

Gig Harbor City Council Meeting

**October 9, 2006
7:00 p.m.**



**AGENDA FOR
GIG HARBOR CITY COUNCIL MEETING
October 9, 2006 - 7:00 p.m.**

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

CONSENT AGENDA:

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

1. Approval of the Minutes of the City Council Meeting of September 25, 2006.
2. Correspondence / Proclamations: a) YWCA Pierce County Month b) Youth Voting Awareness Week.
3. Sanitary Sewer Facilities Easement and Maintenance Agreement – Babich Marine Fuel.
4. Skansie Avenue Storage Tank Maintenance – Contract Authorization.
5. Eddon Boat Remediation Clean-up Action Plan – Reallocated and Amended Consultant Services Contract – Anchor Environmental, LLC.
6. Payment of Bills for October 9, 2006.
Checks #51607 through #51733 in the amount of \$403,338.90.
7. Payment for Payroll for the Month of September:
Checks #4404 through #4457 and direct deposit entries in the amount of \$461,715.25.

OLD BUSINESS:

1. Second Reading of Ordinance - Drug Paraphernalia.
2. Second Reading of Ordinance – Harbor Hill Rezone (REZ 04-35).

NEW BUSINESS:

1. First Reading of Ordinance – Interlocal Agreement with Pierce County to Expand the Hospital Benefit Zone.

STAFF REPORT:

1. Mike Davis, Chief of Police – September Stats.

PUBLIC COMMENT:

COUNCIL COMMENTS / MAYOR’S REPORT:

ANNOUNCEMENT OF OTHER MEETINGS:

1. Gig Harbor North Traffic Options Committee Meeting – October 25th, 9:00 a.m. – Community Rooms A&B.
2. Operations and Public Projects Committee Meeting – October 26th, 3:00 p.m. – Engineering & Operations Conference Room.

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

ADJOURN:

GIG HARBOR CITY COUNCIL MEETING OF SEPTEMBER 25, 2006

PRESENT: Councilmembers Ekberg, Young, Franich, Conan, Payne, Kadzik and Mayor Hunter. Councilmember Dick was absent.

CALL TO ORDER: 7:00 p.m.

PLEDGE OF ALLEGIANCE:

CONSENT AGENDA:

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

1. Approval of the Minutes of the City Council Meeting of September 11, 2006.
2. Correspondence / Proclamations: Constitution Week
3. Olympic Drive / 56th Street Roadway Improvement Project – Right-of-Way and Easement Agreements.
4. Stormwater Facilities Maintenance Agreement and Restrictive Covenant – Little Boat North Inc.
5. Resolution 687 – Surplus Property.
6. Agreement between the City and Washington State Surplus Program.
7. Eddon Boat U.S. EPA Brownfields Grant Administration – Consultant Services Contract.
8. Liquor License Change of LLC Member: Half Time Sports.
9. Liquor License Assumption: Olympic Drive Mart.
10. Liquor License Renewals: Fred Meyer; Gig Harbor 76; Harvester Restaurant; QFC – Pt. Fosdick; and QFC – Judson Street.
11. Special Occasion Liquor License: Knights of Columbus.
12. Payment of Bills for September 25, 2006.
Checks #51483 through #51606 in the amount of \$428,316.08.

MOTION: Move to approve the Consent Agenda as presented.
Franich / Young – unanimously approved.

OLD BUSINESS:

Notice of Intention – Hansen Annexation (ANX 06-1313). Mayor Hunter asked John Vodopich, Community Development Director, to present the background information and to include the information on city-initiated annexation methods.

Mr. Vodopich explained that this item came before Council at the last meeting, and at that time Council asked about annexing the rest of the area around the proposed parcel. He briefly touched on the steps to proceed with the election method, adding that staff was unable to obtain an estimate for election costs because the Auditor's office is busy with the primary election. Mr. Vodopich then talked about the relatively new procedure that would allow the city to enter into an interlocal agreement with Pierce County. After hearings by each entity, the city could move forward with the annexation effort.

Mr. Vodopich presented an overview of the tax rate breakdown for both the city and Unincorporated Pierce County. He pointed out that by annexing to the city, taxes do go down slightly.

He said that Council is tasked this evening to determine whether they accept, reject or modify the boundary of the proposed annexation. He and Carol Morris, City Attorney, addressed questions regarding timing of utilizing the interlocal method. John explained that two public hearings are required and Carol explaining that because it has yet to be used in Pierce County, it would take a couple of months to draft the agreement.

Eva Jacobsen – 5808 Reid Drive. Ms. Jacobsen, planning consultant for the applicant Don Hansen, offered their services to work with adjoining property owners in the effort to expand the annexation area. She said that her client is concerned with timing, and thinks that an interlocal would be great if it done in a timely manner. One of the reasons that they want to annex this property is to speed up the planning process with dependability and predictability. She asked Council to consider moving forward with the annexation of this parcel and bring in the others after this is in process.

- MOTION:** Move to accept the Notice of Intent to Commence Annexation and further authorize the circulation of a petition to annex the subject property with the following conditions:
1. The City shall require that the property owner(s) assume all of the existing Indebtedness of the area being annexed; and
 2. The City will require the simultaneous adoption of a Single-Family Residential (R-1) zoning for the proposed annexation area in substantial compliance with the Comprehensive Plan as adopted by City of Gig Harbor Ordinance No. 981.
- Young / Kadzik – unanimously approved.

NEW BUSINESS:

1. First Reading of Ordinance - Drug Paraphernalia. Chief Mike Davis presented this ordinance that would control the delivery, sale or manufacture of drug paraphernalia. He explained that parents have complained that local stores are selling the paraphernalia. He said that County Councilmember Terry Lee, and members from Safe Street joined with him to meet with the owners of local tobacco shops to advise them of the situation and that local legislation would be crafted to deal with the issue. This same ordinance has been considered at the County level. Chief Davis addressed questions on enforcement. He said that Pierce County has been very successful with enforcement since implementation of their ordinance.

Councilmember Payne recommended raising the class of penalty to a higher level. Chief Davis said that this would be adjusted before the second reading at the next meeting.

Kae Paterson – 7311 Stinson Avenue. Ms. Paterson asked how this ordinance would affect the needle exchange program. Chief Davis responded that Section ‘A’ states

“...nothing in the ordinance prohibits legal distribution of injection syringe equipment through public health and community-based HIV prevention programs.”

2. First Reading of Ordinance – Harbor Hill Rezone (REZ 04-35). John Vodopich presented the background on this ordinance that would amend the city’s zoning map to adopt zoning changes for a 23.44 acre parcel. This will return for a second reading at the next meeting.

3. Proposed Annexation - Burnham/Sehmel Annexation (ANX 05-1151). John Vodopich presented this proposed annexation of over 90 acres with a number of pre-annexation zoning categories. Mr. Vodopich recommended that Council deny these requested boundaries and request the applicant to bring back a revised map and legal description that would expand the proposed annexation out to the Urban Growth Boundary. He said that in addition, there are residents present to speak who wish to be included in the annexation effort, as well as a letter from Carl Halsan, representing property owners located to the north, also requesting to be included. He addressed Council questions regarding the proposal.

John Sharp – 11412 66th Ave NW. Mr. Sharp said that the residents of Horizon West had put together an informal petition with 25 of the 49 homeowners’ signatures requesting to be included in an annexation effort.

Walt Smith – 19216 99th St. KPN. Mr. Smith presented a brief background of the Horizon West development in which the city sewer was extended. He said that the sewer extension had a provision that you cannot protest annexation, adding that it is natural that they be included. He said that he is highly in favor of this; it makes sense that the city should get the taxes.

Betty Garrison – PO Box 1021, Wauna, WA 98395. Ms. Garrison said that she owns property in the planned annexation area which is zoned light industrial. She said that she is interested in what uses would be permitted or allowed as conditional uses after annexation. She also asked if they would be included in the 50 million dollar road improvements planned.

Councilmember Young recommended that she get in touch with the new Planning Director, Tom Dolan, who could address her questions.

William M. Palmer – 2112 Point Fosdick Drive. Mr. Palmer asked how long it would be if a revised annexation has to come back to Council.

John Vodopich explained that there have been numerous attempts and “back-and-forth” with Pierce County to approve the legal description and map. To expand the boundaries, the applicant would have to provide a revised legal and map that would have to go back to Pierce County for approval before coming before Council. He said that he couldn’t predict how long this might take.

Mr. Palmer asked if there would be any way to proceed with this proposal and bring in the additional area on a separate track so that it doesn't encounter further delays, which would be his preference.

Mr. Vodopich responded that someone would have to take the lead and be the project proponent for the second annexation, and hire a licensed surveyor to develop a legal description and map.

Todd Nichols – 11202 66th Ave NW. Mr. Nichols spoke in support of what was stated earlier by John Sharp and Walt Smith. He said that there are several active members from the Horizon West area present in support of extending the boundary.

Councilmember Franich asked for clarification on how the Urban Growth Boundary was drawn. Mr. Vodopich said that he was unsure as it was in existence when he came to work for the city. He added that it is established by action of the County.

Councilmember Young added that some portions were removed due to wetland issues. He then said that although he is sympathetic to the delays, he believes that most of the contention with Pierce County was due to the property adjacent to Highway 16. Because this has been resolved, adding additional property may move forward quicker. He suggested that the boundaries be expanded.

MOTION: Move to deny the Notice of Intention to Commence Annexation Proceedings and suggest to the proponent that the annexation be resubmitted with a proposed annexation area extending out to the Urban Growth Boundary to the west and to include the Halsan represented properties to the northern property line to the west to Henderson Bay.
Payne / Conan – five voted in favor. Councilmember Franich voted no.

4. Skansie Bros. Park Net Shed Piling and Support Analysis – Consultant Services Contract. John Vodopich presented this proposal to have an engineering firm prepare plans and specifications for needed repairs. Inspection has revealed a number of pilings and supports under the netshed that are failing.

Councilmember Franich asked if a contractor hired to do the repair work would have the knowledge to prepare the plans in order to avoid this \$15,000 contract.

Mayor Hunter explained that it is difficult to get comparative pricing on design/build contracts. It is neither practical nor advisable. He added due to the historic and public nature of the netshed, it is important to make sure that it is done correctly.

Councilmember Payne said that with a project as sensitive as this, the engineering effort is like an insurance policy protecting the city. Without the detailed report, there could be many cost overruns.

MOTION: Move to authorize the execution of the Consultant Services Contract with kpff Consulting Engineers for the piling and support analysis work in the amount not to exceed Fifteen Thousand Dollars and no cents (\$15,000.00).
Young / Payne – unanimously approved.

5. Administrative and Special Projects – Consultant Services Contract. Mayor Hunter gave an overview of the projects that Lita Dawn Stanton has been working on and explained the importance of continuing support for implementation of the Interlocking Permit Tracking Software to include the development of a user manual specific to Gig Harbor. He then said that there is also a need to oversee the input of historical permit data. Mayor Hunter added that the Certified Local Government portion of the contract is a 2006 budget objective. He then gave an overview of Ms. Stanton's background and qualifications, stressing that she has a stake in this community. He asked Council to approve the contract.

Councilmember Young asked for clarification on what is left to be completed on the CLG project. John Vodopich mentioned a few items: nomination forms need to be developed, historical training for the DRB Members, and compilation of a list of city-owned historic properties. He said that Ms. Stanton has been attending the DRB meetings regarding historic preservation. He said that city will need a staff person who is versed in historic preservation to assist the DRB and the CLG board when new applications come. Only one has come to the city so far, for the Eddon Boatyard.

Mayor Hunter read a list of other projects that need to be accomplished for the CLG program.

Councilmember Young said that he understood that Ms. Stanton was hired to accomplish these CLG tasks. He asked why she worked on other things if these tasks have not been completed. He said that Council is now being requested to pass a contract to complete the CLG tasks.

Mayor Hunter responded that he directed her to work on the software package for electronic permitting because he felt that it was a very important piece. This was an objective in 2005 that was never completed. The Latimore Report for Community Development was a helpful tool used to get the Interlocking Program up and running.

Councilmember Young said that he understands Ms. Stanton's qualifications, but doesn't understand why it is necessary for her to implement the software if Latimore's contract has been extended to do so. Mayor Hunter responded that no further extensions to Latimore's contract are being recommended, but further work on implementation is needed.

John Vodopich explained that it isn't that staff doesn't have the expertise or capability to do the coordination of the Interlocking Software or to write the manual; it is that Ms.

Stanton adds additional resources that free up staff time. This contract would allow the continuity of Ms. Stanton's involvement with the program.

Councilmember Young thanked John for the clarification. He voiced concern with language in the contract that says that there may be addenda added to the contract until the effective date of the agreement. He asked why the other projects that were mentioned by the Mayor were not included in the scope of work.

Mayor Hunter responded that the scope of work is for only two things: CLG and the Interlocking coordination. He said that it isn't his intent to expand the work under this contract. He stressed that he wants to make sure that we implement the Interlocking Program due to the tremendous amount of money that has been invested and also to work on the CLG.

MOTION: Move to authorize the Mayor to sign this Consultant Services Contract with Lita Dawn Stanton at the rate of \$24 per hour in an amount not to exceed Fifteen Thousand Dollars and no cents (\$15,000.00).
Conan / Kadzik –

AMENDMENT TO MOTION: Move to amend the motion from \$15,000 to \$5,000.
Ekberg / Young –

Councilmember Ekberg explained that he and the Mayor have discussed this at length and this is an issue handled under the budgetary process. A temporary full-time Administrative person was added soon after the Mayor came on board for 1000 hours of work which took about six months. Now we are being asked to put another \$15,000 into 625 hours of work in the remaining quarter of the year. He said that he recognizes the importance of continuing the coordination of the Interlocking software, but 625 hours is excessive. That is the reason for the proposed amendment.

RESTATED AMENDMENT: Move to amend the motion from \$15,000 to \$5,000.
Ekberg / Young – motion failed four to two with the following roll call vote.

Ekberg – yes; Young – yes; Franich – no; Conan – no; Payne – no; Kadzik – no.

Councilmember Young asked Legal Counsel if the language in paragraph three allows addition of other duties outside the scope of work listed.

Ms. Morris said you could remove the sentence "including any addenda thereto as of the effective date of this agreement" because everything that is part of the agreement is attached. She said that she is unaware of any other documents that modify this agreement so the sentence could be left in.

Councilmember Young said that he wanted to be sure that the contract is limited to these two items.

AMENDMENT TO MOTION: Move to amend the contract to strike the line “including any addenda thereto as of the effective date of this agreement.”
Young / Ekberg -

Councilmember Kadzik asked if this would limit the Mayor or anyone else from using Ms. Stanton’s services for any other items at city hall. Councilmember Young said that it would have to come back to Council again. He added that this is quite unusual, as he has never heard of a Consultant Services Contract that pays money to just “go do something.” He added that he doesn’t believe that this is the Mayor’s intent, and that the Mayor wants to limit it to the two items. He added that this is what he thought was the intent in the beginning of the year when Council agreed to add money for CLG duties. An employee was hired, but then the money was used for the employee to work on other things. He said that he wants to make sure of what we are approving without it having to come back to Council.

