

The HABS shall be prepared by a historian meeting the minimum standards of the Department of the Interior. The completed HABS shall not be submitted to the Department of the Interior, but shall be submitted to the Gig Harbor Peninsula Historical Society. Evidence of submittal shall be submitted to this department prior to the issuance of demolition permits for the two structures. The demolition permit for the residence associated with the Glein-Hoppen Building and Boatyard shall be issued once historical mitigation for this residence is complete and submitted to the City. No historical mitigation is required for the Wild Bird or the Pandora's buildings and related structures. The demolition permit for these two structures shall be issued upon satisfaction of standard demolition requirements stated herein.

2. Site Documentation – The demolition of the structures and redevelopment of the site will remove a significant aspect of the history of Gig Harbor from the public view. Future redevelopment is likely to require a public shoreline access or viewing platform.

Mitigation: If public shoreline access or view is required by future development of the site, a historic plaque, accessible to the public, shall be included that commemorates the history of this site. The final design of the plaque shall be reviewed by the Gig Harbor Peninsula Historical Society for historical accuracy.

C. Toxics Cleanup. The applicant has submitted environmental investigations to the department that identify soil contamination on that portion of the upland area of the site that contains the boatyard and in the tidal area adjacent to the marine ways that lie just waterward of the boatyard. Lead was found at levels above Model Toxics Control Act cleanup standards in samples taken from sediments in the tidal area adjacent to the marine ways associated with the boat yard, and cadmium, lead, and carcinogenic PAHs were found at levels that were above Washington State Model Toxics Control Act (MTCA) cleanup standards in upland soils at/near the boatyard. No contamination has been found nor is any suspected to be found in the areas of the Wildbird and Pandora's buildings. The Department of Ecology (Ecology) has been notified and the proponent has met with representatives of the City, the Tacoma/Pierce County Health Department, Ecology, and the Washington State Department of Fish and Wildlife regarding cleanup of the site. In addition, the proponent has submitted an Application for Assistance under the Volunteer Cleanup Program. The cleanup of the upland soils and marine sediments will be covered

as components of this voluntary action, which is subject to separate environmental review.

1. Toxics Cleanup – MTCA requires that if contamination is revealed by sampling or other observation, Ecology must be notified. The proponent has an obligation to work with Ecology to plan and implement an acceptable cleanup of the upland and marine areas.

Mitigation: The applicant shall continue to work with Ecology to achieve compliance with MTCA through the Voluntary Cleanup Program (VCP). The City recognizes that through enrollment in the VCP, the applicant is committed to remediate contamination under MTCA under the oversight of Ecology. The City further recognizes that Ecology will protect human health and the environment through its oversight of this process. The City agrees to accept applications for lot line adjustments, short plats, and similar or related submittals for the site and agrees to process same without imposing additional conditions related to contamination, beyond those required by Ecology.

III. THRESHOLD DETERMINATION:

The lead agency for this proposal has determined that it does not have a probable significant adverse impact on the environment, provided mitigation measures specified in Section II A – C above are imposed. An environmental impact statement (EIS) is not required under RCW 43.21C.030(2)(c). This decision was made after review of a completed environmental checklist and other information on file with the lead agency. This information is available to the public upon request.

[x] This MDNS is issued under WAC 197-11-355; the lead agency will not act on this proposal for 14 days from the date of below. Comments must be submitted by XXXXX, 2004.

Any interested person may appeal the adequacy of this final threshold determination to the City of Gig Harbor Hearing Examiner pursuant to the procedures set forth under Title 18.04 of the Gig Harbor Municipal Code if a written request for appeal is received within fourteen (14) days after the end of the comment period, or XXXXX, 2004. The written appeal must be submitted with a filing fee of one hundred fifty dollars (\$150).

Responsible Official: Steve Osguthorpe
Position Title: Planning & Building Manager Phone: 851-6170

Address: City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA. 98335

Signature _____ Date: _____

Exhibit B: Legal Description for Assessor's Parcel Number 0221053074:

ALL THAT PART OF LOT 7, SECTION 5, TOWNSHIP 21 NORTH, RANGE 2 EAST OF THE W.M., IN PIERCE COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT A STONE MONUMENT AT THE NORTHWEST CORNER OF SAID LOT 7; THENCE RUNNING SOUTH 1 DEGREES 13' WEST ALONG WEST LINE OF SAID LOT, 351.47 FEET TO TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 1 DEGREES 13' WEST ON SAID WEST LINE 221.35 FEET TO TRACT CONVEYED TO JOHN DOWAR LUMBER COMPANY BY DEED RECORDED IN BOOK 521 OF DEEDS AT PAGE 170, UNDER AUDITOR'S FILE NO. 987817; THENCE NORTH 50 DEGREES 55' EAST 220.55 FEET; THENCE NORTH 19 DEGREES 49' EAST 79 FEET, MORE OR LESS, TO GOVERNMENT MEANDER LINE OF SAID LOT 7; THENCE ON SAID GOVERNMENT MEANDER LINE NORTH 25 DEGREES WEST 125.5 FEET, MORE OR LESS, TO A POINT NORTH 54 DEGREES 48' EAST OF THE TRUE POINT OF BEGINNING; THENCE SOUTH 54 DEGREES 48' WEST 174.98 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING;

