

ORDINANCE NO. 1051

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO GROWTH MANAGEMENT AND PLANNING, MAKING THE FOLLOWING AMENDMENTS TO THE CITY'S COMPREHENSIVE LAND USE PLAN: APPROVING WITH A DEVELOPMENT AGREEMENT (RESOLUTION #677) THE HUBER APPLICATION #04-01; APPROVING WITH A DEVELOPMENT AGREEMENT (RESOLUTION #678) THE FRANCISCAN HEALTH SYSTEM APPLICATION #05-01; APPROVING A CONSTRUCTION AGREEMENT BETWEEN THE CITY AND FRANCISCAN HEALTH-SYSTEM FOR CONSTRUCTION OF THE FHS TRANSPORTATION MITIGATION IMPROVEMENTS; APPROVING WITH A DEVELOPMENT AGREEMENT (RESOLUTION #680) THE HMT PARTNERSHIP APPLICATION #05-02; AND (4) ADOPTING A REVISED TRANSPORTATION ELEMENT, CHAPTER 11 OF THE ADOPTED DECEMBER 2004 COMPREHENSIVE PLAN.

WHEREAS, the City of Gig Harbor plans under the Growth Management Act (chapter 36.70A RCW); and

WHEREAS, the Act requires the City to adopt a Comprehensive Plan; and

WHEREAS, the City adopted a revised GMA Comprehensive Plan as required by RCW 36.70A.130 (4) in December 2004; and

WHEREAS, the City is required to consider suggested changes to the Comprehensive Plan (RCW 36.70A.470); and

WHEREAS, the City may not amend the Comprehensive Plan more than once a year (RCW 36.70A.130); and

WHEREAS, the City is required to provide public notice and public hearing for any amendments to the Comprehensive Plan and the adoption of any elements thereto (RCW 36.70A.035, RCW 36.70A.130); and

WHEREAS, on April 11, 2005, the Gig Harbor City Council passed Resolution No. 646 which established the work program for the processing of individual Comprehensive Plan amendments for 2005; and

WHEREAS, the Washington State Office of Community Development was a party of record to the Supplemental Environmental Impact Statement (SEIS) process that was undertaken for the proposed amendments to the Comprehensive Plan; and

WHEREAS, the City Community Development Director notified the Washington State Office of Community Development of the City's intent to amend the Comprehensive Plan on May 1, 2006 pursuant to RCW 36.70A.106; and

WHEREAS, the City Community Development Director forwarded a copy of this Ordinance to the Washington State Office of Community Development on June 5, 2006 pursuant to RCW 36.70A.106; and

Land Use Element

WHEREAS, the Act requires that the Comprehensive Plan include a land use element designating the proposed general distribution and general location and uses of land, where appropriate, for the different types of allowed uses in the City, as well as other information (RCW 36.70A.070(1)); and

WHEREAS, on July 14, 2005, the City SEPA Responsible Official issued a Determination of Significance (DS) with regards to the proposed Comprehensive Plan amendments (#04-01 Huber, #05-01 Franciscan Health System-West, and #05-03 HMT Partnership); and

WHEREAS, on January 3, 2006, the Draft Supplemental Environmental Impact Statement (DSEIS) was issued; and

WHEREAS, on January 19, 2006, the Planning Commission held a public hearing on the Draft Supplemental Environmental Impact Statement (DSEIS); and

WHEREAS, on April 5, 2006, the Final Supplemental Environmental Impact Statement (FSEIS) was issued; and

WHEREAS, on April 6, 2006, the Planning Commission held a work study session on the proposed Comprehensive Plan amendments; and

WHEREAS, on April 19, 2006, Gig Harbor North Associates, LLC filed a timely appeal on the adequacy of the April 5, 2006, the Final Supplemental Environmental Impact Statement (FSEIS); and

WHEREAS, on April 20, 2006, the Planning Commission held a public hearing on the proposed Comprehensive Plan amendments (#04-01 Huber, #05-01 Franciscan Health System-West, and #05-03 HMT Partnership) and the proposed revision to the Transportation Element of the Comprehensive Plan as identified in the April 5, 2006 Final Supplemental Environmental Impact Statement (FSEIS); and

WHEREAS, on April 20, 2006, the Planning Commission recommended approval of the Comprehensive Plan amendments #04-01 Huber, #05-01 Franciscan Health System-West, and #05-03 HMT Partnership based on the findings of fact and recommended conditions of approval as outlined in the April 13, 2006 staff reports prepared for each application; and

WHEREAS, on April 20, 2006, the Planning Commission recommended approval of the revisions to the Transportation Element (Chapter 11) of the adopted Comprehensive Plan as identified in Appendix B of the April 5, 2006 Final Supplemental Environmental Impact Statement (FSEIS); and

WHEREAS, on May 31, 2006, Gig Harbor North Associates, LLC withdrew their appeal of the adequacy of the April 5, 2006, the Final Supplemental Environmental Impact Statement (FSEIS) that was filed on April 19, 2006; and

WHEREAS, on June 12, 2006, the Gig Harbor City Council held a public hearing and first reading of an Ordinance implementing the Planning Commission's recommended approval of the Comprehensive Plan amendments #04-01 Huber, #05-01 Franciscan Health System-West, and #05-03 HMT Partnership; and the recommended revisions to the Transportation element of the Comprehensive Plan during a public meeting; and

WHEREAS, on July 10, 2006, during a regular City Council meeting, the Gig Harbor City Council held a second reading of an Ordinance implementing the Planning Commission's recommended approval of the Comprehensive Plan amendments and voted on the Comprehensive Plan amendments;

WHEREAS, on July 24, 2006, during a regular City Council meeting, the Gig Harbor City Council held the second reading of this; Now, Therefore:

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

Section 1. Comprehensive Land Use Map and Plan Text Amendments.

A. **Notice.** The City Clerk confirmed that public notice of the public hearings held by the City Council on the following applications was provided.

B. **Hearing Procedure.** The City Council's consideration of the comprehensive land use map and plan text amendments is a legislative act. The Appearance of Fairness doctrine does not apply.

C. **Testimony.** The following persons testified on the applications at the June 12, 2006 public hearing:

1. Public Hearing and First Reading of Ordinance - Comprehensive Plan Amendments and Development Agreements. John Vodopich explained that this is the ordinance adopting the 2005 Comprehensive Plan Amendments. He gave an overview of the four amendments, explaining that the Development Agreements would be available at the June 22nd meeting as they were still being revised.

Mayor Hunter opened the public hearing on the Huber/Bingham Property Amendment #04-01 at 7:28 p.m. No one came forward to speak and the public hearing closed.

He then opened the public hearing on the Franciscan Health Systems -West Amendment #05-01.

Laurie Nichols - 2703 No. Yakima Avenue, Tacoma. Ms. Nichols gave an overview of the history of the project to date. She stressed that if the amendment is not approved, the hospital project will not be feasible.

No one else came forward to speak and the public hearing closed at 7:31 p.m. Mayor Hunter then opened the public hearing on the HMT Partnership Amendment #05-03. No one signed up to speak and the public hearing closed.

Mayor Hunter then opened the last public hearing on the City of Gig Harbor - Transportation Element Revisions. No one signed up to speak and the public hearing closed at 7:32 p.m. Mayor Hunter asked if Councilmember had any questions or comments on the amendments.

Councilmember Young asked for clarification on the comment in the Planning Commission minutes regarding larger access points for the Huber/Bingham Property Amendment. Mr. Vodopich responded that this would be addressed during the actual project development level rather than with the Comp Plan amendment.

There were no more comments and the Mayor closed the Public Hearing.

D. **Applications.**

1. **#04-01, Don Huber Application.** The applicant, Don Huber proposed a map amendment to the Comprehensive Plan Land Use Planned Community Development (PCD) designation as identified on the Comprehensive Plan Land Use Map. The proposed map amendment is to change the designation of approximately 18.88 acres located North of Borgen Boulevard, Parcel # 0222303002, from Planned Community

Development Residential Low to Planned Community Development Residential Medium.

After consideration of the materials in the file, staff presentation, the Planning Commission recommendation, the City's Comprehensive Plan, applicable law, and the public testimony, the City Council conditionally adopted the Planning Commission recommendation and voted to approve this application conditioned upon the property owner's agreement to execute a development agreement with the City. The property owner did sign the City's standard form development agreement, and the Council authorized the Mayor to execute the development agreement with the applicant/property owner.

2. #05-01, Franciscan Health System-West Application. The applicant, Franciscan Health System-West proposed map amendment to the Comprehensive Plan Land Use Planned Community Development (PCD) designation. The proposed map amendment is to change the designation of approximately 19.3 acres located at 11567 Canterwood Boulevard NW, Parcel #0122254083, from Planned Community Development Residential Medium (PCD-RMD) to Planned Community Development Business Park (PCD-BP).

After consideration of the materials in the file, staff presentation, the Planning Commission recommendation, the City's Comprehensive Plan, applicable law, and the public testimony, the City Council conditionally adopted the Planning Commission recommendation and voted to approve this application conditioned upon the property owner's agreement to execute a development agreement with the City. The property owner did sign the City's standard form development agreement, and the Council

authorized the Mayor to execute the development agreement with the applicant/property owner. In addition, the Transportation Mitigation Improvements that FHS is required to complete as a condition of the Comprehensive Plan amendment is the subject of a separate Construction Agreement between FHS and the City. On July 10, the City Council acknowledged that the parties would continue to work on a final Construction Agreement to be presented to the City Council at a later date. This Construction Agreement was negotiated by the parties before July 10, 2006 and on July 24, 2006, FHS delivered a signed copy of the Construction Agreement to the City Council during the regular meeting.

3. **#05-02, HMT Partnership, Application.** The applicant, HMT Partnership proposed an amendment to the 2002 (as amended in 2003) City of Gig Harbor Wastewater Comprehensive Plan to reconfigure the design and location of future wastewater infrastructure improvements in the C-7 basin.

After consideration of the materials in the file, staff presentation, the Planning Commission recommendation, the City's Comprehensive Plan, applicable law, and the public testimony, the City Council conditionally adopted the Planning Commission recommendation and voted to approve this application conditioned upon the property owner's agreement to execute a development agreement with the City. The property owner did sign the City's standard form development agreement, and the Council authorized the Mayor to execute the development agreement with the applicant/property owner.

4. **Transportation Element Revisions.** The April 5, 2006 Final Supplemental Environmental Impact Statement (FSEIS) identified proposed revisions to the

Transportation Element, Chapter 11, of the December 2004 Comprehensive Plan (FSEIS Appendix B).

After consideration of the materials in the file, staff presentation, the Planning Commission recommendation, the City's Comprehensive Plan, applicable law, and the public testimony, the City Council adopted the Planning Commission recommendation and voted to approve these revisions as identified in Exhibit D, attached to this Ordinance.

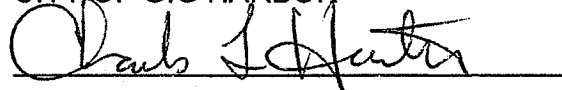
Section 2. Transmittal to State. The City Community Development Director is directed to forward a copy of this Ordinance, together with all of the exhibits, to the Washington State Office of Community Development within ten days of adoption, pursuant to RCW 36.70A.106.

Section 3. Severability. If any portion of this Ordinance or its application to any person or circumstances is held by a court of competent jurisdiction to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the remainder of the Ordinance or the application of the remainder to other persons or circumstances.

Section 4. 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 Council and approved by the Mayor of the City of Gig Harbor this 10th day of July, 2006.

CITY OF GIG HARBOR



CHARLES L. HUNTER, MAYOR

ATTEST/AUTHENTICATED:

By: 
MOLLYTOWSLEE, CITY CLERK

FILED WITH THE CITY CLERK: 06/21/06
PASSED BY THE CITY COUNCIL: 07/10/06
PUBLISHED: 07/26/06
EFFECTIVE DATE: 07/31/06
ORDINANCE NO. 1051

Exhibit A

Huber #04-01 Legal Description and Map

Section 30 Township 22 Range 02 Quarter 34: E 1/2 OF SE OF SW EXC BORGEN
BLVD AFN 2000-07-13-0671 DC/BL06-19-02BL

422333b	422333c
422333d	422333e



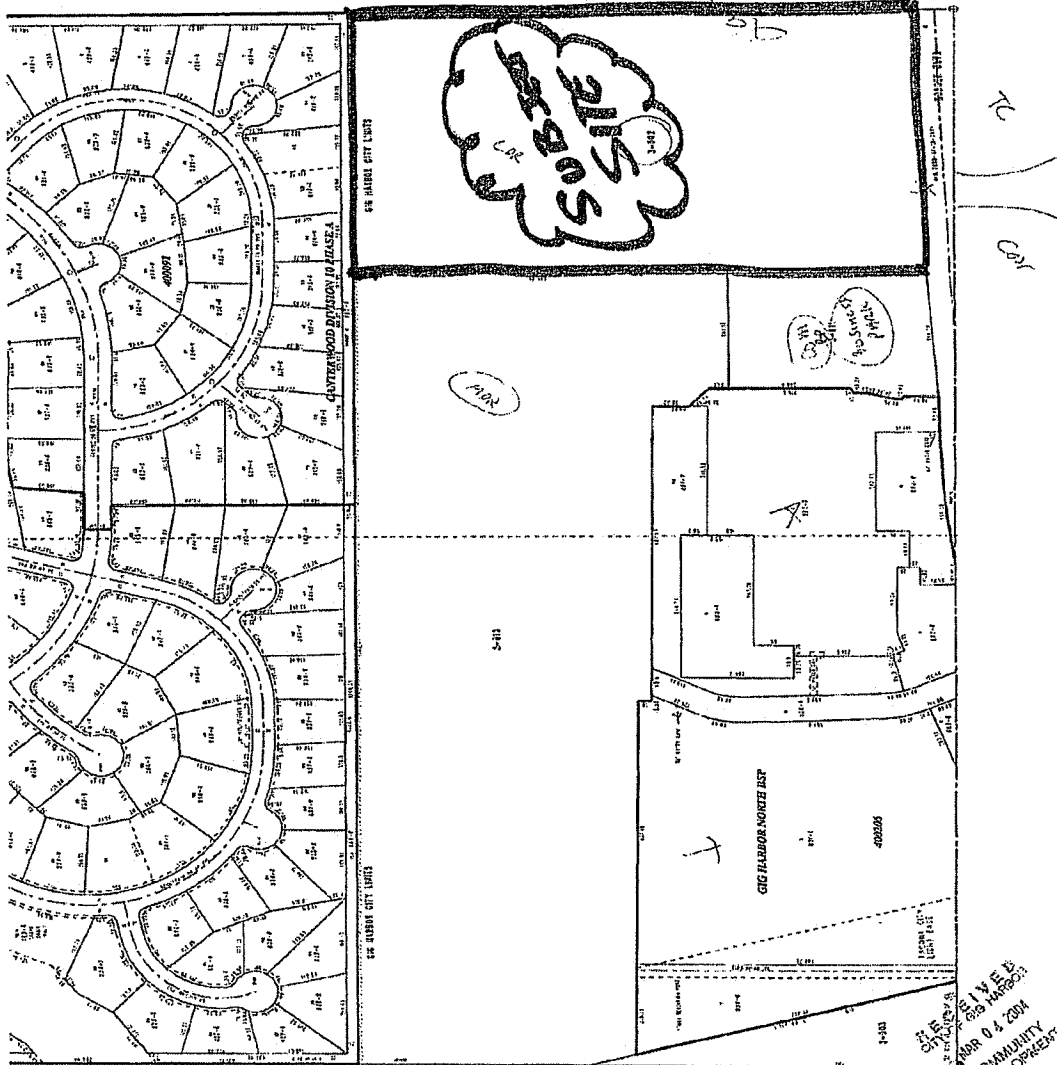
DATE OF MAP PREPARED
12-21-06

PAUL'S ESTATE 304
1401 S. 10TH STREET
TERRACE, PASTORIA, OR

RECORDING INFORMATION: 2006-12-21, 1:58 PM



Pierce & Associates
Assessor
THIS IS NOT A
LEGAL DESCRIPTION
FOR RECORDING
PURPOSES



RESOLUTION NO. 677

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR,
WASHINGTON, AUTHORIZING THE EXECUTION OF A DEVELOPMENT
AGREEMENT WITH HARBOR ESTATES LLC.**

WHEREAS, the Washington State Legislature has authorized the execution of a development agreement between a local government and a person having ownership or control of real property within its jurisdiction (RCW 36.70B.170(1)); and

WHEREAS, a development agreement must set forth the development standards and other provisions that shall apply to, govern and vest the development, use and mitigation of the development of the real property for the duration specified in the agreement (RCW 36.70B.170(1)); and

WHEREAS, for the purposes of this development agreement, "development standards" includes, but is not limited to, all of the standards listed in RCW 36.70B.170(3); and

WHEREAS, a development agreement must be consistent with the applicable development regulations adopted by a local government planning under chapter 36.70A RCW (RCW 36.70B.170(1)); and

WHEREAS, Harbor Estates applied to the City for a Comprehensive Plan Amendment and Comprehensive Plan Land Use Map Amendment (the "Comp Plan Amendment" or "CPA"), to change the Comprehensive Land Use designation on the Property from Planned Community Development Residential Low Density (PCD-RLD) to Planned Community Development Residential Medium Density (PCD-RMD); and

WHEREAS, on July 10, 2006, the City Council held a public hearing on the Development Agreement during a regular public meeting and voted to approve the

Development Agreement attached hereto as Exhibit A; Now, Therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. The City Council hereby authorizes the Mayor to execute the Development Agreement attached hereto as Exhibit A, with the applicant Harbor Estates LLC.

Section 2. The City Council hereby directs the Community Development Director to record the Development Agreement against the Property legally described in Exhibit A to the Development Agreement, at the cost of the applicant, pursuant to RCW 36.70B.190.

PASSED by the City Council this 10th day of July 2006.

APPROVED:



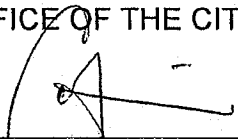
MAYOR, CHARLES L. HUNTER

ATTEST/AUTHENTICATED:



CITY CLERK, MOLLY M. TOWSLEE

APPROVED AS TO FORM;
OFFICE OF THE CITY ATTORNEY:

BY: 

CAROL A. MORRIS

FILED WITH THE CITY CLERK: 07/10/06
PASSED BY THE CITY COUNCIL: 07/10/06
RESOLUTION NO. 677

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF GIG HARBOR
AND HARBOR ESTATES LLC, FOR A
COMPREHENSIVE PLAN AMENDMENT/RESIDENTIAL SUBDIVISION**

THIS DEVELOPMENT AGREEMENT is made and entered into this 10 day of July, 2006, by and between the City of Gig Harbor, a noncharter, optional code Washington municipal corporation, hereinafter the "City," and Harbor Estates, LLC, a Limited Liability Corporation organized under the laws of the State of Washington, hereinafter the "Developer" or "Harbor Estates."

RECITALS

WHEREAS, the Washington State Legislature has authorized the execution of a development agreement between a local government and a person having ownership or control of real property within its jurisdiction (RCW 36.70B.170(1)); and

WHEREAS, a development agreement must set forth the development standards and other provisions that shall apply to, govern and vest the development, use and mitigation of the development of the real property for the duration specified in the agreement (RCW 36.70B.170(1)); and

WHEREAS, for the purposes of this development agreement, "development standards" includes, but is not limited to, all of the standards listed in RCW 36.70B.170(3); and

WHEREAS, a development agreement must be consistent with the applicable development regulations adopted by a local government planning under chapter 36.70A RCW (RCW 36.70B.170(1)); and

WHEREAS, this Development Agreement by and between the City of Gig Harbor and the Developer (hereinafter the "Development Agreement"), relates to the development known as Gig Harbor Estates, which is located at 4000 Borgen Boulevard, Gig Harbor, Washington; and

WHEREAS, the following events are relevant to the processing of the Developer's comprehensive plan amendment application:

a) Harbor Estates LLC is the fee simple owner of the property located at 4000 Borgen Boulevard, Gig Harbor, which is legally described in Exhibit A, attached hereto and incorporated herein by this reference (the "Property"); and

b) Harbor Estates applied to the City for a Comprehensive Plan Amendment and Comprehensive Plan Land Use Map Amendment (the "Comp Plan Amendment" or "CPA"), to change the Comprehensive Land Use designation on the Property from

Planned Community Development Residential Low Density (PCD-RLD) to Planned Community Development Residential Medium Density (PCD-RMD); and

c) Harbor Estates seeks the Comprehensive Plan Amendment ("CPA") so that it may apply for a residential preliminary plat; and

e) The City issued a Determination of Significance under the State Environmental Policy Act ("SEPA") for the CPA associated with the three applications for CPA's submitted to the City for 2006, and prepared a Supplemental Environmental Impact Statement ("SEIS") to consider the probable adverse environmental impacts of the three proposed CPA's; and

f) The Final SEIS that issued on April 5, 2006, for the three proposed CPA's, concluded that the significant transportation impacts resulting from adoption of the CPA proposed by Harbor Estates could be mitigated by the conditions that are listed in Exhibit E, attached hereto;

g) The Final SEIS recommended certain potential mitigation measures to be imposed on the FHS Comp Plan Amendment, and that Harbor Estates would participate proportionately in the cost of such improvements, all as set forth in Exhibit E; and

h) The Final SEIS notes that the Washington State Department of Transportation "has not fully commented on the proposed mitigation that impact state owned transportation facilities," (Final SEIS, April 5, 2006, App. C-13); and

i) During the SEIS process, representatives from FHS, the City, WSDOT, the development community and Pierce County, participated in a number of meetings to discuss the transportation improvements described in the EIS and Final SEIS, yet Pierce County has yet to comment on the EIS or Final SEIS; and

j) The Planning Commission recommended that the City Council approve the Harbor Estates Comp Plan Amendment, subject to the mitigation measures recommended by the Final SEIS, and that the City enter into a development agreement with Harbor Estates to clarify the manner and timing of the performance of those mitigation measures; and

WHEREAS, the parties desire by this Development Agreement to establish the mitigation to be performed by Gig Harbor Estates as a condition of the City's approval of Harbor Estates' Comp Plan Amendment; and

WHEREAS, by Ordinance No. 1051, the City approved the Harbor Estates Comp Plan Amendment, subject to and conditioned upon execution of this Development Agreement; and

WHEREAS, after a public hearing, by Resolution No. 677, the City Council authorized the Mayor to sign this Development Agreement with the Developer; and

Now, therefore, the parties hereto agree as follows:

General Provisions

Section 1. The Project. The Project is the development and use of the Property, consisting of 19.32 acres in the City of Gig Harbor. After approval of the CPA, the Developer plans to submit a 126 Lot Single Family Residential Preliminary Plat application.

Section 2. The Subject Property. The Project site or the "Subject Property" is legally described in Exhibit A, attached hereto and incorporated herein by this reference.

Section 3. Definitions. As used in this Development Agreement, the following terms, phrases and words shall have the meanings and be interpreted as set forth in this Section.

- a) "Certificate of Occupancy" means either a certificate issued after inspections by the City authorizing a person(s) in possession of property to dwell or otherwise use a specified building or dwelling unit, or the final inspection if a formal certificate is not issued.
- b) "Construction Engineering" means on-site construction management pertaining to the coordination of separate contracts, phased construction, monitoring of individual phases of the work, adjustment of the work to accommodate changed conditions or unanticipated interferences, determination of whether materials and workmanship are in conformance with the approved contract drawings and specifications arrangement for the performance of necessary field and laboratory tests, preparation of change orders, and review of progress payments.
- c) "Council" means the duly elected legislative body governing the City of Gig Harbor.
- d) "Director" means the City's Community Development Director.
- e) "Effective Date" means the effective date of the Ordinance adopting the Comprehensive Plan amendment and the date of passage of the Resolution authorizing the execution of this Development Agreement, whichever is later.
- f) "Landowner" is the party who has acquired any portion of the Subject Property from the Developer who, unless otherwise released as provided in this

Agreement, shall be subject to the applicable provisions of this Agreement. The "Developer" is identified in Section 5 of this Agreement.

g) "Mitigation for Harbor Estates' Project" is the specific mitigation described in Exhibit E, as well as Harbor Estates' financial participation as described in Exhibit E for the design and construction of the Transportation Mitigation Improvements, described in Exhibits C and D.

g) "Project" means the anticipated development of the Subject Property, as specified in Section 1.

h) "Project Manager" means the City's contract person responsible for the management of all phases of the project.

i) "Transportation Mitigation Improvements" are those specifically described in Exhibit C and pictorially depicted in Exhibit D, attached hereto and incorporated herein.

Section 4. Exhibits. Exhibits to this Agreement are as follows:

- a) Exhibit A - Legal description of the Subject Property.
- b) Exhibit B - Map showing approved Comp Plan Amendment.
- c) Exhibit C - List of required Transportation Mitigation Improvements to be performed by FHS, subject to a separate Development Agreement with the City, for which Gig Harbor Estates will participate in the cost.
- d) Exhibit D - Map showing the required Transportation Mitigation Improvements.
- e) Exhibit E - Mitigation to be performed by Gig Harbor Estates.

Section 5. Parties to Development Agreement. The parties to this Agreement are:

- a) The "City" is the City of Gig Harbor, 3510 Grandview Street, Gig Harbor, WA 98335.
- b) The "Developer" or Owner is Harbor Estates LLC, whose mailing address is P.O. Box 64160, Tacoma, WA 98464.

Section 6. Project is a Private Undertaking. It is agreed among the parties that the Project is a private development and that the City has no interest therein except as authorized in the exercise of its governmental functions.

Section 7. Commencement, Duration and Termination.

A. Commencement. This Agreement shall commence upon the Effective Date. Adoption of the Ordinance approving the Developer's Comprehensive Plan Amendment, and is contingent upon execution of this Development Agreement. The Developer acknowledges that the Ordinance as well as this Development Agreement is subject to appeal, and that the outcome of any appeal may affect the validity of this Agreement.

B. Duration.

1. The initial term of this Development Agreement shall be two years. Within this two year period, the Developer will submit project permit applications for the Project to the City for review, and if the City approves those permits without imposing any additional or different mitigation/conditions on these project permit applications, this Agreement shall continue in force until all of the required mitigation described in Exhibits C, D and E is constructed/performed, unless extended or terminated as provided herein.

2. As described in the "whereas" sections above, the Developer intends to submit applications to the City immediately after approval of the Comprehensive Plan Amendment for the Project. These applications must include SEPA checklists, because the City is required to issue a SEPA threshold determination and the City will further evaluate the environmental impacts of the applications/comments from affected agencies and the public. Based on that review, the City may impose different or additional mitigation or conditions on the development of the Developer's Property. If the City imposes different or additional mitigation, then the parties shall amend this Agreement to reflect the mitigation/conditions imposed on the project permit applications. The Developer's execution of this Agreement shall not waive the Developer's ability to administratively or judicially appeal the City's imposition of any mitigation/conditions imposed on the project permit applications that are different from the mitigation/conditions set forth herein.

C. Termination. This Agreement shall expire and/or terminate as provided below:

1. This Agreement shall expire and be of no further force and effect if the Developer does not submit an application to the City for a preliminary plat within two years after the Effective Date of this Agreement. If this application is submitted to the City within this time frame, then the provisions of Section 7(B) above shall apply to the duration of this Agreement.

2. This Agreement shall terminate upon the expiration of the term identified in this Section 7 or when the Subject Property has been fully developed, which ever first occurs, and all of the Developer's obligations in connection therewith are satisfied as determined by the City. Upon termination of this Agreement, the City shall record a notice of such termination in a form satisfactory to the City Attorney that the

Agreement has been terminated. This Agreement shall automatically terminate and be of no further force and effect as to residential or non-residential building and the lot or parcel upon which such building is located, when it has been approved by the City for occupancy.

D. Generally. Following the expiration of the term or extension thereof, or if sooner terminated, this Agreement shall have no force and effect, subject however, to post-termination obligations of the Developer or Landowner.

Section 8. Limited Vested Rights Applicable to Comp Plan Amendment.

Comprehensive Plan Amendments are not subject to the vested rights doctrine. However, because the City Council's consideration of the public health, safety and welfare under a Comprehensive Plan Amendment necessarily involves an evaluation of the available water, sewer capacity and transportation capacity for the Project, the City agrees that if the Developer applies for a preliminary plat application within two years of the anniversary date of this Development Agreement, and if the Developer does not change the scope or intensity of the Project as described herein, the Developer shall not be required to obtain a new concurrency evaluation for water, sewer or transportation. The Developer shall obtain no vested rights under any other codes, ordinances or regulations as a result of execution of this Development Agreement.

Section 9. Further Discretionary Actions. Developer acknowledges that the City's existing land use regulations, as well as any other land use regulations adopted by the City after execution of this Agreement, contemplate or will likely contemplate the exercise of further discretionary powers by the City, specifically with regard to future preliminary plat and building permit applications. These powers include, but are not limited to, review of these additional permit applications under SEPA. Nothing in this Agreement shall be construed to limit the authority or the obligation of the City to hold legally required public hearings, or to limit the discretion of the City and any of its officers or officials in complying with or applying existing land use regulations or any other land use regulations adopted in the future.

Section 10. Developer's Obligation to Design and Construct Transportation Mitigation Improvements; City's Assumption of Developer's Obligation.

A. Developer's Obligation. Developer agrees that as a condition of the City's approval of the Comp Plan Amendment, as well as approval of a subsequent preliminary plat application (consistent with the Comp Plan Amendment), that the Developer shall participate financially in the design and construction of the transportation mitigation improvements described in Exhibits C and D attached hereto, on or before the City's issuance of any occupancy certificates for the Project. The proportionate share of financial participation is set forth in Exhibit E, attached hereto.

B. Subsequent Agreement for Financial Contribution. The Developer agrees to pay its proportionate share of the cost of all of the Transportation Mitigation Improvements, as identified in Exhibits C, D and E, along with all the City design and construction engineering costs. The parties agree to negotiate an agreement on or before the City's final decision on the Developer's preliminary plat application that will establish the following: (a) the timing of the Developer's proportionate share of the initial payment for design costs; (b) the establishment of a set aside account at the Developer's bank for the Developer's proportionate share of the funds necessary to construct the Transportation Mitigation Improvements, using the forms approved by the City Attorney, so that the City can draw funds as needed for the construction; (c) the manner in which change orders increasing the cost of the Transportation Improvements will be handled; and (d) the manner in which disputes between the parties will be settled. The Developer acknowledges that failure to enter into an agreement with the City as set forth above will result in the City's decision not to construct the Transportation Mitigation Improvements, and may require the Developer to enter into an agreement with FHS and others in order to ensure construction of the Transportation Improvements.

The City's decision to construct these Transportation Mitigation Improvements as set forth herein shall not be interpreted to mean that the City (or the public in general) has any responsibility for the funding of the Transportation Mitigation Improvements. If the City receives the CERB grant, and if the grant covers any of costs paid by the Developer, the City agrees to reimburse the Developer for Developer's costs relating to the Transportation Mitigation Improvements that are listed in Exhibits C and D. However, the CERB grant, if received, will only cover a portion of the Transportation Mitigation Improvements. The Developer shall pay the City for its proportionate share of all costs relating to the City's construction of all Transportation Mitigation Improvements, including those not covered by the CERB grant, as shown in Exhibit E.

C. Additional Financing Methods. The Developer acknowledges that in order for the City to construct the Transportation Mitigation Improvements, the City must adopt some framework for the assessment and collection of funds from property owners for same (it is unknown whether the City will receive the CERB grant, and the CERB grant will not cover all of the Transportation Mitigation Improvements). Therefore, the City may create a street assessment reimbursement district pursuant to chapter 35.72 RCW, local improvement district or other means of financing the construction of the Transportation Mitigation Improvements. The City agrees to reimburse the Developer for the costs of any Transportation Mitigation Improvements that have been previously paid by the Developer, to the extent allowed by law.

The Developer acknowledges that the Property legally described in Exhibit A would be specially benefited by the Transportation Mitigation Improvements and the mitigation described in Exhibit E. The Developer agrees to sign a petition for the formation of a LID or ULID for the Transportation Mitigation Improvements and/or the mitigation described in Exhibit E at such time as one is circulated and the Developer hereby

appoints the Mayor of the City of Gig Harbor has his/her/its attorney-in-fact to sign such a petition in the event the Developer fails or refuses to do so.

