

REGULAR GIG HARBOR CITY COUNCIL MEETING OCTOBER 25, 1999

PRESENT: Councilmembers Ekberg, Young, Platt, Owel, Dick, Picinich, and Mayor Wilbert. Councilmember Markovich was absent.

CALL TO ORDER: 7:06 p.m.

PUBLIC HEARING: Revenue Sources - 2000 General Fund Budget. Mayor Wilbert opened the public hearing on this agenda item. Dave Rodenbach, Finance Director, explained that this public hearing was a statutory requirement for the revenue sources for the 2000 General Fund Budget. He gave an overview of the budget. There was no public testimony received and the public hearing was closed at 7:08 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 the October 11, 1999, City Council Meeting.
2. Correspondence / Proclamations:
 - a) Pierce County Parks and Recreation - Youth Activity Fields Funding.
3. Approval of Payment of Bills for October 25, 1999:
Checks # 23520 through #23594 in the amount of \$120,569.21.
4. Special Occasion Liquor License:
St. Nicholas Church Peninsula Neighborhood Association.

MOTION: Move to approve the Consent Agenda as presented.
Picinich/Owel - unanimously approved. Councilmember Young abstained.

OLD BUSINESS:

1. Third Reading of Ordinance - Parks and Transportation Impact Fees. There was discussion on this item during the worksession prior to this meeting, which continued at this time. Carol Morris asked for clarification from Council with regard to the timing of the payment of the impact fee. It was determined that the impact fee could be paid at the time of final plat with the ability to postpone payment until the application for a building permit.

Linda Gair - 9301 No. Harborview Drive. Ms. Gair asked for clarification of the reference to exemptions for public housing agencies. She explained that she wanted to be sure that churches were not included in that category, as they can have significant impact on the infrastructure, as do low-income housing areas, and should not be exempt from impact fees.

Walt Smith - PO Box 191, Gig Harbor. Mr. Smith commended the City Council for the time that had been taken to work on the impact fee ordinance. He asked that if this ordinance was passed after the election, and prior to December 31st, if it was legally unchallengeable. He added that the parks fee is like I-695, which is aimed at the state but misses and hits the cities and counties. He said that the developer does not pay these fees, the final customer pays.

Tiffany Spier - Master Builders Association. Ms. Spier thanked Council and staff for taking the time on this issue. She referred to her letter and reiterated the request that park impact fees be reduced to \$400, which is more in line with what other jurisdictions are charging.

Scott Miller - 6602 Cromwell Drive. Mr. Miller thanked staff and Council for the process on the impact fees. He said that he had looked at park fees in the Bellevue area and he said that \$400 seems more realistic for what this area can support. He asked for clarification on 11, A-3.

Wade Perrow - 9919 No. Harborview Drive. Mr. Perrow said that people that develop in the urban growth area should also be paying impact fees to the city, as they place a burden upon the city infrastructure. He said if impact fees could not be collected through an interlocal with the county, no utilities should be extended outside city limits without an annexation. He then asked about when the Six-Year Transportation and Parks Plan would be updated, and recommended that the Borgen property be included in the next update to the Parks Plan.

Rick Gagliano - 8607 58th Ave NW. Mr. Gagliano also thanked Council and staff for working so hard on this ordinance. He asked that the language in Section 12 regarding postponing payment be clarified. He then asked that the effective date of the ordinance be extended. It was explained that the effective date for the ordinance would be December 15, 1999.

Councilmember Owel said that the proposed impact fees were set too low and that she thought that the city could not approach their objective with the currently proposed fees. She added that the current proposal did not have the support of the general populace and that Council should consider raising the fees to a more balanced level with an increase of an additional 12.5%, bringing the fee up to 50% of the originally proposed fees.

Councilmember Ekberg said that he had been concerned that the proposed fees were not sufficient to fund projects, and that the single zone concept wasn't adequate. He asked for clarification from staff as to how the citizens would be better served by Transportation Impact Fees as opposed to SEPA fees. Wes Hill, Public Works Director, explained that the impact fees allow more predictability for the developer as well as incumbrance upon the capacity. He added that SEPA would address the zone issues better as it is project specific.

Walt Smith - Mr. Smith spoke on the flexibility of the one-zone concept. He then addressed the recommendation to raise the fees. He said that raising the fees would prohibit development, or cause developments to be done cheaply.