TOGETHER WITH TIDELANDS OF THE SECOND CLASS ABUTTING THEREON, LYING WITHIN THE PROLONGATION OF THE SIDE LINES OF THE ABOVE DESCRIBED TRACT AND EXTENDING TO THE LINE OF MEAN LOW TIDE;

AND TOGETHER WITH ALL TIDELANDS OF THE SECOND CLASS LYING BETWEEN THE LINE OF MEAN LOW TIDE AND EXTREME LOW TIDE, LYING IN FRONT THEREOF;

EXCEPT STATE HIGHWAY NO. 14;

AND EXCEPT ANY PORTION LYING SOUTH OF SAID HIGHWAY

SITUATE IN THE CITY OF GIG HARBOR, COUNTY OF PIERCE AND STATE OF WASHINGTON.

Exhibit C: Legal Description for Assessor's Parcel Number 0221053050:

BEGINNING AT AN INTERSECTION WITH THE NORTH BOUNDARY LINE OF THE 60 FOOT RIGHT-OF-WAY OF THE BURNHAM-HUNT COUNTY ROAD, AND A LINE WHICH IS NORTH 1°13' EAST, BEING PARALLEL TO THE SECTION LINE COMMON TO SECTION 5 AND 6, TOWNSHIP 21 NORTH, RANGE 2 EAST OF THE W.M., IN PIERCE COUNTY, WASHINGTON, AND EAST THERE FROM 212.37 FEET, MEASURED AT RIGHT ANGLES THERETO; THENCE ON A LINE NORTH 1°13' EAST, 209 FEET, MORE OR LESS, TO THE INTERSECTION WITH THE GOVERNMENT MEANDER LINE ON THE SOUTH SIDE OF GIG HARBOR; THENCE SOUTH AND EAST, FOLLOWING SAID GOVERNMENT MEANDER LINE TO ITS INTERSECTION WITH A LINE WHICH IS SOUTH 1°13' WEST AND PARALLEL TO THE AFORESAID SECTION LINE COMMON TO SECTION 5 AND 6, TOWNSHIP 21 NORTH, RANGE 2 EAST OF THE W.M., AND EAST THERE FROM 287.37 FEET, MEASURED AT RIGHT ANGLE THERETO; THENCE SOUTH 1°13' WEST ON SAID LINE 163 FEET, MORE OR LESS, TO ITS INTERSECTION WITH THE NORTH BOUNDARY LINE OF THE AFORESAID BURNHAM-HUNT COUNTY ROAD; THENCE WEST AND SOUTH 79 FEET, MORE OR LESS, ALONG THE NORTH BOUNDARY LINE OF SAID COUNTY ROAD TO THE POINT OF BEGINNING;

ALSO THE FOLLOWING DESCRIBED TIDELANDS OF THE SECOND CLASS, BEING ADJACENT TO AND ABUTTING UPON THE AFOREDESCRIBED UPLAND PROPERTY:

BEGINNING AT THE INTERSECTION OF THE WEST BOUNDARY LINE OF THE AFOREDESCRIBED UPLAND PROPERTY AND THE SAID GOVERNMENT MEANDER LINE, WHICH POINT IS EAST 212.37 FEET FROM THE SECTION LINE COMMON TO SECTION 5 AND 6, TOWNSHIP 21 NORTH, RANGE 2 EAST OF THE W.M., AND MEASURED AT RIGHT ANGLE THERETO; THENCE ON A LINE NORTH 19°49' EAST OVER TIDELANDS OF THE SECOND CLASS TO AN INTERSECTION WITH THE IRREGULAR LINE, INDICATED BY THE EXTREME LOW TIDE; THENCE SOUTH AND EAST FOLLOWING SAID IRREGULAR LINE OF EXTREME LOW TIDE, TO INTERSECT A LINE WHICH BEARS NORTH 19°49' EAST FROM THE NORTHEAST CORNER OF THE ABOVE DESCRIBED TRACT OF UPLAND; THENCE ON SAID PARALLEL LINE SOUTH 19°49' WEST TO ITS INTERSECTION WITH AFORESAID GOVERNMENT MEANDER LINE; THENCE WEST AND NORTH ALONG THE SAID GOVERNMENT MEANDER LINE TO THE PLACE OF BEGINNING;

TOGETHER WITH THE FOLLOWING DESCRIBED DESCRIPTION:

BEGINNING AT THE STONE MONUMENT WHICH IS AT THE INTERSECTION OF THE SECTION LINE COMMON TO SECTIONS 5 AND 6, TOWNSHIP 21 NORTH, RANGE 2 EAST OF THE W.M., WITH ITS GOVERNMENT MEANDER LINE ON THE SOUTH SIDE OF GIG HARBOR, PIERCE COUNTY, WASHINGTON; THENCE SOUTH 1°13' WEST ON THE SAID SECTION LINE COMMON TO SECTION 5 AND 6 AFORESAID, 572.83 FEET; THENCE ON A LINE NORTH 50°55' EAST 58 FEET, MORE OR LESS, TO AN INTERSECTION WITH THE EAST BOUNDARY LINE OF THE RIGHT-OF-WAY OF THE 60 FOOT BURNHAM-HUNT COUNTY ROAD, THE TRUE POINT OF BEGINNING; THENCE CONTINUING ON SAID LINE, WHICH IS NORTH 50°55' EAST TO THE POINT 220.55 FEET, MEASURED FROM ITS INTERSECTION WITH THE AFORESAID SECTION LINE COMMON TO SAID SECTION 5 AND 6; THENCE ON A LINE NORTH 19°49' EAST 79 FEET, MORE OR LESS, TO ITS INTERSECTION WITH THE GOVERNMENT MEANDER LINE OF GIG HARBOR; THENCE ON THE SAID GOVERNMENT MEANDER LINE SOUTH 25° EAST 42 FEET, MORE OR LESS, TO AND INTERSECTION WITH A LINE WHICH IS

