

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.

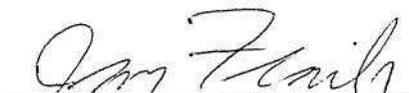
MOTION: Move to return to regular session at 8:50 p.m.
Picinich / Ruffo – unanimously approved.

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