With full understanding of the Developer's right to protest formation of an LID or ULID to construct the Transportation Mitigation Improvements pursuant to RCW 35.43.180, the Developer agrees to participate in any such LID or ULID and to waive his/her/its right to protest formation of the same. The Developer shall retain the right to contest the method of calculating any assessment and the amount thereof, and shall further retain the right to appeal the decision of the City Council affirming the final assessment roll to the superior court. Notwithstanding any other provision of this Agreement, this waiver of the right to protest shall be valid for a period of ten (10) years from the date this Agreement is signed by the Developer.

The Developer acknowledges that formation of any street assessment reimbursement district is subject to the procedures in chapter 35.72 RCW, and that the City Council's ruling on such area is final. RCW 35.72.040(2). The Developer agrees not to challenge the adoption of an ordinance adopted pursuant to RCW 35.72.010.

The Developer acknowledges that nothing in this Section requires the City to construct the Transportation Mitigation Improvements on or before a date certain, or at all, in the event of an appeal of the Comprehensive Plan Amendment(s) or Development Agreements, the street assessment reimbursement district, LID or other method of financing design and construction of the Transportation Mitigation Improvements.

Section 11. *No Obligation to Financially Contribute to the Required Transportation Mitigation Improvements or Perform Mitigation if Permits for the Project are Not Approved.* The parties acknowledge that the Developer shall not have any obligation to financially contribute to the design and construction of the Transportation Mitigation Improvements or the Mitigation described in Exhibit E if the City does not approve (or conditionally approve) the Developer's application for a preliminary plat for the Project described herein. In the event that the applications submitted by FHS for its Property are not approved, the City may, in its sole discretion, elect not to perform as described in Section 10(B) above.

Section 12. *Additional Mitigation May be Imposed on Subsequently Issued Permits, Additional Traffic Studies May Also be Required.* The parties acknowledge that the City's approval of the preliminary plat for Gig Harbor Estates may include the Transportation Mitigation Improvements, the mitigation described in Exhibit E, as well as additional mitigation under SEPA and the City's land use regulations, as they now exist or may be amended in the future. The parties further acknowledge that neither the Washington State Department of Transportation nor Pierce County have approved or commented on the mitigation proposed in this Development Agreement, and that additional mitigation suggested by either agency may be imposed at the time the City reviews the application for preliminary plat.

Section 13. Existing Land Use Fees and Impact Fees.

A. Permitting and Impact Fees adopted by the City by ordinance as of the Effective Date of this Agreement may be increased by the City from time to time, and applicable to permits and approvals for the Subject Property, as long as such fees apply to similar applications and projects in the City.

B. All imposition and payment of impact fees shall be performed in accordance with chapter 19.12 of the Gig Harbor Municipal Code, as it now exists or may hereafter be amended.

C. The Developer may request a credit from transportation impact fees for the construction of the Transportation Improvements (eligible for impact fees) or dedication of property (required for impact fee projects) at the time of project permit application, under chapter 19.12 GHMC, to the extent that the Developer has actually dedicated property, constructed improvements or paid for any improvements.

Section 14. Dedication of Public Lands. Within fifteen (15) days of submission of an application for final plat to the City for any phase of the Development, the Developer agrees to dedicate any or all road rights-of-way without expense to the City.

Section 15. Default.

A. Subject to extensions of time by mutual consent in writing, failure or delay by either party or Landowner not released from this Agreement, to perform any term or provision of this Agreement shall constitute a default. In the event of alleged default or breach of any terms or conditions of this Agreement, the party alleging such default or breach shall give the other party or Landowner not less than thirty (30) days notice in writing, specifying the nature of the alleged default and the manner in which said default may be cured. During this thirty (30) day period, the party or Landowner charged shall not be considered in default for purposes of termination or institution of legal proceedings.

B. After notice and expiration of the thirty (30) day period, if such default has not been cured or is not being diligently cured in the manner set forth in the notice, the other party or Landowner to this Agreement may, at its option, institute legal proceedings pursuant to this Agreement. In addition, the City may decide to file an action to enforce the City's Codes, and to obtain penalties and costs as provided in the Gig Harbor Municipal Code for violations of this Development Agreement and the Code.

Section 16. Effect upon Termination on Developer Obligations.

Termination of this Agreement as to the Developer of the Subject Property or any portion thereof shall not affect any of the Developer's obligations to comply with the City Comprehensive Plan and the terms and conditions or any applicable zoning

code(s) or subdivision map or other land use entitlements approved with respect to the Subject Property, any other conditions of any other development specified in the Agreement to continue after the termination of this Agreement or obligations to pay assessments, liens, fees or taxes.

Section 17. Assignment and Assumption. The Developer shall have the right to sell, assign or transfer this Agreement with all their rights, title and interests therein to any person, firm or corporation at any time during the term of this Agreement. Developer shall provide the City with written notice of any intent to sell, assign, or transfer all or a portion of the Property, at least 30 days in advance of such action.

Section 18. Covenants Running with the Land. The conditions and covenants set forth in this Agreement and incorporated herein by the Exhibits shall run with the land and the benefits and burdens shall bind and inure to the benefit of the parties. The Developer, Landowner and every purchaser, assignee or transferee of an interest in the Subject Property, or any portion thereof, shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, but only with respect to the Subject Property, or such portion thereof, sold, assigned or transferred to it. Any such purchaser, assignee or transferee shall observe and fully perform all of the duties and obligations of a Developer contained in this Agreement, as such duties and obligations pertain to the portion of the Subject Property sold, assigned or transferred to it.

Section 19. Amendment to Agreement; Effect of Agreement on Future Actions. This Agreement may be amended by mutual consent of all of the parties, provided that any such amendment shall follow the process established by law for the adoption of a development agreement (see, RCW 36.70B.200). However, nothing in this Agreement shall prevent the City Council from making any amendment to its Comprehensive Plan, Zoning Code, Official Zoning Map or development regulations affecting the Subject Property during the next five years, as the City Council may deem necessary to the extent required by a serious threat to public health and safety. Nothing in this Development Agreement shall prevent the City Council from making any amendments of any type to the Comprehensive Plan, Zoning Code, Official Zoning Map or development regulations relating to the Property.

Section 20. Releases. Developer, and any subsequent Landowner, may free itself from further obligations relating to the sold, assigned, or transferred property, provided that the buyer, assignee or transferee expressly assumes the obligations under this Agreement as provided herein.

Section 21. Notices. Notices, demands, correspondence to the City and Developer shall be sufficiently given if dispatched by pre-paid first-class mail to the addresses of the parties as designated in Section 5. Notice to the City shall be to the attention of both the City Administrator and the City Attorney. Notices to subsequent

Landowners shall be required to be given by the City only for those Landowners who have given the City written notice of their address for such notice. The parties hereto may, from time to time, advise the other of new addresses for such notices, demands or correspondence.

Section 22. Applicable Law and Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. If litigation is initiated to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. Venue for any action shall lie in Pierce County Superior Court or the U.S. District Court for Western Washington.

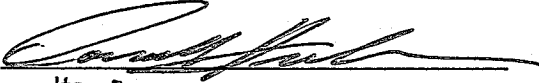
Section 23. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity other than a party or a Landowner to challenge this Agreement or any provision herein, the City may elect to tender the defense of such lawsuit or individual claims in the lawsuit (but not the liability associated with such lawsuit or claims) to Developer and/or Landowner(s). In such event, Developer and/or such Landowners shall hold the City harmless from and defend the City from all costs and expenses incurred in the defense of such lawsuit or individual claims in the lawsuit, including but not limited to, attorneys' fees, costs, expert witness fees. The Developer and/or Landowner shall not settle any lawsuit without the consent of the City. The City shall act in good faith and shall not unreasonably withhold consent to settle.

Section 24. Specific Performance. The parties specifically agree that damages are not an adequate remedy for breach of this Agreement, and that the parties are entitled to compel specific performance of all material terms of this Development Agreement by any party in default hereof.

Section 25. Severability. If any phrase, provision or section of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any statute of the State of Washington which became effective after the effective date of the ordinance adopting this Development Agreement, and either party in good faith determines that such provision or provisions are material to its entering into this Agreement, that party may elect to terminate this Agreement as to all of its obligations remaining unperformed.

IN WITNESS WHEREOF, the parties hereto have caused this Development Agreement to be executed as of the dates set forth below:

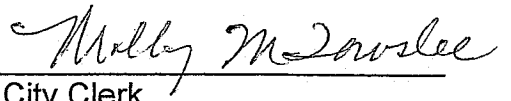
**OWNER/DEVELOPER:
HARBOR ESTATES, LLC**

By 
Its Manager

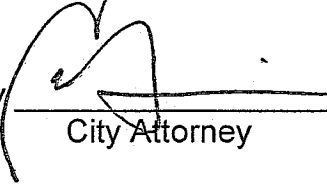
CITY OF GIG HARBOR

By 
Its Mayor

ATTEST:

By 
City Clerk

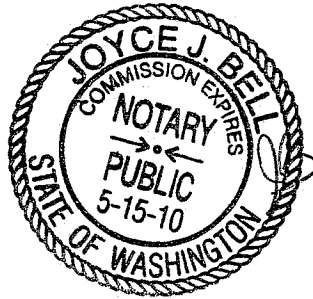
APPROVED AS TO FORM:

By 
City Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF Pierce)

I certify that I know or have satisfactory evidence that Don Huber 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 Manager of Harbor Estates LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 7/5/06



Joyce J. Bell
Joyce J. Bell
(print or type name)
NOTARY PUBLIC in and for the
State of Washington, residing at:
Auburn WA
My Commission expires: 5/15/10

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that Charles L. Hunter is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he 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: 7-10-06

Molly M Towse
Molly M. Towse
(print or type name)
NOTARY PUBLIC in and for the
State of Washington, residing at:
Gig Harbor
My Commission expires: 12/12/07

Exhibit A

Legal description of the Subject Property

Tax Parcel #02-22-30-3-002

The East half of the Southeast quarter of the Southwest quarter of Section 30,
Township 22 North, Rang 2 East of the Willamette Meridian; except Borgen Boulevard
dedeed to the City of Gig Harbor through AFN 2000-07-13-0671

Exhibit B- Map showing approved Comprehensive Amendment

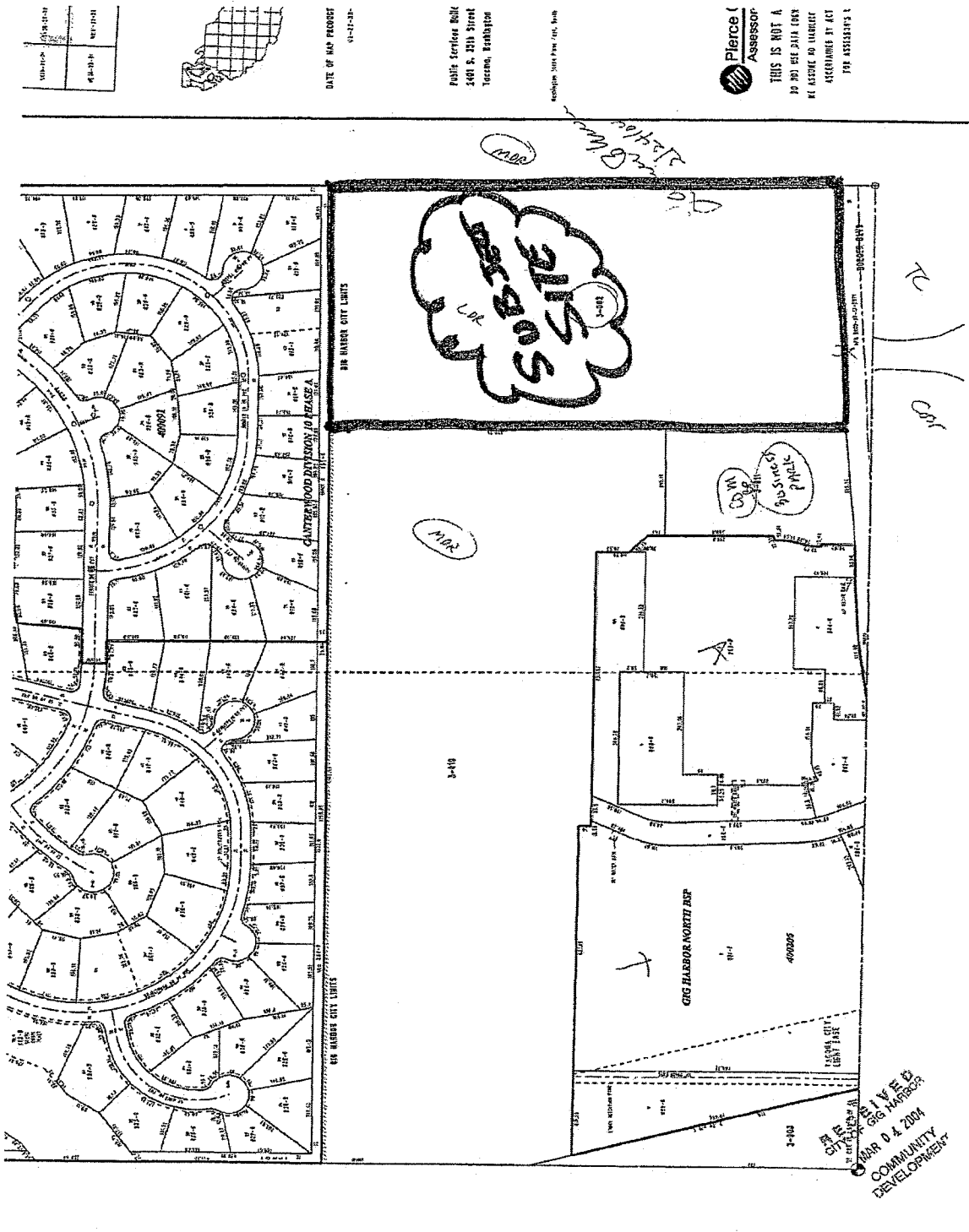


Exhibit C

List of required Transportation Mitigation Improvements to be performed by FHS, subject to a separate Development Agreement with the City, for which Harbor Estates LLC will participate in the cost.

In satisfaction of the conditions of the Comprehensive Plan Amendment and as consideration for the Development Agreement, the Developer shall:

1. Implement transportation demand management measures in accordance with the City's adopted commute trip reduction regulations, as set forth in chapter 10.28 GHMC, to reduce single occupant vehicle use.
2. Allow future transit service to be provided directly to the Property, consistent with the plans of Pierce Transit, and provide accommodations for such service in the approved site plan for the Project.
3. Construct full frontage improvements along the west boundary of the Property that fronts on Canterwood Boulevard, and construct a waterline transmission main extension along Canterwood Blvd. up to and across the entire Property frontage, consistent with adopted City standards. Improvements shall consist of a twelve (12) foot wide lane, cement concrete curb and gutter, planter strip, sidewalk, retaining walls, street illumination, storm drain system and an irrigation system.
4. Construct on Canterwood Boulevard a second southbound lane along with a ten (10) foot wide paved shoulder from the East Roundabout to the south boundary of the Property. South Access of FHS to RAB required. The City is responsible for the design and construction of the improvements to the right-of-way.
5. Construct on the northbound (east) side of Canterwood Boulevard a ten (10) foot wide paved shoulder from the East Roundabout to the south boundary (or south access) of the Property.
6. Construct a bypass lane on the north side of the East Roundabout from Canterwood Boulevard southbound to the SR 16 on-ramp northbound (Westbound). The design shall meet WSDOT standards.
7. Construct a second exit lane on the SR 16 on-ramp northbound (westbound) from the East Roundabout for an appropriate taper length acceptable to the Washington State Department of Transportation ("WSDOT"). The design shall meet WSDOT standards.
8. Construct and extend the storage of the SR 16 off-ramp northbound 450 feet south of the East Roundabout. This additional lane on the ramp may trigger the need to prepare an interchange justification report (IJR) to determine if the revision might

adversely affect the level of service for through traffic on the mainline. The design shall meet WSDOT standards.

9. Construct a bypass lane on the south side of the East Roundabout from the SR 16 off-ramp northbound(westbound) to Burnham Drive southbound.

10. Construct a second southbound lane on the SR 16 off-ramp to the existing Roundabout intersection with Burnham Drive, for a length of approximately 1,500 feet of additional storage. This additional lane on the ramp may trigger the need to prepare an interchange justification report (IJR) to determine if the revision might adversely affect the level of service for through traffic on the mainline. The design shall meet WSDOT standards.

11. Construct a second lane circulating lane around the entire circumference of the West Roundabout. The design shall meet WSDOT standards.

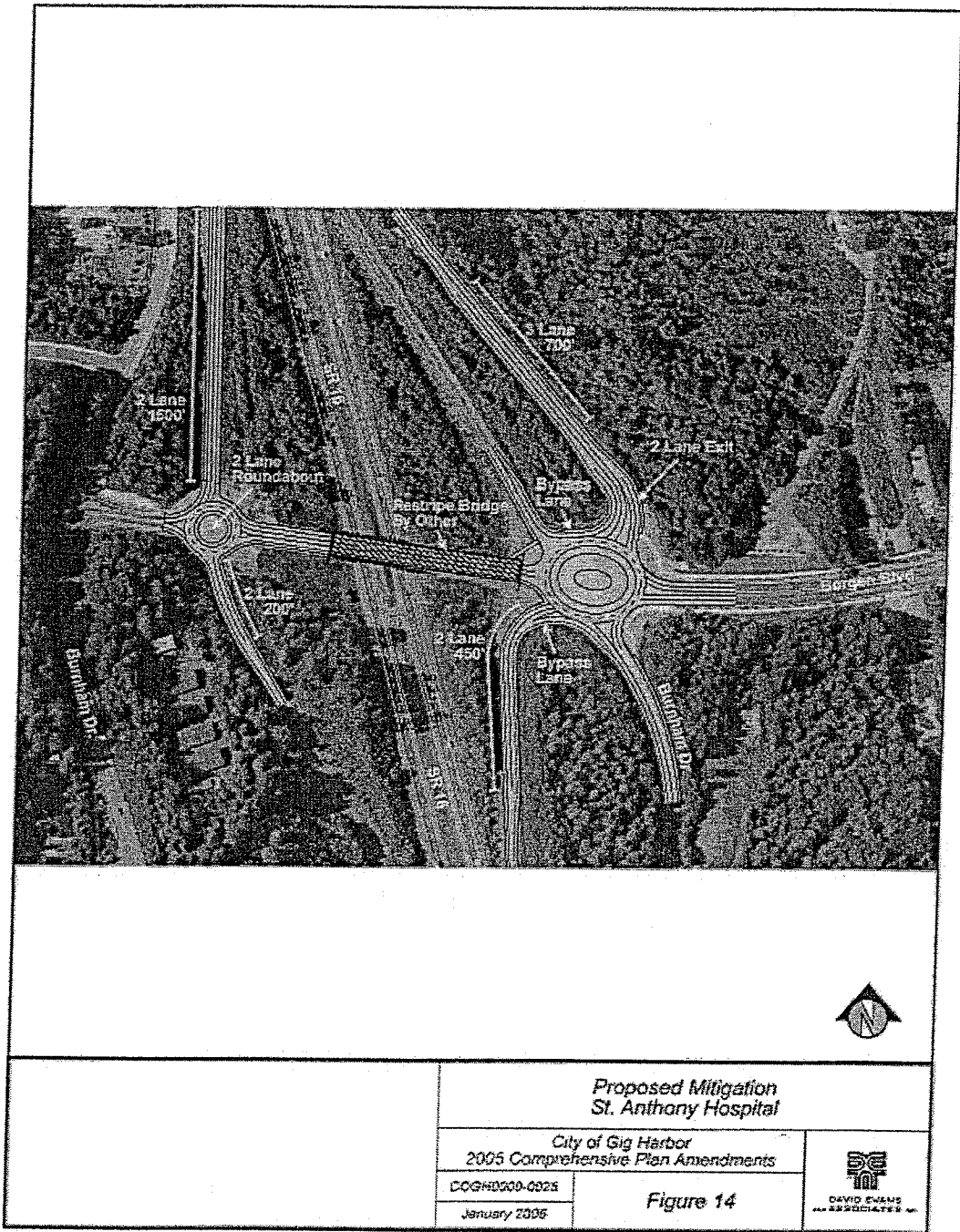
12. Construct a second exit lane on the SR 16 on-ramp southbound from the West Roundabout for an appropriate taper length acceptable to WSDOT. The design shall meet WSDOT standards.

13. Convert the channelization of the existing Burnham Drive bridge over SR 16 to a three-lane section, with two lanes eastbound and one lane westbound across the bridge, or as required by WSDOT within the existing bridge width. The design shall meet WSDOT standards.

14. Convert the channelization of the East Roundabout to align with the revised channelization on the existing Burnham Drive bridge over SR 16.

15. Exhibit D pictorially depicts the required improvements.

Exhibit D- Map showing the required Transportation Mitigation Improvements



Gx1108

Exhibit E
Mitigation to be performed by Harbor Estates LLC

**CPA 04-01 (Huber/Bingham Property) Site-Specific Mitigation Measures
Pages 90 & 91 FSEIS**

Land use impacts from the proposed development would be regulated by the provisions of the Comprehensive Plan and the Gig Harbor Municipal Code. Where more intense development is possible on the Huber/Bingham Property site (CPA 04-01) due to higher densities allowed under the PCD-RMD zone, the Housing Element of the City's Comprehensive Plan contains specific policies designed to mitigate the impacts of higher density housing, including Policies 5.2.1., 5.2.2., and 5.2.3. More specifically the provisions of the PCD-RMD zone (GHMC 17.21), the City's subdivision regulations (GHMC Title 16), and the City's development standards are expected to mitigate any impacts to a nonsignificant level.

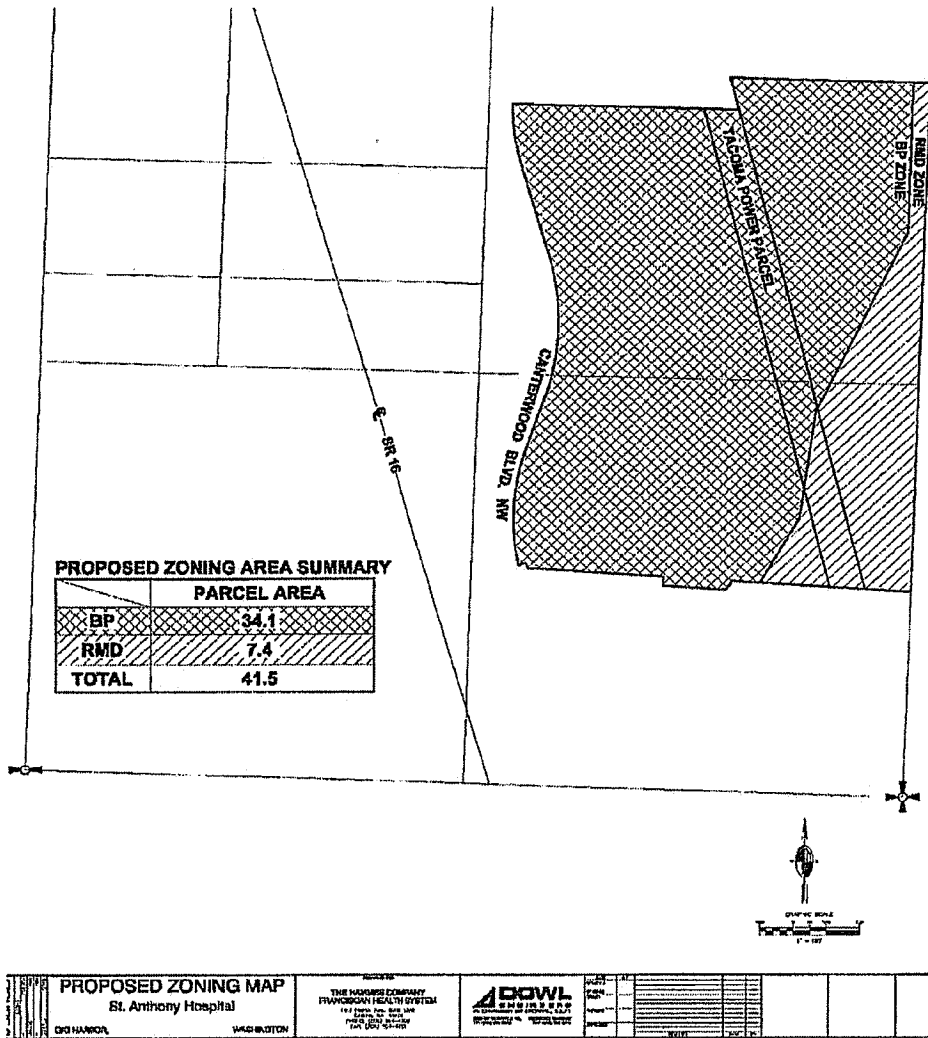
The Huber/Bingham Property CPA application in particular could generate between 122 and 169 PM peak hour trips depending on whether the project develops as proposed or were to utilize higher residential densities on the site allowed under the proposed rezone scenario. The TIA prepared for the CPA application by PacWest Engineering (2005) estimated 127 PM peak hour trips on Borgen Boulevard will be generated by the proposed 121 lot single family subdivision. That calculation relied on an unverified trip rate formula not commonly used in traffic studies, and is excessive. The 122 PM peak hour trip figure estimated in the SEIS can be used for subsequent development review purposes.

As part of a pre-annexation agreement in 2001, the City reserved 3.2 percent of the existing two-lane capacity of Borgen Boulevard for future residential development on the parcel which amounts to approximately 480 total daily trips in two directions or a maximum of 240 daily trips in any one direction. This translates to a maximum reserved capacity of 48 PM peak hour trips onto the Borgen Boulevard corridor. That capacity reservation expires as of January 1, 2006 according to the original pre-annexation development agreement between the applicant and the city. The City could issue a new CRC for 1,160 Average Daily Trips, subject to acceptance of mitigation conditions.

Under the traffic concurrency management provisions of GHMC 19.10, the City must evaluate roadway capacity planned to be available for the proposed CPA/rezone and may award a CRC upon the satisfactory performance of that evaluation. Based on the Borgen Boulevard corridor roadway and intersection improvements identified in the North Gig Harbor Traffic Mitigation Plan (DEA Inc., December 2005) and the Land Use Map and Comprehensive Plan Policy Amendments recommended in this SEIS (including adoption of LOS E at the Borgen Boulevard/SR 16 intersection), it appears

Exhibit B Franciscan Health System-West #05-01 Legal Description and Map

Exhibit "C" Map of PROPOSED Land Use



2005 Comprehensive Plan Amendment - Land Use Map - Franciscan Health System - West App.

BP ZONE LEGAL DESCRIPTION

THAT PORTION OF LOT 1 OF THE BOUNDARY LINE ADJUSTMENT AS
RECORDED UNDER PIERCE COUNTY AUDITOR'S FILE NUMBER 200406290853
LYING WESTERLY OF THE FOLLOWING DESCRIBED LINE;

COMMENCING AT THE SOUTH EAST CORNER OF SAID LOT 1
THENCE N86°06'11"W ALONG THE SOUTH BOUNDARY OF SAID LOT 1 TO THE
BEGINNING OF THIS LINE DESCRIPTION;

THENCE N29°49'34"E 235.31 FEET

THENCE N08°11'16"E 345.74 FEET

THENCE N25°28'44" E 633.15 FEET

THENCE N01°54'57"E 485.49 FEET TO THE NORTH LINE OF SAID LOT 1 AND THE
TERMINUS OF THIS LINE DESCRIPTION.

RESOLUTION NO. 678

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR,
WASHINGTON, AUTHORIZING THE EXECUTION OF A DEVELOPMENT
AGREEMENT WITH FRANCISCAN HEALTH SYSTEM.**

WHEREAS, the Washington State Legislature has authorized the execution of a development agreement between a local government and a person having ownership or control of real property within its jurisdiction (RCW 36.70B.170(1)); and

WHEREAS, a development agreement must set forth the development standards and other provisions that shall apply to, govern and vest the development, use and mitigation of the development of the real property for the duration specified in the agreement (RCW 36.70B.170(1)); and

WHEREAS, for the purposes of this development agreement, "development standards" includes, but is not limited to, all of the standards listed in RCW 36.70B.170(3); and

WHEREAS, a development agreement must be consistent with the applicable development regulations adopted by a local government planning under chapter 36.70A RCW (RCW 36.70B.170(1)); and

WHEREAS, Franciscan Health System applied to the City for a Comprehensive Plan Amendment and Comprehensive Plan Land Use Map Amendment to rearrange within the Tract 26.7 acres of the Property designated as Planned Community Development - Residential Medium Density (PCD-RMD) and 14.8 acres of Planned Community Development - Business Park, and to redesignate 19.3 acres of the PCD-RMD portion of the Tract as PCD-BP; and

WHEREAS, on July 10, 2006, the City Council held a public hearing on the Development Agreement during a regular public meeting and voted to approve the Development Agreement attached hereto as Exhibits A; Now, Therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. The City Council hereby authorizes the Mayor to execute the Development Agreements attached hereto as Exhibit A, with the applicant Franciscan Health System.

Section 2. The City Council hereby directs the Community Development Director to record the Development Agreements against the Property legally described in Exhibit A to the Development Agreements, at the cost of the applicant, pursuant to RCW 36.70B.190.

PASSED by the City Council this 10th day of July 2006.


APPROVED:


MAYOR, CHARLES L. HUNTER

ATTEST/AUTHENTICATED:


CITY CLERK, MOLLY M. TOWSLEE

APPROVED AS TO FORM;
OFFICE OF THE CITY ATTORNEY:

BY: 
CAROL A. MORRIS

FILED WITH THE CITY CLERK: 07/10/06
PASSED BY THE CITY COUNCIL: 07/10/06
RESOLUTION NO. 678

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF GIG HARBOR
AND FRANCISCAN HEALTH SYSTEM, FOR A
COMPREHENSIVE PLAN AMENDMENT
HOSPITAL/MEDICAL OFFICE BUILDING**

THIS DEVELOPMENT AGREEMENT is made and entered into this 21st day of July, 2006, by and between the City of Gig Harbor, a noncharter, optional code Washington municipal corporation, hereinafter the "City," and Franciscan Health System, a nonprofit corporation organized under the laws of the State of Washington, hereinafter the "Developer," or "FHS."