SOUTH 1°13' WEST, WHICH LINE IS PARALLEL TO THE AFORESAID SECTION LINE COMMON TO SECTION 5 AND 6, AND THE EAST 212.37 FEET, MEASURED AT RIGHT ANGLES THERETO; THENCE SOUTH 1°13' WEST ON SAID LINE, 209 FEET, MORE OR LESS, TO ITS INTERSECTION WITH THE NORTH BOUNDARY OF THE AFORESAID BURNHAM-HUNT COUNTY ROAD; THENCE ON A CURVE TO THE RIGHT, FOLLOWING THE NORTH BOUNDARY LINE OF SAID BURNHAM-HUNT COUNTY ROAD, 193 FEET, MORE OR LESS, TO THE POINT OF BEGINNING;

ALSO THE FOLLOWING DESCRIBED TIDELANDS OF THE SECOND CLASS BEING ADJACENT AND ABUTTING UPON THE AFOREDESCRIBED UPLAND PROPERTY:

BEGINNING AT THE STONE MONUMENT WHICH IS AT THE INTERSECTION OF THE SECTION LINE COMMON TO SECTIONS 5 AND 6, TOWNSHIP 21 NORTH, RANGE 2 EAST OF THE W.M., AND THE GOVERNMENT MEANDER LINE ON THE SOUTH SIDE OF GIG HARBOR, PIERCE COUNTY, WASHINGTON; THENCE SOUTH 1°13' WEST ON SAID SECTION LINE COMMON TO SECTION 5 AND 6 AFORESAID, 572.83 FEET; THENCE ON A LINE NORTH 50°55' EAST 220.55 FEET; THENCE ON LINE NORTH 19°49' EAST 79 FEET, MORE OR LESS, TO ITS INTERSECTION WITH THE AFORESAID GOVERNMENT MEANDER LINE, THE TRUE PLACE OF BEGINNING; THENCE CONTINUING ON SAID LINE NORTH 19°49' EAST OVER THE TIDELANDS OF THE SECOND CLASS, TO AN INTERSECTION WITH AN IRREGULAR LINE INDICATED BY THE EXTREME LOW TIDE; THENCE SOUTH AND EAST FOLLOWING THE IRREGULAR LINE OF EXTREME LOW TIDE TO INTERSECT A LINE WHICH BEARS NORTH 19°49' EAST FROM THE NORTHEAST CORNER OF THE ABOVE DESCRIBED TRACT OF UPLAND; THENCE ON SAID PARALLEL LINE SOUTH 19°49' WEST TO ITS INTERSECTION WITH THE AFORESAID GOVERNMENT MEANDER LINE NORTH 25° WEST 42 FEET, MORE OR LESS, TO THE POINT OF BEGINNING;

SITUATE IN THE CITY OF GIG HARBOR, COUNTY OF PIERCE, STATE OF WASHINGTON.



TO: MAYOR WILBERT AND CITY COUNCIL
FROM: DAVID RODENBACH, FINANCE DIRECTOR
DATE: JULY 26, 2004
SUBJECT: QUARTERLY FINANCE REPORT

The quarterly financial reports for the second quarter of 2004 are attached.

Total resources, including all revenues and beginning fund balances, are at 74% of the annual budget. Revenues, excluding beginning fund balances, are at 49% (37% for same period in 2003) of the annual budget. Expenditures are at 34% (30% for same period in 2003).

General Fund revenues (excluding beginning fund balance) are at 50% (53% in 2003) of budget. All significant General Fund revenues are coming in as expected.

General Fund expenditures are at 41% of budget. All General Fund departments are within their 2004 budgets.

Street Fund revenues and expenditures have no significant deviations from budget.

Water, Sewer and Storm Sewer revenues are 30%, 44% and 29% of budget; while expenditures for these three funds are at 30%, 33% and 22% of budget. 2003 amounts for the same period were 32%, 38% and 31% for revenues and 30%, 34% and 21% for expenditures.

One other fund worthy of mention is the Water Capital Fund. Connection fees totaling \$107,000 have been collected. Due to the moratorium, we expect no further revenues. This will have no impact on planned projects.

At this time cash balances are adequate in all funds. Most of the City's investments are in the State Treasurer's pool.