John Rose - Olympic Resource Management - Mr. Rose thanked the Council and staff for their work on the impact fees and said that this was an example of good government in action. He continued to say that the development industry has not opposed impact fees, but would like them to be reasonable and commensurate to other jurisdictions. He said that the Municipal Research survey placed parks fees from \$400 to \$1475, which place the city's proposed \$1500 fee at the highest end. He added that if the city wants the developers to pay a higher fee, then the project list should be redone to eliminate the higher priced projects such as the Hunt Street Overpass and the Crescent Valley Connector. He said that SEPA is too uncertain, and impact fees and control of growth address the goal of the GMA.

Councilmember Picinich said that he was concerned a proposal to raise the fees had come forward at the last minute. He added that he agreed that the transportation impact fees should be higher, and that he was in favor of lowering the parks fees. He said that zoning was another issue that should be considered further, and suggested that another meeting should be scheduled to continue discussion on these items.

Councilmember Young said that these items had been discussed extensively. He said that raising the fees would create an artificial development base in which only the large developers would be able to build. He added that the level of service on the city streets is fine now, and the only justification for raising the fees would be a substandard level of service.

Councilmember Dick said that he also was concerned with the numbers especially with the debate surrounding I-695. He said that one of the issues of public concern is tax increases and if the fees are set too low, the funds to complete future projects will have to come from increased taxes. He added that an appropriate amount of fees need to be collected for the city to be able to achieve their goal. He also said that it may be appropriate to lower the parks fees.

Carol Morris, Legal Counsel, advised Councilmembers that action should be taken to pass this ordinance and have it in effect prior to the November 2nd election to avoid any challenges. After discussing their options, Council decided to schedule another worksession before action was taken on this ordinance. Mayor Wilbert allowed members of the audience a chance to respond.

Rick Gagliano - Mr. Gagliano asked if the annual amendments to the project list would be part of a public hearing process and if the fees would also change as the project list was modified. He was assured that it would be an annual process. He suggested that the ordinance be passed with the current fees, and then the fees could be amended during the annual process. Councilmember Dick pointed out that the citizens would have to pay for an election if the fees were proposed to be increased if I-695 were passed.

Wade Perrow - Mr. Perrow said that the fee structure shouldn't be a problem, because at any rate, the project list would be adjusted accordingly to what could be feasibly built with the funds available.

Tiffany Speir - Ms. Speir said that raising the transportation fee was a "bolt out of the blue" to a process that had been going on since January. She asked that any action be postponed until the next meeting as there were representatives missing from several organizations that would like the opportunity to address these proposed changes.

Bruce Gair - 9301 No. Harborview Drive - Mr. Gair congratulated Council for taking care of the citizen's interests. He said that he strongly supported Councilmember Dick's comments and thanked Councilmember Owel for bringing up the issue of fees.

MOTION: Move we postpone action on this item and schedule another worksession on the impact fee ordinance to discuss three issues only; the transportation impact fees, the parks fee, and zoning, to be held on Monday, November 3rd at 7:00 p.m.
Picinich/Owel -

Carol Morris said she could not be present at that time.

AMENDED MOTION: Move we postpone action on this item and schedule another worksession on the impact fee ordinance to discuss three issues only; the transportation impact fees, the parks fee and zoning, to be held on Tuesday, November 2nd at 7:00 p.m.
Picinich/Owel - Owel, Dick and Picinich voted in favor.
Councilmember Young voted against the motion.
Councilmembers Ekberg and Platt abstained. The motion failed.

2ND AMENDED MOTION: Move we postpone action on this item and schedule another worksession on the impact fee ordinance to discuss three issues only; the transportation impact fees, the parks fee and zoning, to be held on Wednesday, November 3rd at 7:00 p.m.
Picinich/Young - unanimously approved.

The Mayor announced a ten minute break at 9:10 p.m. The regular session resumed at 9:20 p.m.

2. Second Reading of Ordinance - Eliminating Administrative Appeal. Carol Morris explained that this ordinance eliminates the administrative appeal for the decision of the Building Official on a Notice of a Violation. She said that at present, there is no requirement in state law to have an administrative appeal.

MOTION: Move to adopt Ordinance No. 827 as presented.
Picinich/Young -unanimously approved.

NEW BUSINESS:

1. Resolution Opposing I-695. Councilmember Bob Dick presented this resolution and talked briefly about the initiative, what it provides and what dilemmas that it may pose. Mayor Wilbert asked if anyone else would like to speak on the issue. Councilmember Young spoke in favor of the initiative. Councilmember Picinich said that although he favored \$30 tabs, he was not in favor of the other the impacts to services and spoke against the initiative.

MOTION: Move to approve Resolution 539, expressing opposition to Initiative 695. Dick/Owel - Five Councilmembers voted in favor. Councilmember Young voted against the resolution.