RECITALS

WHEREAS, the Washington State Legislature has authorized the execution of a development agreement between a local government and a person having ownership or control of real property within its jurisdiction (RCW 36.70B.170(1)); and

WHEREAS, a development agreement must set forth the development standards and other provisions that shall apply to, govern and vest the development, use and mitigation of the development of the real property for the duration specified in the agreement (RCW 36.70B.170(1)); and

WHEREAS, for the purposes of this development agreement, "development standards" includes, but is not limited to, all of the standards listed in RCW 36.70B.170(3); and

WHEREAS, a development agreement must be consistent with the applicable development regulations adopted by a local government planning under chapter 36.70A RCW (RCW 36.70B.170(1)); and

WHEREAS, this Development Agreement by and between the City of Gig Harbor and the Developer (hereinafter the "Development Agreement"), relates to the development known as the Franciscan Health System Hospital/Medical Office Building Development; and

WHEREAS, the following events are relevant to the processing of the Developer's comprehensive plan amendment application:

a) FHS is the fee simple owner of the approximately 37.84 acre parcel of real property on the east side of Canterwood Boulevard N.W., about 1,500 feet north of Borgen Boulevard in Gig Harbor, Washington, having a street address of 11567 Canterwood Boulevard N.W., which is legally described in Exhibit A, which is attached hereto and incorporated herein by this reference (the "Property"); and

b) The Property is bisected by an approximately 3.6 acre energy transmission right-of-way (the "Right-of-Way") owned by Tacoma Power (the "Property and the Right-of-Way is collectively referred to herein as the "Tract"); and

c) FHS applied to the City for a Comprehensive Plan Amendment and Comprehensive Plan Land Use Map Amendment (the "Comp Plan Amendment" or "CPA"), to reconfigure within the Tract 26.7 acres of the Property designated as Planned Community Development – Residential Medium Density (PCD-RMD) and 14.8 acres of Planned Community Development – Business Park, and to redesignate 19.3 acres of the PCD-RMD portion of the Tract as PCD; and

d) FHS seeks the Comp Plan Amendment so that it may apply for a rezone, conditional use permit (CUP), site plan, building permit(s) and design review for the construction of an 80-bed hospital of approximately 213,000 square feet, and an associated medical office building of approximately 100,000 square feet, and parking facilities for the hospital and medical office building (hereinafter collectively referred to as the "Project"); and

e) The City issued a Determination of Significance under the State Environmental Policy Act ("SEPA") for the CPA, as well as two other applications for Comp Plan Amendments, and prepared a Supplemental Environmental Impact Statement ("SEIS") to consider the probable adverse environmental impacts of the three proposed CPA's; and

f) It is the City's position that the Final SEIS that issued on April 5, 2006, for the three proposed CPA's, concluded that the significant transportation impacts resulting from adoption of the CPA proposed by FHS could be mitigated by the construction of certain transportation improvements, FHS's dedication of right-of-way and also proposed the adoption by the City of certain other amendments to its Comp Plan to facilitate and complement the transportation improvements it proposed; and

g) It is the City's position that the Final SEIS recommended certain potential mitigation measures to be imposed on the FHS Comp Plan Amendment, acknowledging that "subsequent development review, including SEPA review, will further evaluate potential impacts as appropriate and applicable at the more site-specific St. Anthony Hospital conditional use permit application and review stage," (Final SEIS, April 5, 2006, page 91); and

h) It is the position of FHS that the Final SEIS recommended that FHS be required to dedicate property to the City for use as a right-of-way to be used as an arterial connecting Canterwood Boulevard and Borgen Boulevard and found that dedication of such right-of-way will adequately "offset the impacts of

the requested rezone as a non-project action.” (Final SEIS, April 5, 2006, App. A unnumbered page 7); and

i) It is the position of FHS that the Final SEIS provided a “detailed mitigation plan for future reference in subsequent development review processes regarding the specific developments currently proposed on the sites affected by the comprehensive plan amendments evaluated”; and

j) Subject to the conditions set forth in this Development Agreement, FHS is willing to perform, as a condition of the City’s approval of the Comp Plan Amendment proposed by FHS, the transportation improvements recommended by the Final SEIS in “additional phases of development review.” (Final SEIS, April 5, 2006, page 89); and

k) The Final SEIS notes that the Washington State Department of Transportation “has not fully commented on the proposed mitigation that impact state owned transportation facilities,” (Final SEIS, April 5, 2006, App. C-13); and

l) During the SEIS process, representatives from FHS, the City, WSDOT, the development community and Pierce County, participated in a number of meetings to discuss the transportation improvements described in the EIS and Final SEIS, yet Pierce County has yet to comment on the EIS or Final SEIS; and

m) The Planning Commission recommended that the City Council approve the FHS Comp Plan Amendment, subject to the mitigation measures recommended by the Final SEIS, and that the City enter into a development agreement with FHS to clarify the manner and timing of the performance of those mitigation measures; and

WHEREAS, the parties desire by this Development Agreement to establish the mitigation to be performed by FHS as a condition of the City’s approval of FHS’s Comp Plan Amendment; and

WHEREAS, by Ordinance No. 1051, the City approved the FHS Comp Plan Amendment, subject to and conditioned upon execution of this Development Agreement; and

WHEREAS, after a public hearing, by Resolution No. 678, the City Council authorized the Mayor to sign this Development Agreement with the Developer; and

Now, therefore, the parties hereto agree as follows:

General Provisions

Section 1. *The Project.* The Project is the development and use of the Property, which is planned as an 80-bed hospital of approximately 213,000 square feet, and an associated medical office building having approximately 100,000 square feet, and parking facilities for the hospital and medical office building.

Section 2. *The Subject Property.* The Project site or the "Subject Property" is legally described in Exhibit A, attached hereto and incorporated herein by this reference.

Section 3. *Definitions.* As used in this Development Agreement, the following terms, phrases and words shall have the meanings and be interpreted as set forth in this Section.

A. "Certificate of Occupancy" means either a certificate issued after inspections by the City authorizing a person(s) in possession of property to dwell or otherwise use a specified building or dwelling unit, or the final inspection if a formal certificate is not issued.

B. "Construction Engineering" means on-site construction management pertaining to the coordination of separate contracts, phased construction, monitoring of individual phases of the work, adjustment of the work to accommodate changed conditions or unanticipated interferences, determination of whether materials and workmanship are in conformance with the approved contract drawings and specifications, arrangement for the performance of necessary field and laboratory tests, preparation of change orders, and review of progress payments.

C. "Council" means the duly elected legislative body governing the City of Gig Harbor.

D. "Director" means the City's Community Development Director.

E. "Effective Date" means the effective date of the Ordinance adopting the Comprehensive Plan amendment and the date of passage of the Resolution authorizing the execution of this Development Agreement, whichever is later.

F. "Landowner" is the party who has acquired any portion of the Subject Property from the Developer who, unless otherwise released as provided in this Agreement, shall be subject to the applicable provisions of this Agreement. The "Developer" is identified in Section 5 of this Agreement.

G. "Project" means the anticipated development of the Subject Property, as specified in Section 1.

H. "Project Manager" means the City's contract person responsible for the management of all phases of the project.

I. "Transportation Mitigation Improvements" are those specifically described in Exhibit C and pictorially depicted in Exhibit D, attached hereto and incorporated herein.

Section 4. Exhibits. Exhibits to this Agreement are as follows:

- A. Exhibit A - Legal description of the Subject Property.
- B. Exhibit B - Map showing approved Comp Plan Amendment.
- C. Exhibit C - List of Transportation Mitigation Improvements.
- D. Exhibit D - Map showing the required Transportation Mitigation Improvements.

Section 5. Parties to Development Agreement. The parties to this Agreement are:

- A. The "City" is the City of Gig Harbor, 3510 Grandview Street, Gig Harbor, WA 98335.
- B. The "Developer" or Owner is the Franciscan Health System, which owns the Subject Property in fee, and whose principal office is located at 1717 South "J" Street, Tacoma, WA 98405; Attn: Laure Nichols, Sr. Vice President of Strategic Planning.

Section 6. Project is a Private Undertaking. It is agreed among the parties that the Project is a private development and that the City has no interest therein except as authorized in the exercise of its governmental functions.

Section 7. Commencement, Duration and Termination.

A. **Commencement.** This Agreement shall commence upon the Effective Date. Adoption of the Ordinance approving the FHS Comprehensive Plan Amendment is contingent upon execution of this Development Agreement. FHS acknowledges that the Ordinance as well as this Development Agreement is subject to appeal, and that the outcome of any appeal may affect the validity of this Agreement.

B. Duration.

1. The initial term of this Development Agreement shall be two years from the Effective Date.

2. Within this two year period, FHS will submit project permit applications for the Project to the City for review. As described in the "whereas" sections above, FHS intends to submit applications to the City immediately after approval of the Comprehensive Plan Amendment for the Project. These applications must include SEPA checklists, because the City is required to issue a SEPA threshold determination and the City will further evaluate the environmental impacts of the applications/comments from affected agencies and the public.

a) if the City approves those permits without imposing any additional or different mitigation/conditions on these project permit applications, this Agreement shall continue in force beyond the two year period until all of the required mitigation described in Exhibits C and D is constructed/performed, unless the Agreement is extended or terminated as provided herein.

b) If the City imposes different or additional mitigation on the development of FHS's Property, then the parties shall amend this Agreement during the two year period to reflect the mitigation/conditions imposed on the project permit applications. FHS's execution of this Agreement shall not waive FHS's ability to administratively or judicially appeal the City's imposition of any mitigation/conditions imposed on the project permit applications that are different from the mitigation/conditions set forth herein.

C. Termination. This Agreement shall expire and/or terminate as provided below:

1. This Agreement shall expire and be of no further force and effect if the Developer does not submit the project permit applications to the City for a rezone, conditional use permit, site plan and design review within two years after the Effective Date of this Agreement. If these applications are submitted to the City within this time frame, then the provisions of Section 7(B) above shall apply to the duration of this Agreement.

2. This Agreement shall terminate upon the expiration of the term identified in this Section 7, when all of the provisions of this Agreement have been satisfied or when the Subject Property has been fully developed, whichever first occurs, and all of the Developer's obligations in connection therewith are satisfied as determined by the City. Upon termination of this Agreement, the City shall record a notice of such termination in a form satisfactory to the City Attorney

that the Agreement has been terminated. This Agreement shall automatically terminate and be of no further force and effect as to any non-residential building and the lot or parcel upon which such building is located, when it has been approved by the City for occupancy.

D. Generally. Following the expiration of the term or extension thereof, or if sooner terminated, this Agreement shall have no force and effect, subject however, to post-termination obligations of the Developer or Landowner.

Section 8. Limited Vested Rights Applicable to Comp Plan

Amendment. Comprehensive Plan Amendments are not subject to the vested rights doctrine. However, because the City Council's consideration of the public health, safety and welfare under a Comprehensive Plan Amendment necessarily involves an evaluation of the available water, sewer capacity and transportation capacity for the Project, the City agrees that if the Developer applies for a rezone and conditional use permit within two years of the anniversary date of this Development Agreement, and if the Developer does not change the scope or intensity of the Project as described herein, the Developer shall not be required to obtain a new concurrency evaluation for water, sewer or transportation. The Developer shall obtain no vested rights under any other codes, ordinances or regulations as a result of execution of this Development Agreement.

Section 9. Further Discretionary Actions. Developer acknowledges that the City's existing land use regulations, as well as any other land use regulations adopted by the City after execution of this Agreement, contemplate or will likely contemplate the exercise of further discretionary powers by the City, specifically with regard to future rezone, design review, site plan, building permits and conditional use permit applications. These powers include, but are not limited to, review of these additional permit applications under SEPA. Nothing in this Agreement shall be construed to limit the authority or the obligation of the City to hold legally required public hearings, or to limit the discretion of the City and any of its officers or officials in complying with or applying existing land use regulations or any other land use regulations adopted in the future.

Section 10. Developer's Obligation to Design and Construct Transportation Mitigation Improvements. Subject to the condition that it shall receive the City's approval of the Comp Plan Amendment, as well as the City's issuance of a transportation capacity reservation certificate for 535 P.M. peak hour trips (the "CRC") and approval (or conditional approval) of a subsequent rezone (consistent with the Comp Plan Amendment), approval (or conditional approval) of a conditional use permit, design review, building permits and site plan for the Project described herein, Developer shall design and construct the transportation mitigation improvements described in Exhibits C and D attached hereto. At the time a Certificate of Occupancy is requested by the Developer, it shall ensure that the transportation mitigation improvements are in place or that a

financial commitment is in place to provide any facilities that are not complete, within two years of the request. The Developer shall demonstrate to the City at the time the Developer requests a Certificate of Occupancy, that it has set aside sufficient funds to construct the remaining transportation mitigation improvements (through execution of a cash set aside agreement in a form approved by the City Attorney). The cash set aside amount to be deposited by the Developer shall be determined by the City Engineer, who shall estimate the cost of the remaining improvements and this amount shall be one and one-half times the cost of the remaining improvements.

Section 11. Developer's Agreement on Use of the Subject Property.

A. As identified in the Final SEIS, the Developer agrees that if the rezone is approved or approved with conditions no development activity would occur on the remaining 7.4 acre portion of the site that would remain in the PCD-RMD zoning classification. (FEIS, April 5, 2006, p. 91.) Therefore, future development in this area shall be restricted to uses that do not involve construction of a building or parking facilities (e.g., open space, passive recreational uses, future streets, buffering trails, critical area mitigation, etc.) or facility that would result in the creation of any additional vehicular trips.

B. The Developer agrees that if the rezone is granted, the use of the PCD-BP portion of the Property shall be limited to hospital and related and auxiliary uses, including without limitation, medical office buildings and parking facilities, as long as such uses are consistent with the PCD-BP zone. The Developer agrees that the size of the project shall be limited to an 80-bed hospital containing approximately 213,000 square feet, an office building containing approximately 100,000 square feet, and related parking facilities for the hospital and medical office building.

C. In the event that the Developer desires to reduce the size of the medical office building, the amount of reduction (in square feet) may be added to the hospital, so that the size of the hospital is increased. Except as permitted in subsection D below, in no event shall the combined square footage of the hospital and medical office building exceed approximately 313,000 square feet.

Section 12. Additional Floor on Hospital Building. FHS originally applied to the State for a hospital with over 80 beds, but the State granted a certificate of need for an 80 bed hospital. FHS may wish to again apply to the State in the future for a larger hospital. However, if FHS constructs an 80 bed hospital now and receives a certificate of need for a larger hospital later, the construction of the hospital expansion will seriously inconvenience both the hospital staff and patients. Therefore, FHS may desire to construct an additional floor of 30,000 square feet at the same time as construction takes place for the main hospital building. FHS acknowledges that the concurrency certificate

associated with its Comprehensive Plan Amendment does not cover any applications for the additional 30,000 square feet, and that FHS must submit all required application materials to be reviewed under a new project permit application process. The City shall fully review these applications under SEPA and the City's codes in existence at the time of submission of the applications. If FHS cannot obtain a concurrency certificate for the 30,000 additional floor, the City acknowledges that FHS may appeal the denial of concurrency by requesting that construction be allowed concurrent with construction of the main hospital building, on condition that the additional floor not be occupied until the State grants the required approval for hospital expansion and concurrency can be achieved.

The Comprehensive Plan Amendment that has been approved conditioned on this Development Agreement does not cover this 30,000 square foot additional floor to the hospital. A determination of concurrency shall be made for the 30,000 square feet at the time FHS may legally occupy the additional floor (such as after the State grants the required approval for hospital expansion), not at the time the applications are submitted. In addition, FHS acknowledges that years could pass between the time that the additional floor is constructed (if approved) and the time that it is occupied. During that time, the applicable codes may change. Therefore, FHS acknowledges that the Building Official may request that conditions be imposed or impose conditions on the issuance of any permits requiring compliance with the applicable City Building Code in effect at the time of occupancy.

Nothing in this Agreement shall be construed to be approval of any application for this 30,000 square foot additional floor to the hospital, or any site or building plan. All site development and construction, including but not limited to emergency vehicle access, fire flow, fire hydrant locations, allowable heights and area and fire resistant construction must comply with the requirements of GHMC Title 15 as it exists at the time of building permit application for the 30,000 square foot additional floor, and if a condition is added to the permit allowing delayed occupancy, these requirements must also be satisfied as to the version of GHMC Title 15 as it exists at the time of occupancy.

Section 13. No Obligation to Perform Required Transportation Mitigation Improvements if Permits for the Project are Not Approved. The parties acknowledge that the Developer shall not have any obligation to perform or construct the transportation mitigation improvements if the City does not approve (or conditionally approve) the Developer's applications for rezone, conditional use permit and site plan for the Project described herein. In the event that the applications are not approved, then the City may take whatever action the City deems necessary with regard to amendment of the City's Comprehensive Plan for the Property, consistent with Section 20 herein. Any transportation concurrency certificate granted for the Comprehensive Plan

Amendment shall expire within two years of the effective date of this Agreement, as provided in Section 7B(1).

Section 14. Additional Mitigation May be Imposed on Subsequently Issued Permits, Additional Traffic Studies May Also be Required. The parties acknowledge that the City's approval of the rezone, conditional use permit and site plan approval may include the transportation mitigation improvements, as well as additional mitigation under SEPA and the City's land use regulations, as they now exist or may be amended in the future. The parties further acknowledge that neither the Washington State Department of Transportation nor Pierce County have approved or commented on the mitigation proposed in this Development Agreement, and that additional mitigation suggested by either agency may be imposed at the time the City reviews the applications for rezone, conditional use permit or site plan approval.

Section 15. Existing Land Use Fees and Impact Fees.

A. Permitting and Impact Fees adopted by the City by ordinance as of the Effective Date of this Agreement may be increased by the City from time to time, and applicable to permits and approvals for the Subject Property, as long as such fees apply to similar applications and projects in the City.

B. All imposition and payment of impact fees shall be performed in accordance with chapter 19.12 of the Gig Harbor Municipal Code, as it now exists or may hereafter be amended.

C. The Developer may request a credit from transportation impact fees for the construction of the transportation mitigation improvements (eligible for impact fees) or dedication of property (required for impact fee projects) at the time of project permit application, under chapter 19.12 GHMC, to the extent that the Developer has actually dedicated property, constructed improvements or paid or agreed to pay for any improvements.

Section 16. Dedication of Public Lands. FHS shall convey to the City by quit claim deed or easement for street right-of-way, a strip of land thirty (30) feet in width along the generally straight (except for two irregular indentations) south boundary line of the Property, which, when combined with a thirty (30) foot wide strip along the north boundary line of the abutting property (the south boundary line of the Property and the north boundary line of the abutting property are the same line), when acquired by the City, will produce a sixty (60) foot wide right-of-way to be used by the City for street purposes. At the time FHS applies for the building permit(s) associated with the Project, FHS may submit evidence of this dedication to the City to apply for an impact fee credit under GHMC Section 19.12.080. FHS acknowledges that the City has not yet included this dedication and proposed right-of-way in the City's 2006 Six Year Road Plan.

Except as otherwise provided herein, the Developer shall dedicate all public lands required in the permits/approvals within two (2) years of the Effective Date of this Agreement.

Section 17. Default.

A. Subject to extensions of time by mutual consent in writing, failure or delay by either party or Landowner not released from this Agreement, to perform any term or provision of this Agreement shall constitute a default. In the event of alleged default or breach of any terms or conditions of this Agreement, the party alleging such default or breach shall give the other party or Landowner not less than thirty (30) days notice in writing, specifying the nature of the alleged default and the manner in which said default may be cured. During this thirty (30) day period, the party or Landowner charged shall not be considered in default for purposes of termination or institution of legal proceedings.

B. After notice and expiration of the thirty (30) day period, if such default has not been cured or is not being diligently cured in the manner set forth in the notice, the other party or Landowner to this Agreement may, at its option, institute legal proceedings pursuant to this Agreement. In addition, the City may decide to file an action to enforce the City's Codes, and to obtain penalties and costs as provided in the Gig Harbor Municipal Code for violations of this Development Agreement and the Code.

Section 18. Effect upon Termination on Developer Obligations.

Termination of this Agreement as to the Developer of the Subject Property or any portion thereof shall not affect any of the Developer's obligations to comply with the City Comprehensive Plan and the terms and conditions or any applicable zoning code(s) or subdivision map or other land use entitlements approved with respect to the Subject Property, any other conditions of any other development specified in the Agreement to continue after the termination of this Agreement or obligations to pay assessments, liens, fees or taxes.

Section 19. Assignment and Assumption. The Developer shall have the right to sell, assign or transfer this Agreement with all their rights, title and interests therein to any person, firm or corporation at any time during the term of this Agreement. Developer shall provide the City with written notice of any intent to sell, assign, or transfer all or a portion of the Property, at least 30 days in advance of such action.

Section 20. Covenants Running with the Land. The conditions and covenants set forth in this Agreement and incorporated herein by the Exhibits shall run with the land and the benefits and burdens shall bind and inure to the benefit of the parties. The Developer, Landowner and every purchaser, assignee or transferee of an interest in the Subject Property, or any portion thereof, shall

be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, but only with respect to the Subject Property, or such portion thereof, sold, assigned or transferred to it. Any such purchaser, assignee or transferee shall observe and fully perform all of the duties and obligations of a Developer contained in this Agreement, as such duties and obligations pertain to the portion of the Subject Property sold, assigned or transferred to it.

Section 21. Amendment to Agreement; Effect of Agreement on Future Actions. This Agreement may be amended by mutual consent of all of the parties, provided that any such amendment shall follow the process established by law for the adoption of a development agreement (see, RCW 36.70B.200). However, nothing in this Agreement shall prevent the City Council from making any amendment to its Comprehensive Plan, Zoning Code, Official Zoning Map or development regulations affecting the Subject Property during the next five years, as the City Council may deem necessary to the extent required by a serious threat to public health and safety. Nothing in this Development Agreement shall prevent the City Council from making any amendments of any type to the Comprehensive Plan, Zoning Code, Official Zoning Map or development regulations relating to the Property.

Section 22. Releases. Developer, and any subsequent Landowner, may free itself from further obligations relating to the sold, assigned, or transferred property, provided that the buyer, assignee or transferee expressly assumes the obligations under this Agreement as provided herein.

Section 23. Notices. Notices, demands, correspondence to the City and Developer shall be sufficiently given if dispatched by pre-paid first-class mail to the addresses of the parties as designated in Section 5. Notice to the City shall be to the attention of both the City Administrator and the City Attorney. Notices to subsequent Landowners shall be required to be given by the City only for those Landowners who have given the City written notice of their address for such notice. The parties hereto may, from time to time, advise the other of new addresses for such notices, demands or correspondence.

Section 24. Reimbursement for Agreement Expenses of the City. Developer agrees to reimburse the City for actual expenses incurred over and above fees paid by Developer as an applicant incurred by City directly relating to this Agreement, including recording fees, publishing fees and reasonable staff and consultant costs not otherwise included within application fees, which shall not exceed Three Thousand Dollars (\$3,000.00). This development agreement shall not take effect until the fees provided for in this section are paid to the City. Upon payment of all expenses, the Developer may request written acknowledgement of all fees. Such payment of all fees shall be paid, at the

latest, within thirty (30) days from the City's presentation of a written statement of charges to the Developer.

Section 25. Applicable Law and Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. If litigation is initiated to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. Venue for any action shall lie in Pierce County Superior Court or the U.S. District Court for Western Washington.

Section 26. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity other than a party or a Landowner to challenge this Agreement or any provision herein, the City may elect to tender the defense of such lawsuit or individual claims in the lawsuit (but not the liability associated with such lawsuit or claims) to Developer and/or Landowner(s). In such event, Developer and/or such Landowners shall hold the City harmless from and defend the City from all costs and expenses incurred in the defense of such lawsuit or individual claims in the lawsuit, including but not limited to, attorneys' fees, costs, expert witness fees. The Developer and/or Landowner shall not settle any lawsuit without the consent of the City. The City shall act in good faith and shall not unreasonably withhold consent to settle.

Section 27. Specific Performance. The parties specifically agree that damages are not an adequate remedy for breach of this Agreement, and that the parties are entitled to compel specific performance of all material terms of this Development Agreement by any party in default hereof.

Section 28. Severability. If any phrase, provision or section of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any statute of the State of Washington which became effective after the effective date of the ordinance adopting this Development Agreement, and either party in good faith determines that such provision or provisions are material to its entering into this Agreement, that party may elect to terminate this Agreement as to all of its obligations remaining unperformed.

IN WITNESS WHEREOF, the parties hereto have caused this Development Agreement to be executed as of the dates set forth below:

FRANCISCAN HEALTH SYSTEM

CITY OF GIG HARBOR

By Laure C. Nichols
Its SENIOR VICE PRESIDENT

BY Archie J. Hunter
Its Mayor

7/21/06

ATTEST:

By Molly M. Sawyer
City Clerk

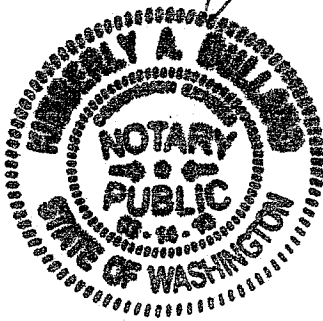
APPROVED AS TO FORM:

By [Signature]
City Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that Laure C. Nichols is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Senior Vice President of Franciscan Health System to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: July 21, 2006



Kimberly A. Bullard

KIMBERLY A. BULLARD

(print or type name)

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

TACOMA, WA

My Commission expires: 3/14/10

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that Charles L. Hunter is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he 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: 7-25-06



Molly M Towstee

Molly M. Towstee

(print or type name)

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

Gig Harbor

My Commission expires: 12/2/07

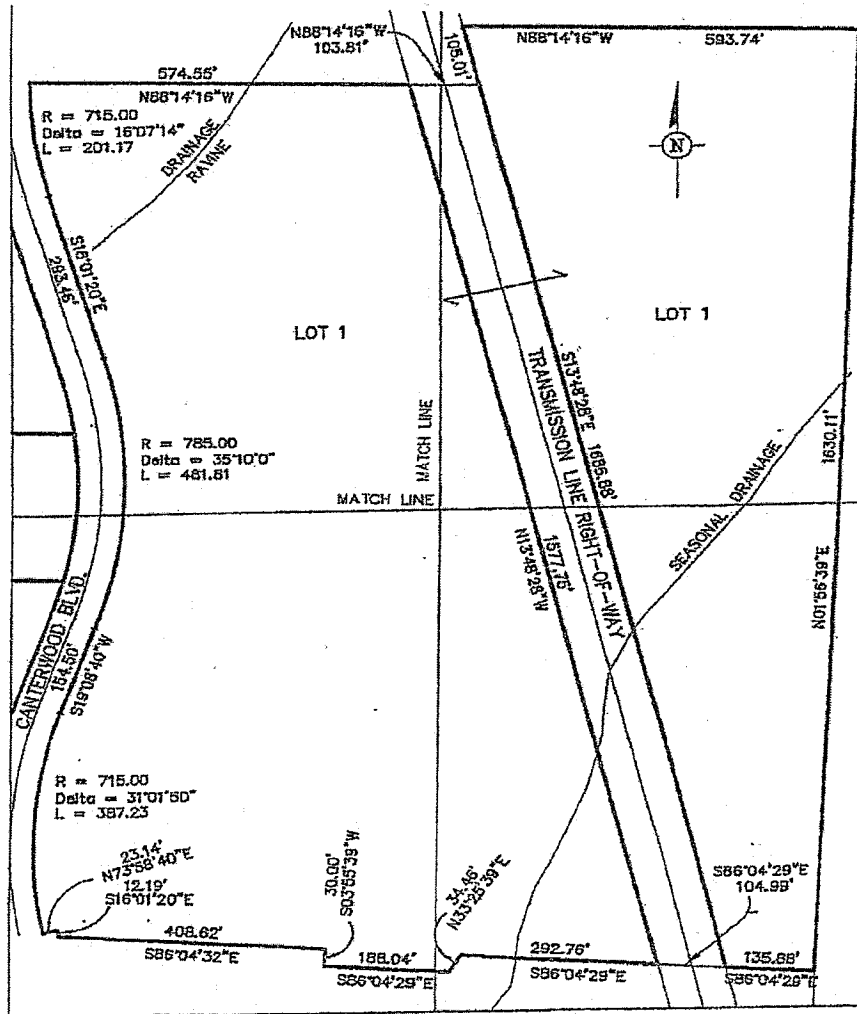
EXHIBIT A LEGAL DESCRIPTION AND MAP OF SUBJECT PROPERTY

Exhibit "A"

Legal description:

Lot 1 of Boundary Line Adjustment
AFN# 200407080296

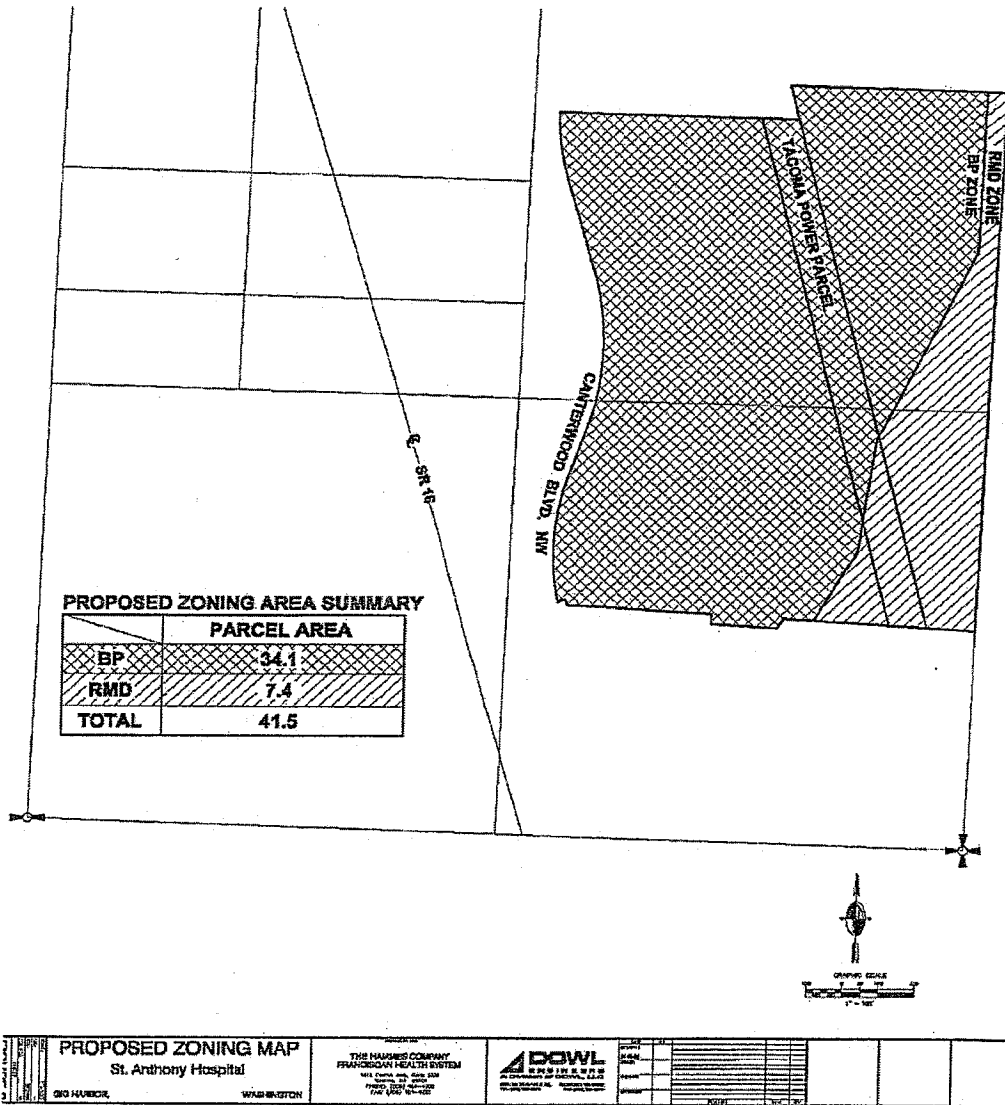
Assessors map



2005 Comprehensive Plan Amendment - Land Use Map - Franciscan Health System - West App.

EXHIBIT B APPROVED COMPREHENSIVE PLAN MAP AMENDMENT

Exhibit "C" Map of PROPOSED Land Use



<p>PROPOSED ZONING MAP St. Anthony Hospital</p> <p>BO HURICK WASHINGTON</p>	<p>THE HAWKINS COUNTY FRANCISCAN HEALTH SYSTEM</p> <p>1001 CHURCH ST. SUITE 200 FRANCISVILLE, LA 70731 PHONE: 225-775-4400 FAX: 225-775-4402</p>	<p>ADPWL ARCHITECTURAL DESIGN & PLANNING</p> <p>1001 CHURCH ST. SUITE 200 FRANCISVILLE, LA 70731 PHONE: 225-775-4400 FAX: 225-775-4402</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">DATE</td> <td style="width: 50%;">REVISED</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </table>	DATE	REVISED							<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">DATE</td> <td style="width: 50%;">REVISED</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </table>	DATE	REVISED							<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">DATE</td> <td style="width: 50%;">REVISED</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </table>	DATE	REVISED						
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2005 Comprehensive Plan Amendment - Land Use Map - Franciscan Health System - West App.