RESTATED AMENDMENT: Move to amend the contract to strike the line “including any addenda thereto as of the effective date of this agreement.”
Young / Ekberg - motion failed four to two with the following roll call vote.

Ekberg – yes; Young – yes; Franich – no; Conan – no; Payne – no; Kadzik – no.

Councilmember Young said that he cannot understand, other than the CLG items, why Ms. Stanton is being hired to do these other projects. He said that this hasn’t been put out to any Consultant Services bid, and she has no special expertise or training in most of these fields. He explained that when she was hired to work on the DRB Manual, she had extensive experience and is great with design. The CLG duties make sense as because she has experience on the Historic Landmark Commission. He said that without distinctly limiting this contract to these two tasks, we are opening a door that makes him uncomfortable. Based on what we saw in the last contract, there were a lot of duties that she should not be performing.

Councilmember Franich said that Dawn, in the time she has been here working on those projects, has done a very good job. As John Vodopich pointed out, consistency is important with the Interlocking system. If this was an item not budgeted, he may have a problem, but the money does exist.

Councilmember Young interjected that this contract is not a budgeted item.

Councilmember Franich continued to explain that Council determined that \$25,000 was an appropriate amount to get the CLG work done. Only \$7400 has been spent, and there is money left for that use. There also is money left to facilitate the permit tracking system, and based on this, he supports this contract. He then pointed out that Dawn is

his cousin and asked if anyone wanted him to recuse himself. No one asked him to do so.

Councilmember Conan said that he understands Councilmember Young's concerns. He said that the jobs that Ms. Stanton is performing aren't necessarily "expertise-type" jobs. If the city needs an expert, we can get one, but not for \$24 an hour. He said that he thinks she is qualified for the jobs she is doing.

Councilmember Young then said that we have staff to do these functions and we don't need to hire out for them. Granted, she has taken the workload from staff, but it is unusual to contract out to take workload from staff.

Councilmember Conan then pointed out that we have been in a difficult situation due to staffing shortages. Staff doesn't have the time to work on these projects.

Councilmember Kadzik addressed the issue of experience. He said that Ms. Stanton has as much expertise as anyone in this building when it comes to the Latimore and Interlocking Software. In addition she has the continuity from the beginning, RFQ phase of the program. He agreed with Councilmember Conan that this isn't the type of position that needs in-depth expertise, and it could be handled in-house. But for something as important as this, which is out of the mainstream of the typical administration of the functions of city hall, it seems that there should be someone in charge that doesn't have other duties to perform. He said that he will vote in favor of the contract.

Councilmember Ekberg said that he will be voting against the contract because it is a budgeting issue. He said that he hopes that Council realizes that in the last three quarters of the year, another position has been added at a rate of around \$60,000 a year. There are 89 employees in the city, and he relies heavily on the budget process at the beginning of the year and to do this only in emergencies. This isn't an emergency and can be handled with fewer hours.

MAIN MOTION: Move to authorize the Mayor to sign this Consultant Services Contract with Lita Dawn Stanton at the rate of \$24 per hour in an amount not to exceed Fifteen Thousand Dollars and no cents (\$15,000.00).
Conan / Kadzik – four voted in favor. Councilmembers Ekberg and Young voted no. The motion passed 4-2.

STAFF REPORT:

1. Laureen Lund, Market Director – New Tourism / Visitor Information Website. Ms. Lund reported on the new website portal that links Visitor Information, Business Information, and Municipal Information. She pulled up the website and pointed out several features. She asked that Council view the site from home and forward any comments to her.

Councilmember Ekberg said that he has accessed the site and found it very informative, not only for visitors, but residents alike. He added that he likes the idea that updates can be done in-house to keep the site current.

Mayor Hunter complimented Laureen for all her hard work, not only on this website but all the other functions she performs for the city.

2. John Vodopich, Community Development Director – City Initiated Annexation Methods. This information was addressed under Old Business.

3. John Vodopich, Community Development Director – Gig Harbor Peninsula Historical Society. Mr. Vodopich reported that at Council's direction, the Operations and Public Projects Committee met with the City Attorney and Finance Director to craft a draft agreement to present to the Historic Society. Jennifer Kilmer, Executive Director of the Historical Society, responded with a two-page letter with comments from the Board. Mr. Vodopich said that he had notated a copy of the letter to reflect the sections in the agreement that were amended or not amended in response to their comments. He said that he is presenting this to Council for informational purposes. He added that it is likely that the committee will meet with the Historical Society by the end of the week.

Ms. Morris discussed items number seven and eight of the letter. She said that Council should not agree to go after grant funding, give them the money from the grants and then put in the agreement that if the museum abandons use of the property, the city would remove the easements before the property goes on the market.

Councilmember Ekberg asked for any comments back before the next meeting this Friday. Councilmember Payne reminded everyone that this is time sensitive for the Historical Society due to the grant application.

PUBLIC COMMENT:

Kae Paterson – 7311 Stinson Avenue. Ms. Paterson described her involvement with the Working Waterfront Maritime Museum in Tacoma. She said that they have been holding Tuesday Light Luncheons in order to get the word out. She extended a luncheon invitation for Tuesday, October 10th at 11:30, which has been dubbed "Gig Harbor Day." If you cannot make it the 10th, then try for the 24th with Laureen Lund.

COUNCIL COMMENTS / MAYOR'S REPORT:

Mayor Hunter reported that he went to the YMCA presentation and it was very nice.

ANNOUNCEMENT OF OTHER MEETINGS:

1. Gig Harbor North Traffic Options Committee Meeting – September 27th, 9:00 a.m. – Community Rooms A&B.
2. Operations and Public Projects Committee Meeting – September 28th, 4:00 p.m. – Engineering & Operations Conference Room.

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

MOTION: Move to adjourn to Executive Session for approximately 15 minutes at 8:32 p.m. in order to discuss pending litigation per RCW 42.30.110(1)(i).
Franich / Payne – unanimously approved.

MOTION: Move to return to regular session at 8:49 p.m.
Franich / Conan – unanimously approved.

MOTION: Move to authorize the City Attorney to draft an ordinance that exempts existing netsheds from the Gross Square Footage Calculation on all waterfront zones.
Franich / Payne – unanimously approved.

ADJOURN:

MOTION: Move to adjourn at 8:50 p.m.
Young / Conan – unanimously approved.

CD recorder utilized:
Disk #1 Tracks 1 – 33
Disk #2 Tracks 1 - 5

Charles L. Hunter, Mayor

Molly M. Towslee, City Clerk

PROCLAMATION OF THE MAYOR OF THE CITY OF GIG HARBOR

Whereas the YWCA USA is a women's membership movement formed to create opportunities for women's growth, leadership, and power in order to attain a common vision: peace, justice, freedom, and dignity for all people; and

Whereas the first YWCA chapter in Washington State opened its doors in Tacoma on October 9, 1906 with a mission of being a strong and vocal advocate for women, girls and their families; and

Whereas the YWCA Pierce County, is a non-profit organization that has continuously served families throughout the community for 100 years by providing community education, a women's support shelter, legal services and community advocacy; and

Whereas, the YWCA Pierce County provides housing for women escaping domestic violence, legal services and other support to women and children throughout the area; and

Whereas the City of Gig Harbor proclaims the month of October 2006 to be

“YWCA Pierce County Month”

in acknowledgement of the organization's essential services to the community.

In Witness Whereof, I have hereunto set my hand and caused the Seal of the City of Gig Harbor to be affixed this 9th day of October, 2006.

Charles L. Hunter, Mayor

Date

PROCLAMATION OF THE MAYOR OF THE CITY OF GIG HARBOR

WHEREAS, the youth of our community represent the future for generations to come; and

WHEREAS, the awareness of the process, privilege, and responsibility of voting is vital to their future and the future of the democratic process; and

WHEREAS, it is the responsibility of the community, the educators, the government, and the families of youth to educate our future voters; and

WHEREAS, on behalf of all citizens of Pierce County, the City Council of the City of Gig Harbor hereby encourages all educators, governmental entities, and families to educate and encourage the youth of Pierce County to participate in "Voting is Cool" program, which is being presented through the Pierce County Auditor's Office;

NOW, THEREFORE, I, Chuck Hunter, Mayor of the City of Gig Harbor, hereby declare the week of October 30 through November 3, 2006, as

YOUTH VOTING AWARENESS WEEK IN PIERCE COUNTY

in the city of Gig Harbor and encourage the youth of the community to participate in the "VOTING IS COOL" program.

In Witness Whereof, I have hereunto set my hand and caused the Seal of the City of Gig Harbor to be affixed this 9th day of October, 2006.

Chuck Hunter, Mayor

Date



Pierce County

Auditor's Office

RECEIVED

SEP - 6 2006

CITY OF GIG HARBOR

September 1, 2006

Pat McCarthy
Pierce County Auditor

Keri Rawlings-Rooney
Chief Deputy Auditor

Janice Young
Fiscal Manager

Steve Kosche
Information Specialist

Lori Augino
Elections Manager

Michael Rooney
Elections Supervisor

Vickie Chasco
Licensing/Recording
Manager

Patti Shay
Licensing Supervisor

Lisa Drury
Recording Supervisor

The Honorable Chuck Hunter
Mayor of the City of Gig Harbor
3510 Grandview St
Gig Harbor, WA 98335

Dear Mayor Hunter,

The Pierce County Auditor's Office is once again offering our popular Voting is Cool Program. As you may be aware, this program emphasizes the importance of voting in our society. Participating students in kindergarten through sixth grade will be given the opportunity to learn about and experience the voting process.

A proclamation has been adopted by the Pierce County Council to proclaim October 30 through November 3, 2006 as Youth Voting Awareness Week. We have asked city councils across Pierce County to also pass the proclamation to show the community and its young people that city leaders also feel that voting should be an integral part of all citizens' lives. October 30 through November 3 is when the classrooms will be participating in the Voting is Cool program.

Being a community leader, I hope that you might consider supporting this valuable program which seeks to plant the seed of democracy in the children of Pierce County. A visit from you to a school participating in the program during Youth Voting Awareness Week would demonstrate to students that their participation in the democratic process is encouraged and valued by their elected leaders. Your involvement would confirm to students, their parents, and all the citizens of Pierce County that the act of voting is crucial to keeping democracy alive and strong.

If you have any questions about the Voting is Cool program please don't hesitate to call my Chief Deputy, Keri Rooney at (253) 798-7186.

Thank you.

Pat McCarthy
Pierce County Auditor

2401 South 35th Street, Room 200 • Tacoma, WA 98409-7481

www.piercecountywa.org/auditor

Administration
P 253.798.3189
F 253.798.3182

Elections
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P 800.446.4979

Recording
P 253.798.7440
F 253.798.2761

Licensing
P 253.798.3649
F 253.798.3701



"THE MARITIME CITY"

COMMUNITY DEVELOPMENT DEPARTMENT

TO: MAYOR HUNTER AND CITY COUNCIL
FROM: STEPHEN T. MISIURAK, P.E.
CITY ENGINEER
SUBJECT: SANITARY SEWER FACILITIES EASEMENT AND MAINTENANCE
AGREEMENT – BABICH MARINE FUEL
DATE: OCTOBER 9, 2006

INTRODUCTION/BACKGROUND

As a condition of project approval for the Babich Marine Fuel development located at 2914 Harborview Dr., Mr. Randall P. Babich and Lindsey C. Babich is required to enter into a Sanitary Sewer Facilities Easement and Maintenance Agreement. This will ensure that the sanitary sewer system will be constructed, operated and maintained in accordance with all applicable rules and regulations. The sanitary sewer system is located on private property and will be privately owned. The City will not be responsible for the operation and maintenance of this system. This agreement allows the City a nonexclusive right-of-entry onto those portions of the property in order to access the sanitary sewer system for inspection and monitoring of the system.

The City's standard Sanitary Sewer Facilities Easement and Maintenance Agreement has been drafted and approved by Carol Morris, City Attorney. This agreement will be recorded with the property.

FISCAL CONSIDERATIONS

No funds will be expended for the acquisition of the described agreement.

RECOMMENDATION

Staff recommends that City Council approve this agreement as presented.

AFTER RECORDING RETURN TO:

The City of Gig Harbor
Attn: City Clerk
3510 Grandview St.
Gig Harbor, WA 98335

WASHINGTON STATE COUNTY AUDITOR/RECORDER'S INDEXING FORM

Document Title(s) (or transactions contained therein):

Sanitary Sewer Facilities Easement and Maintenance Agreement

Grantor(s) (Last name first, then first name and initials)

Randall P. Babich and Lindsey C. Babich

Grantee(s) (Last name first, then first name and initials)

City of Gig Harbor

Legal Description (abbreviated: i.e., lot, block, plat or section, township, range)

A portion of Government Lot 2, Section 8, Township 21 N, Range 2 E, W.M.

Assessor's Property Tax Parcel or Account Number: 0221081188

Reference Number(s) of Documents assigned or released: _____

**SANITARY SEWER FACILITIES EASEMENT
AND MAINTENANCE AGREEMENT**

This Sanitary Sewer Facilities Easement and Maintenance Agreement is made this _____ day of _____, 2006, by and between the City of Gig Harbor, a Washington municipal corporation (hereinafter the "City"), and Randall P. Babich and Lindsey C. Babich, husband and wife, residing at 17020 Rouse Rd, Longbranch WA 98349, and whose mailing address is P.O. Box 429, Lakebay WA 98349 (hereinafter the "Owner").

RECITALS

WHEREAS, Owner is the owner of fee title or a substantial beneficial interest in certain real property located in Gig Harbor, Washington, commonly described as Babich Marine Fuel located at 2914 Harborview Dr., Gig Harbor WA 98335, (hereinafter the "Property") and legally described in **Exhibit A**, which is attached hereto and incorporated herein by this reference; and

WHEREAS, in connection with the Owner's proposed development of the Property, the City has required and the Owner has constructed a private sanitary sewer system on the Property; and

WHEREAS, such sanitary sewer system is described and shown on a construction drawing(s) prepared by the engineering firm of Layton and Sell, dated August 9, 2006 (hereinafter the "Plans"), for the Owner's Property, a copy of which is attached hereto as **Exhibit B and C** and incorporated herein by this reference; and

WHEREAS, as a condition of project approval, and/or due to the nature of the development, the sanitary sewer system on the Property is private, and will not be the responsibility of and/or owned, operated and maintained by the City; and

WHEREAS, the private sanitary sewer will eventually be connected to the City's sanitary sewer system and the City desires an easement to definitively establish the permissible location of the City's access on the Property described in **Exhibit A**, for the purposes described in this Agreement; and

WHEREAS, as a result of said private ownership and responsibility for operation and maintenance, including repair, rehabilitation, replacement, alterations and/or modifications, the parties have entered in to this Easement and Maintenance Agreement, in order to ensure that the sanitary sewer system will be constructed, operated and maintained in accordance with the approved Plans and all applicable rules and regulations;

NOW, THEREFORE, in consideration of the mutual agreements contained herein, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owner and the City hereby agree as follows:

TERMS

Section 1. Affected Property. The real property subject to this Agreement is legally described in **Exhibit A**.

