

**City of Gig Harbor Planning Commission
Minutes of Public Hearing
April 20th, 2006
Gig Harbor Civic Center**

PRESENT: Commissioners Jim Pasin, Harris Atkins, Theresa Malich, Joyce Ninen and Chairperson Dick Allen. Commissioners Scott Wagner and Jill Guernsey were absent. Staff present: John Vodopich, Jennifer Sitts and Diane Gagnon.

CALL TO ORDER: 7:05 p.m.

APPROVAL OF MINUTES:

Commissioner Pasin pointed out a typographical error on page 2.

MOTION: Move to approve the minutes of April 6th, 2006.
Malich/Atkins – unanimously approved

NEW BUSINESS

1. City of Gig Harbor, 3510 Grandview Street, Gig Harbor WA 98335 –
Proposed changes to the City of Gig Harbor Comprehensive Plan.

- 1) Comprehensive Plan Proposal 04-01 (SEPA 04-08) – Land Use Map amendment re-designating approximately 18 acres of PCD-RLD (Residential Low Density) to PCD-RMD (Residential Medium Density)
- 2) Comprehensive Plan Proposal 05-01 (SEPA 05-01) – Land Use Map amendment re-designating and reconfiguring 14.8 acres of PCD-RMD (Residential Medium Density) to PCD-BP (Business Park) creating a total of 34.1 acres of PCD-BP for purposes of accommodating an 80-bed hospital of approximately 213,000 square feet and 100,000 square feet of medical office building.
- 3) Comprehensive Plan Proposal 05-03 (SEPA 05-03) – Amendment to the City of Gig Harbor Wastewater Comprehensive Plan to reconfigure the design and location of the required future sewer infrastructure to facilitate a proposed single family development.

Commissioner Allen outlined that this was a public hearing on three comprehensive plan amendments and then turned it over to staff for their presentation.

Community Development Director John Vodopich gave a power point presentation on the three comprehensive plan amendments and the process that they would go through. Mr. Vodopich went over the history of the applications stating that a determination of significance was issued in 2005 which called for the preparation of a Supplemental Environmental Impact Statement so the City retained David Evans and Associates who prepared a draft and the Planning Commission held a public hearing in January of this year. He went on to say that a comment period was held and those comments were included in the FSEIS which was issued on April 5th

of this year and on April 6th the Planning Commission had a work session on the FSEIS. He noted that the City has received an appeal of the FSEIS and stated that the appeal will go before the city's hearing examiner as determined by the current code. He stated that he had received comments from Pierce Transit although there is no comment period and that he had provided those comments to the Planning Commission. Mr. Vodopich stated that he had provided a staff report for each of the applications and gave a brief presentation on them, stating that two were map amendments in the Gig Harbor North area and one was a Wastewater Comprehensive Plan amendment. He then displayed a map of the locations of the proposed amendments along with a map showing existing and proposed developments in the GHN area. Mr. Vodopich went over the necessary Planning Commission actions, noting that they would conduct the public hearing, consider the testimony and then take action individually on each of the three proposals. He also stated that it would be necessary to make a recommendation on the proposed revision to the Transportation Element of the Comprehensive Plan as identified in Appendix B of the April 5th 2006 FSEIS. He continued to explain that after the Planning Commission made their recommendation, there would be the consideration of the appeal, and then the City Council would consider the Planning Commission recommendation and take action. He went on to say that following City Council approval the applicants would submit land use applications and project level SEPA review would begin. He concluded by saying that staff was recommending approval of all three applications as proposed, with the traffic mitigations as proposed in the FSEIS. He went over each of the applications and the concurrent site specific mitigation measures. He pointed out that Victor Saleman from David Evans and Associates; Steve Misuriak, City Engineer and Senior Planner Jennifer Sitts were all in attendance to answer any questions they might have.

Chairman Dick Allen opened the public hearing at 7:25 p.m.

Dale Pinney, GHN Associates, 8129 Lake Ballinger Way, Suite 104, Edmonds WA 98026.

Mr. Pinney stated that his concerns were with applications CPA 04-01 and CPA 05-01. He stated he had been working with the city for ten years building Gig Harbor North, building the roundabout, thought he was covered and then realized he was going to be locked out of the program. He went over the two project applications that he had turned in to the city and stated that his projects are not on the map and are not in the traffic reports. He stated that these two properties have paid \$300,000 to build what they were zoned for eight years ago, have been denied traffic concurrency and don't have an answer why. He stated that he doesn't really object to the projects, the problem is he objects to the project going forward while he gets denied. Mr. Pinney voiced his objection to CPA 04-01 and asked why would the City approve an upzone and grant 122 peak hour trips when they do their mitigation and then deny him in November of last year for a retail and bank building needing only 110 trips. He additionally stated that no one offered that he could be approved if he paid into the roundabout as he would have done that. He reiterated that he is building what he is zoned for and got denied while another project needs an upzone and is getting granted concurrency. Mr. Pinney went on to say that he agreed that the property should be medium density; he just had a problem with them getting concurrency before he gets it for property that is already zoned for what he is doing. He continued by saying that he had a similar concern with the hospital application. He stated that he understood why the city may bend the rules a little for them, but also added that there was a two year discussion on the need for business park zoning in the Gig Harbor North area and it was decided that it didn't