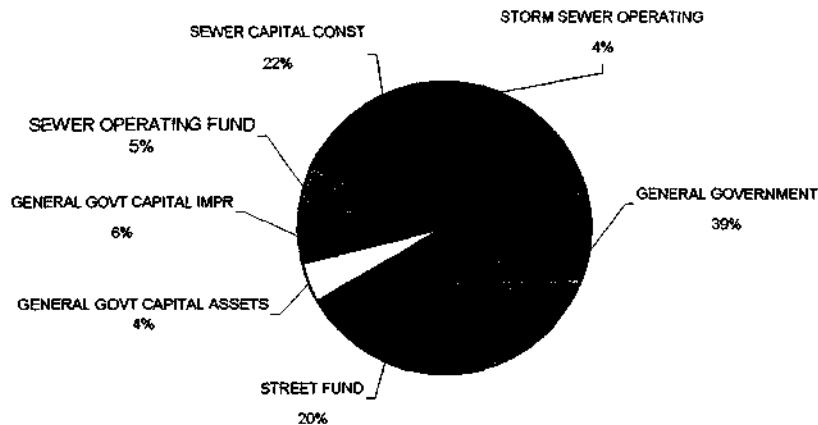
**CITY OF GIG HARBOR
CASH AND INVESTMENTS
YEAR TO DATE ACTIVITY
AS OF June 30, 2004**

FUND NO.	DESCRIPTION	BEGINNING			OTHER	ENDING
		BALANCE	REVENUES	EXPENDITURES	CHANGES	BALANCE
001	GENERAL GOVERNMENT	\$ 2,682,190	\$ 3,240,298	\$ 2,973,157	\$ (528,117)	\$ 2,421,214
101	STREET FUND	1,342,606	640,444	529,435	(200,614)	1,253,001
105	DRUG INVESTIGATION FUND	1,100	8,152	-	-	9,252
107	HOTEL-MOTEL FUND	262,552	84,301	121,243	(11,050)	214,560
108	PUBLIC ART CAPITAL PROJECTS	-	-	-	-	-
109	PARK ACQUISITION FUND	525,937	708	-	(466,061)	60,584
110	CIVIC CENTER DEBT RESERVE	998,821	8,130	-	1,632	1,008,583
208	91 GO BONDS & 97 LTGO BONDS	54,689	502,280	331,388	-	225,581
209	2000 NOTE REDEMPTION FUND	2,740	14	-	-	2,753
210	LID NO. 99-1 GUARANTY	80,766	130	-	-	80,896
301	GENERAL GOVT CAPITAL ASSETS	176,725	99,407	-	-	276,131
305	GENERAL GOVT CAPITAL IMPR	281,577	99,931	-	-	381,508
309	IMPACT FEE-TRUST AGENCY FUND	189,193	126,495	-	-	315,688
401	WATER OPERATING FUND	254,438	325,828	332,420	(60,717)	187,129
402	SEWER OPERATING FUND	178,563	752,205	560,981	(66,843)	302,945
407	UTILITY RESERVE	36,253	213	-	-	36,466
408	UTILITY BOND REDEMPTION	9,994	18,539	17,718	-	10,815
410	SEWER CAPITAL CONST	1,210,703	264,801	67,665	(16,503)	1,391,336
411	STORM SEWER OPERATING FUND	228,729	210,119	156,118	(21,875)	260,855
420	WATER CAPITAL ASSETS	200,959	108,334	191,155	(3,403)	114,735
605	LIGHTHOUSE MAINTENANCE TRUST	1,781	9	-	-	1,790
631	MUNICIPAL COURT	-	36,809	31,526	(5,284)	-
		<u>\$ 8,720,315</u>	<u>\$ 6,527,147</u>	<u>\$ 5,312,806</u>	<u>\$ (1,378,835)</u>	<u>\$ 8,555,821</u>

**COMPOSITION OF CASH AND INVESTMENTS
AS OF June 30, 2004**

	MATURITY	RATE	BALANCE
CASH ON HAND			\$ 300
CASH IN BANK		0.9500%	386,208
LOCAL GOVERNMENT INVESTMENT POOL		1.0312%	6,569,313
FEDERAL HOME LOAN BANK	03/17/06	2.5500%	600,000
FEDERAL HOME LOAN BANK	11/27/06	3.2000%	500,000
BANK OF AMERICA - CD	12/07/04	1.5000%	500,000
			<u>\$ 8,555,821</u>