Section 2. Definitions. As used in this instrument:

A. The word "plat" refers to the parcel no. 0221081188 only, and any other plat or plats, including short plats, covering all real property which may hereafter be made subject to the provisions of this instrument by a written instrument signed by the Owner, its successors and assigns, in accordance with this Agreement.

B. The word "lot" refers to a lot shown on any plat defined herein, but shall not include any parcel designated as a "tract" on a plat. "Lot" shall include any parcel of land that is separately subjected to this instrument without having been subdivided into two or more parcels by a plat recorded subsequent to the recording of this instrument.

C. The word "Owner" or "Owners" refers to the entity, whether an individual, corporation, joint venture or partnership which is an owner in fee simple or of a substantial beneficial interest (except for mineral estate) in all or any portion of the property in the Plat or the Property. A "substantial beneficial interest" shall include both legal and equitable interests in the Property.

D. The words "Owners' Association" refer to a nonprofit corporation which may be formed for the purpose of operating and maintaining the facilities described in **Exhibit B and C** on the Property, which may be independently conveyed by the Owner or its successors and assigns to an Owners' Association, and to which the Owners' Association may provide other services in order to benefit the owners of property within the plat or the Property.

Section 3. Maintenance Obligations. The Owner, its successors, assigns and/or owners of an after-acquired interest in the Property, hereby covenant and agree that they are jointly and severally responsible for the installation, operation, perpetual maintenance, of a sanitary sewer system on the Property, as shown on the Plans attached hereto as **Exhibit B and C**. The sanitary sewer system shall be operated, maintained and preserved by the Owner in accordance with the Plans and all applicable ordinances, codes, rules and regulations. The sanitary sewer system shall be preserved in conformance with the Plans until such time as all parties to this Agreement, including the City, agree in writing that the sanitary sewer system should be altered in some manner or eliminated. In the event the sanitary sewer system is eliminated as provided hereinabove, the Owner shall be relieved of operation and maintenance responsibilities. No such elimination of the sanitary sewer system will be allowed prior to the Community Development Director's written approval.

Section 4. Notice to City. The Owner shall obtain written approval from the Director prior to performing any alterations or modifications to the sanitary sewer system located on the Property described in Exhibit A. No part of the sanitary sewer system shall be dismantled, revised, altered or removed, except as provided hereinabove, and except as necessary for maintenance, including repair, rehabilitation, replacement, alterations, and/or other modifications.

Section 5. Easement for Access. The Owner hereby grants and conveys to the City a perpetual, non-exclusive easement, under, over, along, through and in the Property, as such Easement is legally described in **Exhibit D**, attached hereto and incorporated herein by this reference. This Easement is granted to the City for the purpose of providing the City with ingress and egress in order to access the sanitary sewer system on the Property for inspection, and to reasonably monitor the system for performance, operational flows, defects, and/or

conformance with applicable rules and regulations. In addition, the City may use this Easement to exercise its rights as described in Section 8 herein.

Section 6. Assignment to an Owners' Association. In the event that an Owners' Association is formed under a Declaration of Covenants, Conditions and Restrictions which includes all of the Property in **Exhibit A**, the Owner may assign responsibility for installation and perpetual maintenance of the sanitary sewer system to such Owners' Association for so long as the Owners' Association remains in existence and upon the conditions that the Owners' Association assumes all of the obligations, liabilities, covenants and agreements of the Owner under this Agreement. Such assignment of the Owner's obligations shall be in a duly executed instrument in recordable form, and for so long as such assignment remains effective, the Owner shall have no further responsibility or liability under this Agreement.

Section 7. Conveyances. In the event the Owner shall convey its substantial beneficial or fee interest in any property in the Plat, any lot, or the Property, the conveying Owner shall be free from all liabilities respecting the performance of the restrictions, covenants and conditions in this Agreement; PROVIDED, HOWEVER, that the conveying Owner shall remain liable for any acts or omissions during such Owner's period of ownership of such Property.

Section 8. Rights of the City of Gig Harbor.

A. Execution of this Agreement shall not affect the City of Gig Harbor's present or future interest or use of any public or private sanitary sewer system. If the City determines that maintenance is required for the sanitary sewer system, and/or there is/are illegal connection(s) to or discharges into the sanitary sewer system, the Community Development Director or his/her designee shall give notice to the Owner(s) of the specific maintenance and/or changes required, and the basis for said required maintenance and/or changes. The Director shall also set a reasonable time in which the Owner(s) shall perform such work. If the maintenance required by the Director is not completed within the time set by the Director, the City may perform the required maintenance. Written notice will be sent to the Owner(s), stating the City's intention to perform such maintenance, and such work will not commence until at least five (5) days after such notice is mailed, except in situations of emergency. If, at the sole discretion of the Director, there exists an imminent or present danger to the sanitary sewer system, the City's facilities or the public health and safety, such five (5) day period will be waived, and the necessary maintenance will begin immediately.

B. In order to assure the proper maintenance of the Owner's sanitary sewer system, and to ensure there will be no damage to the City's sanitary sewer system, the City of Gig Harbor shall have the right as provided below, but not the obligation, to maintain the system, if the Owner(s) fail to do so, and such failure continues for more than five (5)-days after written notice of the failure is sent to the responsible parties. However, no notice shall be required in the event that the City of Gig Harbor determines that an emergency situation exists in which damage to person or property may result if the situation is not remedied prior to the time required for notice.

C. If the City provides notice in writing, but the Owner or Owners' Association fails or refuses to perform any maintenance or operational duties as requested by the City, the City's employees, officials, agents or representatives may enter the Property and undertake the necessary maintenance, repair or operational duties to the City's satisfaction. The City's ability

to enforce this provision is subject further to the City's right to impose materialmen's and/or laborer's liens and to foreclose upon any and all properties owned by the Owner(s).

D. If the City exercises its rights under this Section, then the Owner(s) or Owners' Association shall reimburse the City on demand for all reasonable and necessary expenses incurred incident thereto. In addition, the City is hereby given the right, power and authority acting in the name of the Owner's Association to exercise and enforce on behalf of the Association and at the Association's cost, the assessment of dues and charges for such costs and to enforce the Association's lien right for any assessments, dues and charges as herein specified. The City shall also be permitted to collect the costs of administration and enforcement through the lien attachment and collection process as is permitted under chapter 35.67 RCW, or any other applicable law.

E. In addition to or in lieu of the remedies listed in this Section, if the Owners or Owner's Association, after the written notice described in Section 8A above, fails or refuses to perform the necessary maintenance, repair, replacement or modifications, the City may enjoin, abate or remedy such breach or continuation of such breach by appropriate proceedings, and may bring an action against the violator for penalties under the Gig Harbor Municipal Code.

Section 9. Indemnification of City. The Owner(s) agree to defend, indemnify and hold harmless the City of Gig Harbor, its officials, officers, employees and agents, for any and all claims, demands, actions, injuries, losses, damages, costs or liabilities of any kind or amount whatsoever, whether known or unknown, foreseen or unforeseen, fixed or contingent, liquidated or unliquidated, arising from an alleged defect in the design of the sanitary sewer system as installed by the Owner(s), or arising by reason of any omission or performance under this Agreement by the Owner(s), its successors and assigns, and/or Owners' Association, of any of the obligations hereunder.

Section 10. Rights Subject to Permits and Approvals. The rights granted herein are subject to permits and approvals granted by the City affecting the Property subject to this Easement and Maintenance Agreement.

Section 11. Terms Run with the Property. The promises, conditions, covenants and restrictions contained herein shall constitute a covenant or equitable servitude, the burden and benefit of which shall run with the land and bind successive owners with equitable or legal interests in the Property. Accordingly, by its acceptance of a deed or other instrument vesting a substantial beneficial interest in all or any lot, or other portion of the Property or the Plat in such Owner, each Owner shall covenant to be bound by all the obligations incumbent upon an Owner as set forth herein, and shall be entitled to all rights and benefits accruing to an Owner hereunder. This Agreement shall be recorded in the Pierce County Assessor's Office, and shall serve as notice to holders of after-acquired interests in the Property.

Section 12. Notice. All notices require or permitted hereunder shall be in writing and shall either be delivered in person or sent by certified U.S. Mail, return-receipt requested, and shall be deemed delivered on the sooner of actual receipt on three (3) days after deposit in the mail, postage prepaid, addressed to the City or the Owner at the addresses set forth below:

To the City:

City Engineer
City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335

To the Declarant:

Randall P. Babich and Lindsey C. Babich
P.O. Box 429
Lakebay, WA 98349

Section 13. Severability. Any invalidity, in whole or in part, of any provision of this Easement and Maintenance Agreement shall not affect the validity of any other provision.

Section 14. Waiver. No term or provision herein shall be deemed waived and no breach excused unless such waiver or consent is in writing and signed by the party claimed to have waived or consented.

Section 15. Governing Law, Disputes. Jurisdiction of any dispute over this Easement and Maintenance Agreement shall be solely with Pierce county Superior Court, Pierce County, Washington. This Easement and Maintenance Agreement shall be interpreted under the laws of the State of Washington. The prevailing party in any litigation arising out of this Easement and Maintenance Agreement shall be entitled to its reasonable attorneys' fees, costs, expenses and expert witness fees.

Section 16. Integration. This Easement and Maintenance Agreement constitutes the entire agreement between the parties on this subject matter, and supersedes all prior discussions, negotiations, and all other agreements on the same subject matter, whether oral or written.

IN WITNESS WHEREOF, the parties have caused this Easement and Maintenance Agreement be executed this _____ day of _____, 200__.

THE CITY OF GIG HARBOR

OWNER

By: _____
Its Mayor

By: Randall P. Babich

Print Name: RANDALL P. BABICH

Title: OWNER

ATTEST:

City Clerk

By: Lindsey C Babich

Print Name: Lindsey C Babich

Title: owner

APPROVED AS TO FORM:

City Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF P I E R C E)

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/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the Mayor of Gig Harbor, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

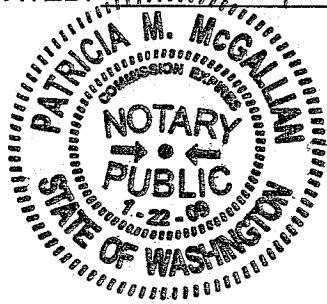
DATED: _____

Notary Public in and for the
State of Washington,
Title: _____
My appointment expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF P I E R C E)

I certify that I know or have satisfactory evidence that Randall P Babich 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 owner of Babich Marine Fuel, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 10/2/2006



Patricia M. McGallian

Notary Public in and for the
State of Washington,

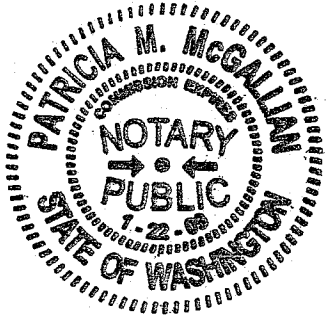
Title: Community Development Assist.

My appointment expires: 1-22-2009

STATE OF WASHINGTON)
) ss.
COUNTY OF P I E R C E)

I certify that I know or have satisfactory evidence that Lindsey C. Babich 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 owner of Babich Marine Fuel, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 10/2/2006



Patricia M. McGallian

Notary Public in and for the
State of Washington,

Title: Community Development Assist

My appointment expires: 1-22-2009

EXHIBIT A
LEGAL DESCRIPTION

LEGAL DESCRIPTION OF PARCEL NO. 0221081188

A PORTION OF GOVERNMENT LOT 2, SECTION 8, TOWNSHIP 21 NORTH, RANGE 2 EAST, W.M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 21 NORTH, RANGE 2 EAST, W.M.; THENCE S 87°40'09" E, 30.01 FEET TO THE NORTHEASTERLY MARGIN OF HARBORVIEW DRIVE; THENCE S 38°46'10" E ALONG SAID MARGIN, 190.33 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING S 38°46'10" E ALONG SAID MARGIN, 30.00 FEET; THENCE N 51°13'50" E, 163.02 FEET; THENCE N 44°03'10" W, 30.3 FEET; THENCE N 51°21'25" E, 1.36 FEET; THENCE N 45°27'58" E, 48.60'; THENCE N 48°07'40" W, 48.43 FEET; THENCE S 50°44'17" W, 95.76 FEET; THENCE S 58°09'43" E, 55.04 FEET; THENCE S 51°13'50" W, 124.58 FEET TO THE TRUE POINT OF BEGINNING. TOGETHER WITH TIDELANDS ABUTTING.

SITUATE IN PIERCE COUNTY, WASHINGTON.

DNR LEASE 22-074657:

FIRST CLASS TIDELANDS

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 8, TOWNSHIP 21 NORTH, RANGE 2 EAST; THENCE S 87°40'09" E, AT RIGHT ANGLES TO THE CENTERLINE OF WICKERSHAM COUNTY ROAD, ALSO BEING THE EASTERLY LINE OF SAID SUBDIVISION, A DISTANCE OF 30.00 FEET; THENCE N 00°51'02" E, 78.40 FEET; THENCE S 88°20'43" E, 123.97 FEET TO THE MEANDER LINE; THENCE S 44°32'02" E, ALONG SAID MEANDER LINE, 118.51 FEET TO THE NORTHWESTERLY LINE OF ABOVE DESCRIBED PARCEL A; THENCE N 50°44'17" E, 45.76 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING N 50°44'17" E, 54.89 FEET TO THE INNER HARBOR LINE; THENCE S 36°32'59" E ALONG SAID INNER HARBOR LINE, 83.52 FEET; THENCE S 51°13'50" W, 37.97 FEET; THENCE N 48°07'40" W, 84.11 FEET TO TRUE POINT OF BEGINNING.

HAVING AN AREA OF 3,865 SQUARE FEET.

SITUATE IN THE COUNTY OF PIERCE, STATE OF WASHINGTON

HARBOR AREA

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 8, TOWNSHIP 21 N, RANGE 2 E; THENCE S 87°40'09" E, AT RIGHT ANGLES TO THE CENTERLINE OF WICKERSHAM COUNTY ROAD, ALSO BEING THE EASTERLY LINE OF SAID SUBDIVISION, A DISTANCE OF 30.00 FEET; THENCE N 00°51'02" E, 78.40 FEET; THENCE S 88°20'43" E, 123.97 FEET TO THE MEANDER LINE; THENCE S 44°32'02" E, ALONG SAID MEANDER LINE, 118.51 FEET TO THE NORTHWESTERLY LINE OF ABOVE DESCRIBED PARCEL A; THENCE N 50°44'17" E, 100.65 FEET TO THE INNER HARBOR LINE AND TRUE POINT OF BEGINNING; THENCE CONTINUING N 50°44'17" E, 109.75 FEET TO THE OUTER HARBOR LINE; THENCE S 30°02'40" E, ALONG SAID HARBOR LINE, 85.39 FEET; THENCE S 51°13'50" W, 100.03 FEET TO THE INNER HARBOR LINE; THENCE ALONG SAID INNER HARBOR LINE, N 36°32'59" W, 83.52 FEET TO THE TRUE POINT OF BEGINNING.

HAVING AN AREA OF 8,800 SQUARE FEET.