really need more business park. He went on to say that he has an application for an 80,000 sq ft office building and it has been denied concurrency while the city is going to issue the hospital 500 trips. He also stated that he thought that the level of PCD-BP had been maxed out and didn't see an analysis of that anywhere. He concluded by saying that he felt that with approval of these upzones in a corridor that is already non-concurrent, adding more traffic and in the same breath granting them concurrency when he had been denied is wrong and unfair. He asked that if the city is going to accept a poor level of service then please let him do his projects and contribute to it too.

Jim Pasin asked if Mr. Pinney also had residential property behind Target and Mr. Pinney said no they had sold that. He also asked if Mr. Pinney had any concurrency reserved at all and Mr. Pinney answered that he thought that the pre-annexation provided some concurrency but it was sketchy.

Community Development Director John Vodopich pointed out to the Planning Commission that the issues raised by Mr. Pinney were the same issues he had raised in his appeal and the Hearing Examiner will hear those issues.

Joe Kunkel, Hammes Company, 1425 4th Avenue, Seattle.

Mr. Kunkel gave an overview of the hospital project pointing out that they have a single parcel with two zones cutting through it and that there is no outright allowance for a hospital in any zone in the state of Washington. He stated that in general they were very supportive of the comp plan amendment as written; however they would like the city to enter into a development agreement to clarify the mitigation and provide certainty. He distributed a letter outlining his comments. Specifically, he stated they would like to clarify any additional mitigations associated with the conditional use permit. He also stated that they wanted to clarify how the 5 million dollar economic development grant is used.

Jim Pasin asked who would complete the traffic improvements and Mr. Kunkel clarified that it would be the hospital as those were their mitigations and acknowledged that there were risks associated with that.

Mr. Kunkel talked about the additional benefits of a development agreement and the hospital's proposed timeline, emphasizing that time is of the essence. He then addressed Mr. Pinney's remarks and stated that they felt the appeal was without merit and that technically it is increasing the zone but stated that they are not going to impact this site in any greater form than what is allowed today. He added that Mr. Pinney's statement that there is other land that can accommodate their use is incorrect due to the fact that you basically have to have a medical office building connected to the hospital in order to recruit physicians. He concluded by saying that the criticism of the traffic study is unfounded and noted that there had been many traffic studies done in this corridor.

Commissioner Harris Atkins asked why they were proposing to tie the development agreement to the comprehensive plan amendment and Mr. Kunkel answered that they were hoping to at least have the development agreement process started prior to the conditional use permit in order

to avoid surprises. Mr. Vodopich added that there is precedent for this as the city did do something similar with Olympic Property Group.

Discussion followed on the tax increment financing option and how it may be implemented. Commissioner Pasin clarified that they were proposing to not have to pay impact fees since they were paying for the mitigation and that their contribution in the short term solution be applied to a long term solution. Mr. Kunkel agreed and stated that the assumption is that what they would do in the short term are mitigations that will not be removed, so in fact they are doing part of the long term solution.

Tom Metzdorf, Construction Northwest

Mr. Metzdorf explained that he has been attempting to build an office for his company and found out that effectively, there is a moratorium on new applications. He stated that he felt the hospital was a good thing but it would be helpful if he had a timeline of when these solutions might be implemented and noted that the short term fix doesn't really seem to lead into the long term fix. He also stated that if he knew how much the fix was going to cost it would help him decide if he's going to invest in commercial property in this area. Mr. Metzdorf asked that the Planning Commission make a decision quickly and that he be able to find out how long and how much.

Chairman Dick Allen asked if there were anyone else that wanted to speak, there being none, he closed the public hearing at 8:17 p.m. He then called a 5 minute recess.

Commissioner Theresa Malich asked for guidance from the staff on the next step in the process.

Mr. Vodopich reminded them that four separate actions will be needed on the three comprehensive plan amendments and the subsequent change to the transportation element.

It was decided to discuss the Hospital application first.

Comprehensive Plan Proposal 05-01 (SEPA 05-01) – Land Use Map amendment re-designating and reconfiguring 14.8 acres of PCD-RMD (Residential Medium Density) to PCD-BP (Business Park) creating a total of 34.1 acres of PCD-BP for purposes of accommodating an 80-bed hospital of approximately 213,000 square feet and 100,000 square feet of medical office building.