**APPROVED COMPREHENSIVE PLAN MAP AMENDMENT
PCD-BP ZONE LEGAL DESCRIPTION**

THAT PORTION OF LOT 1 OF THE BOUNDARY LINE ADJUSTMENT AS
RECORDED UNDER PIERCE COUNTY AUDITOR'S FILE NUMBER 200406290853
LYING WESTERLY OF THE FOLLOWING DESCRIBED LINE;

COMMENCING AT THE SOUTH EAST CORNER OF SAID LOT 1
THENCE N86°06'11"W ALONG THE SOUTH BOUNDARY OF SAID LOT 1 TO THE
BEGINNING OF THIS LINE DESCRIPTION;

THENCE N29°49'34"E 235.31 FEET

THENCE N08°11'16"E 345.74 FEET

THENCE N25°28'44" E 633.15 FEET

THENCE N01°54'57"E 485.49 FEET TO THE NORTH LINE OF SAID LOT 1 AND THE
TERMINUS OF THIS LINE DESCRIPTION.

EXHIBIT C REQUIRED TRANSPORTATION MITIGATION

In satisfaction of the conditions of the Comprehensive Plan Amendment and as consideration for the Development Agreement, the Developer shall:

1. Implement transportation demand management measures in accordance with the City's adopted commute trip reduction regulations, as set forth in chapter 10.28 GHMC, to reduce single occupant vehicle use.
2. Allow future transit service to be provided directly to the Property, consistent with the plans of Pierce Transit, and provide accommodations for such service in the approved site plan for the Project.
3. Construct full frontage improvements along the west boundary of the Property that fronts on Canterwood Boulevard, and construct a waterline transmission main extension along Canterwood Blvd. up to and across the entire Property frontage, consistent with adopted City standards. Improvements shall consist of a twelve (12) foot wide lane, cement concrete curb and gutter, planter strip, sidewalk, retaining walls, street illumination, storm drain system and an irrigation system.
4. Construct on Canterwood Boulevard a second southbound lane along with a ten (10) foot wide paved shoulder from the East Roundabout to the south boundary of the Property. South Access of FHS to RAB required.
5. Construct on the northbound (east) side of Canterwood Boulevard a ten (10) foot wide paved shoulder from the East Roundabout to the south boundary (or south access) of the Property.
6. Construct a bypass lane on the north side of the East Roundabout from Canterwood Boulevard southbound to the SR 16 on-ramp northbound(Westbound). The design shall meet WSDOT standards.
7. Construct a second exit lane on the SR 16 on-ramp northbound (westbound) from the East Roundabout for an appropriate taper length acceptable to the Washington State Department of Transportation ("WSDOT"). The design shall meet WSDOT standards
8. Construct and extend the storage of the SR 16 off-ramp northbound 450 feet south of the East Roundabout. This additional lane on the ramp may trigger the need to prepare an interchange justification report (IJR) to determine if the revision might adversely affect the level of service for through traffic on the mainline. The design shall meet WSDOT standards.

9. Construct a bypass lane on the south side of the East Roundabout from the SR 16 off-ramp northbound(westbound) to Burnham Drive southbound.

10. Construct a second southbound lane on the SR 16 off-ramp to the existing Roundabout intersection with Burnham Drive, for a length of approximately 1,500 feet of additional storage. This additional lane on the ramp may trigger the need to prepare an interchange justification report (IJR) to determine if the revision might adversely affect the level of service for through traffic on the mainline. The design shall meet WSDOT standards.

11. Construct a second lane circulating lane around the entire circumference of the West Roundabout. The design shall meet WSDOT standards.

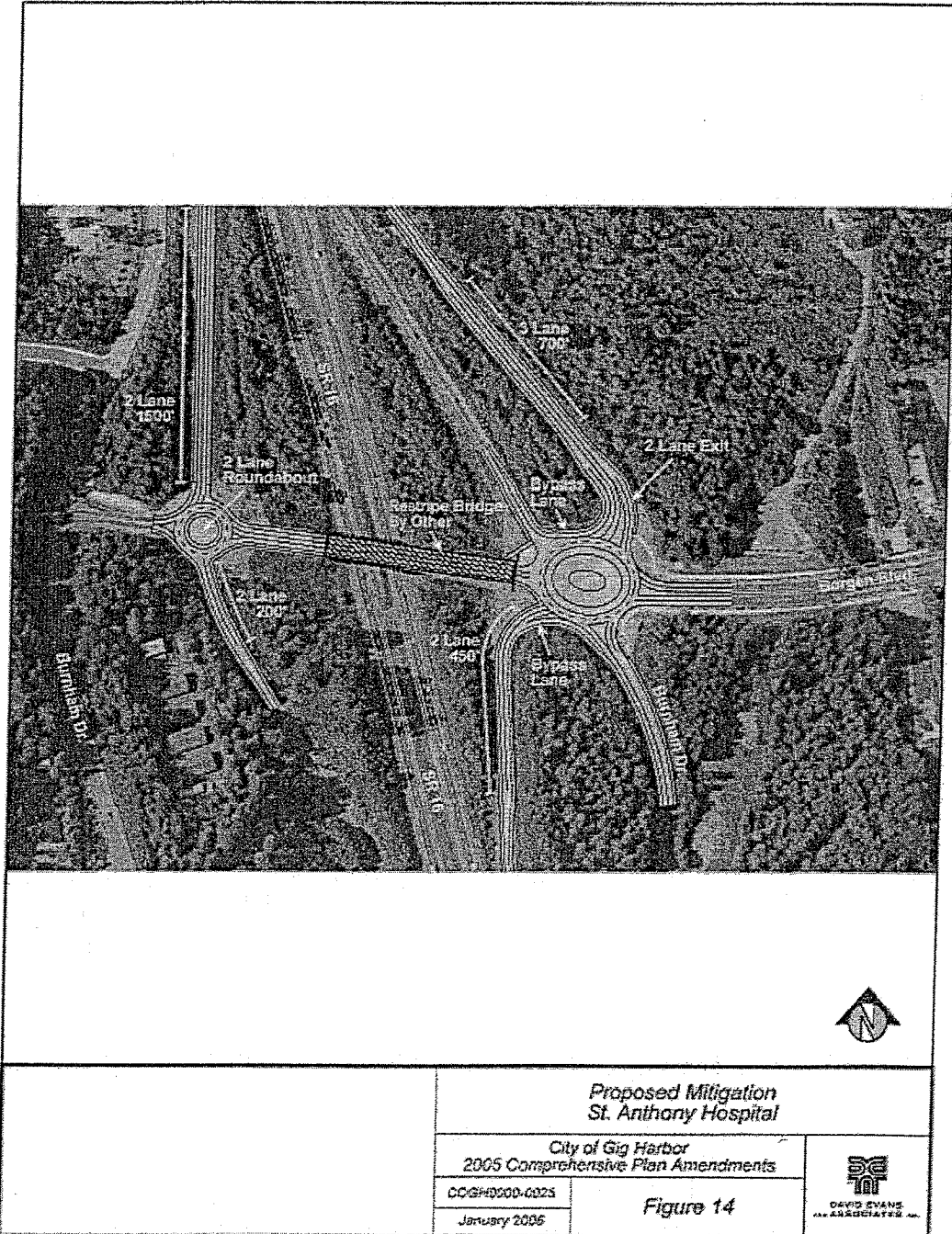
12. Construct a second exit lane on the SR 16 on-ramp southbound from the West Roundabout for an appropriate taper length acceptable to WSDOT. The design shall meet WSDOT standards.

13. Convert the channelization of the existing Burnham Drive bridge over SR 16 to a three-lane section, with two lanes eastbound and one lane westbound across the bridge, or as required by WSDOT within the existing bridge width. The design shall meet WSDOT standards.

14. Convert the channelization of the East Roundabout to align with the revised channelization on the existing Burnham Drive bridge over SR 16.

15. Exhibit D pictorially depicts the required improvements.

EXHIBIT D MAP OF REQUIRED TRANSPORTATION MITIGATION



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Exhibit C
February 2002 Wastewater Comprehensive Plan
2005 Annual Amendment - HMT Partnership #05-03
COLLECTION SYSTEM EXPANSIONS AMENDMENT
February 3, 2005 report prepared by Robin D. Nelson, P.E.
of Hammond Collier Wade Livingstone

Exhibit A

February 2002 Wastewater Comprehensive Plan
2004 Annual Amendments

COLLECTION SYSTEM EXPANSIONS AMENDMENT

SYSTEM EXPANSION C-7 (38TH Avenue NW)

SUMMARY

This Annual Amendment was initiated by a developer to provide sanitary sewer service to a parcel located north of 56th Street NW and east of 38th Avenue NW. The parcel is underdeveloped and the current single family residence is served by on-site septic system. The developer desires to improve the parcel in accordance with the designated land use defined in the City of Gig Harbor's Comprehensive Plan, R - 1 (3du/ac). Figure 1 identifies the parcel proposed for development.

The proposed site is located in Basin C-7 identified in the City's Wastewater Comprehensive Plan. Basin C-7 is zoned primarily residential single family with low or moderate densities. The wastewater generated from this basin, particularly the proposed development identified in figure 1, would be domestic wastewater.

The proposed capital improvements to be completed within the 20 year planning horizon for drainage basin C-7 were amended in the 2003 Annual Amendments process. Figure 1 summarizes these amendments to the 2002 Wastewater Comprehensive Plan. Specifically, Olympic Drive (56th Street NW) would no longer be served by a gravity lateral sewer main extended from 38th Avenue NW. Approximately 384 L.F of 8 inch gravity sewer would be installed flowing easterly to a new pump station along the south side of 56th Street NW. The 120 gpm lift station would pump the wastewater south easterly approximately 779 L.F through a 4 inch force main to the existing gravity main along Olympic Drive.

These improvements would serve approximately six connections with an estimated sewage flow of 300 gallons per day per connection, which is consistent with the unit flows identified in the City's Wastewater Comprehensive Plan. 1800 gallons per day or 1.75 gallons per minute would discharge to the proposed lift station. The lift station capacity far exceeds the flows generated from the 6 connections identified in the 2003 Amendment and provides flexibility for the future amendments.

The 2004 Amendment is shown in Figure 2. The new capital improvements for this 2004 amendment will require implementation of proposed 2003 amended capital improvements, prior to or concurrently, to serve the northerly portion of drainage basin C-7. Due to the timing for the proposed arterial improvements to 56th Street NW and recent development pressure the demand for public sewers in this sub- region of basin C 7 north of 56th Street NW is increasing.

The 2004 proposed amendment would still consist of extending an 8-inch sewer main north along 38th Avenue NW to approximately 60th Street NW. However, the sewer main would connect to the proposed 8-inch gravity sewer flowing easterly along Olympic Drive (56th Street NW) per the 2003 annual amendment for the basin C-7. The wastewater flow would then enter the proposed Lift

Station and pumped through the 4 inch force main to the existing gravity sewer along Olympic Drive installed as part of ULID No. 2.

This 2004 amendment proposes to extend the 8 inch gravity sewer north along 38th Avenue toward the intersection with Olympic Drive. The gravity main would terminate prior to the intersection. This small extension would primarily provide gravity sewer service to the lots fronting 38th Avenue to the east and within the C-7 service area boundary. The proposed 8 -inch extension has more than adequate capacity to serve the current land use defined. At Department of Ecology minimum slope criteria for an 8 inch sewer main, the capacity of the proposed extension is 358 gallons per minute. To give this capacity perspective, the entire sub-basin which this extension is a small part has a peak domestic flow of 320 gallons per minute.

In order to maximize gravity sewer service within this sub-region, a small 8-inch main extension north along what would be the extension of 34th Avenue NW is proposed as well. This small extension of 100 LF would serve the remaining sub-regions easterly slopes of the localized depression and sensitive area immediately north of 56th Street.

The 2004 proposed capital improvements will not change the service area of drainage basin C-7 and maximizes gravity sewer service. The improvements will not require increasing the size of the pump station proposed for the 2003 amendment. The added flow will actual reduce retention times in the lift station and insure scouring velocities in the 4-inch force main of greater than 2.0 feet per second.

The 2003 improvements are anticipated to be constructed in the next 5 – 6 years. Construction of the gravity sewer and force main is anticipated to be part of the 56th Street Improvements project. The lift station would be constructed by private development. Should private development preclude the roadway project, then all improvements would be funded and constructed by private development.

The 2004 amended improvements are contingent upon implementation of the proposed 2003 amended capital improvements. All 2004 improvements would be entirely funded and constructed by private developers. The 8-inch gravity main should be installed with sufficient depth to maximize gravity service to the north along 38th Avenue NW and 34th Avenue NW.

IMPACTS

Existing City Facilities

The proposed capital improvements identified in this 2004 amendment will not generate or discharge additional wastewater flows other than what was identified in the original 2002 Wastewater Comprehensive Plan update. It will increase the flow tributary to the proposed modifications identified in the 2003 Annual Amendment for drainage basin C-7.

The proposed improvements identified in the 2003 amendment include an 8- inch gravity sewer main, 120 gpm lift station and 4-inch force main. The additional flow from the remaining service area north of 56th Street NW will generate approximately 109,234 gpd peak flow or 76 gpm. Couple this with the projected 1800 gpd flow for the 2003 Amendment and the total tributary flow to the lift station is still well below the proposed capacity of 120 gpm. More importantly, the added flow will improve the operation and reduce possible septic conditions occurring as a result of low flows.


The 2003 Amended capital improvements were identified to have no adverse impact to the existing conveyance system downstream. The capacity of the lift station will not change therefore, if the 2003 amended improvement have no adverse impact neither will the 2004 proposed capital improvements.

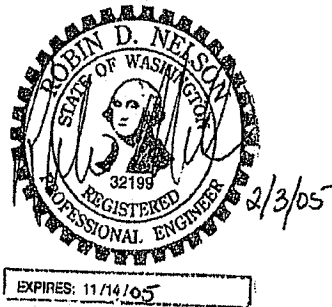
Environmental

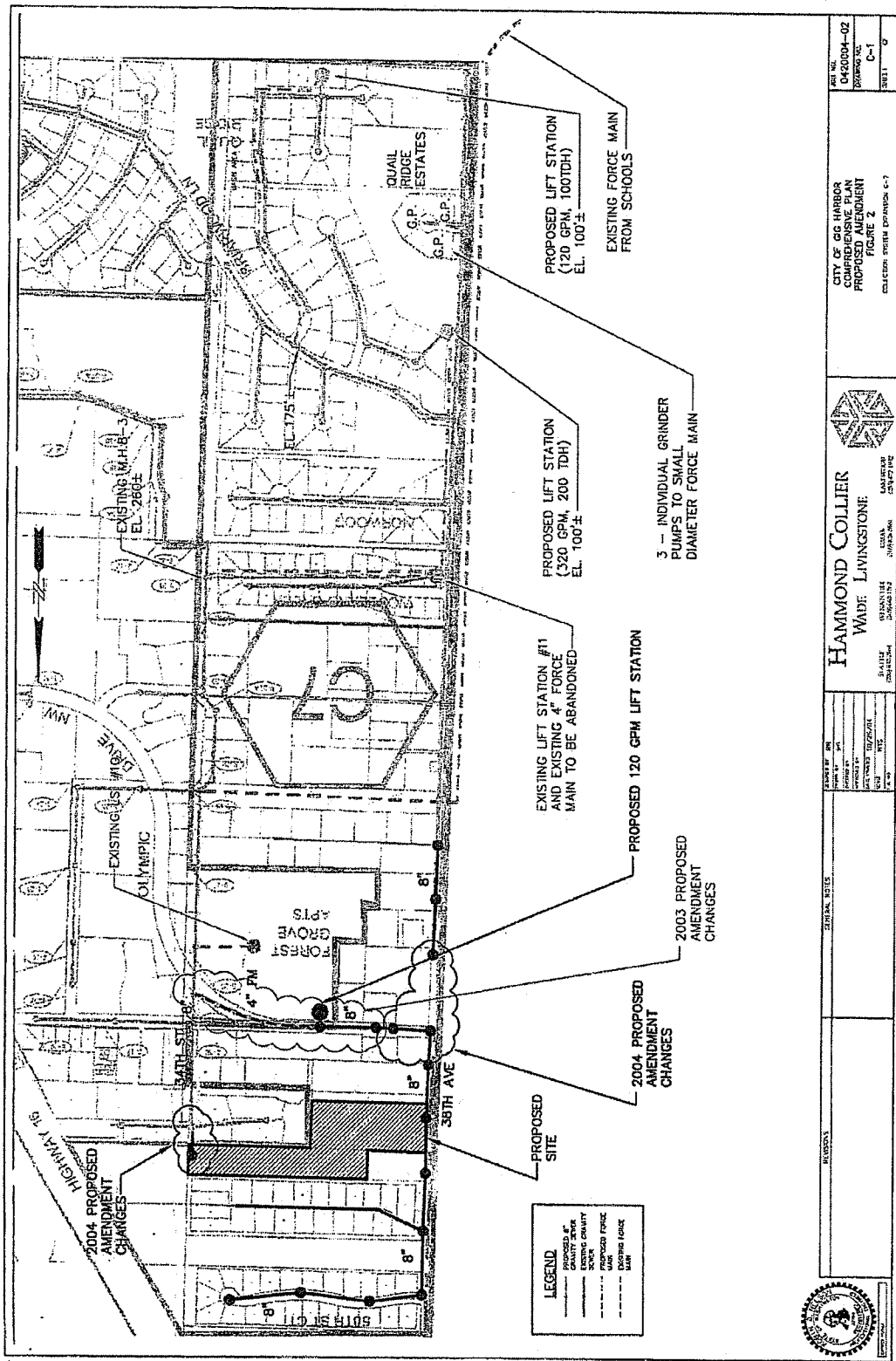
The proposed improvements will not have any adverse impacts to the environment. A SEPA checklist will be required for the improvements prior to construction. The private developer will be responsible to complete the checklist and for review and processing in accordance with the City's Community Development policies.

Fiscal

Funding for the 2004 amended capital improvements will be provided entirely by the developer. City funds will not be expended as part of the project.


Prepared By: Robin D. Nelson, PE





RESOLUTION NO. 680

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR,
WASHINGTON, AUTHORIZING THE EXECUTION OF A DEVELOPMENT
AGREEMENT WITH HMT.**

WHEREAS, the Washington State Legislature has authorized the execution of a development agreement between a local government and a person having ownership or control of real property within its jurisdiction (RCW 36.70B.170(1)); and

WHEREAS, a development agreement must set forth the development standards and other provisions that shall apply to, govern and vest the development, use and mitigation of the development of the real property for the duration specified in the agreement (RCW 36.70B.170(1)); and

WHEREAS, for the purposes of this development agreement, "development standards" includes, but is not limited to, all of the standards listed in RCW 36.70B.170(3); and

WHEREAS, a development agreement must be consistent with the applicable development regulations adopted by a local government planning under chapter 36.70A RCW (RCW 36.70B.170(1)); and

WHEREAS, HMT applied to the City for a Comprehensive Plan Amendment to the City's Wastewater Comprehensive Plan to reconfigure the design and location of the required future sewer infrastructure to facilitate single family development of the Property; and

WHEREAS, on July 10, 2006, the City Council held a public hearing on the Development Agreement during a regular public meeting and voted to approve the Development Agreement attached hereto as Exhibit A; Now, Therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. The City Council hereby authorizes the Mayor to execute the Development Agreement attached hereto as Exhibit A, with the applicant HMT.

Section 2. The City Council hereby directs the Community Development Director to record the Development Agreement against the Property legally described in Exhibit A to the Development Agreement, at the cost of the applicant, pursuant to RCW 36.70B.190.

PASSED by the City Council this 10th day of July 2006.

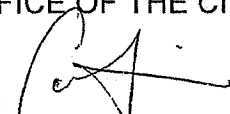
APPROVED:


MAYOR, CHARLES L. HUNTER

ATTEST/AUTHENTICATED:


CITY CLERK, MOLLY M. TOWSLEE

APPROVED AS TO FORM;
OFFICE OF THE CITY ATTORNEY:

BY: 
CAROL A. MORRIS

FILED WITH THE CITY CLERK: 07/10/06
PASSED BY THE CITY COUNCIL: 07/10/06
RESOLUTION NO. 680

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF GIG HARBOR
AND HMT, FOR A
COMPREHENSIVE PLAN AMENDMENT/RESIDENTIAL SUBDIVISION**

THIS DEVELOPMENT AGREEMENT is made and entered into this 10 day of July, 2006, by and between the City of Gig Harbor, a noncharter, optional code Washington municipal corporation, hereinafter the "City," and HMT, a partnership organized under the laws of the State of Washington, hereinafter the "Developer" or "HMT."

RECITALS

WHEREAS, the Washington State Legislature has authorized the execution of a development agreement between a local government and a person having ownership or control of real property within its jurisdiction (RCW 36.70B.170(1)); and

WHEREAS, a development agreement must set forth the development standards and other provisions that shall apply to, govern and vest the development, use and mitigation of the development of the real property for the duration specified in the agreement (RCW 36.70B.170(1)); and

WHEREAS, for the purposes of this development agreement, "development standards" includes, but is not limited to, all of the standards listed in RCW 36.70B.170(3); and

WHEREAS, a development agreement must be consistent with the applicable development regulations adopted by a local government planning under chapter 36.70A RCW (RCW 36.70B.170(1)); and

WHEREAS, this Development Agreement by and between the City of Gig Harbor and the Developer (hereinafter the "Development Agreement"), relates to the development known as Lydian Place, which is located at 5713 – 38th Street N.W., Gig Harbor, Washington; and

WHEREAS, the following events are relevant to the processing of the Developer's comprehensive plan amendment application:

a) HMT is the fee simple owner of the property located at 5713 – 38th Street N.W., Gig Harbor, which is legally described in Exhibit A, attached hereto and incorporated herein by this reference (the "Property"); and

b) HMT applied to the City for a Comprehensive Plan Amendment to the City's Wastewater Comprehensive Plan to reconfigure the design and location of the

required future sewer infrastructure to facilitate single family development of the Property; and

c) HMT seeks the Comprehensive Plan Amendment ("CPA") so that it may apply for a residential preliminary plat; and

e) The City issued a Determination of Significance under the State Environmental Policy Act ("SEPA") for the CPA associated with the three applications for CPA's submitted to the City for 2006, and prepared a Supplemental Environmental Impact Statement ("SEIS") to consider the probable adverse environmental impacts of the three proposed CPA's; and

f) The Final SEIS that issued on April 5, 2006, for the three proposed CPA's, concluded that the significant transportation impacts resulting from adoption of the CPA proposed by HMT could be mitigated by the conditions that are listed in Exhibit C, attached hereto; and

g) The Planning Commission recommended that the City Council approve the HMT Comp Plan Amendment, subject to the mitigation measures recommended by the Final SEIS, and that the City enter into a development agreement with HMT to clarify the manner and timing of the performance of those mitigation measures; and

WHEREAS, the parties desire by this Development Agreement to establish the mitigation to be performed by HMT as a condition of the City's approval of HMT's Comp Plan Amendment; and

WHEREAS, by Ordinance No. 1051, the City approved the HMT Comp Plan Amendment, subject to and conditioned upon execution of this Development Agreement; and

WHEREAS, after a public hearing, by Resolution No. 680, the City Council authorized the Mayor to sign this Development Agreement with the Developer; and

Now, therefore, the parties hereto agree as follows:

General Provisions

Section 1. The Project. The Project is the development and use of the Property, consisting of 6.98 acres in the City of Gig Harbor. After approval of the CPA, the Developer plans to submit a 23 Lot Single Family Residential Preliminary Plat application.

Section 2. The Subject Property. The Project site or the "Subject Property" is legally described in Exhibit A, attached hereto and incorporated herein by this reference.

Section 3. Definitions. As used in this Development Agreement, the following terms, phrases and words shall have the meanings and be interpreted as set forth in this Section.

a) "Certificate of Occupancy" means either a certificate issued after inspections by the City authorizing a person(s) in possession of property to dwell or otherwise use a specified building or dwelling unit, or the final inspection if a formal certificate is not issued.

b) "Council" means the duly elected legislative body governing the City of Gig Harbor.

c) "Director" means the City's Community Development Director.

d) "Effective Date" means the effective date of the Ordinance adopting the Comprehensive Plan amendment and the date of passage of the Resolution authorizing the execution of this Development Agreement, whichever is later.

e) "Landowner" is the party who has acquired any portion of the Subject Property from the Developer who, unless otherwise released as provided in this Agreement, shall be subject to the applicable provisions of this Agreement. The "Developer" is identified in Section 5 of this Agreement.

f) "Mitigation for HMT's Project" is the specific mitigation described in Exhibit C.

g) "Project" means the anticipated development of the Subject Property, as specified in Section 1.

Section 4. Exhibits. Exhibits to this Agreement are as follows:

- a) Exhibit A - Legal description of the Subject Property.
- b) Exhibit B - Map showing HMT's Comprehensive Plan Amendment.
- c) Exhibit C - Mitigation to be performed by HMT Partnership

Section 5. Parties to Development Agreement. The parties to this Agreement are:

a) The "City" is the City of Gig Harbor, 3510 Grandview Street, Gig Harbor, WA 98335.

b) The "Developer" or Owner is HMT, whose mailing address is P.O. Box 492, Tacoma, WA 98335.

Section 6. Project is a Private Undertaking. It is agreed among the parties that the Project is a private development and that the City has no interest therein except as authorized in the exercise of its governmental functions.

Section 7. Commencement, Duration and Termination.

A. Commencement. This Agreement shall commence upon the Effective Date. Adoption of the Ordinance approving the Developer's Comprehensive Plan Amendment, and is contingent upon execution of this Development Agreement. The Developer acknowledges that the Ordinance as well as this Development Agreement is subject to appeal, and that the outcome of any appeal may affect the validity of this Agreement.

B. Duration.

1. The initial term of this Development Agreement shall be two years. Within this two year period, the Developer will submit project permit applications for the Project to the City for review, and if the City approves those permits without imposing any additional or different mitigation/conditions on these project permit applications, this Agreement shall continue in force until all of the required mitigation described in Exhibit B is constructed/performed, unless extended or terminated as provided herein.

2. As described in the "whereas" sections above, the Developer intends to submit applications to the City immediately after approval of the Comprehensive Plan Amendment for the Project. These applications must include SEPA checklists, because the City is required to issue a SEPA threshold determination and the City will further evaluate the environmental impacts of the applications/comments from affected agencies and the public. Based on that review, the City may impose different or additional mitigation or conditions on the development of the Developer's Property. If the City imposes different or additional mitigation, then the parties shall amend this Agreement to reflect the mitigation/conditions imposed on the project permit applications. The Developer's execution of this Agreement shall not waive the Developer's ability to administratively or judicially appeal the City's imposition of any mitigation/conditions imposed on the project permit applications that are different from the mitigation/conditions set forth herein.

C. Termination. This Agreement shall expire and/or terminate as provided below:

1. This Agreement shall expire and be of no further force and effect if the Developer does not submit an application to the City for a preliminary plat within two years after the Effective Date of this Agreement. If this application is submitted to the City within this time frame, then the provisions of Section 7(B) above shall apply to the duration of this Agreement.

2. This Agreement shall terminate upon the expiration of the term identified in this Section 7 or when the Subject Property has been fully developed, which ever first occurs, and all of the Developer's obligations in connection therewith are satisfied as determined by the City. Upon termination of this Agreement, the City shall record a notice of such termination in a form satisfactory to the City Attorney that the Agreement has been terminated. This Agreement shall automatically terminate and be of no further force and effect as to residential or non-residential building and the lot or parcel upon which such building is located, when it has been approved by the City for occupancy.

D. Generally. Following the expiration of the term or extension thereof, or if sooner terminated, this Agreement shall have no force and effect, subject however, to post-termination obligations of the Developer or Landowner.

Section 8. Limited Vested Rights Applicable to Comp Plan Amendment. Comprehensive Plan Amendments are not subject to the vested rights doctrine. However, because the City Council's consideration of the public health, safety and welfare under a Comprehensive Plan Amendment necessarily involves an evaluation of the available sewer capacity and transportation capacity for the Project, the City agrees that if the Developer applies for a preliminary plat application within two years of the anniversary date of this Development Agreement, and if the Developer does not change the scope or intensity of the Project as described herein, the Developer shall not be required to obtain a new concurrency evaluation for sewer or transportation. The Developer shall obtain no vested rights under any other codes, ordinances or regulations as a result of execution of this Development Agreement.

Section 9. Further Discretionary Actions. Developer acknowledges that the City's existing land use regulations, as well as any other land use regulations adopted by the City after execution of this Agreement, contemplate or will likely contemplate the exercise of further discretionary powers by the City, specifically with regard to future preliminary plat and building permit applications. These powers include, but are not limited to, review of these additional permit applications under SEPA. Nothing in this Agreement shall be construed to limit the authority or the obligation of the City to hold legally required public hearings, or to limit the discretion of the City and any of its officers or officials in complying with or applying existing land use regulations or any other land use regulations adopted in the future.

Section 10. Developer's Obligation to Perform Mitigation. Developer agrees that as a condition of the City's approval of the Comp Plan Amendment, as well as approval of a subsequent preliminary plat application (consistent with the Comp Plan Amendment), that the Developer shall perform the mitigation described in Exhibit C.

Section 11. No Obligation to Perform Mitigation if Permits for the Project are Not Approved. The parties acknowledge that the Developer shall not have any

obligation to financially contribute to the design and construction of the Transportation Mitigation Improvements or the Mitigation described in Exhibit C if the City does not approve (or conditionally approve) the Developer's application for a preliminary plat for the Project described herein.

Section 12. Additional Mitigation May be Imposed on Subsequently Issued Permits, Additional Traffic Studies May Also be Required. The parties acknowledge that the City's approval of the preliminary plat for Lydian Place may include the mitigation described in Exhibit B, as well as additional mitigation under SEPA and the City's land use regulations, as they now exist or may be amended in the future. The parties further acknowledge that neither the Washington State Department of Transportation nor Pierce County have approved or commented on the mitigation proposed in this Development Agreement, and that additional mitigation suggested by either agency may be imposed at the time the City reviews the application for preliminary plat.

Section 13. Existing Land Use Fees and Impact Fees.

A. Permitting and Impact Fees adopted by the City by ordinance as of the Effective Date of this Agreement may be increased by the City from time to time, and applicable to permits and approvals for the Subject Property, as long as such fees apply to similar applications and projects in the City.

B. All imposition and payment of impact fees shall be performed in accordance with chapter 19.12 of the Gig Harbor Municipal Code, as it now exists or may hereafter be amended.

C. The Developer may request a credit from transportation impact fees for the construction of the Transportation Improvements (eligible for impact fees) or dedication of property (required for impact fee projects) at the time of project permit application, under chapter 19.12 GHMC, to the extent that the Developer has actually dedicated property, constructed improvements or paid for any improvements.

Section 14. Dedication of Public Lands. Within fifteen (15) days of submission of an application for final plat to the City for any phase of the Development, the Developer agrees to dedicate any or all road rights-of-way without expense to the City.

Section 15. Default.

A. Subject to extensions of time by mutual consent in writing, failure or delay by either party or Landowner not released from this Agreement, to perform any term or provision of this Agreement shall constitute a default. In the event of alleged default or breach of any terms or conditions of this Agreement, the party alleging such default or breach shall give the other party or Landowner not less than thirty (30) days notice in

writing, specifying the nature of the alleged default and the manner in which said default may be cured. During this thirty (30) day period, the party or Landowner charged shall not be considered in default for purposes of termination or institution of legal proceedings.

B. After notice and expiration of the thirty (30) day period, if such default has not been cured or is not being diligently cured in the manner set forth in the notice, the other party or Landowner to this Agreement may, at its option, institute legal proceedings pursuant to this Agreement. In addition, the City may decide to file an action to enforce the City's Codes, and to obtain penalties and costs as provided in the Gig Harbor Municipal Code for violations of this Development Agreement and the Code.

Section 16. Effect upon Termination on Developer Obligations.

Termination of this Agreement as to the Developer of the Subject Property or any portion thereof shall not affect any of the Developer's obligations to comply with the City Comprehensive Plan and the terms and conditions or any applicable zoning code(s) or subdivision map or other land use entitlements approved with respect to the Subject Property, any other conditions of any other development specified in the Agreement to continue after the termination of this Agreement or obligations to pay assessments, liens, fees or taxes.

Section 17. Assignment and Assumption. The Developer shall have the right to sell, assign or transfer this Agreement with all their rights, title and interests therein to any person, firm or corporation at any time during the term of this Agreement. Developer shall provide the City with written notice of any intent to sell, assign, or transfer all or a portion of the Property, at least 30 days in advance of such action.