SITUATE IN THE COUNTY OF PIERCE, STATE OF WASHINGTON

EXHIBIT C

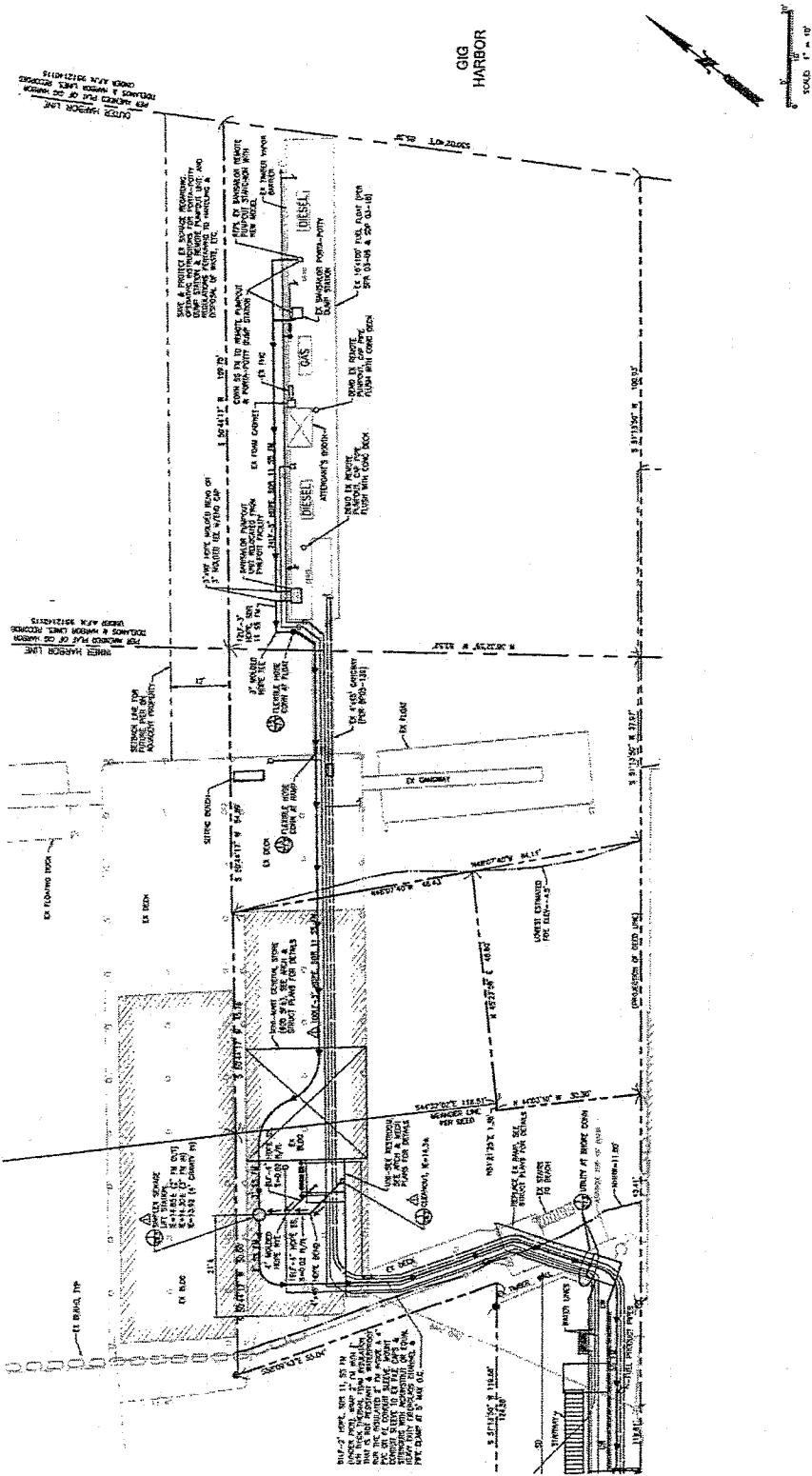


EXHIBIT D

LEGAL DESCRIPTION OF PARCEL NO. 0221081188

A PORTION OF GOVERNMENT LOT 2, SECTION 8, TOWNSHIP 21 NORTH, RANGE 2 EAST, W.M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 21 NORTH, RANGE 2 EAST, W.M.; THENCE S 87°40'09" E, 30.01 FEET TO THE NORTHEASTERLY MARGIN OF HARBORVIEW DRIVE; THENCE S 38°46'10" E ALONG SAID MARGIN, 190.33 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING S 38°46'10" E ALONG SAID MARGIN, 30.00 FEET; THENCE N 51°13'50" E, 163.02 FEET; THENCE N 44°03'10" W, 30.3 FEET; THENCE N 51°21'25" E, 1.36 FEET; THENCE N 45°27'58" E, 48.60'; THENCE N 48°07'40" W, 48.43 FEET; THENCE S 50°44'17" W, 95.76 FEET; THENCE S 58°09'43" E, 55.04 FEET; THENCE S 51°13'50" W, 124.58 FEET TO THE TRUE POINT OF BEGINNING. TOGETHER WITH TIDELANDS ABUTTING.

SITUATE IN PIERCE COUNTY, WASHINGTON.

DNR LEASE 22-074657:

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COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 8, TOWNSHIP 21 NORTH, RANGE 2 EAST; THENCE S 87°40'09" E, AT RIGHT ANGLES TO THE CENTERLINE OF WICKERSHAM COUNTY ROAD, ALSO BEING THE EASTERLY LINE OF SAID SUBDIVISION, A DISTANCE OF 30.00 FEET; THENCE N 00°51'02" E, 78.40 FEET; THENCE S 88°20'43" E, 123.97 FEET TO THE MEANDER LINE; THENCE S 44°32'02" E, ALONG SAID MEANDER LINE, 118.51 FEET TO THE NORTHWESTERLY LINE OF ABOVE DESCRIBED PARCEL A; THENCE N 50°44'17" E, 45.76 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING N 50°44'17" E, 54.89 FEET TO THE INNER HARBOR LINE; THENCE S 36°32'59" E ALONG SAID INNER HARBOR LINE, 83.52 FEET; THENCE S 51°13'50" W, 37.97 FEET; THENCE N 48°07'40" W, 84.11 FEET TO TRUE POINT OF BEGINNING.

HAVING AN AREA OF 3,865 SQUARE FEET.

SITUATE IN THE COUNTY OF PIERCE, STATE OF WASHINGTON

HARBOR AREA

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 8, TOWNSHIP 21 N, RANGE 2 E; THENCE S 87°40'09" E, AT RIGHT ANGLES TO THE CENTERLINE OF WICKERSHAM COUNTY ROAD, ALSO BEING THE EASTERLY LINE OF SAID SUBDIVISION, A DISTANCE OF 30.00 FEET; THENCE N 00°51'02" E, 78.40 FEET; THENCE S 88°20'43" E, 123.97 FEET TO THE MEANDER LINE; THENCE S 44°32'02" E, ALONG SAID MEANDER LINE, 118.51 FEET TO THE NORTHWESTERLY LINE OF ABOVE DESCRIBED PARCEL A; THENCE N 50°44'17" E, 100.65 FEET TO THE INNER HARBOR LINE AND TRUE POINT OF BEGINNING; THENCE CONTINUING N 50°44'17" E, 109.75 FEET TO THE OUTER HARBOR LINE; THENCE S 30°02'40" E, ALONG SAID HARBOR LINE, 85.39 FEET; THENCE S 51°13'50" W, 100.03 FEET TO THE INNER HARBOR LINE; THENCE ALONG SAID INNER HARBOR LINE, N 36°32'59" W, 83.52 FEET TO THE TRUE POINT OF BEGINNING.

HAVING AN AREA OF 8,800 SQUARE FEET.

SITUATE IN THE COUNTY OF PIERCE, STATE OF WASHINGTON



"THE MARITIME CITY"

COMMUNITY DEVELOPMENT DEPARTMENT

TO: MAYOR HUNTER AND CITY COUNCIL
FROM: STEPHEN MISIURAK, P.E. CITY ENGINEER
SUBJECT: SKANSIE AVENUE STORAGE TANK MAINTENANCE
- CONTRACT AUTHORIZATION
DATE: OCTOBER 9, 2006

INTRODUCTION/BACKGROUND

The 2006 Water Operating budget provided for repainting of the exterior of the Skansie Avenue water tank along with making the necessary OSHA Safety modifications. Potential contractors were contacted in accordance with the City's Small Works Roster Process (Resolution No. 592). Three contractors responded with the following:

T Bailey, Inc.	\$ 76,465.00
Brown Minneapolis Tank Co.	Declined to Bid
CBI Services, Inc.	Declined to Bid
Coating Applicators, Inc.	No return call

Based on the price quotation proposals received, the lowest price quotation received was from T. Bailey, Inc. in the amount of Seventy-six Thousand Four Hundred Sixty-five Dollars and Zero Cents (\$76,465.00), including state sales tax.

It is anticipated that the work will be completed within eight weeks after contract award, weather permitting.

FISCAL CONSIDERATIONS

This work was anticipated in the adopted 2006 Budget and is within the 2006 Water Operating budgeted allocation of \$100,000.00, Objective 4.

RECOMMENDATION

I recommend the Council authorize the award and execution of the contract for Skansie Avenue storage tank maintenance to T Bailey, Inc., as the lowest responsible respondent, for their price quotation proposal amount of Seventy-six Thousand Four Hundred sixty-five Dollars and Zero Cents (\$76,465.00), including state sales tax.

**AGREEMENT FOR CONSTRUCTION SERVICES
BETWEEN GIG HARBOR AND
T BAILEY, INC.**

THIS AGREEMENT, is made this _____ day of _____, 200____, by and between the City of Gig Harbor (hereinafter the "City"), and T Bailey, Inc., a Washington corporation, located and doing business at 12441 Bartholomew Road, Anacortes, Washington 98221, (hereinafter "Contractor").

WHEREAS, the City desires to hire the Contractor to perform the work and agrees to perform such work under the terms set forth in this Agreement; and

WHEREAS, in the process of selection of the Contractor and award of this contract, the City has utilized the procedures in RCW 39.04.155(3);

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

I. Description of Work. The Contractor shall perform all work as described below, which is attached hereto and incorporated herein by this reference, in a workman-like manner according to standard construction practices. The work shall generally include Construct/Install Reservoir Safety Improvements and pressure wash and recoat the exterior of the Skansie Avenue Water Storage Tank, a 1,000,000-gallon steel standpipe. The Contractor shall not perform any additional services without the express permission of the City.

II. Payment.

A. The City shall pay the Contractor the total sum of Seventy-six Thousand Four Hundred Sixty-five Dollars and zero cents (\$76,465.00), including sales tax, for the services described in Section 1 herein. This is the maximum amount to be paid under this Agreement for these tasks, and shall not be exceeded without prior written authorization from the City in the form of a negotiated and executed change order.

B. After completion of the work, the City shall pay the full amount of an invoice within thirty (30) days of receipt. If the City objects to all or any portion of any invoice, it shall so notify the Contractor of the same within fifteen (15) days from the date of receipt and shall pay that portion of the invoice not in dispute, and the parties shall immediately make every effort to settle the disputed portion.

III. Relationship of Parties. The parties intend that an independent contractor - owner relationship will be created by this Agreement. As the Contractor is customarily engaged in an independently established trade which encompasses the specific service provided to the City hereunder, no agent, employee, representative or subcontractor of the Contractor shall be, or shall be deemed to be the employee, agent, representative or subcontractor of the City. In the performance of the work, the Contractor is an independent contractor with the ability to control and direct the performance and details of the work, the City being interested only in the results obtained under this Agreement. None of the benefits provided by the City to its employees, including, but not limited to, compensation, insurance and unemployment insurance, are available from the City to the employees, agents, representatives or subcontractors of the Contractor. The Contractor will be solely and

entirely responsible for its acts and for the acts of the Contractor's agents, employees, representatives and subcontractors during the performance of this Agreement. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Contractor performs hereunder.

IV. Duration of Work. The City and the Contractor agree that work will begin on the tasks described in Exhibit A immediately upon execution of this Agreement by both parties. The Contractor shall perform all work required by the Agreement on or before November 30, 2006.

V. Prevailing Wages. Wages paid by the Contractor shall be not less than the prevailing rate of wage in the same trade or occupation in Pierce County as determined by the industrial statistician of the State Department of Labor and Industries and effective as of the date of this contract.

Before any payment can be made, the Contractor and each subcontractor shall submit a "Statement of Intent to Pay Prevailing Wages" to the City, which has been approved by the State Department of Labor and Industries. Each voucher claim (invoice) submitted by the Contractor for payment of work shall have an "Affidavit of Wages Paid", which states that the prevailing wages have been paid in accordance with the pre-filed "Statement(s) of Intent to Pay Prevailing Wages".

VI. Termination.

A. Termination Upon City's Option. The City shall have the option to terminate this Agreement at any time. Termination shall be effective upon five (5) days written notice to the Contractor.

B. Termination for Cause. If the Contractor refuses or fails to complete the tasks described in Exhibit A, to complete such work by the deadline established in Section IV, or to complete such work in a manner satisfactory to the City, then the City may, by written notice to the Contractor, give notice of its intention to terminate this Agreement. On such notice, the Contractor shall have five (5) days to cure to the satisfaction of the City or its representative. If the Contractor fails to cure to the satisfaction of the City, the City shall send the Contractor a written termination letter which shall be effective upon deposit in the United States mail to the Contractor's address as stated below.

C. Excusable Delays. This Agreement shall not be terminated for the Contractor's inability to perform the work due to adverse weather conditions, holidays or mechanical failures which affect routine scheduling of work. The Contractor shall otherwise perform the work at appropriately spaced intervals on an as-needed basis.

D. Rights upon Termination. In the event of termination, the City shall only be responsible to pay for services satisfactorily performed by the Contractor to the effective date of termination, as described in a final invoice to the City.

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

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

In the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the City, its officers, officials, employees, agents and volunteers, the Contractor's liability hereunder shall be only to the extent of the Contractor's negligence.

IT IS FURTHER SPECIFICALLY AND EXPRESSLY UNDERSTOOD THAT THE INDEMNIFICATION PROVIDED HEREIN CONSTITUTES THE CONTRACTOR'S WAIVER OF IMMUNITY UNDER INDUSTRIAL INSURANCE, TITLE 51 RCW, SOLELY FOR THE PURPOSES OF THIS INDEMNIFICATION. THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE MUTUALLY NEGOTIATED THIS WAIVER.

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

IX. Insurance.

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

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

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

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

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

E. It is the intent of this contract for the Contractor's insurance to be considered primary in the event of a loss, damage or suit. The City's own comprehensive general liability policy will be considered excess coverage in

respect to the City. Additionally, the Contractor's commercial general liability policy must provide cross-liability coverage as could be achieved under a standard ISO separation of insured's clause.

- F. The Contractor shall request from his insurer a modification of the ACORD certificate to include language that prior written notification will be given to the City of Gig Harbor at least 30-days in advance of any cancellation, suspension or material change in the Contractor's coverage.

The Contractor shall procure and maintain for the duration of this Agreement, comprehensive general liability insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its employees, agents or subcontractors. The cost of such insurance shall be borne by the Contractor. The Contractor shall maintain limits on such insurance in the above specified amounts: The coverage shall contain no special limitations on the scope of protection afforded the City, its officials, officers, employees, agents, volunteers or representatives.