Commissioner Jim Pasin expressed his support of a development agreement and suggested that the Planning Commission recommend that a development agreement be entered into along with their comprehensive plan amendment. Mr. Vodopich stated that there is a codified process for development agreements. Chairman Allen, Commissioner Malich and Ninen all agreed that it would make sense to have a development agreement.

MOTION: Move to recommend approval of the proposed comp plan designation change with the staff recommendations and mitigation measures along with a recommendation that the city council enter into a development agreement with the applicant. Ninen/Atkins -

Commissioner Atkins asked Mr. Vodopich what he saw as the scope of the development agreement and Mr. Vodopich answered he thought that it would focus on transportation but it certainly could include other things, along with timing issues. Mr. Atkins then asked if there would be a project timeline and Mr. Vodopich stated that it could be discussed.

Victor Salemann from David Evans and Associates pointed out that another aspect may be limiting future development of the property.

Chairman Allen called the question and the motion passed unanimously.

Comprehensive Plan Proposal 04-01 (SEPA 04-08) – Land Use Map amendment re-designating approximately 18 acres of PCD-RLD (Residential Low Density) to PCD-RMD (Residential Medium Density)

Commissioner Ninen stated that she felt it made sense to designate this property medium density when it is surrounded by medium density and pointed out that it is a goal of the comprehensive plan to promote affordable housing.

Commissioner Atkins stated that one of the speakers had mentioned something that as part of this overall effort we have decided to reduce our level of service and when you consider that together with the fact that we already have a surplus in the number of housing units to meet our GMA requirement, he wondered if there is a compelling need to make a big change that will result in another 120 trips. He pointed out that we really don't know how bad the traffic is going to get.

Senior Planner Jennifer Sitts stated that the hospital change results in a gain in housing capacity and this change would make up for what was lost in the hospital proposal. She added that the Growth Management Hearings Board has suggested that 25% is the number that you should be over and we are at 20% and that this number is to prevent driving housing prices up.

Commissioner Atkins agreed that more affordable housing is needed but reiterated that he still questioned whether there was a need to do this before we get this traffic situation sorted out.

It was then pointed out by Commissioner Ninen that the Planning Commission can only amend the comprehensive plan once a year and if they didn't do this now it would wait another year.

Commissioner Pasin stated that he didn't recall why this property was sandwiched between two medium densities when its low density and asked if there was some logic when it was put in place that they should be aware of. Commissioner Malich answered that she believed it was zoned before the increase for Olympic Property Group and that the Planning Commission didn't want to have blanket RMD without some breakup or mixed use. She went on to say that now that across the street there is more of an intense use, maybe it makes more sense to have it RMD. Commissioner Ninen agreed that the medium density seems to make a better transition.

Commissioner Pasin asked about the pre-annexation agreement and the expiration of the capacity reservation. Mr. Vodopich explained that the provision in the pre-annexation agreement has expired and that is why they are asking that contingent upon their participation in the mitigation

improvements they be granted 122 peak p.m. trips. Mr. Pasin then asked if that would include other developments along Borgen.

Victor Salemann from David Evans, answered that the percentage splits the improvements between these two amendments; however, there could be a possibility of others participating but noted that there is a small window of opportunity with these short term improvements, after that there is no additional capacity.

Commissioner Atkins asked about in the traffic analysis and where it talks about the traffic conditions at full build out considering rezones. Mr. Salemann answered that they did assume build out with some input from the Planning Department. Mr. Atkins expressed that the timing issue was the problem and asked if the applicants decide to build something else would a study be done on how that level of service standard in the interim is being met or not met. Mr. Salemann answered that it would if they are still doing a project that would generate the same trips, if not then they would have to analyze that and see what that would do to the LOS.

Commissioner Pasin asked if the property was left as it is zoned would we also be looking at the same amount of mitigation to build it out at the low density and Mr. Salemann answered that their proportional share would be less but that we really can't only build that portion, so we wouldn't eliminate any of the short term mitigation and noted that they would likely need 48 trips versus the 122. Mr. Pasin asked for further clarification on what would happen if the property was left at its current land use designation. Senior Planner Jennifer Sitts stated that if it remained at its current designation there would be no traffic reservation issued for that property and there would be no proportional share. Mr. Pasin clarified that then if we don't approve this change this property falls into a similar situation as Mr. Pinney. Mr. Vodopich answered yes, as they have nothing reserved.

Commissioner Atkins asked if there was a project application submitted and Ms. Sitts answered that there is a preliminary plat application but their concurrency has not been denied because we are waiting for this comp plan amendment.