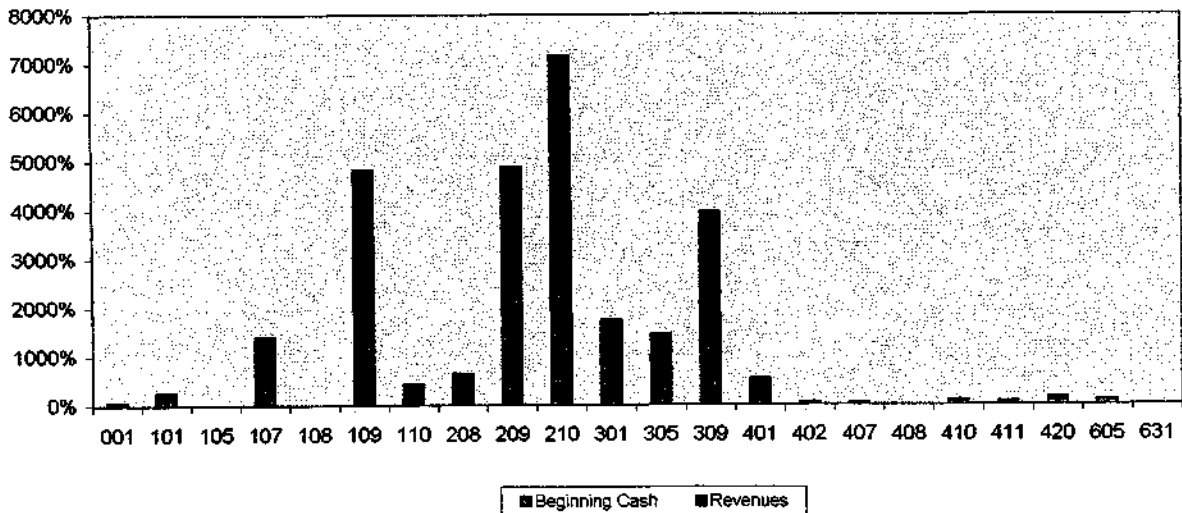
Ending Cash Balances By Fund



**CITY OF GIG HARBOR
YEAR-TO-DATE RESOURCE SUMMARY
AND COMPARISON TO BUDGET
AS OF June 30, 2004**

FUND NO.	DESCRIPTION	ESTIMATED RESOURCES	ACTUAL Y-T-D RESOURCES	BALANCE OF ESTIMATE	PERCENTAGE (ACTUAL/EST.)
001	GENERAL GOVERNMENT	\$ 8,383,670	\$ 5,922,488	\$ 2,461,182	71%
101	STREET FUND	2,239,377	1,983,050	256,327	89%
105	DRUG INVESTIGATION FUND	287	9,252	(8,965)	3224%
107	HOTEL-MOTEL FUND	423,922	346,853	77,069	82%
108	PUBLIC ART CAPITAL PROJECTS	10,250		10,250	
109	PARK ACQUISITION FUND	122,970	526,644	(403,674)	428%
110	CIVIC CENTER DEBT RESERVE	1,427,850	1,006,951	420,899	71%
208	91 GO BONDS & 97 LTGO BONDS	918,385	556,969	361,416	61%
209	2000 NOTE REDEMPTION FUND	121,204	2,753	118,451	2%
210	LID NO. 99-1 GUARANTY	82,785	80,896	1,889	98%
301	GENERAL GOVT CAPITAL ASSETS	339,348	276,131	63,217	81%
305	GENERAL GOVT CAPITAL IMPROVEMENT	413,154	381,508	31,646	92%
309	IMPACT FEE-TRUST AGENCY FUND	150,000	315,688	(165,688)	210%
401	WATER OPERATING	1,103,761	580,266	523,495	53%
402	SEWER OPERATING	1,713,315	930,769	782,546	54%
407	UTILITY RESERVE	82,919	36,466	46,453	44%
408	UTILITY BOND REDEMPTION FUND	648,866	28,533	620,353	4%
410	SEWER CAPITAL CONSTRUCTION	1,352,715	1,475,504	(122,789)	109%
411	STORM SEWER OPERATING	719,900	438,848	281,052	61%
420	WATER CAPITAL ASSETS	210,094	309,293	(99,199)	147%
605	LIGHTHOUSE MAINTENANCE TRUST	1,721	1,790	(69)	104%
631	MUNICIPAL COURT		36,809	(36,809)	
		\$ 20,466,513	\$ 15,247,462	\$ 5,219,051	74%

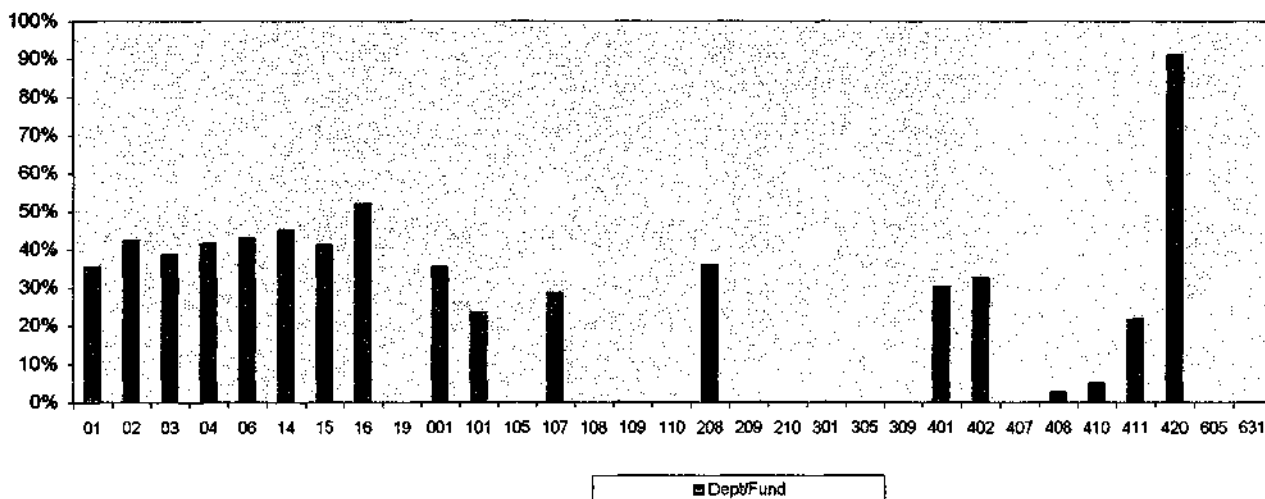
Resources as a Percentage of Annual Budget