The Contractor agrees to provide the City with certificates of insurance evidencing the required coverage before the Contractor begins work under this Agreement. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, cancelled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City. The City reserves the right to require complete, certified copies of all required insurance policies at all times.

X. Entire Agreement. The written provisions and terms of this Agreement, together with all exhibits attached hereto, all bids specifications and bid documents shall supersede all prior verbal statements of any officer or other representative of the City, and such statements shall not be effective or be construed as entering into or forming a part of, or altering in any manner whatsoever, this Agreement.

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

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

XIII. Warranties. The Contractor hereby warrants that it is fully licensed, bonded and insured to do business in the State of Washington as a general contractor. T Bailey, Inc. will warranty the labor and installation of materials for a two (2) year warranty period.

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

XV. Assignment. Any assignment of this Agreement by the Contractor without the written consent of the City shall be void.

XVI. Written Notice. All communications regarding this Agreement shall be sent to the parties at the addresses listed below, unless notified to the contrary. Any written notice hereunder shall become effective as of the date of mailing by registered or certified mail, and shall be deemed sufficiently given if sent to the addressee at the address stated in this Agreement or such other address as may be hereafter specified in writing.

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

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

If any dispute arises between the City and the Contractor under any of the provisions of this Agreement which cannot be resolved by the City's determination in a reasonable time, or if the Contractor does not agree with the City's decision on the disputed matter, jurisdiction of any resulting litigation shall be with the Pierce County Superior Court, Pierce County, Washington. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The prevailing party shall be reimbursed by the other party for its costs, expenses, and reasonable attorney's fees incurred in any litigation arising out of the enforcement of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year above written.

T BAILEY, INC.

By: 

Its President

THE CITY OF GIG HARBOR

By: _____

Its Mayor

Notices should be sent to:

T BAILEY, INC.
Attn: Gene Tanaka
President
12441 Bartholomew Road

City of Gig Harbor
Attn: Stephen Misiurak, P.E.
City Engineer
3510 Grandview Street

Anacortes, Washington 98221
(360) 293-0682

Gig Harbor, Washington 98335
(253) 851-6170

Approved as to form:

By: _____
City Attorney

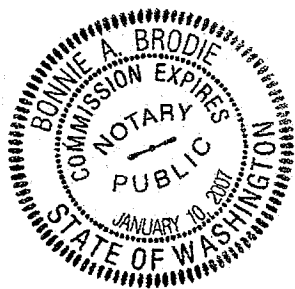
Attest:

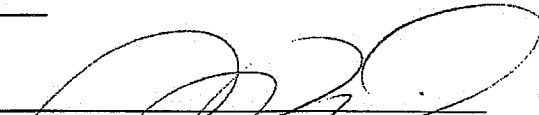
By: _____
Molly M. Towslee, City Clerk

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that Gene Tanaka 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 President of T Bailey, Inc. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 10-4-06





Notary Public in and for the
State of Washington,
Residing at LaConner WA
My appointment expires: 1-10-07

STATE OF WASHINGTON)
) ss.
COUNTY OF P I E R C E)

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 the City of Gig Harbor**, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____

Notary Public in and for the
State of Washington,
Residing at: _____
My appointment expires: _____



12441 Bartholomew Rd., Anacortes, WA 98221
(360) 293-0682 • FAX (360) 293-3893

.....
(907) 277-1665 • FAX (907) 277-1676

October 03, 2006

City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335

Attn: Mr. Jeff Olsen
OlsenJ@cityofgigharbor.net
Ph: 253-851-6170

Re: Skansie Avenue Water Reservoir Improvements

Mr. Olsen:

Per our follow up conversations, please find our revised proposal as follows:

Reservoir Improvements to Skansie Avenue Water Reservoir \$76,465.00
(approx. 43'Ø x 110' high). Specifically Includes:

- Approx. 80' of new caged exterior access ladder starting approx. 24' above ground level. Includes two intermediate rest platforms and one 6' x 6' roof platform
- 2 each 10' wing rails on roof along either side of the roof platform
- 2 each approx. 20' handrails from roof platform to center vent
- All new materials to be finish painted with Tnemec system described below, except that the new grating on the platforms will be galvanized
- Performance, Payment, and 2 year Maintenance Bond
- 8.4% Washington State Sales Tax
- Excludes disposal of existing ladder
- Excludes repair of coating damage to tank interior and exterior resulting from welding of ladders, platforms, and handrail

Exterior complete pressure wash and recoating of the entire reservoir.
Specifically Includes:

- Complete high pressure detergent wash of reservoir exterior.
- One full coat of Tnemec series 27
- One full coat of Tnemec series 73
- Repair areas required due to new ladders, platforms, handrail, and roof vent by grinding affected areas to bare metal and recoating accordingly.
- Base Bid MUST be awarded in conjunction with Option #2
- Performance, Payment, and 2 year Maintenance Bond
- 8.4% Washington State Sales Tax

Scope Clarifications

1. Proposal is based on work being awarded no later than 10/03/06.
2. Estimated schedule for base bid is 8 weeks to detail, procure, and fabricate materials, and complete field installation/painting (exterior coating work is weather dependent). Assumes 2 day review approval by the City on shop drawings.
3. Specifically excludes all Interior Coating Touch Up work.

Proposal Validity

The pricing in this proposal is valid for your acceptance no later than 10/03/06. However, please be advised that in order to meet the desired completion date indicated, notice of intent to award will be required immediately after the bid. After that time it will be necessary to review our proposal and confirm or adjust (if necessary) our pricing and schedule commitments.

City of Gig Harbor
Skansie Avenue Reservoir Improvements
10/03/06
Page 2

Project Site:

We have assumed a dedicated laydown area adjacent to the tank site will be provided for T BAILEY's exclusive use during our site erection activities.

Taxes

The above pricing includes Washington State Sales Tax at the current rate of 8.4%.

General Exclusions

Permits.

Terms of Payment

T BAILEY proposes to invoice for progress payments monthly for the value of materials received and labor performed (including off site fabrication work) on a net 30 basis, no retainage to be withheld from payments.

Contracts

Contract forms, and its terms and conditions must be mutually agreeable form and content.

If you have any questions regarding our proposal, please contact the undersigned at 360) 293-0682 x229 or email gtanaka@tbailey.com. We appreciate your invitation to submit a proposal for this work and look forward to the possibility of working with you again.

Sincerely,

T BAILEY, INC.

Gene Tanaka
President



COMMUNITY DEVELOPMENT DEPARTMENT

TO: MAYOR HUNTER AND CITY COUNCIL
FROM: STEPHEN MISIURAK, P.E., CITY ENGINEER
**SUBJECT: EDDON BOAT REMEDIATION CLEAN-UP ACTION PLAN-
REALLOCATED AND AMENDED CONSULTANT SERVICES
CONTRACT - ANCHOR ENVIRONMENTAL, LLC**
DATE: OCTOBER 9, 2006

INFORMATION/BACKGROUND

This proposed contract amendment in the amount of \$45,472 provides for additional and extensive sediment sampling, analysis, and reporting activities as recommended by the Department of Ecology (DOE). Unused funds from Tasks 5a, 5b, 6a, and 6b, totaling \$82,500.00, will be re-allocated to fund the majority of this required work Task 4b.

FISCAL CONSIDERATIONS

Previous contract amendments one through five amounted to \$272,625. Of that amount, approximately \$60,000 was expensed for conducting environmental assessments in anticipation of City purchase of the property. Adequate funds exist from the Seller's Clean-up Remediation Escrow Account to fund this amendment. Approval of this contract amendment revises the total contract amount to Anchor Environmental, LLC in the amount not to exceed \$318,097.00.

RECOMMENDATION

I recommend that Council authorize the reallocation of funds and amendment to the consultant services contract with Anchor Environmental, LLC in an amount not to exceed Forty-five Thousand Four Hundred Seventy-two Dollars and zero cents. (\$45,472.00).

**FIFTH AMENDMENT TO CONSULTANT SERVICES CONTRACT
BETWEEN THE CITY OF GIG HARBOR AND
ANCHOR ENVIRONMENTAL, LLC**

THIS FIFTH AMENDMENT is made to the AGREEMENT, dated December 13, 2004, subsequent AMENDMENT #4, dated July 24, 2006; AMENDMENT #3, dated October 10, 2005; subsequent AMENDMENT #2, dated April 25, 2005, and subsequent AMENDMENT #1, dated February 14, 2005 by and between the City of Gig Harbor, a Washington municipal corporation (hereinafter the "City"), and Anchor Environmental, LLC, a limited liability corporation organized under the laws of the State of Washington, located and doing business at 1423 Third Avenue, Suite 300, Seattle, Washington 98101 (hereinafter the "Consultant").

RECITALS

WHEREAS, the City is presently engaged in the environmental assessment and remediation services for the property commonly known as Eddon Boatyard and desires that the Consultant perform services necessary to provide the following consultation services.

WHEREAS, the Consultant agreed to perform the services, and the parties executed an Agreement on December 13, 2004, (hereinafter the "Agreement"); and

WHEREAS, the existing Agreement requires the parties to execute an amendment to the Agreement in order to modify the scope of work to be performed by the Consultant, or to exceed the amount of compensation paid by the City;

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

Section 1. **Amendment to Scope of Work.** Section I of the Agreement is amended to require the Consultant to perform all work described in **Exhibit A – Scope of Work**, attached to this Amendment, which Exhibit is incorporated herein as if fully set forth.

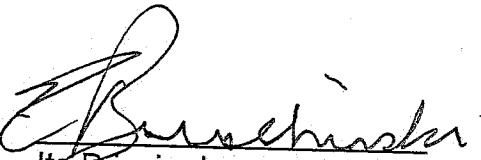
Section 2. **Amendment to Compensation.** Section II(A) of the Agreement is amended to require the City to pay compensation to the Consultant for the work described in **Exhibit A** to the Amendment in the amount of One Hundred Twenty-five Thousand Nine Hundred Seventy-two Dollars and Zero Cents (\$125,972.00). This Amendment shall not modify any other of the remaining terms and conditions in Section II, which shall be in effect and fully enforceable.

Section 3. **Effectiveness of all Remaining Terms of Agreement.** All of the remaining terms and conditions of the Agreement between the parties shall be in effect

and be fully enforceable by the parties. The Agreement shall be incorporated herein as if fully set forth, and become a part of the documents constituting the contract between the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement on this _____ day of _____, 2006.

THE CITY OF GIG HARBOR

By: 
Its Principal

By: _____
Mayor

Notices to be sent to:

CONSULTANT
Anchor Environmental, LLC
Attn: David Templeton, Partner
1423 Third Avenue, Suite 300
Seattle, Washington 98101
(206) 287-9130

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

APPROVED AS TO FORM:

City Attorney

ATTEST:

City Clerk

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Ed Berschinski 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 Partner/principle of Anchor Environmental LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 9/21/06

Pamela S. Copperroll

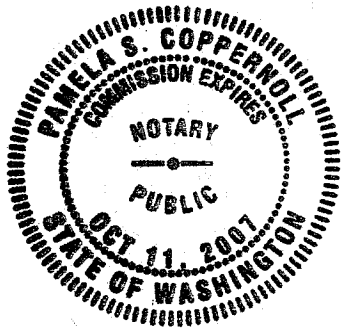
Pamela S. Copperroll

(print or type name)

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

1318 144th St SE, Mill Creek WA 98012

My Commission expires: Oct 11, 2007



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: _____

(print or type name)
NOTARY PUBLIC in and for the
State of Washington, residing at:

My Commission expires: _____



Anchor Environmental, L.L.C.
1423 3rd Avenue, Suite 300
Seattle, Washington 98101
Phone 206.287.9130
Fax 206.287.9131

September 28, 2006

Mr. Steve Misiurak
City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335

Mr. William Joyce
Salter Joyce Ziker, PLLC
1601 Fifth Avenue, Suite 2040
Seattle, WA 98101-1686

Re: **REVISED**
Exhibit A – Addendum No. 5 to Scope of Work
Sediment Field Investigations and Reporting
Environmental Assessment and Remediation Services
Eddon Boatyard Property

Dear Mr. Misiurak and Mr. Joyce:

The purpose of this letter is to provide the City of Gig Harbor (City) with Anchor Environmental L.L.C.'s (Anchor) request for additional funding for sediment investigation and reporting work on the Eddon Boat Park environmental assessment and remediation (Task 4b). This request is for sediment sampling, analysis, and reporting activities detailed in Technical Memorandum No. 5 (Sampling and Analysis Plan [SAP], July 17, 2006) and the Washington State Department of Ecology (Ecology) Opinion Letter dated August 15, 2006. This request also reflects discussions with Mark Larsen of RETEC regarding the sampling and analysis strategy and interpretation of Ecology's Opinion Letter.

In this Opinion Letter, Ecology recommends an expansion of site characterization activities presented in the SAP. This adds significant costs, and includes: the collection of additional surface sediment sample locations; the collection of three additional cores; the analysis of TBT in subsurface samples; and the expansion of chemical testing to include the analysis of semi-

volatile chemicals. Ecology did not offer opinions on how this data might be utilized in the identification of a protective and permitable sediment cleanup approach.

Based on this Opinion Letter and its implications to the overall strategic plan and schedule (Figure 1), Anchor has made the following recommendations:

1. The City meets with Ecology management to discuss the process by which Ecology is operating under the Voluntary Cleanup Program. We believe that Ecology should be partnered with the City in a constructive manner to work through the regulatory process. This meeting, which took place on August 28, did not focus on technical specifics, but a more cooperative process that will avoid schedule delays.
2. The City discusses the implications of TBT concentrations, a chemical used on boat paint to limit fouling, as a driver to site characterization and the development of a sediment cleanup plan with Ecology prior to development of a revised Technical Memorandum No. 2. Because the Ecology Sediment Management Standards (SMS) do not include chemical standards for TBT, the decision as to what value requires cleanup action—and what type of action—is complicated. This needs to be a technical decision process, but also needs to incorporate cleanup approaches. This step will require a cooperative relationship with experienced Ecology staff.
3. The City presents Ecology a letter that acknowledges the Opinion Letter and the intent to proceed with sediment characterization (including a revised Figure 2 from the SAP), and describes the next steps where the City will request Ecology's Opinion (prior to the development of a Sediment Cleanup Report). This letter will be provided to Ecology in early September 2006. We recommend that the July 17 SAP not be revised, but that the sampling and analysis approach be modified by revising figures and key tables and including many of Ecology's opinions.

In contract amendment No. 4, dated July 17, 2006, the City authorized funds for Tasks 4a and 4b, to initiate field investigation activities, as documented in Technical Memoranda Nos. 3 and 4. A summary cost projection was provided to the City and Harbor Cove in late July, and a verbal authorization to proceed was given for upland field activities to begin in early August. Our August 22, 2006 memorandum requested the reallocation of funds from Task 4b to Task 4a to address these upland costs. To date, the upland characterization is complete, the August 2006 data is being evaluated, and Technical Memorandum No. 7 is being developed (Figure 1).