Section 18. Covenants Running with the Land. The conditions and covenants set forth in this Agreement and incorporated herein by the Exhibits shall run with the land and the benefits and burdens shall bind and inure to the benefit of the parties. The Developer, Landowner and every purchaser, assignee or transferee of an interest in the Subject Property, or any portion thereof, shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, but only with respect to the Subject Property, or such portion thereof, sold, assigned or transferred to it. Any such purchaser, assignee or transferee shall observe and fully perform all of the duties and obligations of a Developer contained in this Agreement, as such duties and obligations pertain to the portion of the Subject Property sold, assigned or transferred to it.

Section 19. Amendment to Agreement; Effect of Agreement on Future Actions. This Agreement may be amended by mutual consent of all of the parties, provided that any such amendment shall follow the process established by law for the adoption of a development agreement (see, RCW 36.70B.200). However, nothing in

this Agreement shall prevent the City Council from making any amendment to its Comprehensive Plan, Zoning Code, Official Zoning Map or development regulations affecting the Subject Property during the next five years, as the City Council may deem necessary to the extent required by a serious threat to public health and safety. Nothing in this Development Agreement shall prevent the City Council from making any amendments of any type to the Comprehensive Plan, Zoning Code, Official Zoning Map or development regulations relating to the Property.

Section 20. Releases. Developer, and any subsequent Landowner, may free itself from further obligations relating to the sold, assigned, or transferred property, provided that the buyer, assignee or transferee expressly assumes the obligations under this Agreement as provided herein.

Section 21. Notices. Notices, demands, correspondence to the City and Developer shall be sufficiently given if dispatched by pre-paid first-class mail to the addresses of the parties as designated in Section 5. Notice to the City shall be to the attention of both the City Administrator and the City Attorney. Notices to subsequent Landowners shall be required to be given by the City only for those Landowners who have given the City written notice of their address for such notice. The parties hereto may, from time to time, advise the other of new addresses for such notices, demands or correspondence.

Section 22. Applicable Law and Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. If litigation is initiated to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. Venue for any action shall lie in Pierce County Superior Court or the U.S. District Court for Western Washington.

Section 23. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity other than a party or a Landowner to challenge this Agreement or any provision herein, the City may elect to tender the defense of such lawsuit or individual claims in the lawsuit (but not the liability associated with such lawsuit or claims) to Developer and/or Landowner(s). In such event, Developer and/or such Landowners shall hold the City harmless from and defend the City from all costs and expenses incurred in the defense of such lawsuit or individual claims in the lawsuit, including but not limited to, attorneys' fees, costs, expert witness fees. The Developer and/or Landowner shall not settle any lawsuit without the consent of the City. The City shall act in good faith and shall not unreasonably withhold consent to settle.

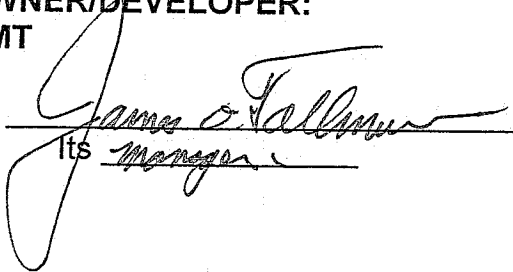
Section 24. Specific Performance. The parties specifically agree that damages are not an adequate remedy for breach of this Agreement, and that the parties are entitled to compel specific performance of all material terms of this Development Agreement by any party in default hereof.

Section 25. Severability. If any phrase, provision or section of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any statute of the State of Washington which became effective after the effective date of the ordinance adopting this Development Agreement, and either party in good faith determines that such provision or provisions are material to its entering into this Agreement, that party may elect to terminate this Agreement as to all of its obligations remaining unperformed.

IN WITNESS WHEREOF, the parties hereto have caused this Development Agreement to be executed as of the dates set forth below:

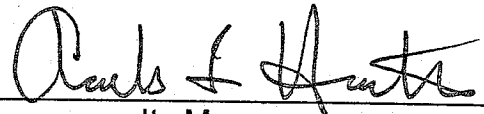
**OWNER/DEVELOPER:
HMT**

By


Its Manager

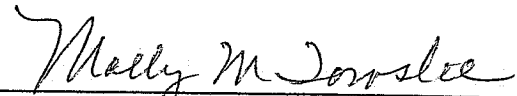
CITY OF GIG HARBOR

By


Its Mayor

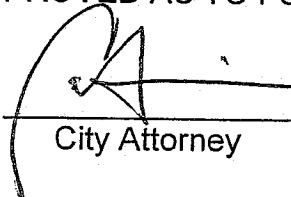
ATTEST:

By


City Clerk

APPROVED AS TO FORM:

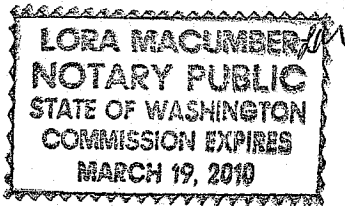
By


City Attorney

STATE OF WASHINGTON)
)
COUNTY OF Pierce) ss.

I certify that I know or have satisfactory evidence that James O. Tallman 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 General Partner of HMT., to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: June 30, 2010



Lora Macumber

Lora Macumber

(print or type name)

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

Gig Harbor

My Commission expires 3/19/2010

STATE OF WASHINGTON)
)
COUNTY OF PIERCE) ss.

I certify that I know or have satisfactory evidence that Charles L. Hunter is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he 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: 7-10-06

Molly M. Towslee

Molly M. Towslee

(print or type name)

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

Gig Harbor WA

My Commission expires: 12-2-07

Exhibit A
Legal description of the Subject Property

EXHIBIT "A"

(Legal Description of Tax Parcels #02-21-17-2-076 and 02-21-17-2-115)

The West one-half of the South one-half of the Southwest of the Northwest of Section 17, Township 21 North, Range 2 East of the Willamette Meridian; except the south 400 feet thereof and except the west 30 feet for the County Road (CAUSE #85-4-01658-3 & A657763)

Together with:

The South 165 feet of the North 495 feet of the following described property (after taking out exceptions): The Southwest quarter of the Northwest quarter of Section 17, Township 21 North, Range 2 East of the Willamette Meridian:

except the North one-half of the North one-half of the North one-half of the Southwest quarter of the Northwest quarter of said section;

except the west 30 feet for the road.

Exhibit B Map showing approved Comprehensive Amendment

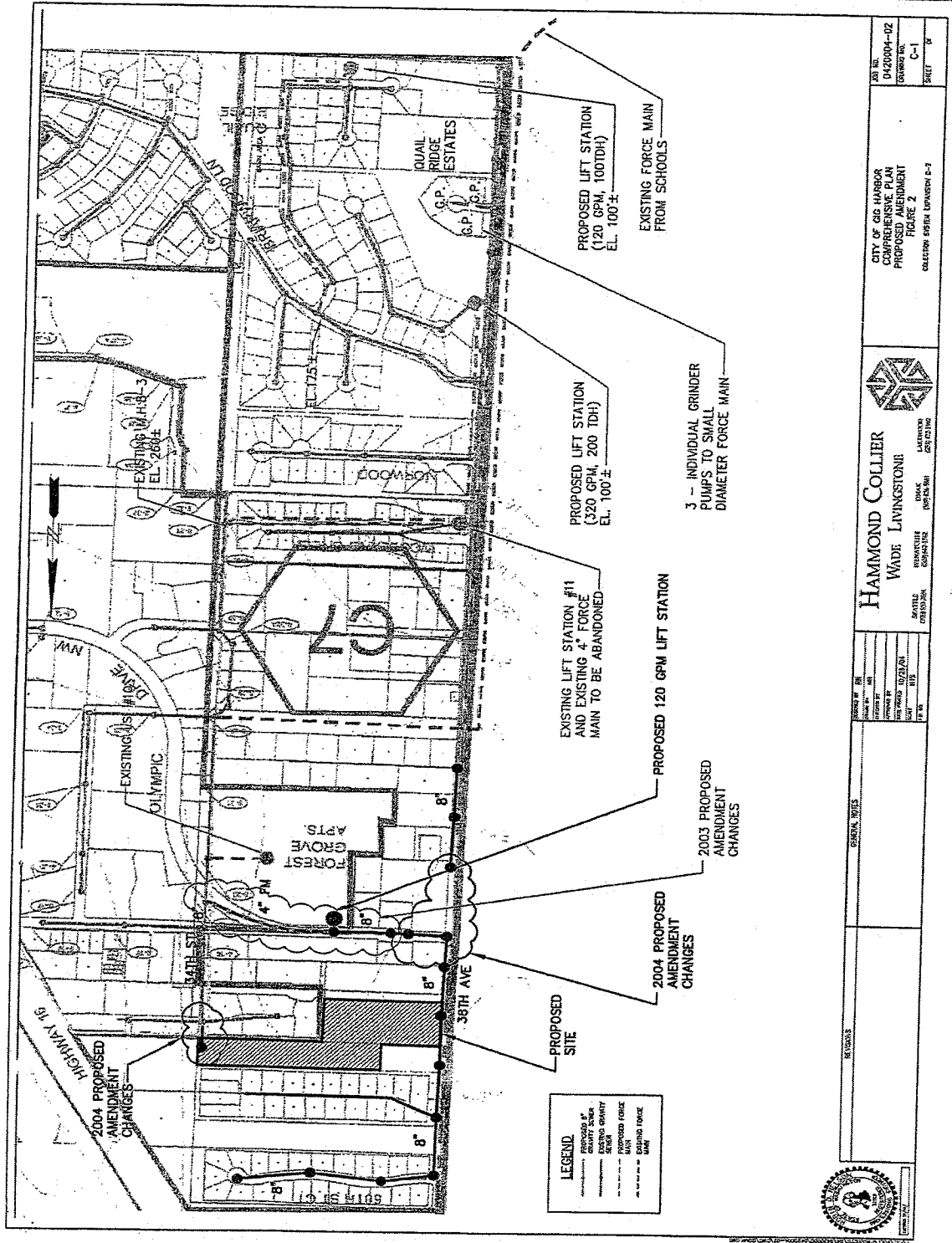


Exhibit C
Mitigation to be performed by HMT Partnership

**CPA 05-03 (Tallman/Halsan AKA HMT Partnership) Site-Specific Potential
Mitigation Measures
Page 96 & 97 FSEIS**

Land Use

Require the site developer to comply with existing comprehensive plan and development regulations concerning land use impacts. Refer to:

- GHMC Title 17.16 regulates development in the R-1 zone; and
- GHMC 18.08 regulates development in environmentally sensitive areas and provides protective measures, including buffers and setbacks for urban level development when located adjacent to critical areas.

Public Facilities

The development must comply with all provisions of the Wastewater Comprehensive Plan as amended in this FSEIS. Specifically the sewer facilities must connect to the planned facilities as described in Figure 7 as follows:

- Construct planned 8-inch gravity sewer main in 56th Street NW/Olympic Drive, from 38th Avenue NW eastward to planned lift station. Construct lift station. Construct 4 inch force main from lift station to existing sewer main in Olympic Drive near 34th Avenue NW.
- Construct planned 8-inch gravity sewer mains from the site southward, via 38th Avenue NW and via the extension of 34th Avenue NW, to connect to above-described sewer mains in 56th Street NW/Olympic Drive NW.
- Construct on-site 8 inch sewer mains for gravity flow to 34th and 38th Avenues without the use of a lift station or force main on the development site.

Transportation

Transportation impacts would be mitigated by payment of the city's traffic impact fee, and compliance with the city's concurrency management ordinance. Because of the existing LOS deficiency at the intersection of 38th Avenue NW and 56th Street NW, and the lack of a currently funded improvement to correct that deficiency, development approval on this site must be denied unless or until a financial strategy is in place to provide the needed improvements to remove the LOS deficiency. Capacity improvements for this intersection have been developed in City plans for the 56th Street NW/Olympic Drive NW corridor, including additional approach lanes, turn pockets, and signal revisions; however, these improvements are not funded. These improvements will add new capacity equal to approximately 1,800 peak hour vehicles,

for the corridor and also to this deficient intersection. The proposed development's proportionate share of future capacity for this intersection and improvements to the overall corridor is $18/1800 = 1.0$ percent. In order to remove the capacity deficiency at the intersection, however, a specific capacity improvement at the intersection must be provided that is at least commensurate with the magnitude of the development's impacts. Under GMA, the applicant has the options to provide an improvement of such magnitude, or wait for others to provide the improvement, or to modify the development proposal to reduce the site impacts.

The recommended mitigation to allow approval of this development application is as follows:

- Pay the city's traffic impact fee, based on 23 single-family dwelling units
- Construct left-turn pockets on 38th Avenue NW approaching 56th Street SW, northbound and southbound, and provide necessary matching reconstruction of pavement on both approaches to current city standards including curb/gutter/sidewalk parallel to the length of the left-turn pockets, and provide necessary matching signal control revisions. Alternatively, agree to one percent of the cost of the corridor improvements planned for 56th Street NW/Olympic Drive NW, as a contribution to the financial strategy to complete this corridor within six years.

UNAVOIDABLE ADVERSE IMPACTS

With respect to cumulative impacts of development up to the limits of the land use plan, traffic volumes will greatly increase in the Borgen Boulevard corridor until buildout is realized. Assuming all suggested mitigation measures are implemented, LOS standards will be met (or nearly so) at all locations; however, the congestion at key intersections will remain greater than existing conditions. With respect to site-specific unavoidable adverse impacts of CPA 04-01, CPA 05-01, and CPA 05-03, none are anticipated provided that all recommended mitigation is provided.

Exhibit D
Comprehensive Plan Transportation Element Revisions, Chapter 11

CITY OF GIG HARBOR
2005 COMPREHENSIVE PLAN AMENDMENTS
FINAL SUPPLEMENTAL EIS

APPENDIX B:
COMPREHENSIVE PLAN CHAPTER 11,
TRANSPORTATION ELEMENT
(PROPOSED REVISIONS)

Prepared by
David Evans and Associates, Inc.



415 - 118th Avenue SE
Bellevue, WA 98005

Prepared for
City of Gig Harbor



3510 Grandview Street
Gig Harbor, WA 98335

COGH0000-0025

April 5, 2006

Chapter 11

TRANSPORTATION

SECTION 1. EXISTING CONDITIONS

The City of Gig Harbor is required, under the state Growth Management Act (GMA), to prepare a Transportation Element as part of its Comprehensive Plan. In 1994, the City completed an update of its comprehensive land use plan to comply with GMA requirements and help estimate future traffic growth within the city. Since then, Gig Harbor has annexed portions of unincorporated Pierce County surrounding it. This update reflects changes that have occurred since 1994, using 1998 as existing conditions and 2018 as the planning horizon. **Figure 1-1** shows the Gig Harbor urban growth area.

The specific goal of the GMA, with regard to transportation, is to “encourage efficient multi-modal transportation systems that are based on regional priorities and coordinated with county and city comprehensive plans.” The GMA requires that the local comprehensive plans, including the land use and transportation elements, be consistent and coordinated with required regional programs. In addition, the GMA requires that transportation facility and service improvements be made concurrent with development.

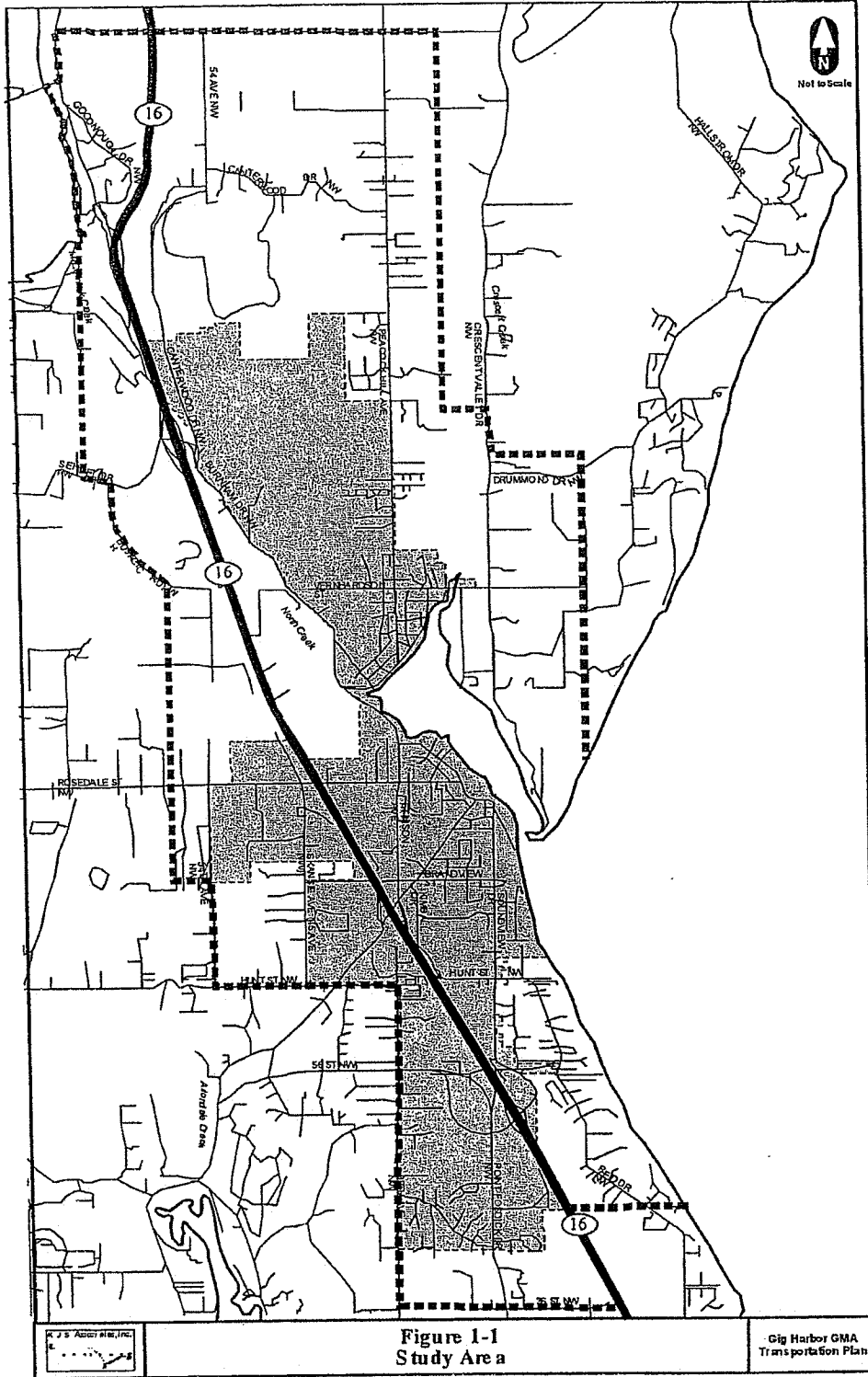
Existing Transportation System

This section of the transportation plan describes the existing transportation system conditions in the study area, including a description of the roadway characteristics, functional classification, traffic volumes, level of service, accidents, and transit service. Planned transportation improvements from the Washington State Department of Transportation (WSDOT) Plan, Pierce County Capital Facilities Element of the Comprehensive Plan, the Pierce County Six-Year Transportation Improvement Program (TIP) and Gig Harbor Six-Year TIP are also described.

Functional Classification and Connectivity

Roadway hierarchy based on functional classification provides a network of streets based on distinct travel movements and the service they provide. Roadway layout shall be based primarily on the safety, efficiency of traffic flow, and functional use of the roadway. Roadways are divided into boulevards, arterials, major and minor local residential, private streets, and alleys.

Roadways of all classifications shall be planned to provide for connectivity of existing and proposed streets in relation to adjoining parcels and possible future connections as approved by the Community Development Department. New development roadway systems should be designed so as to minimize pedestrian travel to bus stops.



Boulevards and arterials are intended for the efficient movement of people and goods and have the highest level of access control. They have limited access and accommodate controlled intersections. Boulevards and arterials have been identified in the most current adopted version of the *City of Gig Harbor Transportation Plan*. The City Engineer will classify all new roadways.

Collectors generally connect commercial, industrial, and residential projects to other collectors, arterials, and boulevards and have a moderate level of access control. Minor collectors may be used if turn lanes are not required. If the collector connects to another collector or to an arterial, the roadway shall be a major collector. The City will determine if a collector is a major or minor, type I or type II, based on a review of the development potential of all contributing properties, the exiting right-of-way if it is an existing roadway, and the necessity of turn lanes. Auxiliary left turn lanes are desired when connecting to boulevards, arterials, and major collectors. Collectors are identified in the most current adopted version of the *City of Gig Harbor Transportation Plan*. The City Traffic Engineer will classify all new roadways.

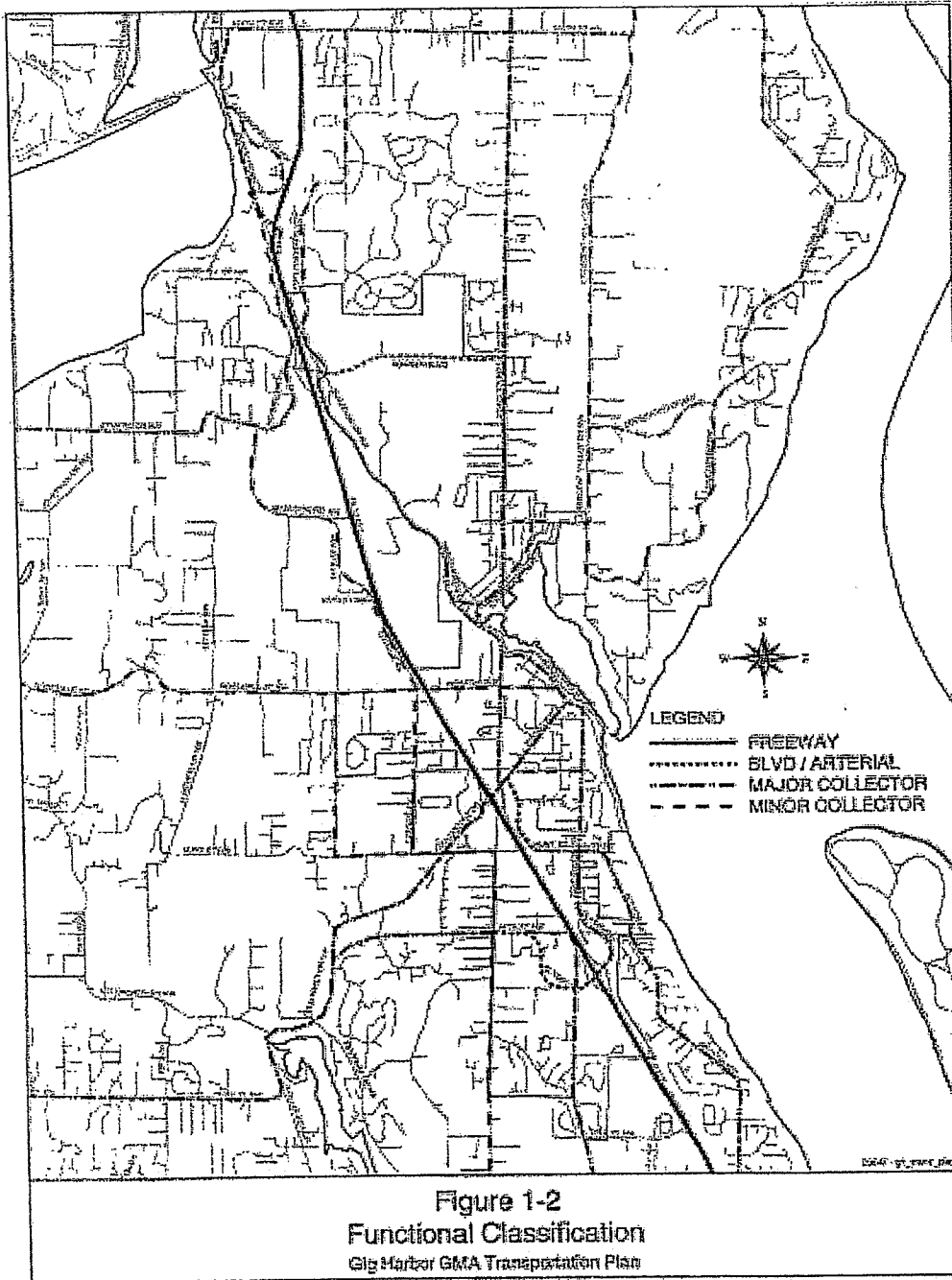
Major and minor local residential streets shall interconnect with each other and with minor collectors and have a minimum level of access control. Alleys in residential neighborhoods are encouraged. If the local residential street connects to a major collector or to an arterial, the street shall be a major local residential. In such developments, connectivity shall be a key design factor, although the internal flow shall be discontinuous to discourage cut-through traffic movement and excessive speed. Traffic calming techniques shall be designed into all residential subdivisions.

The pedestrian network shall be paramount in the residential roadway network. Minor local residential streets serve as land access from residences and generally connect with major local residential and minor collectors. Safety is always the major consideration when determining intersection locations and connectivity.

State-owned transportation facilities and highways of statewide significance [See also Section 5]

In 1998, the Washington State Legislature enacted the "Level of Service Bill" (House Bill 1487) which amended the Growth Management Act (GMA) to include additional detail regarding state-owned transportation facilities in the transportation element of comprehensive plans. Within Gig Harbor, SR 16 has been designated as a Highway of Statewide Significance (HSS) in WSDOT's Highway System Plan (HSP). SR 16 provides the major regional connection between Tacoma, Bremerton, and the Olympic Peninsula. It connects to Interstate 5 in Tacoma and to SR 302 in Purdy. Through Gig Harbor, SR 16 is a full limited access four lane freeway with interchanges at Olympic Drive, Pioneer Way and Burnham Drive. It is classified as an urban principal arterial.

The only other state-owned facility within the planning area is SR 302 which connects SR 16 across the Key Peninsula with SR 3 to Shelton. It is a two-lane state highway with no access control.



Local Transportation System

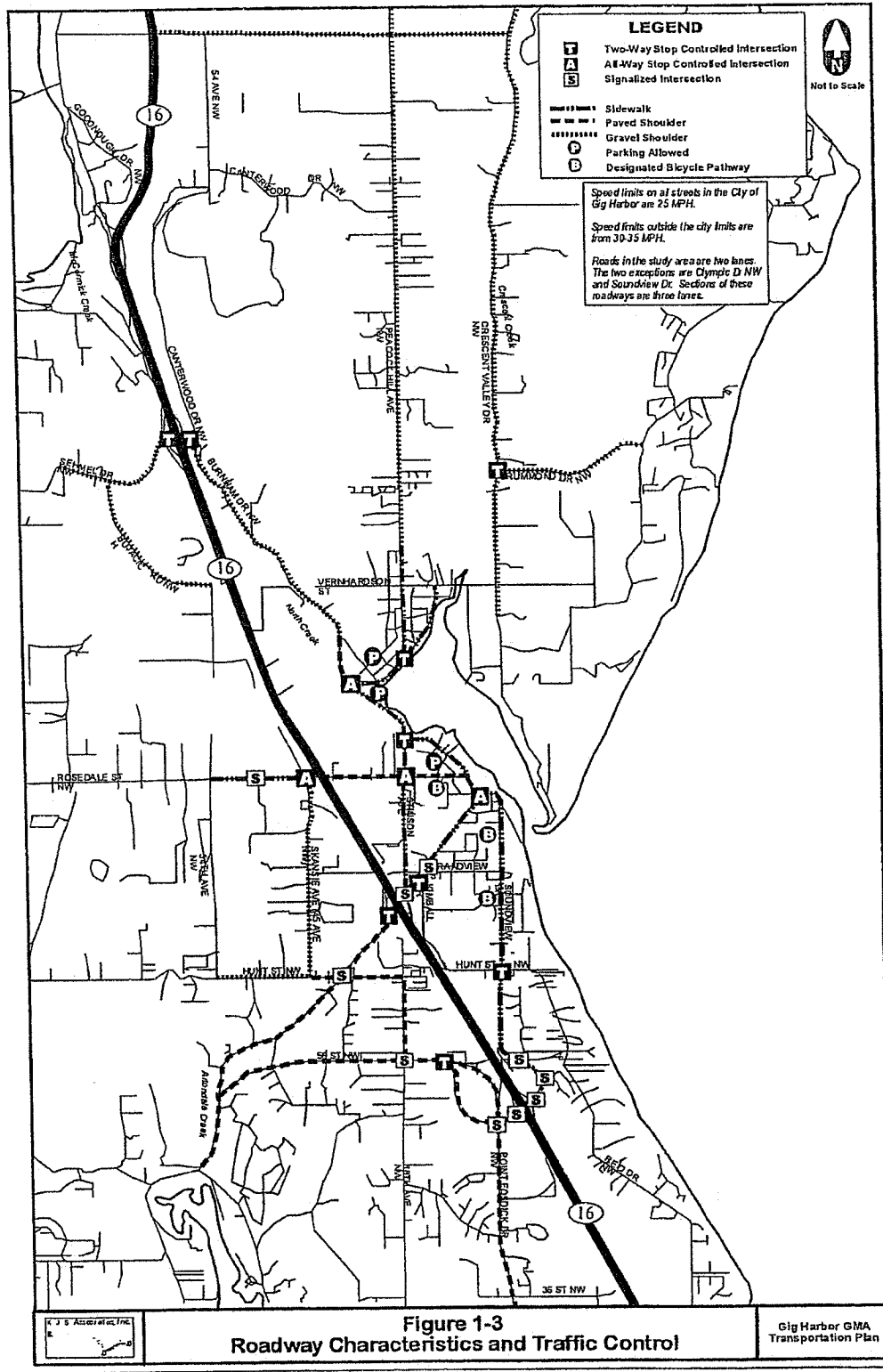
The downtown area of Gig Harbor and surrounding residences are served by the interchange with SR 16 at Pioneer Way. The southern portion of the city is served by the Olympic Drive NW interchange, and north of the existing city limits, access from SR 16 is provided by the Burnham Drive NW interchange.

One of the key north-south arterials serving the city and local residences is Soundview Drive, which becomes Harborview Drive through downtown Gig Harbor. Pioneer Way also provides access to residences and downtown Gig Harbor. Access to the unincorporated areas north of the city is provided by Peacock Hill Road, Crescent Valley Drive, Burnham Drive NW, and Borgen Boulevard. Outside the city limits to the southwest, Olympic Drive NW and Wollochet Drive NW provide access to residential areas in unincorporated Pierce County.

The roadway characteristics of these arterials in the study area are shown in **Figure 1-3**. The majority of roadways within the city limits are two lanes with a speed limit of 25 mph. The speed is reduced to 20 mph along North Harborview Drive in the downtown area. There are retail shops on both sides of the street in this area, and the reduced speed provides increased safety for pedestrians crossing the street between shops. In addition, Soundview Drive has three lanes (one lane in each direction and a center, two-way, left-turn lane along portions of the roadway). Outside of the city limits, all roadways are also two lanes, with the exception of Olympic Drive NW (56th Street NE), Point Fosdick Drive, and Borgen Boulevard, which have three lanes in some sections, and Point Fosdick Drive which has five lanes from Olympic to 44th Street NW. Borgen Boulevard has portions of four lanes with two roundabouts. The speed limit on these roadways varies between 30 and 35 mph.

Pedestrian and bicycle facilities are an integral part of the transportation network, and the provision for these facilities will be incorporated in the transportation improvement program. Currently, sidewalks are provided at least on one side of the roadway on most city arterials. In addition, separate bicycle lanes are provided on various roadways, including Soundview Drive and on portions of Rosedale Street, Point Fosdick Drive, and North Harborview Drive. Parking is allowed in the retail center on Harbor View Drive and North Harborview Drive.

Existing intersection traffic control devices also are indicated on **Figure 1-3**. Within the city, there are signalized intersections at Pioneer Way/Grandview Street, Pioneer Way/Kimball Drive, Olympic Drive /Point Fosdick Drive, Wollochet Drive/Hunt Street, Olympic Drive/Holycroft Street, Rosedale Street/Schoolhouse Avenue, and 38th Avenue/56th Street. In addition, the SR 16 northbound and southbound ramps at Olympic Drive, and the SR 16 northbound ramp at Pioneer Way, are signalized. All other major intersections and SR 16 ramp intersections are stop sign controlled, except the SR 16/Burnham Drive northbound and southbound ramps, which intersects a single lane roundabout on the southbound ramps and a two-lane roundabout on the northbound ramps.