**CITY OF GIG HARBOR
YEAR-TO-DATE EXPENDITURE SUMMARY
AND COMPARISON TO BUDGET
FOR PERIOD ENDING June 30, 2004**

FUND NO.	DESCRIPTION	ESTIMATED EXPENDITURES	ACTUAL Y-T-D EXPENDITURES	BALANCE OF ESTIMATE	PERCENTAGE (ACTUAL/EST.)
001	GENERAL GOVERNMENT				
01	NON-DEPARTMENTAL	\$ 2,325,700	\$ 828,821	\$ 1,496,879	36%
02	LEGISLATIVE	30,600	13,008	17,592	43%
03	MUNICIPAL COURT	423,420	164,295	259,125	39%
04	ADMINISTRATIVE/FINANCIAL	700,160	291,391	408,769	42%
06	POLICE	1,963,950	844,944	1,119,006	43%
14	COMMUNITY DEVELOPMENT	950,850	427,527	523,323	45%
15	PARKS AND RECREATION	678,550	280,307	398,243	41%
16	BUILDING	236,900	122,865	114,035	52%
19	ENDING FUND BALANCE	1,073,540	-	1,073,540	
001	TOTAL GENERAL FUND	8,383,670	2,973,157	5,410,513	35%
101	STREET FUND	2,239,377	529,435	1,709,942	24%
105	DRUG INVESTIGATION FUND	287	-	287	
107	HOTEL-MOTEL FUND	423,922	121,243	302,679	29%
108	PUBLIC ART CAPITAL PROJECTS	10,250	-	10,250	
109	PARK ACQUISITION FUND	122,970	-	122,970	
110	CIVIC CENTER DEBT RESERVE	1,427,850	-	1,427,850	
208	91 GO BONDS & 97 LTGO BONDS	918,385	331,388	586,997	36%
209	2000 NOTE REDEMPTION FUND	121,204	-	121,204	
210	LID NO. 99-1 GUARANTY	82,785	-	82,785	
301	GENERAL GOVT CAPITAL ASSETS	339,348	-	339,348	
305	GENERAL GOVT CAPITAL IMPROVEMENT	413,154	-	413,154	
309	IMPACT FEE-TRUST AGENCY FUND	150,000	-	150,000	
401	WATER OPERATING	1,103,761	332,420	771,341	30%
402	SEWER OPERATING	1,713,315	560,981	1,152,334	33%
407	UTILITY RESERVE	82,919	-	82,919	
408	UTILITY BOND REDEMPTION FUND	648,886	17,718	631,168	3%
410	SEWER CAPITAL CONSTRUCTION	1,352,715	67,665	1,285,050	5%
411	STORM SEWER OPERATING	719,900	156,118	563,782	22%
420	WATER CAPITAL ASSETS	210,094	191,155	18,939	91%
605	LIGHTHOUSE MAINTENANCE TRUST	1,721	-	1,721	
631	MUNICIPAL COURT	-	31,526	(31,526)	
		\$ 20,466,513	\$ 5,312,806	\$ 15,153,707	26%

Expenditures as a Percentage of Annual Budget



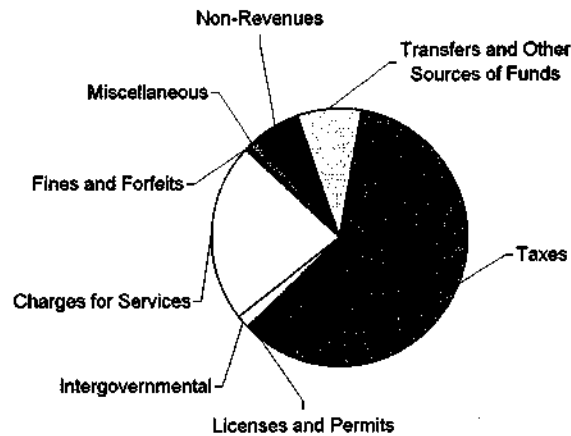
**CITY OF GIG HARBOR
YEAR-TO-DATE REVENUE SUMMARY
BY TYPE
FOR PERIOD ENDING June 30, 2004**

<u>TYPE OF REVENUE</u>	<u>AMOUNT</u>
Taxes	\$ 3,674,850
Licenses and Permits	247,476
Intergovernmental	108,676
Charges for Services	1,455,756
Fines and Forfeits	42,203
Miscellaneous	78,034
Non-Revenues	402,735
Transfers and Other Sources of Funds	517,416
Total Revenues	6,527,147
Beginning Cash Balance	8,720,315
Total Resources	\$ 15,247,462