This request is an authorization to secure additional funds for Task 4b, and is summarized in Table 1. A detailed cost estimate is included as Table 2. Per Tables 1 and 2, the total anticipated cost of Task 4b will be \$125,972, resulting in a total task budget of \$127,972. To this end, we propose to reallocate currently authorized budgets from other tasks (Tasks 5a, 5b, 6a, and 6b, for a total reallocation of \$80,500) to fund a portion of these costs. As a result, we are requesting authorization for an increase in funds of \$45,472 to cover the remainder of the costs.

Table 1 - Budget Summary

Task	Description	Current Balance as of 09/15/06	Reallocation Request	Additional Funding Request	New Task Budget
5a	Upland Design	\$3,534.04	-\$3,500.00		\$34.04
5b	Sediment Design	\$38,705.70	-\$38,500.00		\$205.70
6a	Upland Permitting	\$9,703.30	-\$9,500.00		\$203.30
6b	Sediment Permitting	\$29,414.00	-\$29,000.00		\$414.00
4b	Additional Field Investigations - Sediment	\$2,000.00	\$80,500.00	\$45,472.00	\$127,972.00

Task 4b – Additional Sediment Investigation and Reporting (2006)

Ecology's August 15, 2006 Opinion Letter requests a significant amount of additional site characterization, including the collection of surface and subsurface sediment samples. This requires the deployment of a vessel with specialized sampling equipment (coring device). Ecology has also required extensive chemical testing. These tests are expensive, as detailed in Table 3. The evaluation of TBT is particularly complicated, as there are no chemical criteria against which either sediment concentrations or pore water (water contained within the sediments) can easily be compared. The relationship of sediment concentrations ("bulk") with pore water concentrations will need to be evaluated to determine what level of TBT would require some form of sediment cleanup.

The additional activities detailed in the SAP and Ecology's August Opinion letter will include (see Table 2 for details):

Task 4b.1

- Preparation of a letter to Ecology, including a revised SAP Figure 2 and revised SAP

- Preparation, mobilization, and demobilization for field work
- Coordination with subcontractors and City personnel

Task 4b.2

- Collection of up to 16 surface sediment samples by van Veen and hand methods
- Collection of up to seven subsurface cores from a vessel

Task 4b.3

- Chemical testing, as specified in Table 3 – Base Case Scenario
- Additional contingency analytical costs, if necessary, as specified in Table 3 – Base Case Contingency Scenario

Task 4b.4

- Data review and tabulation

Task 4b.5

- Preparation for a meeting with Ecology
- Preparation of Technical Memorandum No. 6 (Data Reporting)

Task 4b.6

- Revisions and finalization of Technical Memorandum No. 2 (Cleanup Study Report)

To meet Ecology's requests, Technical Memorandum No. 2 will need to be revised and modified significantly to become a Sediment Cleanup Report that specifically meets the Sediment Management Standards (SMS) requirements. The contents and layout of the report will be discussed with Ecology during discussion of the sediment data, but is expected to also include a discussion of upland conditions (incorporation of other technical memoranda, Model Toxics Control Act [MTCA] terrestrial evaluation, and a potable water discussion) to support overall site closure. Specifically, we expect that Ecology will provide an opinion in response to this report that will allow us to proceed with permitting, the development of construction documents, and construction.

Ecology's August Opinion Letter requested that a number of samples be collected and archived for additional chemical analysis based on other results. Because this represents a significant range of \$25,000 to \$35,000 of Severn Trent Laboratory (STL) costs, we have provided two scenarios for how many archived samples might be submitted for chemical analysis (Table 3). For planning purposes, Table 1 and Table 2 present an estimated cost based on completing the

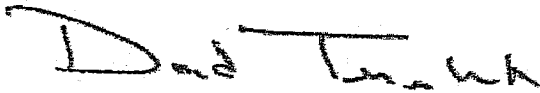
analysis included in the Base Case Contingency Scenario (STL's quotation was provided to the City under separate cover), that was developed with RETEC. While this Scenario includes contingency sampling and analysis costs, only the costs incurred from the actual required analysis will be invoiced to the City.

If this Scope of Work meets the City's needs we will assume that the City will prepare the necessary contract amendments. The strategic plan and schedule calls for field activities to be performed the week of October 16, 2006.

We propose to continue to perform these tasks on a time and material and not to exceed basis, as an amendment to our existing Consultant Services Agreement with the City dated December 13, 2004. If the project conditions change outside the assumptions discussed above, Anchor will work with you to re-scope the necessary project elements.

Please feel free to contact me (206) 903-3312 or dtempleton@anchorenv.com if you have any questions or would like additional information on this scope of work.

Sincerely,



David Templeton

Partner

Anchor Environmental

Figure 1 – Eddon Boat Park Strategic Plan and Schedule

Table 2 – Detailed Estimated Cost Summary

Table 3 – Analytical Laboratory Cost Summary

ACCEPTED BY:

David Templeton, Partner
Anchor Environmental, L.L.C.

Date

Name: _____ Date: _____

Title: _____

City of Gig Harbor

cc: John Renda, Anchor Environmental, L.L.C.
Bud Whitaker, Inspectus, Inc.

Figure 1 – Eddon Boat Park Strategic Plan and Schedule

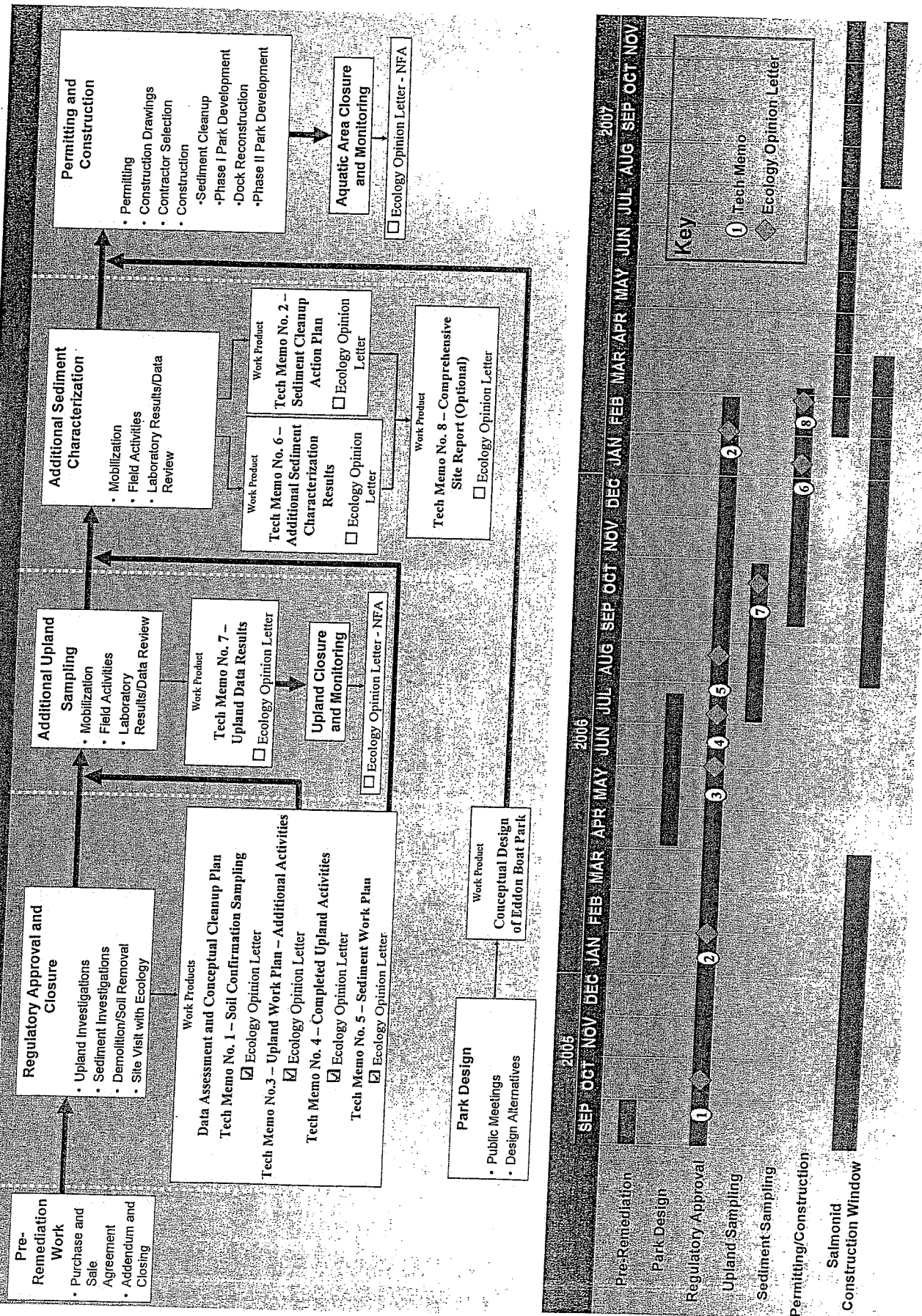


Table 2
Detailed Estimated Cost Summary

ANCHOR ENVIRONMENTAL, L.L.C.
PROJECT COST ESTIMATING FORM

Proposal/Project Name:
September 21, 2006

Eddon Boatyard Sediment Characterization
City of Gig Harbor

Number: Task 4B
Prepared by: David Templeton

Task 4b Total Cost	4b.1 Mobilization/Demobilization	\$ 9,005.00	4b.6 Revise Technical Memorandum #2	\$ 23,950.00
\$125,972	4b.2 Field Activities	\$ 26,698.50		\$ -
	4b.3 Laboratory/Review/Database	\$ 49,178.20		\$ -
	4b.4 Data Figures/Tables	\$ 10,310.00		\$ -
	4b.5 Technical Memorandum #5	\$ 6,830.00		\$ -

Billing Category	Anchor Staff	Task No. 4 Description:										Hours or Cost	Totals
		Additional Field Investigations (4B - Sediment) and Reporting											
		Subtask 4b.1	Subtask 4b.2	Subtask 4b.3	Subtask 4b.4	Subtask 4b.5	Subtask 4b.6	Subtask 4.7	Subtask 4.8	Subtask 4.9	Subtask 4.10		
Principal Engr/Plan/Sci	Berschinski, Ed				4		4					8	
Principal Engr/Plan/Sci	Boyce, Jen											0	
Principal Engr/Plan/Sci	Cappellino, Steve											0	
Principal Engr/Plan/Sci	Edwards, John											0	
Principal Engr/Plan/Sci	Haugy, David											0	
Principal Engr/Plan/Sci	Leuteritz, Chris											0	
Principal Engr/Plan/Sci	McKenzie, Tracey											0	
Principal Engr/Plan/Sci	Patmont, Clay											0	
Principal Engr/Plan/Sci	Schadt, Tom											0	
Principal Engr/Plan/Sci	Schiewe, Mike											0	
Principal Engr/Plan/Sci	Templeton, David	8	8	4	8	8	32					68	
Principal Engr/Plan/Sci	Verduin, John				2		4					6	
Principal Engr/Plan/Sci	Wang, Tom											0	
Principal Engr/Plan/Sci	0											0	
Consulting Engr/Plan/Sci	Boudreau, Christine											0	82
Consulting Engr/Plan/Sci	Costanza, Ann											0	
Consulting Engr/Plan/Sci	Hummel, Peter											0	
Consulting Engr/Plan/Sci	Keith, David											0	
Consulting Engr/Plan/Sci	Korsmo, Paul											0	
Consulting Engr/Plan/Sci	Powers, Pat											0	
Consulting Engr/Plan/Sci	Stivers, Carl				8		4					12	
Consulting Engr/Plan/Sci	Thornburg, Todd											0	
Consulting Engr/Plan/Sci	0											0	
Consulting Engr/Plan/Sci	0											0	
Senior Engr/LA/Plan/Sci	Cooke, Lennie Rae											0	12
Senior Engr/LA/Plan/Sci	Dickey, Tom											0	
Senior Engr/LA/Plan/Sci	Drochak, Terry											0	
Senior Engr/LA/Plan/Sci	Durand, Chad											0	
Senior Engr/LA/Plan/Sci	Hanzlick, Dennis		8									8	
Senior Engr/LA/Plan/Sci	Schlenger, Paul											0	
Senior Engr/LA/Plan/Sci	Schwarz, Rick											0	
Senior Engr/LA/Plan/Sci	Thiel, Richard											0	
Senior Engr/LA/Plan/Sci	Whelan, Michael						40					40	
Senior Engr/LA/Plan/Sci	0											0	
Senior Engr/LA/Plan/Sci	0											0	
Senior Engr/LA/Plan/Sci	0											0	
Senior Engr/LA/Plan/Sci	0											0	
Engr/Plan/Sci	Desrosiers, Rebecca											0	48
Engr/Plan/Sci	Hennesy, Dan						16					16	
Engr/Plan/Sci	Hinz, Shawn											0	
Engr/Plan/Sci	Hung, Ben											0	
Engr/Plan/Sci	Kase, Jason											0	
Engr/Plan/Sci	Keithly, James											0	
Engr/Plan/Sci	Koellmann, Detek											0	
Engr/Plan/Sci	Laplante, John											0	
Engr/Plan/Sci	LaRosa, Paul											0	
Engr/Plan/Sci	Renda, John						8					8	
Engr/Plan/Sci	Richardson, Chad											0	
Engr/Plan/Sci	Rovak, Teresa											0	
Engr/Plan/Sci	Takeuchi, David											0	
Engr/Plan/Sci	Thiele, Brad											0	
Engr/Plan/Sci	Small, John											0	
Engr/Plan/Sci	0											0	
Senior Staff Engr/LA/Plan/Sci	Appy, Elizabeth											0	24
Senior Staff Engr/LA/Plan/Sci	Barth, Ryan											0	
Senior Staff Engr/LA/Plan/Sci	Chase, Greg											0	
Senior Staff Engr/LA/Plan/Sci	Dickinson, Dale											0	
Senior Staff Engr/LA/Plan/Sci	Douglas, Calvin											0	
Senior Staff Engr/LA/Plan/Sci	Gillingham, David	8	40									48	
Senior Staff Engr/LA/Plan/Sci	Parker, Eric											0	
Senior Staff Engr/LA/Plan/Sci	Sasson, Gisele											0	
Senior Staff Engr/LA/Plan/Sci	0											0	
Staff 2 Engr/Plan/Sci	Harquail, Stephen											0	48
Staff 2 Engr/Plan/Sci	Noreen, Kristin											0	
Staff 2 Engr/Plan/Sci	Patterson, Bryan											0	
Staff 2 Engr/Plan/Sci	Schoenen, Jodi											0	
Staff 2 Engr/Plan/Sci	Snyder, Susan	8	24									32	
Staff 2 Engr/Plan/Sci	Stone, Tim											0	
Staff 2 Engr/Plan/Sci	Vonckx, Liz	16	50		32	40	32					170	
Staff 2 Engr/Plan/Sci	Wick, All											0	
Staff 2 Engr/Plan/Sci	0											0	
Staff 2 Engr/Plan/Sci	0											0	
Staff 2 Engr/Plan/Sci	0											0	
Staff 2 Engr/Plan/Sci	0											0	
Staff 2 Engr/Plan/Sci	0											0	
Staff 2 Engr/Plan/Sci	0											0	
Staff 2 Engr/Plan/Sci	0											0	
Staff 1 Engr/Plan/Sci	Calleros, Jesus											0	202
Staff 1 Engr/Plan/Sci	Chamberlin, Katie											0	
Staff 1 Engr/Plan/Sci	Page, Heather	4					8					12	
Staff 1 Engr/Plan/Sci	Piskering, Ross											0	
Staff 1 Engr/Plan/Sci	Pursley, Joseph											0	
Staff 1 Engr/Plan/Sci	Tikemeier, Kelly											0	
Staff 1 Engr/Plan/Sci	Wells, Craig											0	
Staff 1 Engr/Plan/Sci	Williams, Regina											0	
Staff 1 Engr/Plan/Sci	0											0	12