2. 1999 Department of Assigned Counsel Contract. Mark Hoppen presented the contract for Assigned Counsel services. He explained that there was a modest budget increase in last year's contract.

MOTION: Move to approve the Department of Assigned Counsel Contract. Owel/Picinich - unanimously approved. Councilmember Dick recused himself as an employee of Pierce County.

3. Authorization for the Use of Uniforms and Hold Harmless and Indemnity Agreement. Chief Mitch Barker presented this agreement that would allow officers to work in an off-duty capacity for an employer other than the city for security functions at various events.

MOTION: Move to authorize the Mayor to approve the agreement. Young/Owel - unanimously approved.

4. First Reading of Ordinance - Development Agreement Ordinance. Ray Gilmore, Planning Director, explained that the Planning Commission had held two public hearings on this proposed development agreement earlier this year. He said that the ordinance is based upon legislation adopted by the state in 1995 and has gone through several drafts. He added that Carol Morris had also recommended changes to the ordinance before it returned to Council for a second reading and a possible public hearing. He compared this ordinance to Concomitant Agreements that the city had entered into in past years.

John Rose - PO Box 1780, Poulsbo. Mr. Rose commented that this type of legislation is a good idea because it allows multi-phased, complex projects to resolve issues up front. His then requested that in Section 19.08.050, under terms, that a longer term than five years be considered for certain development agreements.

Scott Miller - 6602 Cromwell Beach Drive. Mr. Miller recommended a clarification in language 19.08.050, to reflect that the city attorney would approve the agreement form, not the actual development agreement.

This will return at the next council meeting for a second reading.

5. First Reading of Ordinance - 2000 Tax Levy Ordinance. Dave Rodenbach, Finance Director, gave a brief overview of the proposed tax levy ordinance. He explained that the preliminary valuation for 2000 taxes is approximately \$692 million reflecting a 12% increase over 1999. Councilmember Dick asked if a separate ordinance would be required to authorize the increase over 6%. Carol Morris will look into this issue before it comes back at the next meeting.

PUBLIC COMMENT/DISCUSSION: None.

COUNCIL COMMENTS:

Councilmember Dick asked for a report on the construction of the Rosedale project and the perception that the street is narrow. Wes Hill explained that his perception is correct and the narrow corridor facilitates the pedestrian-friendly street design as desired by the residents along Rosedale.

STAFF REPORT:

1. Carol Morris, Legal Counsel - update on litigation. Ms. Morris informed Council that the city had prevailed in the Gig Harbor Marina and Arabella's Landing lawsuits, and was also awarded attorney's fees. She said she would proceed with collection of those fees.
2. Gig Harbor Police Department - October Stats. Chief Barker made corrections to the written report submitted and answered questions.
3. Dave Rodenbach, Finance Director - Quarterly Report. Dave Rodenbach briefly explained that all the funds appear to be on track for the quarter. He added that we are slightly ahead of pace for resources in the general fund.
4. Wes Hill, Public Works. Mr. Hill explained that his last day of work would fall before the next council meeting, and he wanted to take the opportunity to say thank you to Mayor Wilbert and Council, Mark Hoppen, and city colleagues for their support, patience, friendship, counsel, and also the privilege of working as the city's Public Works Director and City Engineer for the past four years. He added that he is proud of what has been accomplished in that time frame and that he is especially proud of the extraordinarily talented and hard-working Public Works group.

ANNOUNCEMENT OF OTHER MEETINGS:

1. Worksession on Impact Fees - Wednesday, November 3rd at 7:00 p.m. at City Hall.
2. Public Hearing on Formation of a LID - East-West Road - November 8th, 1999, at the regular City Council Meeting, 7:00 p.m. at City Hall.

EXECUTIVE SESSION: For the purpose of discussing pending and potential litigation per RCW 42.30.110(i). Action may be taken after the session.


MOTION: Move to adjourn to executive session at 10:15 p.m. for approximately twenty minutes.
Owel/Picinich - unanimously approved.

MOTION: Move to return to regular session at 10:34 p.m.
Owel/Picinich - unanimously approved.


ADJOURN:

MOTION: Move to adjourn at 10:35 p.m.
Ekberg/Platt - unanimously approved.

Cassette recorder utilized.
Tape 546 Side B - 198 - end.
Tape 547 Both Sides.
Tape 548 Both Sides.
Tape 549 Side A - 000 - end.
Tape 549 Side B - 000 - 026.



Mayor PRO TEM



City Clerk