Traffic Volumes

A comprehensive set of street and intersection traffic counts was collected in 1997. Average weekday traffic volumes (AWDT) are summarized in **Figure 2-1**. AWDT volumes represent the number of vehicles traveling a roadway segment over a 24-hour period on an average weekday. P.M. peak hour traffic volumes represent the highest hourly volume of vehicles passing through an intersection during the 4-6 p.m. peak period. Since the p.m. peak period volumes usually represent the highest volumes of the average day, these volumes were used to evaluate the worst case traffic scenario that would occur as a result of the development.

Intersection Level Of Service

The acknowledged method for determining intersection capacity is described in the current edition of the Highway Capacity Manual (*Transportation Research Board [TRB], Special Report 209*). Capacity analyses are described in terms of Level of Service (LOS). LOS is a qualitative term describing the operating conditions a driver will experience while driving on a particular street or highway during a specific time interval. It ranges from LOS A (little or no delay) to LOS F (long delays, congestion).

The methods used to calculate the levels of service in the 1998 analysis are described in the *1994 Highway Capacity Manual* (Special Report 209, Transportation Research Board). The measure of effectiveness for signalized intersections is average stopped delay, which is defined as the total time vehicles are stopped in an intersection approach during a specified time period divided by the number of vehicles departing from the approach in the same time period.

The methods used to calculate the levels of service subsequent to 2000 are described in the 2000 Highway Capacity Manual (Special Report 209, Transportation Research Board). The measure of effectiveness for signalized intersections is control delay, which is defined as the sum of the initial deceleration delay, queue move up delay, stopped delay and final acceleration delay.

For unsignalized intersections, level of service is based on an estimate of average stopped delay for each movement or approach group. The evaluation procedure is a sequential analysis based on prioritized use of gaps in the major traffic streams for stop controlled and yield controlled movements (i.e., left turns off of the major street); these two movement types at unsignalized intersections will be referred throughout the remainder of this report as “controlled movements”. In most jurisdictions in the Puget Sound region, LOS D or better is defined as acceptable, LOS E as tolerable in certain areas, and LOS F as unacceptable.

The City of Gig Harbor is required by RCW 36A.070(6)(b) “to prohibit development approval if the development causes the level of service on a locally owned transportation facility to decline below the standards adopted in the transportation element of the comprehensive plan, unless transportation improvements or strategies to accommodate the impacts of the development are made concurrent with the development.”

The City of Gig harbor has constructed several roundabouts since adoption of the transportation element, including a six-legged roundabout at the intersection of Borgen Blvd, Burnham Drive,

Canterwood Blvd and the SR 16 on and off-ramps. These intersections require evaluation with specific roundabout analysis software. The City of Gig Harbor will determine appropriate LOS analysis procedures for the roundabouts consistent with the LOS policy of the plan. The City or its designee will conduct all LOS calculations for roundabouts in the City of Gig Harbor to ensure consistency in analysis. Developers will reimburse the city or its designee the cost to complete the analysis if the development is shown to impact a roundabout with any new trips.

Traffic Accidents

Traffic accident records compiled by the Gig Harbor Police Department for the 17-month period from January, 1999, through and including May, 2000, were reviewed. The Police Department accident records included the date and location of each accident, and specified an accident type: "injury," "non-injury," "hit-and-run," "parking lot," or "pedestrian/cyclist."

During the 17-month period analysis period there were 308 accidents on the Gig Harbor street system, of which 72 (23%) were injury accidents. Only two accidents involved pedestrians or bicyclists, though both of these accidents involved injuries.

The streets with the greatest accident experience were Olympic Drive, along which 84 accidents occurred (five per month), and Point Fosdick Drive, along which 69 accidents occurred (four per month). Pioneer Way and Hunt Street each experienced 22 accidents, and Wollochet Drive and Harborview Drive each experienced 18. No other street experienced more than 15 accidents.

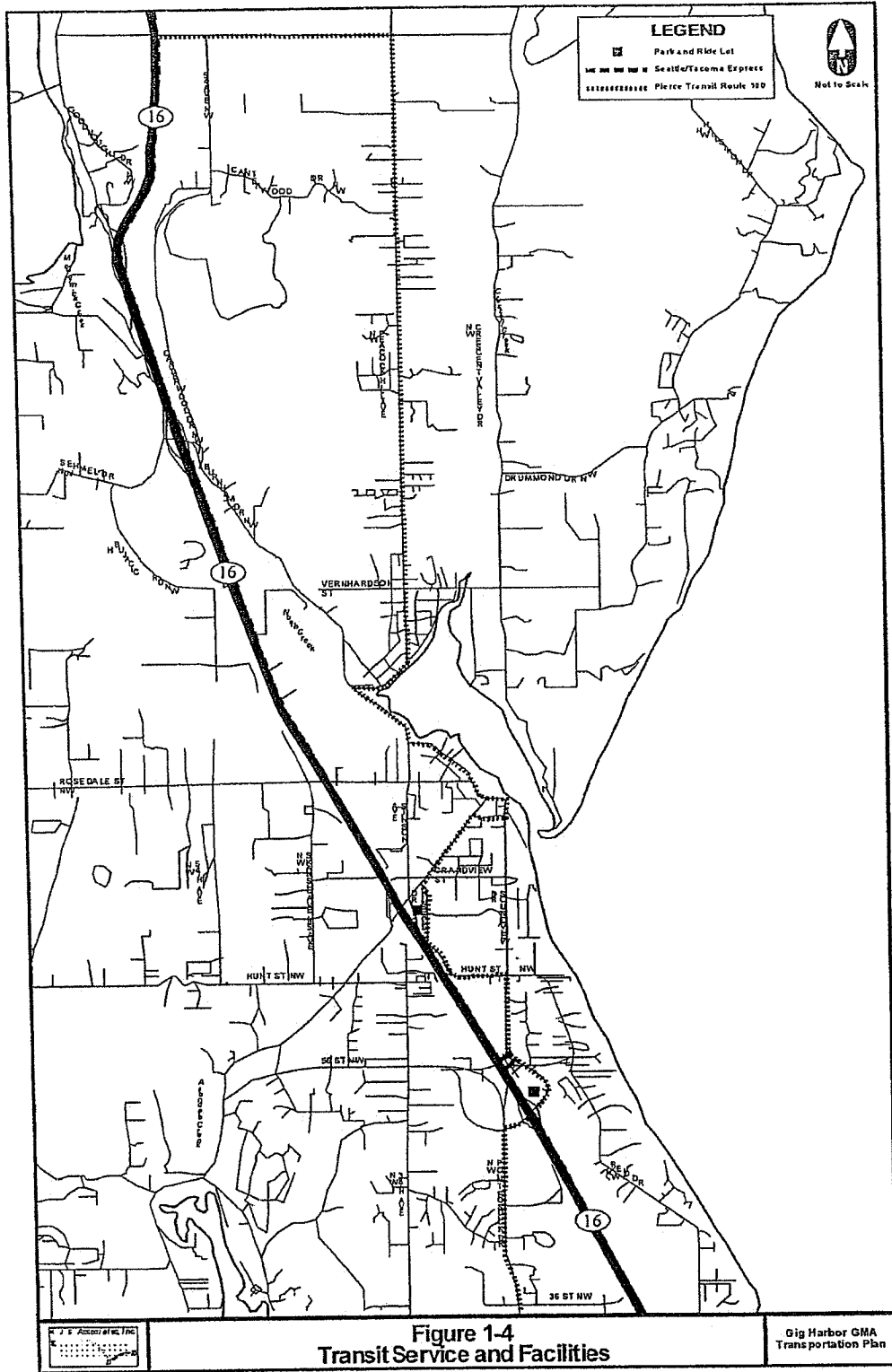
Transit Service and Facilities

The service provider for Gig Harbor is Pierce Transit. The four transit routes that currently serve Gig Harbor are shown in Figure 1-4.

Route 100 extends from the Gig Harbor Park and Ride to the Tacoma Community College Transit Center. During weekdays, the route operates on half-hour headways, and on one-hour headways on the weekends. Route 102 provides express bus service from Purdy to Downtown Tacoma via the Gig Harbor Park and Ride. It operates during weekday peak hours only, with service being provided every 30 minutes.

Local bus service in Gig Harbor is provided by Routes 111 and 112. Route 111 runs from the Gig Harbor Park and Ride to the Gig Harbor Library at Point Fosdick. Hourly service from morning to evening is provided on this route seven days a week. Route 112 extends from the Purdy Park and Ride to the Gig Harbor Park and Ride via Peacock Hill Avenue. Transit service for this route also operates on one hour headways, seven days a week. Route 113 from Key Center connects with Routes 100, 102, and 112 at the Purdy Park and Ride.

Pierce Transit continues to look at ways to improve transit service to and from the peninsula area. Possible improvements include the creation of several entirely new park and rides. The creation of new transit routes will depend heavily on increased capacity on the Tacoma Narrows Bridge.



Planned Transportation Improvements

Based on projections by Pierce County, this area of the state, including the study area, will continue to grow. Specifically, it is expected that residential growth will occur on the Gig Harbor peninsula and job growth will occur in the area between the city and Tacoma.

Pierce County Transportation Plan

In order to adequately address the existing and future transportation issues, Pierce County completed the Pierce County Transportation Plan in 1992. The proposed project list was updated in 2000 and incorporated into the Gig Harbor Peninsula Community Plan. The project list has not been revised since adoption of the Community Plan in 2001. Project priorities are identified as: Premier Priority, High Priority, Medium Priority, and Low Priority. Conservatively, Pierce County believes they will be able to fund all Premier and High Priority projects and half of the Medium Priority projects. Optimistically, they hope to be able to fund all projects on county roads. Premier and High Priority projects that impact the study area are listed below.

Premier Priority

- P28. 56th Street, Wollochet Drive to Point Fosdick Drive: Widen to four lanes; provide pedestrian and drainage improvements.
- P29. Wollochet Drive, 40th Street to Gig Harbor City Limits: Widen to four lanes; improve intersections and shoulders.
- P53. Sehmel Drive NW, 70th Avenue NW to Bujacich Road NW: Improve intersections, alignment and shoulders.
- P63. 38th Avenue, 36th Street to Gig Harbor City Limits: Improve intersection and shoulders.
- P73. Jahn Ave/32nd Street/22nd Avenue, Stone Drive to 36th Street: Realign and improve shoulders

High Priority

- P30. Point Fosdick Drive, 56th Street to Stone Drive: Provide pedestrian and drainage improvements; improve intersections.
- P42. Hunt Street NW, Lombard Drive NW to Gig Harbor city limits: Improve intersections, alignment, and shoulders.
- P50. Ray Nash Drive NW, 36th Street NW to Rosedale Street NW: Improve alignment and widen shoulders.

- P64. 144th Street NW/62nd Avenue NW, intersection (Peninsula High School): Channelization and possible traffic control.
- P68. 96th Street NW, Crescent Valley Drive NW to city limits: Add paved shoulders.
- P76. Point Fosdick Drive NW/Stone Drive NW/34th Avenue NW, intersection: Channelization, traffic control, and realignment.

Pierce County Six-year Transportation Improvement Program (TIP)

The prioritization process for transportation projects in unincorporated Pierce County is implemented through the Six-Year Road Program and the Annual Road Program. The projects identified that impact the study area for 2004-2009 are summarized below.

- Rosedale Street, 66th Avenue NW to Lombard Drive NW. Reconstruct roadway to improve vertical alignment.
- Fillmore Drive/Gustafson/56th Street NW. Provide turn lane(s) at intersection.
- Hunt Street, 46th Avenue NW to Lombard Drive NW: Reconstruct roadway to improve horizontal/vertical alignment.
- Wollochet Drive, Fillmore Drive NW to 40th Street NW: Widen and reconstruct roadway to provide more lane(s).
- Point Fosdick Drive NW/36th Street NW: County portion of Gig Harbor intersection project.
- 36th Street NW, city limits to 22nd Avenue NW. Reconstruct to improve vertical alignment.
- Jahn Avenue NW/32nd Street NW/22nd Avenue NW, 36th Street NW to 24th Street NW. Reconstruct roadway to improve horizontal/vertical alignment.

As future funds become available, the improvement projects from the Pierce County Comprehensive Transportation Plan will be added to the most recent six-year road program.

Gig Harbor Six-year Transportation Improvement Plan (TIP)

The City is required to update its Transportation Improvement Plan (TIP) every year. The TIP is adopted by reference, and a copy of the current plan can be obtained from the City's Public Works Department.

Washington State Department of Transportation Highway Improvement Program

The 20-year WSDOT Highway System Plan includes several potential projects in the Gig Harbor vicinity. These include:

- Construction of a 750 stall park and ride lot in the Purdy area.
- Widening of SR 302 to four lanes with a restricted median from the Key Peninsula Highway to SR 16.
- Widening of SR 16 from four lanes to six creating HOV lanes, interchange improvements, TSM/TDM, and Intelligent Transportation System improvements from SR 302 to the Pierce/Kitsap county line.

WSDOT's funded project list includes:

- Construct core HOV lanes, new interchange, and Intelligent Transportation System improvements to SR 16 between the 36th Street interchange and the Olympic interchange.
- Overlay existing ramps at the Wollochet Drive interchange on SR 16.
- Construct core HOV lanes, interchange improvements, frontage road, and Intelligent Transportation System improvements to SR 16 at the Olympic interchange to Purdy (SR 302)

In addition, WSDOT is currently constructing a new Tacoma Narrows Bridge to provide significantly increased capacity for the congested crossing on the existing bridge. An integral element of the new bridge project is construction of a split diamond interchange with half at 24th Street and half at 36th Street. The 24th Street improvements are integral to the Tacoma Narrows Bridge project, and a portion of the improvements in P73 will be included in the bridge project. The new Tacoma Narrows Bridge will significantly increase highway capacity and improve access between the Gig Harbor/Peninsula area and the "mainland" (Tacoma, I-5, etc.). These capacity and access improvements will have a significant effect on long-term growth and development in and around Gig Harbor, and will affect Gig Harbor area travel patterns, traffic volumes, and transportation improvement needs.

This Gig Harbor Transportation Element, which is based on and developed for the current growth forecasts, does not account for the transportation system needs and impacts associated with a new Tacoma Narrows Bridge.

The WSDOT has funded a study of SR 302 to develop and analyze new alignments for SR 302 from the Kitsap Peninsula to SR 16. The final alignment of SR 302 will affect access and circulation to Gig Harbor.

Concurrency Ordinance

The City of Gig Harbor requires either the construction of or financial commitment for the construction of necessary transportation improvements from the private or public sector within six years of the impacts of a development. Methods for the City to monitor these commitments include:

- Annual monitoring of key transportation facilities within updates to the Six-Year Transportation Improvement Program (TIP);
- Monitoring intersections for compliance with the City's LOS Standard. The City of Gig Harbor LOS for intersections is LOS D; except for specified intersections in the Downtown Strategy Area and North Gig Harbor Study Area.
- The specific intersections and the current LOS for each in the Downtown Strategy Area are:
 - Harborview Drive/North Harborview Drive LOS F
 - Harborview Drive/Pioneer Way LOS F
 - Harborview Drive/Stinson Avenue LOS F
 - Harborview Drive/Rosedale LOS D
 - North Harborview Drive/Peacock Hill LOS C
 - Harborview/Soundview LOS B

The above intersections may be allowed to operate at a LOS worse than D, consistent with the pedestrian objectives identified in the Downtown Strategy Area.

- The specific intersections and the LOS for each in the North Gig Harbor Area are:
 - Burnham Drive/Borgen Drive/Canterwood Blvd/SR16 Ramps LOS E

The above intersection shall operate at LOS E or better (80 seconds of delay)

- Identifying facility deficiencies;
- Reviewing comprehensive transportation plan and other related studies for necessary improvements;
- Making appropriate revisions to the Six-Year TIP; and
- Complying with HB 1487 and WSDOT for coordinated planning for transportation facilities and services of statewide significance.

SECTION 2. TRAFFIC FORECASTING AND ANALYSIS

Traffic forecasting is a means of estimating future traffic volumes based on the expected growth in population and employment within an area. For the Gig Harbor area, traffic forecasts were prepared using current traffic counts, a travel demand forecasting computer model prepared for the Pierce County Transportation Plan, and estimates of population and employment developed

for the City's Comprehensive Land Use Plan. As specified by the Growth Management Act (GMA), a 20 year horizon was used in the process to produce traffic forecasts for 2018.

This is essentially the same process as was followed in the 1994 Comprehensive Plan Transportation Element. Table 2-1 below summarizes the population and employment growth assumptions that were used for the traffic forecasts.

Table 2-1. Growth Assumptions, 1998 - 2018

Year	Population	Employment
1998	6,900	5,230
2006	14,560	7,700
2018	21,370	10,900

Methodology

The growth in population and employment in an area provides a basis for estimating the growth in travel. Population growth generally results in more trips produced by residents of homes in the area, and employment growth generally results in more trips attracted to offices, retail shops, schools, and other employment or activity centers. To estimate future traffic volumes resulting from growth, computerized travel demand models are commonly used. In areas where travel corridors are limited, growth factors applied to existing traffic counts can be also an effective approach to traffic forecasting.

A combined approach was used for the City of Gig Harbor. The Pierce County Transportation Plan computer model developed by KJS provided information on area wide growth and was used as a tool in assigning traffic to various roads and intersections. For growth data, the 1998 Draft Gig Harbor Comprehensive Plan Update (prepared by the Beckwith Consulting Group) was used. Traffic counts taken in 1996 and 1997 provided data on existing travel patterns.

Primary Sources of Information

The primary sources of information used to forecast travel demand in Gig Harbor and the surrounding Urban Growth Area (UGA) were the Pierce County Transportation Model, the Gig Harbor Comprehensive Plan Update, and the Gig Harbor Travel Demand Model.

Pierce County Transportation Model

KJS Associates developed a 2010 travel demand model for Pierce County as a part of the county's GMA Transportation Planning program (the model has since been updated by Pierce County). The Pierce County transportation model is based on the Puget Sound Regional Council's (PSRC) regional model covering King, Pierce, Snohomish and Kitsap Counties. The

model utilizes the standard transportation planning methodology: Trip Generation, Trip Distribution, Modal Choice and Trip Assignment.

For the Pierce County model, a system of traffic analysis zones (TAZs) was developed based on the same boundaries used by the PSRC in the regional model. This enabled KJSA to use the zonal demographic and street network data which PSRC provides, for the regional system, and to refine that information to provide more detail within Pierce County. The model was calibrated to 1990 conditions; 1990 traffic counts were used to calibrate the model's traffic flow patterns, and 1990 demographic/land use data provided the basis for the trip generation, trip distribution, mode choice, and traffic assignment assumptions. All forecasts from the model were based on 2000 and 2010 demographic/land use forecasts from PSRC.

Since the PSRC 20-year demographic forecasts appear to be consistent with the GMA forecasts for the City and IUGA, the PSRC 2010 database was used in the revised Pierce County model as the basis for travel demand forecasts.

Gig Harbor Comprehensive Plan Update

As a part of the Comprehensive Plan Update, the City used the existing and proposed comprehensive land use plans to estimate the residential and employment capacities of various areas of the Gig Harbor Interim Urban Growth Area (IUGA). In doing so, the IUGA was divided into 71 "units", or zones, for analysis purposes.

The existing land uses and an inventory of the number of platted lots within each zone were used to estimate the existing population of each zone. The size of commercial and employment/business areas on the Land Use plan was used to estimate the employment capacities within each zone.

Gig Harbor Travel Demand Model

The 71 land use zones from the Comprehensive Plan were used to create a more detailed traffic analysis zone structure within the Pierce County model. The 1998 population estimates and employment capacities for each of the 71 zones in the Comprehensive Plan Update were used to initially allocate the 1990 population and employment data from PSRC to each TAZ within the IUGA. The 1990 data were used since this is the most recent census which provides complete information for the area outside of the Gig Harbor IUGA. The 1990 data were then factored to 1998 estimates using the Comprehensive Plan information and 1998 traffic counts.

The growth in population and employment within each zone was converted into travel demand by the model. Since the base year was calibrated using 1998 traffic volumes, the 20-year growth in travel demand produced by the model resulted in 2018 travel demand estimates. This is consistent with the requirement of GMA.

Employment growth, unlike population growth, was assumed to occur around existing areas of high employment. Like the allocation of population, employment was allocated to each zone

based on the capacities of the zone as calculated by Beckwith in the Comprehensive Plan Update.

To insure that the travel demand calculated by the model resulted in accurate estimates of traffic volumes on the road network, 1998 traffic counts on selected roads were used to calibrate the model. However, the model results are at best only a rough estimate of future traffic volumes. They provided a guide to general traffic trends and flow patterns, rather than exact traffic volumes on specific roadway links.

All trips were assigned to the City and County arterial system based on existing trip distribution and traffic assignment patterns. In addition to the population and employment forecast assumptions, specific assumptions were required to determine growth in external traffic volumes. For the Pierce County Peninsula Focus Area, the external connections in the south are the SR 16 highway crossing at the Tacoma Narrows Bridge and north to Kitsap County.

North Gig Harbor (NGH) Subarea Traffic Model 2005

A subarea traffic model was developed for the North Gig Harbor Traffic Mitigation Study (2005). The model was developed to analyze three Comprehensive Plan Amendments in 2005/6. Proposed and pipeline projects in the NGH subarea and a buildout analysis were included in the traffic model to identify transportation impacts and required mitigation.

Traffic Analysis (1998)

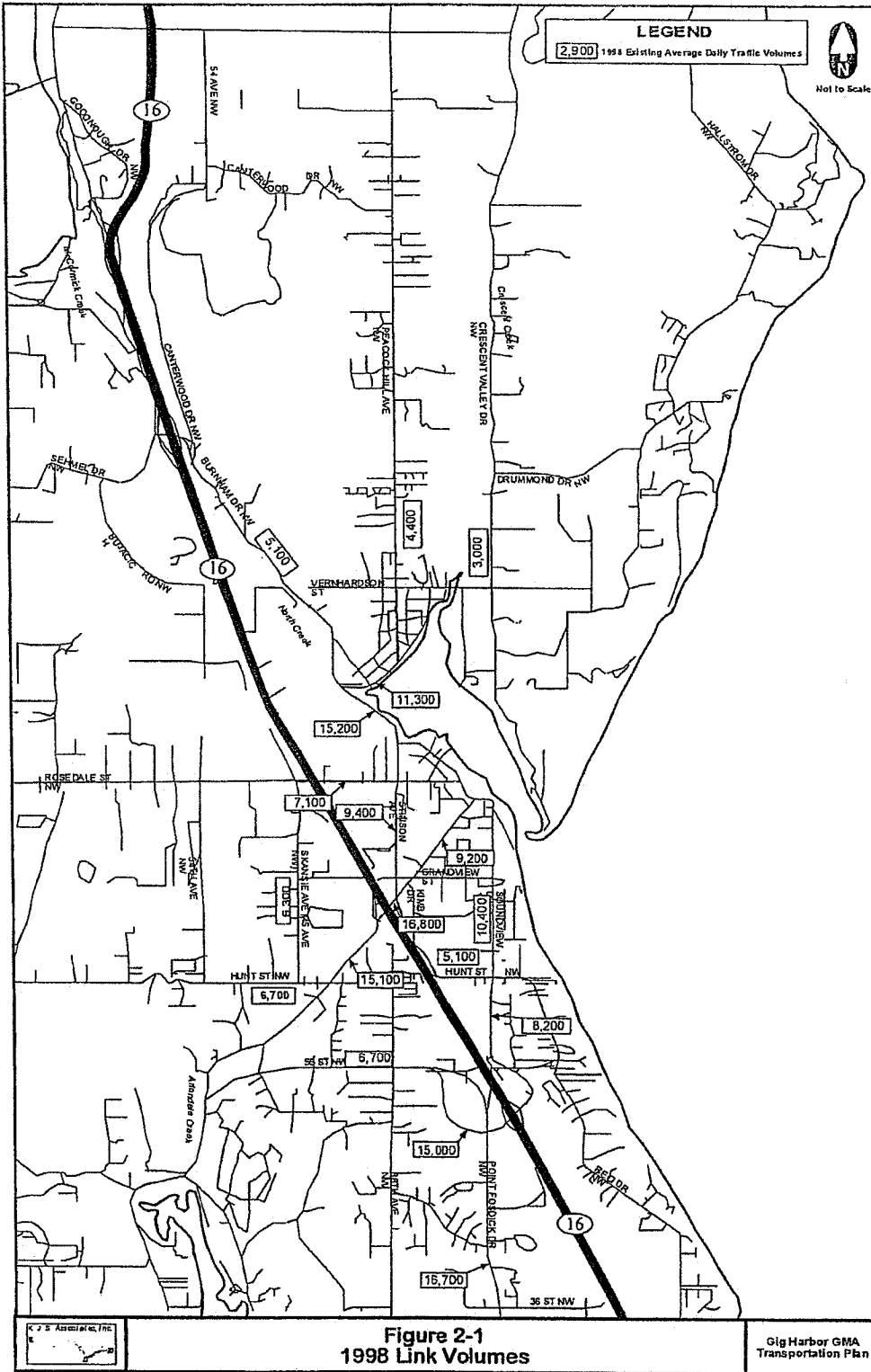
Existing (1998) daily traffic volumes on key roadway segments or links, and intersection levels of service are shown in Figure 2-1. The existing 1998 p.m. peak hour intersection levels of service are compiled in Table 2-2. As shown in Table 2-3 below, there are significant delays at three stop-sign controlled intersections in 1998.

Table 2:2: 1998 Intersection Levels of Service

SIGNALIZED INTERSECTIONS	1998 LOS
38 th Ave E/56th NW	C (D**)
Olympic Dr/SR 16 NB ramps	C (D**)
Olympic Dr/SR 16 SB ramps	C (C**)
Pioneer Wy/Grandview St	A
Pioneer Wy/SR 16 NB ramps	D (E**)
Point Fosdick Dr/Olympic Dr	D (D**)
Rosedale/Schoolhouse	A
Wollochet Dr/Hunt St	B (C**)
UNSIGNALIZED INTERSECTIONS	1998 LOS
36th Ave/Pt Fosdick Dr	C
Crescent Valley Dr/Drummond Dr	B
Harborview Dr/North Harborview Dr	F
Harborview Dr/Pioneer Way	F
Harborview Dr/Stinson Ave	F
Hunt/Skansie	C
Olympic/Hollycroft	C
Peacock Hill Ave/North Harborview Dr	A
Rosedale St/Skansie Ave	B
Rosedale St/Stinson Ave	C
Soundview Dr/Hunt St	B
SR 16 NB ramps/2 lane roundabout	A* (A**)
SR 16 SB ramps/Single lane roundabout	B* (B**)
SR 16 SB ramps/Wollochet Dr	F (F**)
Borgen Blvd/51 st roundabout	A* (A**)

* 2004 existing condition

(A**) 2005 existing condition DEA 2005, City of Gig Harbor 2005 Note: Refer to North Gig Harbor Traffic Mitigation Study for additional 2005 intersection operations in the NGH Study area.



Traffic Analysis - 2018

Once the model was calibrated to existing conditions, growth rates were applied to estimate traffic volumes for 2018. **Figure 2-2** shows roadway link volumes for 2018. **Figure 2-3** shows the intersection level of service for 2018, which is also summarized in **Table 2-3** below.

Table 2-3: PM Peak Hour Intersection Levels of Service

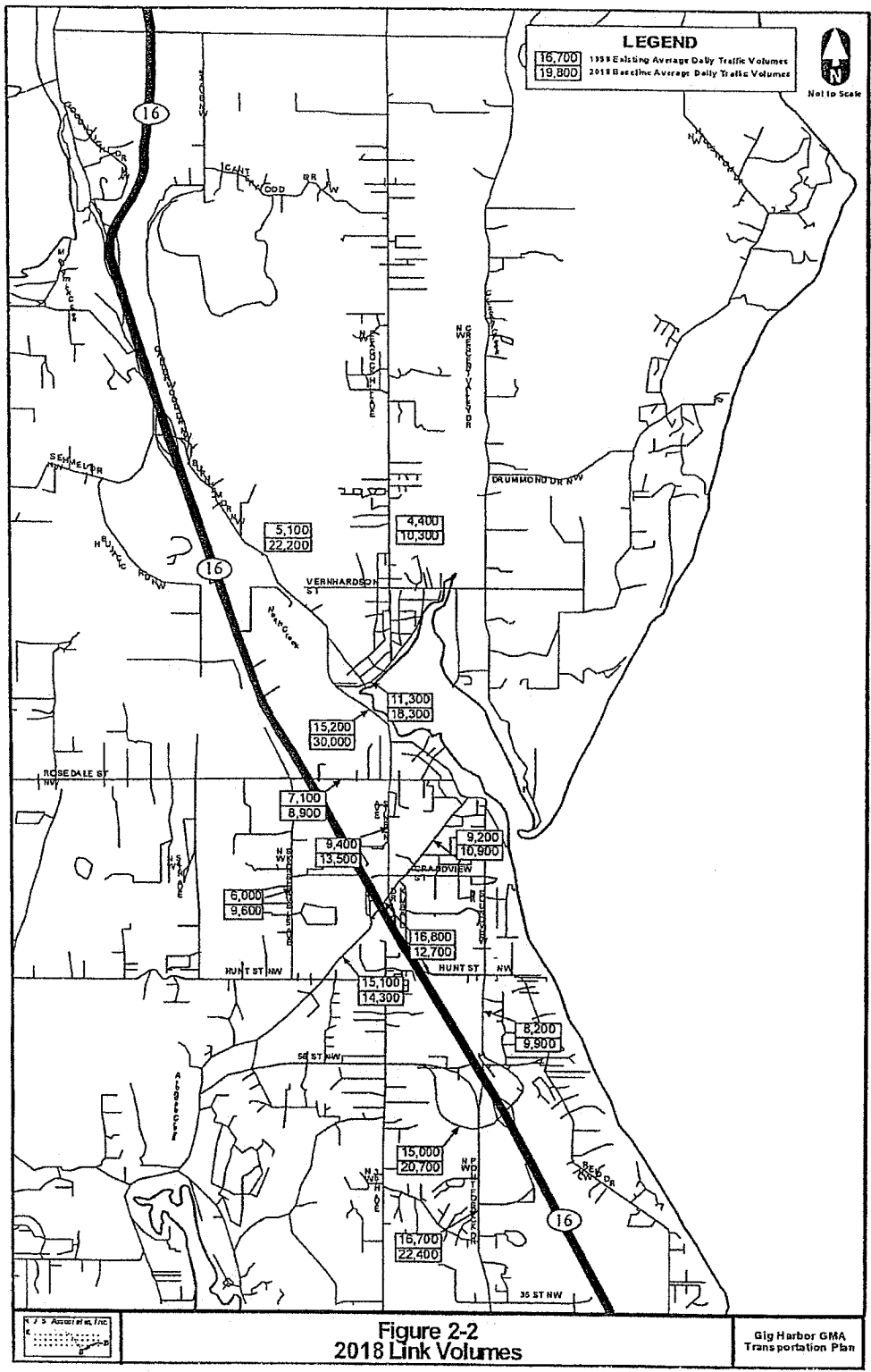
SIGNALIZED INTERSECTIONS	2018 LOS
36 th Ave E/56 th NW	F
Olympic Dr/SR 16 NB ramps	C
Olympic Dr/SR 16 SB ramps	C
Olympic/Hollycroft	C
Pioneer Wy/Grandview St	B
Pioneer Wy/SR 16 NB ramps	D
Point Fosdick Dr/Olympic Dr	D
Rosedale/Schoolhouse	A
Wollochet Dr/Hunt St	F
UNSIGNALIZED INTERSECTIONS	2018 LOS
36 th Ave/ Point Fosdick Dr	F
Crescent Valley Dr/Drummond Dr	F
Harborview Dr/North Harborview Dr	F*
Harborview Dr/Pioneer Wy	F*
Harborview Dr/Stinson Ave	F*
Hunt/Skansie	F
Peacock Hill Ave/North Harborview Dr	B
Rosedale St/Skansie Ave	C
Rosedale St/Stinson Ave	F
Soundview Dr/Hunt St	F
SR 16 NB ramps/2 lane roundabout	D** F***
SR 16 SB ramps/Single lane roundabout	F** F***
SR 16 SB ramps/Wollochet Dr	F
Stinson Ave/Grandview St	F
Borgen Blvd/51 st roundabout	A** E***

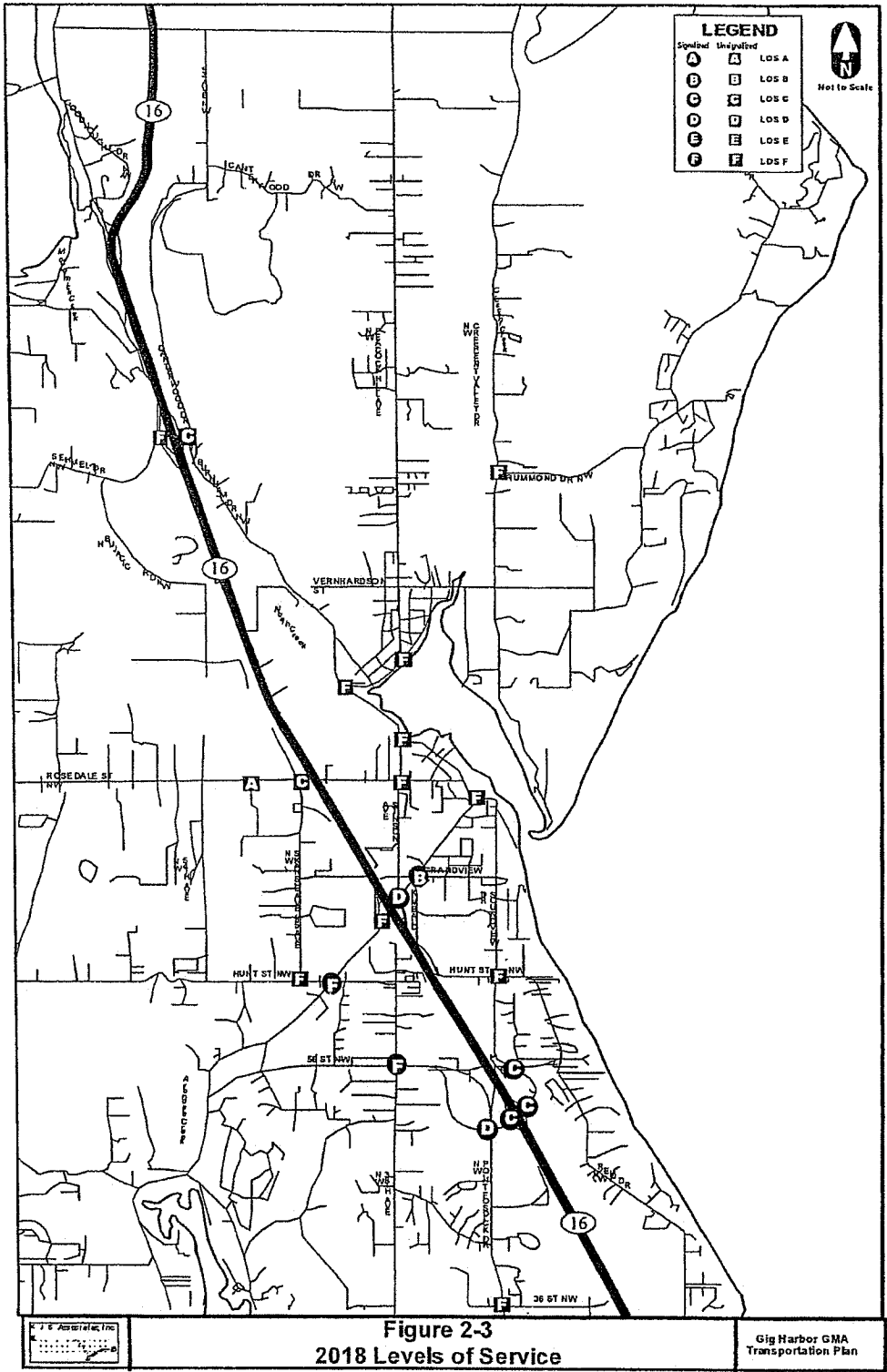
* Located within the downtown strategy area. Intersection impacts will be investigated on a case by case basis with implementation of various transportation strategies.