Table 2
Detailed Cost Estimate

ANCHOR ENVIRONMENTAL, L.L.C.
PROJECT COST ESTIMATING FORM

Proposa/Project Name: Eddon Boatyard Sediment Characterization
September 21, 2006 City of Gig Harbor

Number: Task 4B
Prepared by: David Templeton

Task 4b Total Cost	4b.1	Mobilization/Demobilization	\$	9,005.00	4b.6	Revise Technical Memorandum #2	\$	23,850.00
\$125,972	4b.2	Field Activities	\$	26,698.50			\$	-
	4b.3	Laboratory/Review/Database	\$	49,178.20			\$	-
	4b.4	Data Figures/Tables	\$	10,310.00			\$	-
	4b.5	Technical Memorandum #6	\$	6,830.00			\$	-

Billing Category	Anchor Staff	Task No. 4 Description:											Hours or Cost	Totals	
		Subtask 4b.1	Subtask 4b.2	Subtask 4b.3	Subtask 4b.4	Subtask 4b.5	Subtask 4b.6	Subtask 4b.7	Subtask 4b.8	Subtask 4b.9	Subtask 4b.10				
Senior Design/GIS/Dbase/IT	Holmer, David	4			24		24							52	
Senior Design/GIS/Dbase/IT	LeVasseur, Heidi													0	
Senior Design/GIS/Dbase/IT	McClelland, Michelle			32	4	8	8							52	
Senior Design/GIS/Dbase/IT	0													0	
Senior Design/GIS/Dbase/IT	0													0	
Design/GIS/Dbase/IT	Davidson, Cathi	4			4		4							12	104
Design/GIS/Dbase/IT	Iverson, Erin													0	
Design/GIS/Dbase/IT	Selinger, Mike													0	
Design/GIS/Dbase/IT	Shotwell, Scott													0	
Design/GIS/Dbase/IT	0													0	
Design/GIS/Dbase/IT	0													0	
Project Assistant	Ashton, Deb													0	12
Project Assistant	Cohen, Brianne	40	4	4	4	4	4	4						60	
Project Assistant	Goldberg, Rebecca	4	4	4	4	4	8	8						32	
Project Assistant	Lombre, Nicole													0	
Project Assistant	Markwardt, Jeff													0	
Project Assistant	Martins, April													0	
Project Assistant	Oster, Valerie													0	
Project Assistant	Turner, Lynn													0	
Project Assistant	Yanasak, Betsy													0	
Project Assistant	0													0	
Project Assistant	0													0	
Project Assistant	0													0	
Project Assistant	0													0	
Project Assistant	0													0	
Administrative	Adams, Jennifer													0	92
Administrative	Copperrill, Pam													0	
Administrative	Golka-Ridlon, Kim	2												2	
Administrative	Hannon, Rob													0	
Administrative	Krippaehne, Linda													0	
Administrative	McSpadden, Lelani	2												2	
Administrative	Powers, Claire													0	
Administrative	Raney, Carolyn													0	
Administrative	0													0	
Administrative	0													0	
Administrative	0													0	
Administrative	0													0	
Human Resources	Brown, Jessie													0	4
Human Resources	Buttitta, Rebecca													0	
Human Resources	Sterling, Dannielle													0	
0	0													0	
0	0													0	
0	0													0	
Subconsultants														0	
STL Lab Cost	Base Case				\$25,346									Cost	
Data Validation/Review					\$4,350									\$25,346	
STL Lab Cost	Contingency Costs				\$9,216									\$4,350	
Vessel		\$10,400												\$9,216	
														\$10,400	
														\$0	
														\$0	
Reimbursables	Description													Cost	\$49,312
CAD/Computer (\$/hr)	# of hours	\$10.00	8		8									Cost	
Mileage (\$/mile)	# of miles	\$0.445	300											\$160	
Copies (\$/copy)	# of copies	\$0.10	50		500		250	250						\$134	
Anchor boat (\$/day)	# of days	\$300.00												\$105	
Faxes (\$/fax)	# of faxes	\$1.00	25		25		25	25						\$0	
Outside Expenses														\$100	\$499
Airfare	LS													\$0	
Hotel	LS													\$0	
Mileage	LS		\$200											\$0	
Repro/Plotting	LS				\$200	\$200	\$200							\$200	
Mail/Fedex/Courier	LS													\$600	
Other expenses	LS	\$250	\$250											\$0	
Field Equipment and Supplies														\$500	\$1,300
Grab Sampler	LS		\$100											\$0	
DGPS	LS		\$400											\$100	
PPE	LS		\$100											\$400	
Field Equipment and Supplies	LS		\$1,000											\$100	
Vibracore Materials	LS		\$1,000											\$1,000	
Decon Equipment	LS		\$100											\$1,000	
	LS													\$100	
	LS													\$0	
	LS													\$0	
	LS													\$0	
	LS													\$0	\$2,700

Table 3
Laboratory Analysis Cost Scenarios
2006 Sediment Sampling Eddon Boat Yard
Base Case

Cost Summary

Parameter	No. samples	Cost/sample	Sub Totals
Subset 1			
TOC	20	\$65	\$1,300
Grain size	9	\$110	\$990
T. Solids	20	\$17	\$340
Subset 2			
Metals	9	\$120	\$1,080
SVOC	9	\$325	\$2,925
TBT (bulk)	9	\$235	\$2,115
Subset 3			
Metals	5	\$120	\$600
PCBS	4	\$100	\$400
SVOC	4	\$325	\$1,300
TBT bulk	4	\$235	\$940
TBT PW	4	\$325	\$1,300
Subset 4			
TBT SRM (bulk)	1	\$350	\$350
TBT bulk	15	\$235	\$3,525
TBT PW	15	\$325	\$4,875
Deliverable Charge (Data Packet)	1	15%	\$3,306
Totals			\$25,346

Sample Summary

Location ID	Subset 1: TOC/Grain Size ² /Total Solids	Subset 2: SMS (Metals, PCBs, SVOC ³) and TBT ¹ (Bulk Only)	Subset 3: SMS (Metals, PCBs, SVOC ³) and TBT (Bulk and Pore)	Subset 4: TBT (Bulk and Pore)
Subsurface samples				
SC-1	1	1		
SC-2	1	1		
SC-3	2	2		
SC-4	2	2		
SC-5 ¹	3	3		
SC-6 ¹				
SC-7 ¹				
Surface samples				
SG-1	1			
SG-2 ¹	1			1
SG-3 ¹	1			1
SG-4				1
SG-5				1
SG-6 ¹	1			1
SG-7	1			1
SG-8 ¹	1			1
SG-9	1			1
SG-10			1	1
SG-11	1		1	1
SG-12	1		1	1
SG-13 ¹			1	1
SG-14 ¹	1			1
SG-15 ¹	1			1
SG-16 ^{1,3}				1
Totals	20	9	5	15

1. Locations and analyses addressed in Ecology letter.

2. Grain Size one interval only for SC-1 through SC-5 and no Grain Size at SG-4, 5, 10, 12, 13, 16.

3. Metals only at SG-16.

Table 3
Laboratory Analysis Cost Scenarios
2006 Sediment Sampling Eddon Boat Yard
Base Case Contingency

Cost Summary

Parameter	No. samples	Cost/sample	Sub Totals
Subset 1			
TOC	27	\$65	\$1,755
Grain size	20	\$110	\$2,200
T. Solids	27	\$17	\$459
Subset 2			
Metals	16	\$120	\$1,920
SVOC	16	\$325	\$5,200
TBT (bulk)	16	\$235	\$3,760
Subset 3			
Metals	10	\$120	\$1,200
PCBS	10	\$100	\$1,000
SVOC	10	\$325	\$3,250
TBT bulk	10	\$235	\$2,350
TBT PW	10	\$325	\$3,250
Subset 4			
TBT SRM (bulk)	1	\$350	\$350
TBT bulk	6	\$235	\$1,410
TBT PW	6	\$325	\$1,950
Deliverable Charge (Data Packet)	1	15%	\$4,508
Totals			\$34,562

Sample Summary

Location ID	Subset 1: TOC/Grain Size ² /Total Solids	Subset 2: SMS (Metals, PCBs, SVOC ³) and TBT ¹ (Bulk Only)	Subset 3: SMS (Metals, PCBs, SVOC ³) and TBT (Bulk and Pore)	Subset 4: TBT (Bulk and Pore)
Subsurface samples				
SC-1	2	2		
SC-2	2	2		
SC-3	2	2		
SC-4	3	3		
SC-5 ¹	3	3		
SC-6 ¹	2	2		
SC-7 ¹	2	2		
Surface samples				
SG-1	1			1
SG-2 ¹	1		1	
SG-3 ¹	1		1	
SG-4				1
SG-5				1
SG-6 ¹	1			
SG-7	1		1	
SG-8 ¹	1		1	
SG-9	1		1	
SG-10			1	
SG-11	1		1	
SG-12	1		1	
SG-13 ¹				
SG-14 ¹	1			1
SG-15 ¹	1			1
SG-16 ^{1,3}			1	
Totals	27	16	10	6

1. Locations and analyses addressed in Ecology letter.
2. Grain Size one interval only for SC-1 through SC-7 and no Grain Size at SG-4, 5, 10, 12, 13, 16.
3. Metals only at SG-16.



POLICE

TO: MAYOR HUNTER AND CITY COUNCIL MEMBERS
FROM: CHIEF OF POLICE MIKE DAVIS
SUBJECT: SECOND READING OF ORDINANCE-DRUG PARAPHERNALIA
DATE: OCTOBER 9, 2006

INFORMATION/BACKGROUND

The use of illegal controlled substances creates serious physical and psychological damage to users and their families. The sale of drug paraphernalia can perpetuate the use of illegal drugs. Several businesses in the city currently sell drug paraphernalia claiming the items are used to smoke legal substances such as tobacco. Currently, our city does not have any legislation available to regulate this activity. The police department wishes to adopt a new section in our Gig Harbor Municipal Code titled: Chapter 9.38--Drug Paraphernalia allowing for enforcement options designed to support a prohibition on the delivery, sale or manufacture of drug paraphernalia within the city limits of Gig Harbor.

This ordinance has been reviewed and approved by City Attorney Carol Morris.

FISCAL IMPACTS

The adoption of this Drug Paraphernalia ordinance will cause no additional costs for the City of Gig Harbor.

RECOMMENDATION

I recommend that Council approve and adopt the Drug Paraphernalia ordinance.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO DRUG PARAPHERNALIA, DEFINING DRUG PARAPHERNALIA, THE FACTORS TO BE CONSIDERED BY A COURT WHEN DETERMINING WHETHER AN OBJECT SATISFIES THE DEFINITION OF DRUG PARAPHERNALIA, DESCRIBING ILLEGAL CONDUCT RELATING TO THE DELIVERY, SALE, POSSESSION OR MANUFACTURE OF DRUG PARAPHERNALIA, AND ESTABLISHING REMEDIES/PENALTIES FOR VIOLATIONS; ADOPTING A NEW CHAPTER 9.38 TO THE GIG HARBOR MUNICIPAL CODE.

WHEREAS, the illegal use of controlled substances creates serious physical and psychological damage to users and their families; and

WHEREAS, the City of Gig Harbor expends considerable resources dealing with the secondary impacts of the illegal use of controlled substances, including costs to clean up methamphetamine labs and the cost for police, courts, and corrections associated with illegal drug use; and

WHEREAS, the Gig Harbor City Council believes that the continued proliferation and sale of drug paraphernalia symbolizes a public tolerance for illegal use of controlled substances; and

WHEREAS, the Council believes that reducing the availability of drug paraphernalia will discourage the use of illegal controlled substances in the City; and

WHEREAS, the City Council considered this Ordinance during its regular City Council meeting of _____ 200_; Now, Therefore,

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

Section 1. A new chapter 9.38 is hereby added to the Gig Harbor Municipal Code, entitled "Drug Paraphernalia," which shall read as follows:

**CHAPTER 9.56
DRUG PARAPHERNALIA**

SECTIONS:

- 9.38.010** **Definitions.**
9.38.020 **Illegal Conduct.**
9.38.030 **Remedies.**

9.38.010. Definitions. As used in this Chapter, the following terms shall have the following meanings:

- A. "Business" means any location, whether indoors or outdoors, at which merchandise is offered for sale.
- B. "Controlled substance" means those controlled substances set forth in the Revised Code of Washington (chapter 69.50 RCW) or the United States Code (at 21 USC Section 801-971) as such now exist or may hereafter be amended.
- C. "Display" means to show to a patron or to place in a manner so as to be available for viewing or inspection by a patron.
- D. "Distribute" means to transfer ownership or a possessory interest to another whether for consideration, as a gratuity or gift, for consignment, or otherwise.
- E. "Drug paraphernalia" means any of the following:
1. Any item, whether useful for non-drug-related purposes or not, which is displayed, grouped with other items, advertised or promoted in a manner to reasonably suggest its usefulness in the growing, harvesting, processing, manufacturing, preserving, inhaling, injecting, or ingesting of marijuana, hashish, cocaine, methamphetamine, or any controlled substance.
 2. Any item, whether useful for non-drug-related purposes or not, which is designed, decorated, adorned, packaged or displayed in a manner to reasonably suggest its usefulness in the growing, harvesting, processing, inhaling, injecting, or ingesting of marijuana, hashish, cocaine, methamphetamine, or any controlled substance.
 3. Any item defined by any statute of the State of Washington as drug paraphernalia (chapter 69.50 RCW) or by any statute of the United States Code (at USC Sections 801-971) as drug paraphernalia.
 4. The term "drug paraphernalia" includes, without limitation, all equipment, products, and materials of any kind, whether useful for non-drug-related purposes or not, which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance. Drug paraphernalia includes, but is not limited to, objects used, intended for use, or designed for use in ingesting, inhaling, or otherwise introducing marijuana, cocaine, hashish, or hashish oil into the human body, such as:

a. Kits used, intended for use, or primarily designed for use in the planting, propagating, cultivating, growing, or harvesting of any species of plant which is a controlled substance or from which a controlled substance or unlawful drug can be derived.

b. Kits used, intended for use, or primarily designed for use in the manufacturing, compounding, converting, producing, processing or preparing of unlawful drugs or controlled substances.

c. Isomerization devices used, intended for use, or designed for use in increasing the potency of any species of plant which is an unlawful drug or controlled substance.

d. Testing equipment used, intended for use, or designed for use in weighing or measuring unlawful drugs or controlled substances.