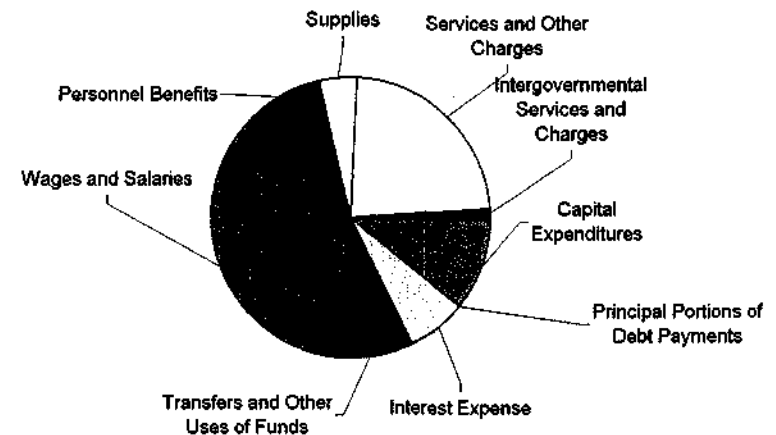
**CITY OF GIG HARBOR
YEAR-TO-DATE EXPENDITURE SUMMARY
BY TYPE
FOR PERIOD ENDING June 30, 2004**

<u>TYPE OF EXPENDITURE</u>	<u>AMOUNT</u>
Wages and Salaries	\$ 1,782,369
Personnel Benefits	530,471
Supplies	237,802
Services and Other Charges	1,226,208
Intergovernmental Services and Charges	77,379
Capital Expenditures	560,529
Principal Portions of Debt Payments	
Interest Expense	366,522
Transfers and Other Uses of Funds	531,526
Total Expenditures	5,312,806
Ending Cash Balance	8,555,821
Total Uses	\$ 13,868,627

Revenues by Type - All Funds



Expenditures by Type - All Funds



CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
AS OF June 30, 2004

	SPECIAL REVENUE FUNDS											TOTAL SPECIAL REVENUE
	001 GENERAL GOVERNMENT	101 STREET	105 DRUG INVESTIGATION	107 HOTEL - MOTEL	108 PUBLIC ART PROJECTS	109 PARK ACQUISITION	110 CIVIC CENTER DEBT RESERVE	301 GENERAL GOVT CAPITAL ASSETS	305 GENERAL GOVT CAPITAL IMP	309 IMPACT FEE TRUST FUND	605 LIGHTHOUSE MAINTENANCE	
CASH	\$ 73,044	\$ 69,573	\$ 925	\$ 11,914	\$ -	\$ 3,364	\$ 28,239	\$ 15,332	\$ 21,183	\$ 17,529	\$ 99	\$ 168,159
INVESTMENTS	2,448,170	1,183,428	8,327	202,846	-	57,220	980,344	260,799	360,324	298,159	1,691	3,352,937
RECEIVABLES	46,688	17,123	-	2,000	-	-	-	-	-	-	-	19,123
FIXED ASSETS	-	-	-	-	-	-	-	-	-	-	-	-
OTHER	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	2,567,901	1,270,124	9,252	216,560	-	60,584	1,008,583	276,131	381,508	315,688	1,790	3,540,219
LIABILITIES												
CURRENT	25,435	150,109	-	-	-	-	-	-	-	-	-	150,109
LONG TERM	26,042	8,704	-	-	-	-	-	-	-	-	-	8,704
TOTAL LIABILITIES	51,477	158,814	-	-	-	-	-	-	-	-	-	158,814
FUND BALANCE:												
BEGINNING OF YEAR	2,249,284	1,000,301	1,100	253,502	-	59,876	1,000,453	176,725	281,577	189,193	1,781	2,964,507
Y-T-D REVENUES	3,240,298	640,444	8,152	84,301	-	708	8,130	99,407	99,931	126,495	9	1,067,576
Y-T-D EXPENDITURES	(2,973,157)	(529,435)	-	(121,243)	-	-	-	-	-	-	-	(650,678)
ENDING FUND BALANCE	2,516,425	1,111,311	9,252	216,560	-	60,584	1,008,583	276,131	381,508	315,688	1,790	3,381,406
TOTAL LIAB. & FUND BAL.	2,567,901	1,270,124	9,252	216,560	-	60,584	1,008,583	276,131	381,508	315,688	1,790	3,540,219

**CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
AS OF June 30, 2004**

	208 91 GO BONDS SOUNDVIEW DR	209 2000 NOTE REDEMPTION	210 LID 99-1 GUARANTY	TOTAL DEBT SERVICE
CASH	\$ 12,525	\$ 153	\$ 4,492	\$ 17,170
INVESTMENTS	213,055	2,600	76,404	292,060
RECEIVABLES	1,287	-	-	1,287
FIXED ASSETS	-	-	-	-
OTHER	-	-	-	-
TOTAL ASSETS	226,868	2,753	80,896	310,517
LIABILITIES				
CURRENT	-	-	-	-
LONG TERM	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCE:				
BEGINNING OF YEAR	55,976	2,740	80,766	139,481
Y-T-D REVENUES	502,280	14	130	502,424
Y-T-D EXPENDITURES	(331,388)	-	-	(331,388)
ENDING FUND BALANCE	226,868	2,753	80,896	310,517
TOTAL LIAB. & FUND BAL.	\$ 226,868	\$ 2,753	\$ 80,896	\$ 310,517

CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
AS OF June 30, 2004

	PROPRIETARY							TOTAL PROPRIETARY
	401 WATER OPERATING	402 SEWER OPERATING	407 UTILITY RESERVE	408 89 UTILITY BOND REDEMPTION	410 SEWER CAP. CONST.	411 STORM SEWER OPERATING	420 WATER CAP. ASSETS	
CASH	\$ 12,485	\$ 16,916	\$ 2,025	\$ 601	\$ 77,254	\$ 14,484	\$ 6,371	\$ 130,135
INVESTMENTS	174,644	286,029	34,441	10,214	1,314,082	246,371	108,364	2,174,146
RECEIVABLES	81,568	248,177	-	34,783	-	61,647	-	426,175
FIXED ASSETS	3,329,423	9,429,848	-	-	566,780	767,106	1	14,093,158
OTHER	-	-	-	-	-	-	-	-
TOTAL ASSETS	3,598,120	9,980,970	36,466	45,598	1,958,116	1,089,607	114,736	16,823,613
LIABILITIES								
CURRENT	500	-	-	194,732	-	2	53,715	248,949
LONG TERM	44,366	50,944	-	2,086,960	-	28,933	-	2,211,203
TOTAL LIABILITIES	44,866	50,944	-	2,281,692	-	28,935	53,715	2,460,152
FUND BALANCE:								
BEGINNING OF YEAR	3,559,846	9,738,802	36,253	(2,236,915)	1,760,980	1,006,671	143,842	14,009,479
Y-T-D REVENUES	325,828	752,205	213	18,539	264,801	210,119	108,334	1,680,040
Y-T-D EXPENDITURES	(332,420)	(560,981)	-	(17,718)	(67,665)	(156,118)	(191,155)	(1,328,057)
ENDING FUND BALANCE	3,553,254	9,930,026	36,466	(2,236,094)	1,958,116	1,060,672	61,021	14,363,461
TOTAL LIAB. & FUND BAL.	\$ 3,598,120	\$ 9,980,970	\$ 36,466	\$ 45,598	\$ 1,958,116	\$ 1,089,607	\$ 114,736	\$ 16,823,613

**CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
AS OF June 30, 2004**

	FIDUCIARY			ACCOUNT GROUPS	
	631 MUNICIPAL COURT	820 GENERAL FIXED ASSET GROUP	900 GENERAL L-T DEBT GROUP	TOTAL ACCOUNT GROUPS	TOTAL
CASH	\$ -	\$ -	\$ -	\$ -	\$ 388,508.10
INVESTMENTS	-	-	-	-	8,286,713
RECEIVABLES	-	-	-	-	493,272
FIXED ASSETS	-	18,586,837	-	18,586,837	32,679,995
OTHER	-	-	-	-	-
TOTAL ASSETS	-	18,586,837	-	18,586,837	41,828,488
LIABILITIES					
CURRENT	-	-	-	-	424,493
LONG TERM	-	-	-	-	2,245,950
TOTAL LIABILITIES	-	-	-	-	2,670,442
FUND BALANCE:					
BEGINNING OF YEAR	(5,284)	18,586,837	-	18,586,837	37,944,304
Y-T-D REVENUES	36,809	-	-	-	76,527,047
Y-T-D EXPENDITURES	(31,526)	-	-	-	(5,313,306)
ENDING FUND BALANCE	-	18,586,837	-	18,586,837	39,158,045
TOTAL LIAB. & FUND BAL.	\$ -	\$ 18,586,837	\$ -	\$ 18,586,837	\$ 41,828,488

CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
BY FUND TYPE
AS OF June 30, 2004

	GENERAL GOVERNMENT	SPECIAL REVENUE	DEBT SERVICE	TOTAL GOVERNMENTAL	PROPRIETARY	FIDUCIARY	ACCOUNT GROUPS	TOTAL ALL FUND TYPES
ASSETS								
CASH	\$ 73,480	\$ 167,723	\$ 17,170	\$ 258,373	\$ 130,135	\$ -	-	\$ 386,508
INVESTMENTS	2,448,170	3,352,337	292,060	6,092,567	2,174,146	-	-	8,266,713
RECEIVABLES	46,688	19,123	1,287	67,098	426,175	-	-	493,272
FIXED ASSETS	-	-	-	-	14,093,158	-	18,586,837	32,679,995
OTHER	-	-	-	-	-	-	-	-
TOTAL ASSETS	2,568,337	3,539,183	310,517	6,418,038	16,823,613	-	18,586,837	41,828,488
LIABILITIES								
CURRENT	25,435	150,109	-	175,544	248,949	-	-	424,493
LONG TERM	26,042	8,704	-	34,746	2,211,203	-	-	2,245,950
TOTAL LIABILITIES	51,477	158,814	-	210,290	2,460,152	-	-	2,670,442
FUND BALANCE:								
BEGINNING OF YEAR	2,249,284	2,964,507	139,481	5,353,273	14,009,479	(5,284)	18,586,837	37,944,304
Y-T-D REVENUES	3,240,298	1,067,476	502,424	4,810,198	1,680,040	36,809	-	6,527,047
Y-T-D EXPENDITURES	(2,972,722)	(651,613)	(331,388)	(3,955,723)	(1,326,057)	(31,526)	-	(5,313,306)
ENDING FUND BALANCE	2,516,860	3,380,370	310,517	6,207,747	14,363,461	-	18,586,837	39,158,045
TOTAL LIAB. & FUND BAL.	\$ 2,568,337	\$ 3,539,183	\$ 310,517	\$ 6,418,038	\$ 16,823,613	\$ -	\$ 18,586,837	\$ 41,828,488