** 2013 Level of Service Summary

*** 2005 plus unmitigated pipeline conditions DEA 2005

Note: Refer to North Gig Harbor Traffic Mitigation Study for additional updated future intersection operations in the NGH Study area.





North Gig Harbor Traffic Analysis 2005

The North Gig Harbor Traffic Mitigation Study 2005 included an analysis of traffic operations in the NGH area and was completed to identify transportation mitigation requirements for three Comprehensive Plan Amendments. The Study identified near term transportation impacts of pipeline development, near term development proposals and buildout of the subarea. Potential long term mitigation measures for the NGH study area were identified. The future traffic volumes and intersection LOS shown for the NGH subarea are superseded by those in the NGH Traffic Mitigation Study. The technical analysis of the study is incorporated herein by reference.

SECTION 3. ALTERNATIVES ANALYSIS

This section discusses the major transportation system improvements necessary to address identified deficiencies in the 2018 analysis year.

The potential improvements are organized in three categories: 1) roadway improvements, 2) intersection improvements, and 3) other improvements and transportation strategies.

Roadways

Figure 3-1 shows the potential roadway improvements, which include roadway widening, new arterial links, structures, and freeway and ramp improvements. Projects include a new north-south connector from Burnham Drive to Borgen Blvd. for circulation and access in the Gig Harbor north area, and a new east-west. Other improvements call for widening of several arterials, including Olympic Drive NW, Wollochet Drive, and Rosedale Street NW. Several other projects were dependent upon approval and construction of the new Tacoma Narrows Bridge, which is under construction.

North Gig Harbor Roadways 2005

The North Gig Harbor Traffic Mitigation Study 2005 identified a long-range system of transportation improvements to support the buildout of existing and proposed zoning in the NHG Study area, including three proposed Comprehensive Plan Amendments. The projects identified may be considered if needed in future Transportation Improvement Plans (TIP's), consistent with this element to ensure concurrency is maintained. Funding for the roadway plan has not yet been determined, and therefore development approvals may be delayed until funding is secured pursuant to GMA requirements.

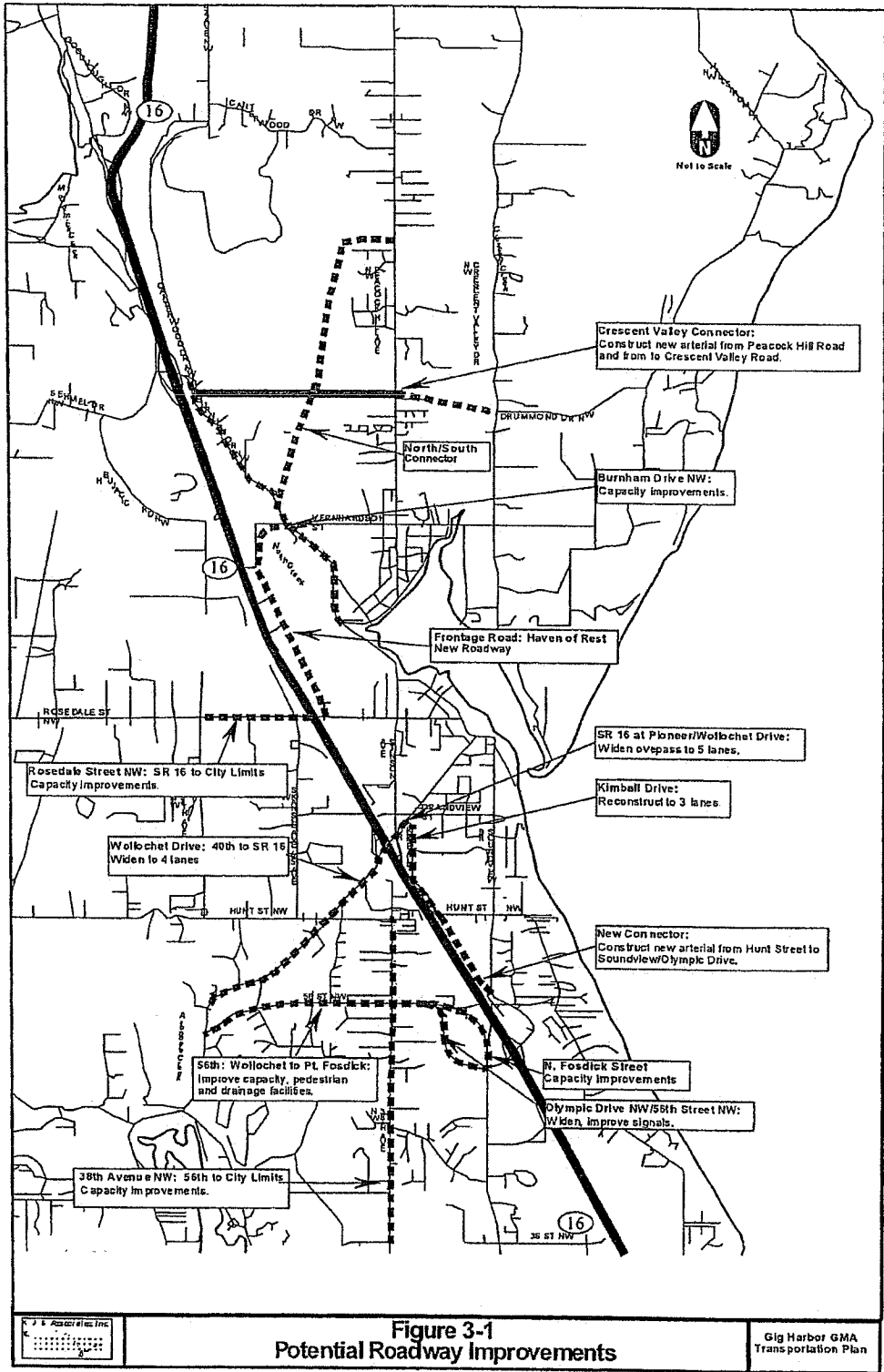


Figure 3-1
Potential Roadway Improvements

Intersections

By 2018, the most significant level of service problems would occur at intersections whose movements are controlled by stop signs rather than traffic signals. Stop signs are efficient under relatively low volume conditions, or where clear preference for through traffic movement is desired.

Most of the high-volume stop sign controlled intersections in Gig Harbor will deteriorate to LOS F for the worst movement by 2018. Typically, installation of traffic signals will resolve such conditions. However, in the downtown strategy area, where capacity improvements such as widening or signalization would severely impact the character of quality of the area, the City shall make every effort to implement and require developers to implement "transportation improvements and strategies" other than traditional roadway or intersection capacity expansion improvements, and to instead consider such methods as increased public transportation service, ride sharing programs, site access control, demand management, and other transportation systems management strategies.

Tables 3-1 and 3-2 summarize the options examined at each signalized and unsignalized intersection, and the recommended improvement is noted for each intersection. Additional discussion is contained in Section 6 under recommendations.

Table 3-1: Evaluation of Improvements at Signalized Intersections

SIGNALIZED INTERSECTIONS	2018 LOS	Discussion	Recommendations
Wollochet Drive/Hunt Street	B	No improvement needed	
Pioneer Way/SR 16 NB ramps	LOS F (high volumes on fwy overxing)	Widening overcrossing per WSDOT plans and constructing east/west road will improve LOS	Implement WSDOT plans for this interchange
Pioneer Way/Grandview Street	B	No improvement needed.	

Table 3-2: Evaluation of Improvements at Unsignalized Intersections

UNSIGNALIZED INTERSECTIONS	2018 LOS	Discussion	Recommendation
Harborview Dr/North Harborview,	F*	The pedestrian character of the area, coupled with relatively low speeds in downtown, makes signalization for the purposes of improving vehicle flow of this intersection not advisable.	Improve pedestrian crossings, ensure adequate sight distances and maintain stop-sign control unless pedestrian safety and mobility can be enhanced with signalization.
Harborview Drive/Stinson	F*	Same as above.	Save as above.
Rosedale/Skansie (46th)	F	Industrial area traffic along Skansie and growth west of SR 16 will create volumes too high for stop-sign control to handle.	Monitor and install traffic signal when warranted.
Harborview Drive/Pioneer Way	F*	The pedestrian character of the area, coupled with relatively low speeds in downtown, makes signalization for the purposes of improving vehicle flow of this intersection not advisable.	Improve pedestrian crossings, ensure adequate sight distances and maintain stop-sign control unless pedestrian safety and mobility can be enhanced with signalization..
SR 16 SB ramps/Wollochet	F	These ramps would be signalized with WSDOT planned improvement.	Implement intersection improvement per WSDOT plans.
Soundview/Hunt Street	D	Kimball connector will improve conditions at this intersection	Monitor and install stop sign all way control when warranted
SR 16 SB ramps/Single lane roundabout	F	Current and future high traffic volumes will require capacity improvements at the existing WSDOT roundabout.	Monitor and coordinate with WSDOT on future improvements.
Stinson/ Grandview	C	No deficiency	none
Stinson/ Rosedale	F	East/west road will reduce volumes sufficiently to level accommodated by stop-sign control	Maintain stop-sign control at this location.
Peacock Hill/North Harborview	E	East/west road will reduce volumes sufficiently to level accommodated by stop-sign control	Maintain stop-sign control at this intersection.
Hunt/Skansie	F	High volumes and increased left turns from Skansie require signal control and turn lanes	Monitor and signalize when required.

* Located within the downtown strategy area. Intersection impacts will be investigated on a case by case basis with implementation of various transportation strategies.

North Gig Harbor Intersections 2005

The North Gig Harbor Traffic Mitigation Study 2005 identified a long range system of transportation improvements to support the buildout of existing and proposed zoning in

the NHG Study area, including three proposed Comprehensive Plan Amendments. The existing six-legged intersection at Burnham Drive/Borgen Blvd./Canterwood and the SR 16 on and off-ramps can not support the development allowed under current zoning. The study identified a single point urban interchange as a possible solution to the capacity issue. The interchange is not currently on WSDOT's plan for the SR 16 corridor. The City must determine to what extent it can rely on this project when making concurrency determinations. Concurrency approvals may be limited until a specific SR 16/Burnham Drive interchange capacity improvement project is included in the Regional STIP and WSDOT's system plan.

Other Improvements and Strategies

Over the next two decades, the City of Gig Harbor will experience a 40 percent increase in population and a 70 percent in employment within the City and its surrounding Urban Growth Area (UGA). This growth will also result in an increase in traffic volumes to, from, through and within the city. Transportation strategies must be implemented to accommodate this growth, including:

- Transportation Demand Management strategies such as: Commute Trip Reduction, High Occupancy Vehicles (HOV such as van pools, car pools, etc.), telecommuting and flexible work hours.
- Transportation System Management strategies such as integrated policies and planning, Intelligent Vehicle Highway Systems (IVHS), signal coordination, etc.
- Modal shift from private vehicles to transit and carpooling.
- Enhancements of non-motorized travel to encourage alternate modes of transportation such as walking, cycling and elimination of trips altogether through compute trip reduction.
- Upgrading of existing motorized facilities.
- Construction of new motorized facilities.

The above strategies will require close coordination of efforts with the Washington State Department of Transportation, Pierce Transit, Pierce County and Kitsap County. The development of TSM and TDM policies and procedures should be consistent with other surrounding jurisdictions programs and will require public involvement.

Transportation Demand Management goals should be integrated with the development review process and should be a part of any traffic impact assessment and mitigation program.

The City Council, Planning Commission and the residents of Gig Harbor value a balance between motorized and non-motorized alternatives to help solve transportation issues in Gig Harbor.

Specific Projects for Transportation Demand Management include:

- Comply with state commute trip reduction program for major employers.
- Develop a comprehensive transit information program with Pierce Transit.
- Work with Pierce Transit to develop a vanpooling and ridematch service.
- Work with the WSDOT to implement the High Occupancy Vehicle lanes on SR 16 and on and off ramps where applicable.
- Work with the WSDOT to integrate the SR 16 queue by-pass on ramps with City streets.
- Develop a comprehensive parking management strategy to integrate parking availability and pricing with any transportation demand management strategy.
- Work with WSDOT and local transit agencies to provide a Park and Ride lot in the vicinity of the SR 16 Burnham Drive interchange.

Specific projects for Transportation Systems Management would include:

- Work with the WSDOT to coordinate the SR 16 HOV project, local-state signal coordination, driver information and Intelligent Vehicle Highway Systems with the local street network.
- Develop a signal re-timing and coordination project to reduce delay and congestion at the City's signalized intersections.

The recommendations for transportation improvements for the City of Gig Harbor address these concerns. The motorized improvements focus on intersections and roadways, while the recommendations for non-motorized travel consist primarily of ways to expand the bicycle facilities, complete the sidewalk network and evaluate other options. Recommendations for transit are mainly directed to Pierce Transit, which serves the City of Gig Harbor.

SECTION 4. RECOMMENDED TRANSPORTATION PLAN

The Growth Management Act requires an assessment of how well a recommended transportation plan meets the requirements of the Act and how well the level of service goals are met. The recommended improvements are summarized in **Table 4-1**.

Table 4-1 Recommended Transportation Plan

<i>Roadway Facility</i>	<i>Limits</i>	<i>Description</i>	<i>Lead Agency</i>	<i>Trigger Year</i>
56th Street–Point Fosdick Drive	Olympic – Olympic	Reconstruct to 3 lanes	Gig Harbor	2009
Skansie Avenue pedestrian improvements	Alternative High School - Rosedale	Minor widening, sidewalk; drainage	Gig Harbor	2004
Grandview Street Ph 2	Stinson – Pioneer	Reconstruct to 2 lanes; bike; pedestrian	Gig Harbor	2007
Grandview Street Ph 3	McDonald - Soundview	Reconstruct; bike; pedestrian	Gig Harbor	2008
45 th Avenue	Point Fosdick – 30 th	Sidewalk on one side	Gig Harbor	2006
38th Avenue Ph 1	56th St – city limits	Reconstruct to 2/3 lanes; bike; pedestrian	Gig Harbor	2010
Olympic Drive–56th Street	38th – Point Fosdick	Widen to 5 lanes; bike lanes; pedestrian, drainage	Gig Harbor	2007
Prentice Street	Burnham – Fennimore	Pedestrian, drainage	Gig Harbor	2008
Briarwood Lane	38th Ave – Pt Fosdick	Pedestrian, drainage	Gig Harbor	2006
Burnham Drive Ph 1	Franklin – Harborview	Reconstruct/widen; pedestrian; drainage	Gig Harbor	2007
38th Avenue Ph 2	56 th - Hunt	Reconstruct to 2/3 lanes; bike; pedestrian	Gig Harbor	2008
Vernhardsen Street	Peacock Hill – city limit	Pavement restoration; pedestrian; drainage	Gig Harbor	2007
Rosedale Street Ph 2	SR 16 – city limit	Widen to 2 thru lanes; bike	Gig Harbor	2006
Franklin Avenue Ph 2	Burnham–Peacock Hill	Pedestrian, drainage	Gig Harbor	2008
Point Fosdick pedestrian improvements	Harbor County – 36 th	Sidewalk on east side	Gig Harbor	2010
Harborview Drive	N Harborview - Burnham	Reconstruct roadway; bike; pedestrian	Gig Harbor	2009
Rosedale Street Ph 3	SR 16 – Shirley	Widen to 2 thru lanes; bike; pedestrian; drainage	Gig Harbor	2009
North-South Connector (Swede Hill Road)	Borgen -- Burnham	Corridor preservation	Gig Harbor	2007
Burnham Drive Ph 2	Franklin – North/South Connector	Widen roadway; pedestrian; drainage	Gig Harbor	2010
50 th Court	Olympic – 38 th	Construct 2 lane roadway; pedestrian	Gig Harbor	2008
Crescent Valley Connector	Peacock – Crescent Valley	New roadway	Pierce County	2008
36 th Avenue /Hunt Street Ph 1	Skansie – 56 th	Design 2/3 lane section w/ median; bike	Gig Harbor	2008
Burnham Drive Ph 3	North/South Connector - Borgen		Gig Harbor	2010
Hunt St Ped Xing of SR 16	38 th – Kimball	Construct Ped undercrossing	Gig Harbor	2006
Wollochet Drive	Hunt St – SR 16	Widen roadway; pedestrian	Pierce County	2011
<i>Intersection</i>	<i>Limits</i>	<i>Description</i>	<i>Lead Agency</i>	<i>Trigger Year</i>
36th/Point Fosdick	intersection	Improve intersection	Gig Harbor	2004
Hunt/Skansie	intersection	Install signal	Gig Harbor	2010
<i>Other Improvements</i>				
Downtown parking lot	Central business district	Off-street parking	Gig Harbor	2010

Figure 4-1 shows the estimated 2018 daily traffic volumes on selected links with the improvements listed in the recommend transportation plan.

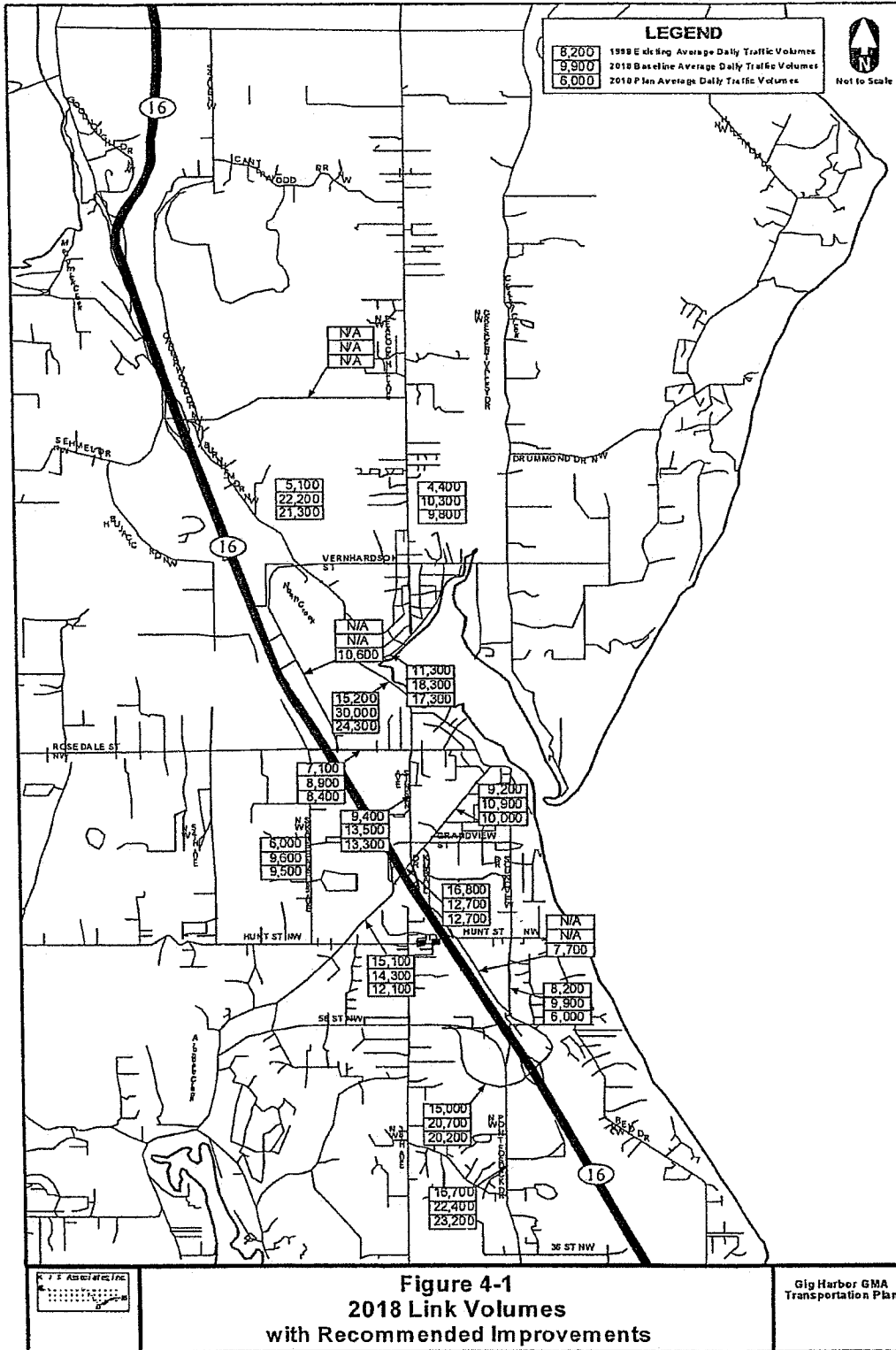
Roadway Improvements

Due to the proposed Tacoma Narrows bridge project which is currently under construction, many transportation improvements may be required to either be modified or constructed. The City has included many of these projected improvements in an effort to identify costs and other constraints related to these major projects. All of the identified improvements have a major impact to the City and the underlying transportation infrastructure.

- 1) At the time of the traffic modeling was conducted, the City excluded those major projects related to the bridge and only included the projects directly related to the City's existing and projected growth and infrastructure needs.

North Gig Harbor Roadway Improvements 2005

The North Gig Harbor Traffic Study identified a long range system of transportation improvements to support the buildout of existing and proposed zoning in the NHG Study area, including three proposed Comprehensive Plan Amendments. The projects identified may be considered as needed in future Transportation Improvement Plans (TIP's), consistent with this element to ensure concurrency is maintained. The projects are not currently funded, but are demonstrated to provide a consistent transportation plan for the land use in the NGH area these projects may be considered, if funding or a strategy for funding those projects is in place per GMA requirements.



Intersection Improvements

The 2018 levels of service at key intersections with the improvements in the Recommended Plan are shown in Table 4-2.

Table 4-2: 2018 Plan Intersection Levels of Service

INTERSECTION	No Improvements	With Recommended Improvements
36th St/Point Fosdick Dr ⁽¹⁾	F	C
Crescent Valley Dr/Drummond Dr	F	C
Harborview Dr/North Harborview Dr ⁽²⁾	F*	F*
Harborview Dr/Pioneer Wy ⁽²⁾	F*	F*
Harborview Dr/Stinson Ave ⁽²⁾	F*	F*
Hunt/Skansie	F	C
North Harborview Dr/Peacock Hill Ave	F	B
Olympic Dr/Hollycroft	C	C
Olympic Dr/SR 16 NB ramps	C	C
Olympic Dr/SR 16 SB ramps	C	C
Pioneer Wy/Grandview St	B	B
Pioneer Wy/SR 16 NB ramps	D	C
Point Fosdick Rd/Olympic Dr	D	D
Rosedale St/Skansie Ave ⁽¹⁾	C	C
Rosedale St/Stinson Ave	F	D
Soundview Dr/Hunt St	F	C
SR 16 SB ramps/Burnham Drive ⁽¹⁾	F	#E
SR 16 SB ramps/Wollochet Dr ⁽¹⁾	F	A
Wollochet Dr/Hunt St	F	D

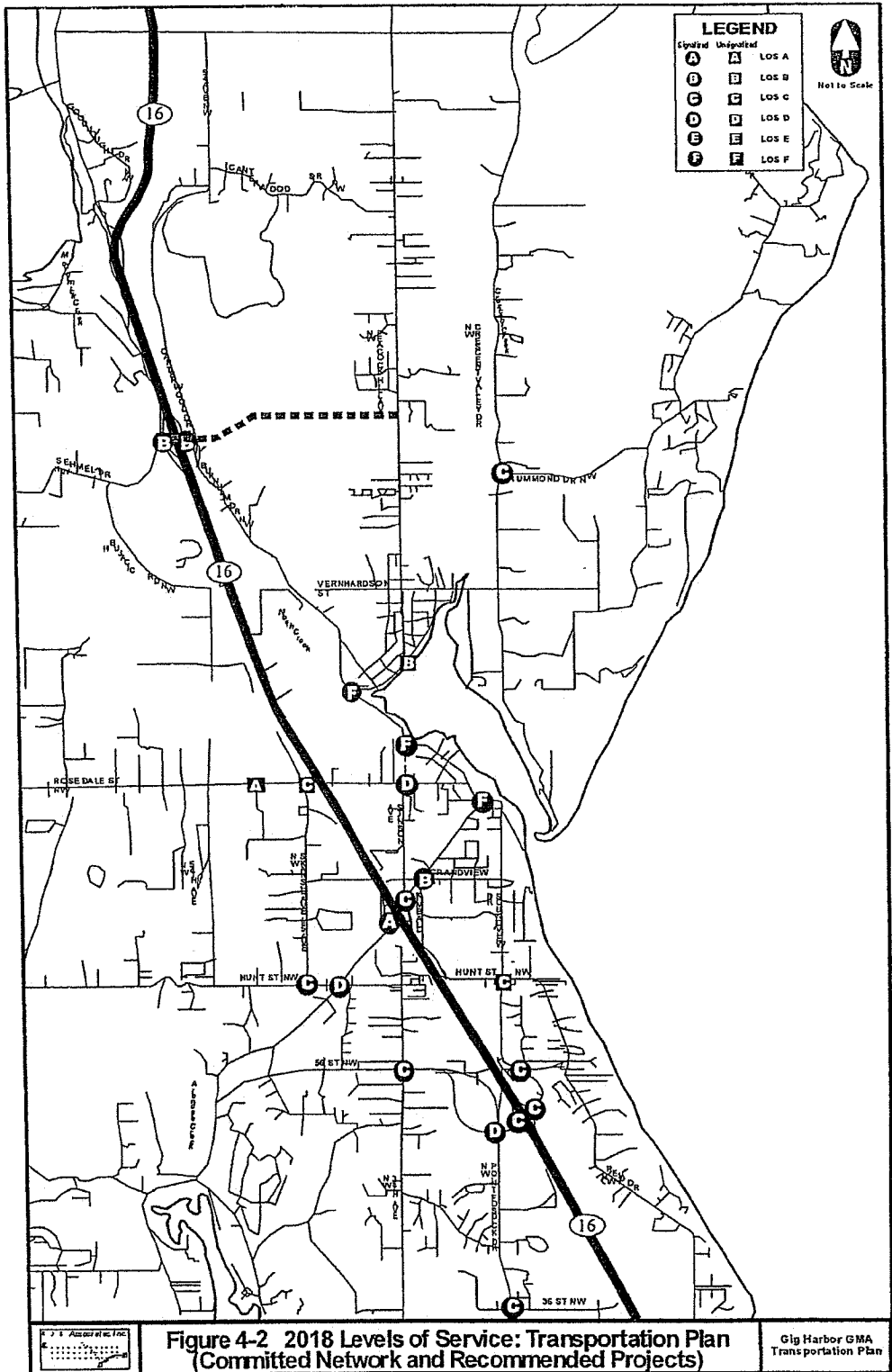
* recognized as acceptable in the downtown strategy area.

⁽¹⁾ Improvement includes signalization.

⁽²⁾ Downtown strategy Area – signalization not recommended.

with SPU

Figure 4-2 shows the 2018 Plan intersection levels of service. The levels of service are based on traffic volumes generated by growth in the area and implementation of the improvements listed in the Recommended Plan. The capacity analysis shows that most of the City's intersections will be able to meet the LOS D goal. The goal has been met, for the most part, by upgrading unsignalized intersections to signalized operation – or by making other improvements to increase capacity.



Other Improvements and Strategies

Transit

Gig Harbor participates with the local transit agency, Pierce Transit in a variety of projects. This cooperation has been in the planning and capital improvement projects. Pierce Transit has a System Plan to the year 2020. Long term improvement plans for the Peninsula area include:

- Construct the North Gig Harbor Transit Center near the SR 16 Burnham Drive interchange and add bus routes to serve it.
- Establish more direct regional transit services to major destinations in the Tacoma, Bremerton, Olympia and Seattle areas.
- Increased paratransit services.
- Increase ridesharing (carpool and vanpool) programs.
- Construct capital projects listed in the 6-year Capital Improvement Plan.