It was then pointed out by Commissioner Pasin that on page six it says there is a possible requirement for a second access point and if not then the request would be to design a larger access point. He suggested that if they recommended approval that they require the larger access point, even though there may be a second access. Mr. Vodopich referred them to Figure 13 in the FSEIS showing the access points. He explained where the access point would be. Mr. Atkins asked if the Planning Commission could require access across property the applicant doesn't own. Ms. Sitts stated that it would be part of the SEPA mitigation. Mr. Salemann clarified that the intent was that the road would be stubbed there with the ability to provide the connection when the other parcel develops.

MOTION: Move to accept staff findings and recommendation with the change that it be required that the access point onto Borgen have additional lanes in order to alleviate the congestion and assure public safety. Pasin/Ninen

Ms. Malich asked if they really felt that this would help alleviate concerns in upzoning this to medium density and Mr. Pasin answered that he felt it was appropriate. Ms. Ninen asked if they

wanted to add to the motion that if it was possible to have a second access or enlarge the access onto Borgen. Mr. Pasin stated that he would rather enlarge the access onto Borgen regardless of whether there are two access points. Ms. Sitts clarified that they were not intending to preclude the second access, just make the entrance onto Borgen larger and Mr. Pasin stated that was correct.

The question was called and the motion passed with four in favor and Commissioner Atkins voting no.

Comprehensive Plan Proposal 05-03 (SEPA 05-03) – Amendment to the City of Gig Harbor Wastewater Comprehensive Plan to reconfigure the design and location of the required future sewer infrastructure to facilitate a proposed single family development.

Commissioner Pasin disagreed with the applicant having to pay an impact fee and then being required to construct left turn pockets on 38th. He expressed support of the impact fee because it applies to all units within the city and disagreed with anything constructed as additional mitigation, stating that 23 homes makes little or no impact on those streets and right across the street in the county someone could build the same 23 homes and not pay a penny.

Mr. Vodopich clarified that the city and Pierce County did enter into a settlement agreement and that we actually do impose a prorata share of developments. He also stated that we comment on County projects and the County would be required to impose those mitigations.

City Engineer Steve Misuriak pointed out that there is an alternative where they could pay 1% of the corridor improvement. Commissioner Atkins asked if those corridor improvements were in the Transportation Improvement Plan and if the impact fees were for those improvements. Mr. Misuriak answered that the city's impact fee program is under funded and that there is a safety issue with that corridor that the applicant is being asked to participate in.

Discussion continued on the cost of the mitigations and the location of the left turn pocket.

MOTION: Move to recommend approval of Comprehensive Plan Amendment 05-03 subject to the recommended site specific mitigations. Atkins/Malich – Motion passed with Jim Pasin abstaining.

Community Development Director John Vodopich stated that the last item was the proposed changed to the Transportation Element of the Comprehensive Plan. He explained that staff is recommending approval and that these changes go hand in hand with the changes that they had just approved. Commissioner Pasin asked if there would have to be modifications made to the text to include the development agreement and Mr. Vodopich answered that there would not have to be modifications.

MOTION: Move to recommend approval of the revision to Chapter 11, Transportation Element as identified in appendix B. Malich/Pasin – Motion passed unanimously.

OTHER BUSINESS

Commissioner Pasin asked staff about Mr. Pinney's testimony and whether he had submitted a completed application. Ms. Sitts answered that for the 80,000 square foot building he did submit a completed application in November 2004 but put it on hold because of the critical area regulations. She continued by saying that in regard to Harborstone Credit Union, it was also turned in in November 2004 and there was a request from engineering that they revise their TIA. She stated that the request went to the applicant (Harborstone) and they did not respond for about a year and then in July 2005 the TIA from David Evans was issues that showed that the Borgen corridor was not concurrent and they did not revise their TIA until after that point.

Commissioner Atkins asked about the impact fees and Mr. Vodopich answered that about a year ago he took the six year TIP and the costs to the City Council Community Development Committee along with a staff recommendation to increase the impact fee and the council tabled it indefinitely.

Commissioner Pasin stated that due to recent developments within the community and the Mayor's public comment in the paper, he would like to get the issue of underground parking on the Planning Commission schedule. Mr. Vodopich stated that the City Council had made a motion to instruct the City Attorney to draft an ordinance and she is working on that. He also stated that the Planning Commission work program had been discussed at the City Council meeting and due to current staff shortages all text amendments will be put on hold. Ms. Sitts reminded the Planning Commission that they are invited to attend a work study session on the land use matrix on May 1st.

UPCOMING MEETINGS

May 4th, 2006 - Cancelled

ADJOURNMENT

Move to adjourn at 9:35 p.m.
Pasin/Allen – Motion carried

CD recorder utilized:
Disc #1 Tracks 1-2
Disc #2 Track 1