Marine Transportation

The waterfront and harbor of Gig Harbor are a primary focus area for many of the City's activities including commercial, retail, industrial, tourism and recreation activities. These activities create generate traffic and parking demand which is concentrated around Harborview and North Harborview arterials.

There is demand for marine improvements in Gig Harbor. Access for public or private marine services should be provided at a central dock location near the downtown area. Continued upgrading and enhancement of the Jerisich Park dock area should be emphasized. The increased use of marine services would also place demands on downtown parking.

Possibilities of provision of recreational passenger ferry services should be coordinated with private providers. Some discussions have taken place regarding private ferry services to Gig Harbor, and the City should continue to pursue these opportunities. Due to the high costs and parking impacts associated with commuter ferry services, it is not recommended that the city pursue passenger-only ferry services with Washington State Ferries.

Coordinating Transportation and Land Use Planning To Support Transit and Pedestrian Oriented Land Use Patterns

To ensure that this plan is consistent with evolving land use patterns, and to guide land use and new development with respect to transportation that promotes transportation-related goals, the City will work towards:

- Reducing vehicle trips and vehicle miles traveled during peak periods to minimize the demand for constructing costly road improvements;
- Providing effective public transportation services to help reduce car dependence in the region and serve the needs of people who rely on public transportation;
- Encouraging bicycle and pedestrian travel by providing inviting, safe, convenient and connected routes, education and incentive programs, and support services such as bike racks, showers and lockers;
- Maintaining and improving a network of highways, streets and roads that moves people, goods and services safely and efficiently, minimizes social and environmental impacts, and supports various modes of travel.
- Providing adequate connections and access among all transportation modes.

Non Motorized Travel

The residential character of Gig Harbor makes non-motorized travel an important aspect of the Transportation Element. A complete pedestrian and bicycle network would link neighborhoods with schools, parks, and retail activity, allowing residents and visitors to walk or bicycle to these areas rather than drive.

Outside of the downtown retail core, sidewalks have been constructed sporadically, resulting in a discontinuous system of walkways for pedestrians. There are even fewer facilities for bicyclists within Gig Harbor; bicyclists must share the traveled lane with motorists. While there are no facilities for equestrians within Gig Harbor, there is generally little demand for equestrian travel.

Recommended improvements for non motorized uses are shown in **Figure 4-3**. The plan outlines pedestrian, bicycle path, and marine service improvements.

Downtown Strategy Area

Much of Gig Harbor's commercial, tourist and recreational facilities are located along the waterfront, creating congestion in the downtown area and generating demand for pedestrian amenities and additional parking. Traditional roadway or intersection capacity improvements here would destroy the unique character of the downtown.

Within the downtown strategy area, defined as Harborview Drive and North Harborview Drive between Soundview Drive and Peacock Hill Avenue, the City has reclassified the LOS on the intersections identified below to the LOS Classification shown below. The City is required by RCW 36.70A.070(6)(b) "to prohibit development approval if the development causes the level of service on a locally owned transportation facility to decline below the standards adopted in the transportation element of the comprehensive plan, unless transportation improvements or strategies to accommodate the impacts of the development are made concurrent with the development." It is the City's intent to ensure

that the types of “transportation improvements and/or strategies” allowed within this area be oriented towards improved pedestrian safety and convenience. Furthermore, in order to preserve the pedestrian character of the area, the City shall make every effort to implement and require developers to implement “transportation improvement strategies” other than traditional roadway or intersection capacity expansion improvements, and to instead consider such methods as increased public transportation service, ride sharing programs, site access control, demand management and other transportation systems management strategies.

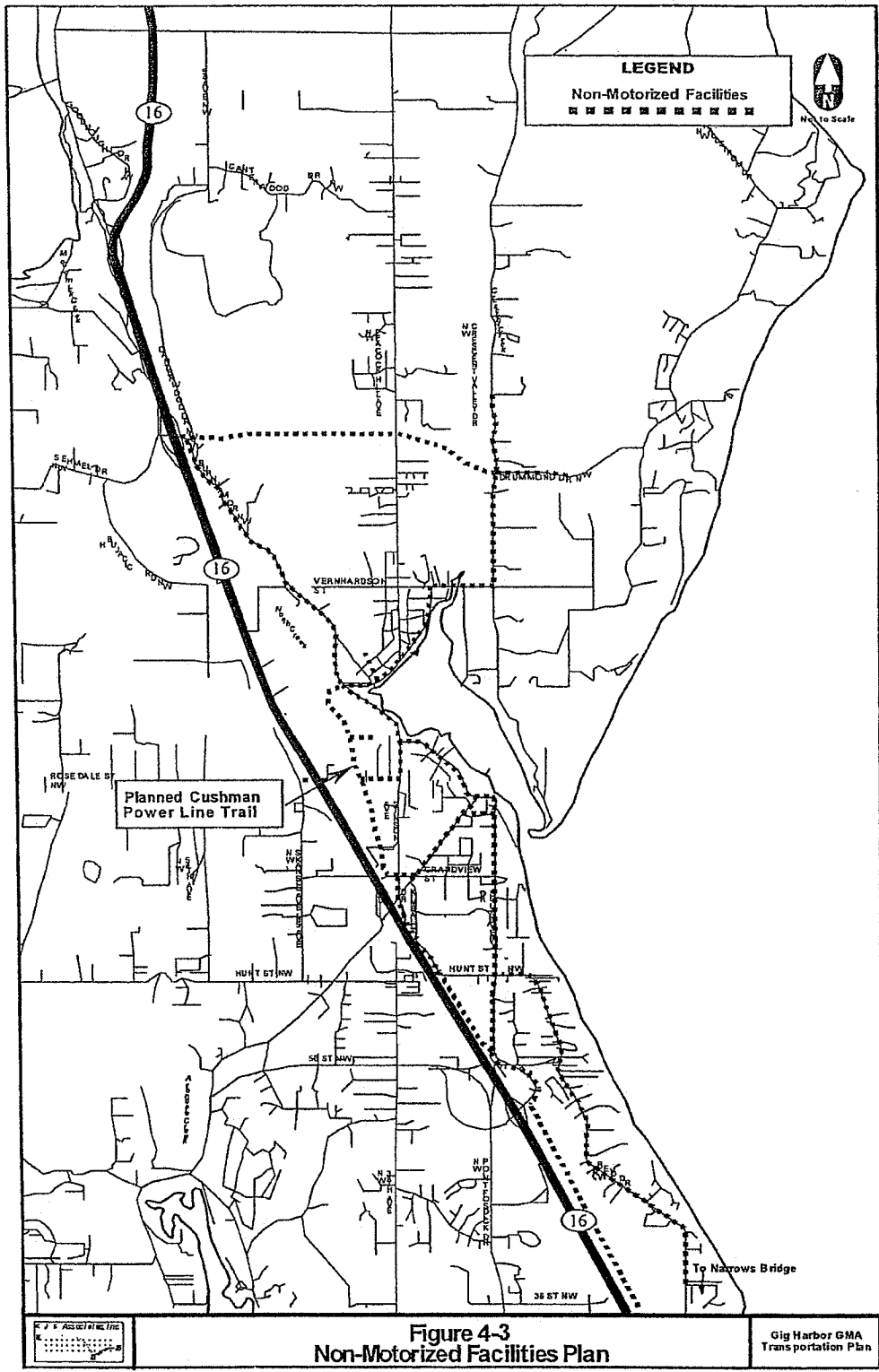
The specific intersections and current LOS that will be considered under the above are

- Harborview Drive/North Harborview Drive LOS F
- Harborview Drive/Pioneer Way LOS F
- Harborview Drive/Stinson Avenue LOS F
- Harborview Drive/Rosedale LOS D
- North Harborview Drive/Peacock Hill LOS C
- Harborview/Soundview LOS B

The above intersections may be allowed to operate a LOS worse than D, consistent with the pedestrian objectives identified in the Downtown Strategy Area.

North Gig Harbor LOS

The North Gig Harbor Traffic Study identified a long range system of transportation improvements to support the buildout of existing and proposed zoning in the NHG Study area, including three proposed Comprehensive Plan Amendments. The projects identified may be considered as needed in future Transportation Improvement Plans (TIP's), consistent with this element to ensure concurrency is maintained. The buildout potential of the NGH Study area is such that the maintaining LOS D for the intersection of Borgen/Canterwood/Burnhan Drive/SR 16 is not feasible due to environmental and fiscal constraints. An LOS E standard is proposed for the intersection to provide a reasonable balance between land use, LOS, environmental impacts and financial feasibility.



SECTION 5. HOUSE BILL 1487 COMPLIANCE

The 1998 legislation House Bill 1487 known as the “Level of Service” Bill, amended the Growth Management Act; Priority Programming for Highways; Statewide Transportation Planning, and Regional Planning Organizations. The combined amendments to these RCWs were provided to enhance the identification of, and coordinated planning for, “transportation facilities and services of statewide significance (TFSSS)” HB 1487 recognizes the importance of these transportation facilities from a state planning and programming perspective. It requires that local jurisdictions reflect these facilities and services within their comprehensive plan.

To assist in local compliance with HB 1487, the Washington State Department of Transportation (WSDOT), Transportation Planning Office and the Washington State Department of Community Trade and Development, Growth Management Program, (now Office of Community Development [OCD]) promulgated implementation guidelines in the form of a publication entitled “Coordinating Transportation and Growth Management Planning”.

Together with these entities, the City of Gig Harbor has worked to compile the best available information to include in the comprehensive plan amendment process.

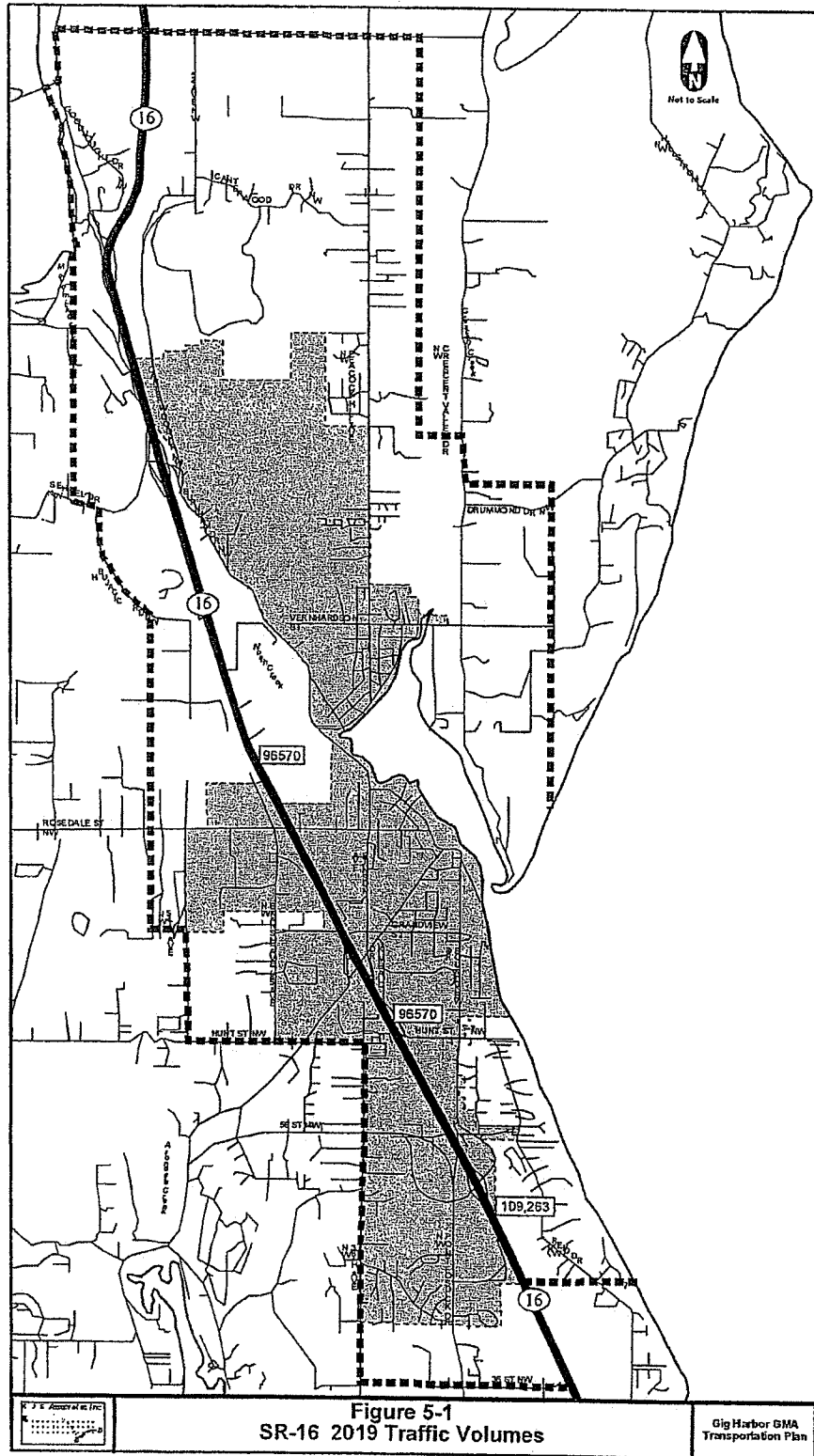
- Inventory of state-owned transportation facilities within Gig Harbor: SR 16 provides the major regional connection between Tacoma, Bremerton and the Olympic Peninsula. It connects to Interstate 5 in Tacoma and to SR 302 in Purdy. SR 302 is the only other state-owned transportation facility within the planning area, connecting SR 16 with SR 3 to Shelton.
- Estimates of traffic impacts to state facilities resulting from local land use assumptions: Figure 5-1 provides 20-year traffic volumes for SR-16, which is the only state facility within Gig Harbor. The volumes were generated by Pierce County model, which includes land use assumptions for 2018 for Gig Harbor.
- Transportation facilities and services of statewide significance (TFSSS) within Gig Harbor: SR 16 is included on the proposed list of TFSSS.
- Highways of statewide significance within Gig Harbor: The Transportation Commission List of Highways of Statewide Significance lists SR 16 as an HSS within the City of Gig Harbor and its growth area.
- The North Gig Harbor Traffic Mitigation Study 2005 identified a long range system of transportation improvements to support the buildout of existing and proposed zoning in the NHG Study area, including three proposed Comprehensive Plan Amendments. The Study found that SR 16/Burnham Interchange would fail at build out conditions. Additional access to SR 16 at 144th Ave was identified as a possible mitigation measure, and in traffic modeling provided benefits to operations at the Burnham Drive/BorgenBlvd interchange.

The City of Gig Harbor asserts that proposed improvements to state-owned facilities will be consistent with the Regional Transportation Plan (RTP) and the State Highway System Plan within Washington's Transportation Plan (WTP).

The City of Gig Harbor acknowledges that the concurrency requirement does not apply to transportation facilities and services of statewide significance in Pierce County.

WSDOT has several improvements planned in conjunction with the new Tacoma Narrows Bridge project, including a new interchange at 24th Street and 36th Street and SR16/Wollochet Drive ramp improvements. The increased capacity and access caused by the bridge construction will affect the Gig Harbor area transportation improvement needs and long-term growth and development in the area. Several major transportation improvements will be required within the City of Gig Harbor and neighboring Pierce County. These include:

- Hunt Street Pedestrian Overcrossing
- Crescent Valley Connector
- Hunt/Kimball Connector
- North-South Connector
- Expanded interchange at SR 16 Burnham Drive
- Added Access to SR 16 at 144th Avenue or similar location



SECTION 6. FINANCIAL ANALYSIS AND CONCURRENCY

The State of Washington's Growth Management Act (GMA) requires that a jurisdiction's transportation plan contain a funding analysis of the transportation projects it recommends. The analysis should cover funding needs, funding resources, and it should include a multi-year financing plan. The purpose of this requirement is to insure that each jurisdiction's transportation plan is affordable and achievable. If a funding analysis reveals that a plan is not affordable or achievable, the plan must discuss how additional funds will be raised, or how land use assumptions will be reassessed.

Federal Revenue Sources

The 1991 federal Intermodal Surface Transportation Efficiency Act (ISTEA) reshaped transportation funding by integrating what had been a hodgepodge of mode- and category-specific programs into a more flexible system of multi-modal transportation financing. For highways, ISTEA combined the former four-part Federal Aid highway system (Interstate, Primary, Secondary, and Urban) into a two-part system consisting of the National Highway System (NHS) and the Interstate System. The National Highway System includes all roadways not functionally classified as local or rural minor collector. The Interstate System, while a component of the NHS, receives funding separate from the NHS funds.

In 1998, the Transportation Efficiency Act for the 21st Century (TEA-21) continued this integrated approach, although specific grants for operating subsidies for transit systems were reduced.

National Highway System funds are the most likely source of federal funding support available for projects in Gig Harbor. **Table 6-1**, taken from the Highway Users Federation of the Automotive Safety Foundation pamphlet *The Intermodal Surface Transportation Efficiency Act of 1991*, describes the types of projects that qualify for funding under NHS (the categories and definitions were virtually unchanged in TEA-21).

To receive TEA21 funds, cities must submit competing projects to their designated Regional Transportation Planning Organization (RTPO) or to the state DOT. Projects which best meet the specified criteria are most likely to receive funds. Projects which fund improvements for two or more transportation modes receive the highest priority for funding. (e.g., arterial improvements which includes transit facilities and reduces transit running times, and constructs pedestrian and bicycle facilities where none existed before).

Table 6-1. Projects Eligible for National Highway System Funding

-
- Construction, reconstruction, resurfacing, restoration and rehabilitation and operational improvements to NHS segments
 - Construction and operation improvements to non-NHS highway and transit projects in the same corridor if the improvement will improve service to the NHS, and if non-NHS improvements are more cost-effective than improving the NHS segment.
 - Safety improvements
 - Transportation planning
 - Highway research and planning
 - Highway-related technology transfer
 - Start-up funding for traffic management and control (up to two years)
 - Fringe and corridor parking facilities
 - Carpool and vanpool projects
 - Bicycle transportation and pedestrian walkways
 - Development and establishment of management systems
 - Wetland mitigation efforts
-

Historical Transportation Revenue Sources

The City of Gig Harbor historically has used three sources of funds for street improvements:

- Income from Taxes
 - Motor Vehicle Excise Tax (MVET)
 - Motor Vehicle Fuel Tax (MVFT)
- Income from Intergovernmental Sources:
 - HUD Block Grants
 - Federal Aid (FAUS, FAS, ISTEA, etc.)
 - Urban Arterial Board
 - TIB and STP Grants
- Miscellaneous Income:
 - Interest Earnings
 - Miscellaneous Income
 - Developer Contributions
 - Impact Fees (begun in 1996)

In the past, motor vehicle excise tax (MVET) and motor vehicle fuel tax (MVFT) allocations from the state have been the major sources of continuing funding for transportation capital improvements. Initiative 695, passed by the voters in 1999, removed MVET as a significant funding source, so the MVFT (“gas tax”) funding appear

to be the only reliable source of transportation funds for the future. MVET and MVFT also provided funds for state and federal grants which are awarded competitively on a project-by-project basis and from developer contributions which are also usually targeted towards the developer's share of specific road improvements.

Revenue Forecast

The projected revenues for Gig Harbor's recommended transportation capital improvements are shown in Table 6-2. According to these forecasts, approximately 32% of funding for transportation capital improvements for the next 20 years will come from LIDs, general funds and economic grants. Project-specific SEPA mitigation fees and City traffic impact fees will provide 32% of road capital funds. Additionally, approximately 36% will come from project-specific state and federal funding grants and taxes.

Table 6-2. Gig Harbor Transportation Revenue Forecast, 2000 to 2018

Funding Source	Six-year 2001-2006	Percent	Twenty-year 2000-2018	Percent
MVFT ("gas tax")	\$400,000	8.7%	\$2,000,000	15.7%
State and federal grants	\$500,000*	10.80%	\$2,600,000*	20.5%
SEPA mitigation and Developer Contribution	\$2,000,000	43.5%	\$3,400,000	26.8%
City Traffic Impact Fees	\$100,000	2.2%	\$700,000	5.5%
Other funds (LIDs, general funds, economic grants, etc)	\$1,600,000	34.8%	\$4,000,000	31.5%
Totals	\$4,600,000	100.0%	\$12,700,000	100.00%

*Includes projected grants for projects whose completion would likely extend beyond 2006.

Capital Costs for Recommended Improvements

As discussed in Section 4, there are several capacity-related improvements within the Gig Harbor UGA needed to achieve adequate levels of service by 2018.

The capacity-related improvements listed in Table 6-3 will be necessary to meet GMA level of service standards in 2018. Most of these projects have already been included in the City's current *Six-Year Transportation Improvement Program*, along with project-specific identified funding sources.

Table 6-3. Capacity-related improvement costs, 2004 to 2010

Facility	Description	Estimated Cost	Predictable (non-grant) Funding
56th Street–Point Fosdick Drive	Reconstruct to 3 lanes	\$2,850,000	\$775,000
Skansie Avenue pedestrian improvements	Minor widening, sidewalk; drainage	\$ 150,000	\$30,000
Grandview Street Ph 2	Reconstruct to 2 lanes; bike; pedestrian	\$250,000	\$250,000
Grandview Street Ph 3	Reconstruct; bike; pedestrian	\$ 510,000	\$510,000
45 th Avenue	Sidewalk on one side	\$ 70,000	\$70,000
38th Avenue Ph 1	Reconstruct to 2/3 lanes; bike; pedestrian	\$6,588,000	\$1,788,000
Olympic Drive–56th Street	Widen to 5 lanes; bike lanes; pedestrian, drainage	\$4,000,000	\$1,000,000
Prentice Street	Pedestrian, drainage	\$ 520,000	\$520,000
Brianwood Lane	Pedestrian, drainage	\$ 450,000	\$400,000
Burnham Drive Ph 1	Reconstruct/widen; pedestrian; drainage	\$ 415,000	\$135,000
38th Avenue Ph 2	Reconstruct to 2/3 lanes; bike; pedestrian	\$4,400,000	\$1,400,000
Vernhardsen Street	Pavement restoration; pedestrian; drainage	\$ 223,000	\$198,000
Rosedale Street Ph 2	Widen to 2 thru lanes; bike	\$ 593,000	\$88,000
Franklin Avenue Ph 2	Pedestrian, drainage	\$ 500,000	\$500,000
Point Fosdick pedestrian improvements	Sidewalk on east side	\$ 265,000	\$265,000
Harborview Drive	Reconstruct roadway; bike; pedestrian	\$ 560,000	\$560,000
Rosedale Street Ph 3	Widen to 2 thru lanes; bike; pedestrian; drainage	\$ 445,000	\$60,000
North-South Connector (Swede Hill Road)	Corridor preservation	Developer	\$0
Burnham Drive Ph 2	Widen roadway; pedestrian; drainage	\$2,775,000	\$775,000
50 th Court	Construct 2 lane roadway; pedestrian	\$ 1,000,000	\$420,000
Crescent Valley Connector	New roadway	\$4,300,000	\$290,000
38 th Avenue /Hunt Street Ph 1	Design 2/3 lane section w/ median; bike	\$ 208,000	\$62,000
Burnham Drive Ph 3		\$4,400,000	\$1,400,000
Hunt St Xing of SR 16 Kimball Dr Ext	Construct 2 lane SR 16 undercrossing	\$12,475,000	\$398,000
Wollochet Drive	Widen roadway; pedestrian	\$5,000,000	\$0
36th/Point Fosdick	Improve intersection	\$ 980,000	\$650,000
Hunt/Skansie	Install signal	\$1,000,000	\$300,000
Total Costs		\$ 54,727,000	\$12,844,000

Summary of Costs and Revenues

Based on the revenues and costs listed above, the proposed capacity-related transportation element improvements are affordable within the City's expected revenues for transportation capital costs. Table 6-4 summarizes costs and revenues for the six and twenty year periods analyzed in the transportation element.

As shown in Table 6-4, the City expects to obtain a proportion of anticipated revenues from grants or other discretionary sources. The revenue estimate indicates the City will

be able to pay for its share of the recommended improvements, however, none of the assumptions about existing sources are guaranteed. The proposed projects include several that could receive matching funds from state and federal grant programs, for which there is considerable competition and limited grant funding. Should the necessary grant funds not be available, the City has several other strategies it can employ to balance revenues and public facility needs. These strategies, listed below, range from the development of other funding sources to the revision of City land use and growth policies:

- Obtain funds from other sources (e.g., loans)
- Revise land use policy
- Pursue cost-sharing opportunities with other agencies (e.g., WSDOT or Pierce County) and/or the private sector

The proposed improvements over the next 20 years total \$53,442,000. Proposed improvements and expected revenues are therefore balanced as shown in the Table 6-4 below. The projects that have been excluded from the revenue obligation requirements are the Hunt Street overcrossing, the Crescent Valley connector, the Hunt/Kimball connector and the North-South Connector.

Table 6-4. Summary of capacity-related project capital costs and revenues

Category	Six-year 2004-2010	Percent of Revenues	Twenty-year 2000-2018	Percent of Revenues
<u>Projected Revenues</u>	<u>\$54,727,000</u>	<u>100.0%</u>	<u>\$54,727,000</u>	<u>100%</u>
predictable sources	\$12,844,000	23%	\$12,844,000	23%
grant sources	\$41,883,000	77%	\$41,883,000	77%
Projected Expenditures	\$54,727,000	100%	\$54,727,000	100%
Net	\$-0-	0%	\$-0-	0%

North Gig Harbor Capital Cost and Revenue Summary 2005

The North Gig Harbor Traffic Study identified a long range system of transportation improvements to support the buildout of existing and proposed zoning in the NHG Study area, including three proposed Comprehensive Plan Amendments. The projects identified may be considered as needed in future Transportation Improvement Plans (TIP's), consistent with this element to ensure concurrency is maintained. The projects identified in the study include City, County, State, and Developer responsibility. The revenue required for the projects was identified. The projects are not yet funded. The projects may be added to the TIP as revenue sources such as impact fees, agency contributions, and or grants are obtained. A new revenue source was created in 2006 by passage of HB 2670, allowing the creation of Benefit Districts for infrastructure improvements, this revenue source could generate as much as \$2,000,000 per year towards infrastructure improvements.

SECTION 7. GOALS AND POLICIES

The transportation goals contained in this element are:

- Create an Effective Road and Sidewalk Network.
- Create an appropriate balance between transportation modes where each meets a different function to the greatest efficiency.
- Design and Construction Standards
- Level of Service Standards
- Air Quality

GOAL 11.1: CREATE AN EFFECTIVE ROAD AND SIDEWALK NETWORK.

The City of Gig Harbor shall plan for an effective road network system.

- Policy 11.1.1 Complete development of the arterial road grid serving the planning area.
- Policy 11.1.2 Develop a trans-highway connector across SR-16 at Hunt Street.
- Policy 11.1.3 Establish a Kimball connector which would provide access between Hunt and Soundview Road and reduce traffic volumes on Soundview.
- Policy 11.1.4 Establish a functional classification system which defines each road's principal purpose and protects the road's viability.
- Policy 11.1.5 Develop an arterial and collector system which collects and distributes area traffic to SR-16.
- Policy 11.1.6 Define a collector road system which provides methods for transversing the neighborhoods, districts and other places within the area without overly congesting or depending on the arterial system or any single intersection.
- Policy 11.1.7 Establish effective right-of-way, pavement widths, shoulder requirements, curb-gutter-sidewalk standards for major arterials, collectors and local streets.
- Policy 11.1.8 Improve collector roads in the planning area particularly Rosedale and Stinson Avenues, to provide adequate capacity for present and future projected traffic loads, pedestrian and bicyclist activities.
- Policy 11.1.10 Work with downtown property owners to determine an effective parking plan of business owners.
- Policy 11.1.11 Provide planning and design assistance in establishing a local parking improvement district for the downtown area.

GOAL 11.2: MODAL BALANCE

Create an appropriate balance between transportation modes where each meets a different function to the greatest efficiency.

- Policy 11.1.1 Work with Pierce Transit to satisfy local travel needs within the planning area, particularly between residential areas, the downtown and major commercial areas along SR-16.
- Policy 11.2.2 Work with Pierce Transit to locate Pierce Transit Park and Ride lots in areas which are accessible to transit routes and local residential collectors, but which do not unnecessarily congest major collectors or arterial roads or SR-16 interchanges.
- Policy 11.2.3 Establish a multipurpose trails plan which provides designated routes for pedestrians and bicyclists.
- Policy 11.2.4 Designate routes around Gig Harbor Bay, within the Crescent and Donkey Creek corridors, from the Shoreline (north Gig Harbor) business district to Goodman school and into Gig Harbor North, from the downtown business district to Grandview Forest Park and other alignments which provide a unique environmental experience and/or viable options to single occupancy vehicles.
- Policy 11.2.5 The City should adopt and implement a program which increases public awareness to the city's transportation demand management strategies, including non-motorized transportation and increased use of local transit. Adopted strategies include a Transportation Demand Management Ordinance (Gig Harbor Ordinance #669).

GOAL 11.3: DESIGN AND CONSTRUCTION STANDARDS

Establish design construction standards which provide for visually distinct roadways while providing efficient and cost effective engineering design.

- Policy 11.3.1 Adopt and implement street construction standards which implement the goals and policies of the City of Gig Harbor Comprehensive Plan Design Element and the City Design Guidelines.
- Policy 11.3.2 Identify and classify major or significant boulevards & arterials.
- Policy 11.3.3 Provide for an efficient storm drainage system in road design which minimizes road pavement needed to achieve levels of service.
- Policy 11.3.4 Implement design standards which provide, where feasible, for a pleasing aesthetic quality to streetscapes and which provide increased pedestrian safety by separating sidewalks from the street edge.

GOAL 11.4: LEVEL OF SERVICE STANDARDS

Policy 11.4.1 The City of Gig Harbor Level of Service Standard for intersections is LOS D, except for the following intersections identified in the Downtown Strategy Area

- Harborview Drive/North Harborview Drive

- Harborview Drive/Pioneer Way
- Harborview Drive/Stinson Avenue
- Harborview Drive/Rosedale
- North Harborview Drive/Peacock Hill
- Harborview/Soundview

The above intersections may be allowed to operate a LOS worse than D, consistent with the pedestrian objectives identified in the Downtown Strategy Area.

Policy 11.4.2 If funding for capacity projects falls short, the Land Use Element, LOS, and funding sources will be re-evaluated. Impact fees should be used to the extent possible under GMA to fund capacity project costs.

Policy 11.4.3 Level of service E will be acceptable at the SR 16 westbound ramp terminal roundabout intersection on Burnham Drive, provided that: (a) the acceptable delay at LOS E shall not exceed 80 seconds per vehicle as calculated per customary traffic engineering methods acceptable to the city engineer; and (b) this policy shall cease to have effect if a capital improvement project is added to the Transportation Improvement Program and is found by the City to be foreseeably completed within six years and to add sufficient capacity to the interchange and adjacent intersections so as to achieve a level of service of D or better upon its completion including the impacts of all then-approved developments that will add travel demand to the affected intersections.

Policy 11.4.4 When a proposed development would degrade a roadway or intersection LOS below the adopted threshold on a state highway, the roadway or intersection shall be considered deficient to support the development and traffic impact mitigation shall be required based on the recommendation of the City Engineer and consistent with the Washington State Highway System Plan Appendix G: Development Impacts Assessment.

Policy 11.4.5 The City shall maintain a current traffic model to facilitate the preparation of annual capacity reports and concurrency reviews.

GOAL 11.5: AIR QUALITY

The City should implement programs that help to meet and maintain federal and state clean air requirements, in addition to regional air quality policies.

- Policy 11.5.1 The City's transportation system should conform to the federal and state Clean Air Acts by maintaining conformity with the Metropolitan Transportation Plan of the Puget Sound Regional Council and by following the requirements of WAC 173-420.
- Policy 11.5.2 The City should work with the Puget Sound Regional Council, Washington State Department of Transportation, Pierce Transit and neighboring jurisdictions in the development of transportation control measures and other transportation and air quality programs where warranted.