f. Diluents and adulterants, such as quinine hydrochloride, mannitol/mannite, dextrose and lactose used, intended for use, or designed for use in cutting or thinning unlawful drugs or controlled substances.

g. Separation gins and sifters used, intended for use or designed for use in removing twigs and seeds from, or in otherwise cleaning or refining, marijuana or other controlled substance.

h. Blenders, bowls, containers, spoons and mixing devices used, intended for use, or designed for use in compounding unlawful drugs or a controlled substance.

i. Capsules, balloons, containers, spoons and mixing devices used, intended for use or designed for use in compounding unlawful drugs or a controlled substance.

j. Containers and other objects used, intended for use, or designed for use in storing or concealing unlawful drugs.

k. Hypodermic syringes, needles, and other objects used, intended for use, or designed for use in parenterally injecting unlawful drugs or controlled substances.

l. The phrase "designed primarily for" in Subsection 9.38.010(4) means a device which has been fabricated, constructed, altered, adjusted or marked especially for use in the smoking, ingestion, or consumption of marijuana, hashish, hashish oil, cocaine, or any other "controlled substance" and is peculiarly adapted to such purposes by virtue of a distinctive feature or combination of features associated with drug paraphernalia, notwithstanding the fact that it might also be possible to use such device for some other purpose. Such drug paraphernalia includes, but is not limited to, the following items or devices:

(1) Metal, wooden, acrylic, glass, stone, plastic or ceramic pipes, with or without screens, permanent screens, hashish heads, or punctured metal bowls;

(2) Water pipes;

(3) Carburetion tubes and devices;

(4) Smoking and carburetion masks;

(5) Roach clips – meaning objects used to hold burning material, such as a marijuana cigarette, that has become too small or too short to be held in the hand; whether the device is known as a "roach clip" or otherwise;

(6) Miniature cocaine spoons, cocaine vials, or any spoon used, intended for use or primarily designed for ingestion of a controlled substance;

(7) Chamber pipes;

(8) Carburetor pipes;

(9) Electric pipes;
(10) Air driven pipes;
(11) Chillums;
(12) Bongs;
(13) Ice pipes or chillers;
(14) Wired cigarette papers;
(15) Cocaine freebase kits;
(16) A device constructed so as to prevent the escape of smoke into the air and to channel smoke into a chamber where it may be accumulated to permit inhalation or ingestion of larger quantities of smoke that would otherwise be possible, whether the device is known as a "bong" or otherwise;

(17) A device constructed so as to permit the simultaneous mixing and ingestion of smoke and nitrous oxide or other compressed gas, whether the device is known as a "buzz bomb" or otherwise;

(18) A canister, container, or other device with a tube, nozzle, or other similar arrangement attached thereto so constructed as to permit the forcing of smoke accumulated therein into the user's lungs, under pressure, whether the device is known as a "power hitter" or otherwise;

(19) A straw or tube for ingestion of a controlled substance through the nose or mouth; and

(20) a smokable pipe constructed with a receptacle or container in which water or other liquid may be placed into which smoke passes and is cooled in the process of being inhaled or ingested.

m. In determining whether an object is "drug paraphernalia," a court, hearing officer or other authority, may consider the following, in addition to the foregoing and all other logically relevant factors:

(1) Statement by an owner or by anyone in control of the object concerning its use;

(2) Proximity of the object to controlled substances;

(3) Existence of any residue of controlled substances on the object;

(4) Direct or circumstantial evidence of the intent of an owner, or of anyone in control of the object, to deliver to persons whom he or she knows, or reasonably should know, intend to use the object to facilitate a violation of the laws of the State of Washington or the United States relating to controlled substances;

(5) Descriptive materials or instructions, written or oral, accompanying the object, which explain or depict its use;

(6) National and local advertising concerning its use;

(7) The manner in which the object is displayed for sale, including its proximity to other objects falling within the definition of drug paraphernalia;

(8) The existence and scope of legitimate uses for the object in the community;

(9) Expert testimony concerning its use, including testimony from law enforcement personnel regarding their knowledge and experience concerning its use.

F. "Manufacture" means to fabricate, make, produce, create, assemble, modify, adapt, or turn out.

G. "Patron" means a person who enters a business for the purpose of purchasing, or viewing as a shopper, merchandise offered for sale at the business;

H. "Person" means a natural person or any firm, partnership, association, corporation or cooperative association.

9.38.020. Illegal Conduct.

A. It is unlawful for any person to deliver, possess with intent to deliver, or manufacture with intent to deliver, drug paraphernalia, knowing, or under circumstances where one reasonably should know, that it will be used to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body a controlled substance.

B. It is unlawful for any person to place in any newspaper, magazine, handbill, or other publication, any advertisement, knowing or under circumstances where one reasonably should know, that the purpose of the advertisement, in whole or in part, is to promote the sale of drug paraphernalia.

C. It is unlawful for any person to sell, give, or permit to be sold or given, to any person, any drug paraphernalia in any form.

9.38.030. Remedies.

A. Any person who violates any provision of subsections A or B or C of GHMC Section 9.38.020, commits a civil infraction under chapter 7.80 RCW and shall be punished by a fine of \$250.00. It shall be no defense to a prosecution for an infraction issued under this subsection that the person acted or was believed by the defendant to act, as agent or representative of another; PROVIDED that nothing in this section prohibits legal distribution of injection syringe equipment through public health and community-based HIV prevention programs.

B. Any person 18 years of age or over who violates GHMC Section 9.38.020 by delivering drug paraphernalia to a person less than 18 years of age who is at least three years his junior shall be guilty of a gross misdemeanor. Upon conviction, said person shall be punished according to GHMC Section 1.16.010.

C. Any person who violates GHMC Sections (A) or (B) and has previously been found to have committed an infraction under either of those sections within the most recent twenty-four month period shall be guilty of committing a misdemeanor. Upon conviction, said person shall be punished according to GHMC Section 1.16.010.

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

Section 3. Effective Date. This Ordinance shall take effect and be in full force five (5) days after passage and publication of an approved summary consisting of the title.

PASSED by the City Council and approved by the Mayor of the City of Gig Harbor this ___ day of _____, 200_.

CITY OF GIG HARBOR

CHARLES L. HUNTER, MAYOR

ATTEST/AUTHENTICATED:

By: _____
MOLLY TOWSLEE, City Clerk

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

By: _____
CAROL A. MORRIS

FILED WITH THE CITY CLERK: 09/20/06
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO:



COMMUNITY DEVELOPMENT DEPARTMENT

TO: MAYOR HUNTER AND CITY COUNCIL
FROM: JENNIFER KESTER, SENIOR PLANNER
SUBJECT: SECOND READING OF ORDINANCE – HARBOR HILL REZONE
(REZ 04-35)
DATE: OCTOBER 9, 2006

INTRODUCTION/BACKGROUND

Olympic Property Group, LLC. requested a site-specific rezone of a 23.44 acre parcel at the southwest corner of Borgen Boulevard Harbor Hill drive, commonly referred to as the Costco site. The rezone request is from Planned Community Development Business Park District (PCD-BP) to Planned Community Development Commercial district (PCD-C). This site is situated in the Gig Harbor North area, which was annexed into the City in 1997. At annexation, the land use designation for the site was Planned Community Development Business Park (PCD-BP). In 2003, Olympic Property Group received an amendment to the City's Comprehensive Plan Land Use Map, changing the subject parcel from a PCD-BP land use to a Planned Community Development Commercial (PCD-C) land use. This amendment included a Mitigated Determination of Nonsignificance which required numerous off-site transportation improvements; these improvements have been completed and accepted by the City. This amendment also included the requirement that "Any rezone application for property in the PCD district to commercial shall be accompanied by a site-specific development application for the development of the property." As such, the site plan review application for Harbor Hill/Costco was reviewed concurrently with the site-specific rezone application.

The City issued a Mitigated Determination of Nonsignificance (MDNS) on June 14, 2006. The appeal period ended on July 12, 2006. No appeals were filed and the MDNS is final. The Hearing Examiner (HE) held a public hearing on the site-specific rezone application on July 19, 2006. The HE approved the application on August 1, 2006. The appeal period for this decision expired on August 25, 2006. Rezones are required to be adopted by ordinance to effectuate an official zoning map change; this matter will return to you for second reading at your next meeting.

POLICY CONSIDERATIONS

The City of Gig Harbor Comprehensive Plan Land Use Map designates the site as Planned Community Development Commercial (PCD-C). PCD-C zoning is the only zoning which can implement the PCD-C land use designation.

FISCAL IMPACTS

There are no adverse fiscal impacts associated with this rezone.

RECOMMENDATION

The staff recommends Council approve the ordinance at this second reading.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, REZONING 23.44 ACRES FROM PCD-BP (PLANNED COMMUNITY DEVELOPMENT BUSINESS PARK) ZONING DISTRICT TO A PCD-C (PLANNED COMMUNITY DEVELOPMENT COMMERCIAL) ZONING DISTRICT, LOCATED AT THE SOUTHWEST CORNER OF BORGEN BOULEVARD AND HARBOR HILL DRIVE, ASSESSOR'S PARCEL NUMBER 0222312039.

WHEREAS, Olympic Property Group, LLC. requested a rezone for the parcel located at the southwest corner of Borgen Boulevard and Harbor Hill Drive in Gig Harbor, Washington, Assessor's parcel number 0222312039; and

WHEREAS, the land use designation in the Comprehensive Plan of the subject parcel is PCD-C (Planned Community Development Commercial), which was changed from PCD-BP (Planned Community development Business Park) as part of the 2003 Comprehensive Plan amendments; and

WHEREAS, RCW 36.70A.130(1)(b) requires consistency between comprehensive plans and development regulations; and

WHEREAS, the existing Planned Community Development Commercial (PCD-C) comprehensive plan land use designation anticipates Planned Community Development Commercial development; and

WHEREAS, Olympic Property Group, LLC. requested that the property be rezoned from PCD-BP (Planned Community Development Business Park) to PCD-C (Planned Community Development Commercial), which allows commercial development; and

WHEREAS, a SEPA threshold determination of Mitigated Nonsignificance (MDNS) for the proposed rezone was issued on June 14, 2006; and

WHEREAS, the SEPA threshold decision was not appealed; and

WHEREAS, the proposed rezone is a Type III action as defined in GHMC 19.01.003(B) for site-specific rezones; and

WHEREAS, A final decision for a Type III application shall be rendered by the Hearing Examiner as per GHMC 19.01.003(A); and

WHEREAS, a public hearing on the proposed rezone was held before the Hearing Examiner on July 19, 2006, at which time the Hearing Examiner heard public testimony on the rezone; and

WHEREAS, the Hearing Examiner approved the proposed rezone in his decision dated August 1, 2006; and

WHEREAS, the appeal period expired on August 25, 2006; and

WHEREAS, rezones must be adopted by ordinance as per GHMC 17.100.070 under the provisions of Chapter 1.08 GHMC; and

WHEREAS, the City Community Development Director forwarded the site-specific rezone proposal to the Washington State Department of Community Development on November 30, 2005 pursuant to RCW 36.70A.106; and

WHEREAS, the Gig Harbor City Council considered the Ordinance at first reading on September 25, 2006; and

WHEREAS, the Gig Harbor City Council voted to _____ this Ordinance during the second reading on October 9; and

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

Section 1. The real property located at the southwest corner of Borgen Boulevard and Harbor Hill Drive, Assessor Parcel #0222312039 and as shown on attached Exhibit "A", and legally described as follows:

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST, W.M., PIERCE COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION; THENCE ALONG THE NORTH LINE OF SAID SECTION SOUTH 88° 29'18" EAST 1250.66 FEET TO THE WEST LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION AND THE POINT OF BEGINNING;

THENCE ALONG SAID WEST LINE SOUTH 01°19'55" WEST 1324.26 FEET TO THE SOUTH LINE OF SAID NORTHEAST QUARTER OF THE NORTHWEST QUARTER;
THENCE ALONG SAID SOUTH LINE SOUTH 88°22'24" EAST 467.71 FEET;
THENCE NORTH 17°17'40" EAST 188.05 FEET;
THENCE SOUTH 88°22'24" EAST 83.15 FEET;
THENCE NORTH 14°26'00" EAST 429.62 FEET;
THENCE NORTH 65°18'14" EAST 159.94 FEET;
THENCE SOUTH 34°41'01" EAST 325.45 FEET;
THENCE SOUTH 88°22'24" EAST 177.38 FEET TO THE BEGINNING OF A NON- TANGENT CURVE CONCAVE TO THE SOUTHWEST FROM WHENCE ITS CENTER BEARS SOUTH 64°21'12" WEST 766.00 FEET DISTANT;
THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE 74.29 FEET THROUGH A CENTRAL ANGLE OF 05°33'24";
THENCE NORTH 31°12'13" WEST 53.37 FEET;
THENCE NORTH 36°55'06" WEST 84.93 FEET;
THENCE NORTH 32°50'36" WEST 32.29 FEET;
THENCE NORTH 33°57'52" WEST 76.44 FEET;
THENCE NORTH 59°53'46" WEST 109.69 FEET;
THENCE NORTH 02°56'32" WEST 57.26 FEET;
THENCE NORTH 38°14'16" EAST 57.28 FEET;
THENCE NORTH 02°20'30" EAST 22.82 FEET;
THENCE NORTH 13°05'56" WEST 41.50 FEET;
THENCE NORTH 07°38'01" WEST 50.07 FEET;
THENCE NORTH 08°43'23" WEST 67.99 FEET;
THENCE NORTH 04°58'36" WEST 67.99 FEET;
THENCE NORTH 03°06'12" WEST 75.10 FEET;
THENCE NORTH 02°58'43" WEST 63.37 FEET;
THENCE NORTH 13°52'23" WEST 42.72 FEET;
THENCE NORTH 50°39'12" WEST 39.82 FEET TO THE SOUTHERLY RIGHT-OF-WAY MARGIN OF BORGEN BOULEVARD;
THENCE NORTH 01°30'42" EAST 47.30 FEET TO THE NORTH LINE OF SAID SECTION;
THENCE ALONG SAID NORTH LINE NORTH 88°29'18" WEST 875.87 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION LYING WITHIN BORGEN BOULEVARD
RIGHT OF WAY;

is hereby rezoned from PCD-BP (Planned Community Development Business Park) to
PCD-C (Planned Community Development Commercial).

Section 2. The Community Development Director is hereby instructed to
effectuate the necessary changes to the Official Zoning Map of the City in accordance
with the zoning established by this section.

Section 3. Severability. If any section, sentence, clause or phrase of this
ordinance should be held to be invalid or unconstitutional by a court of competent
jurisdiction, such invalidity or unconstitutionality shall not affect the validity or
constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 4. Effective Date. This ordinance, being an exercise of a power
specifically delegated to the City legislative body, is not subject to referendum, and shall
take effect (5) days after passage and publication of an approved summary thereof
consisting of the title.

PASSED by the City Council and approved by the Mayor of the City of Gig
Harbor this ___ day of _____, 2006.

CITY OF GIG HARBOR

CHARLES L. HUNTER, MAYOR

ATTEST/AUTHENTICATED:

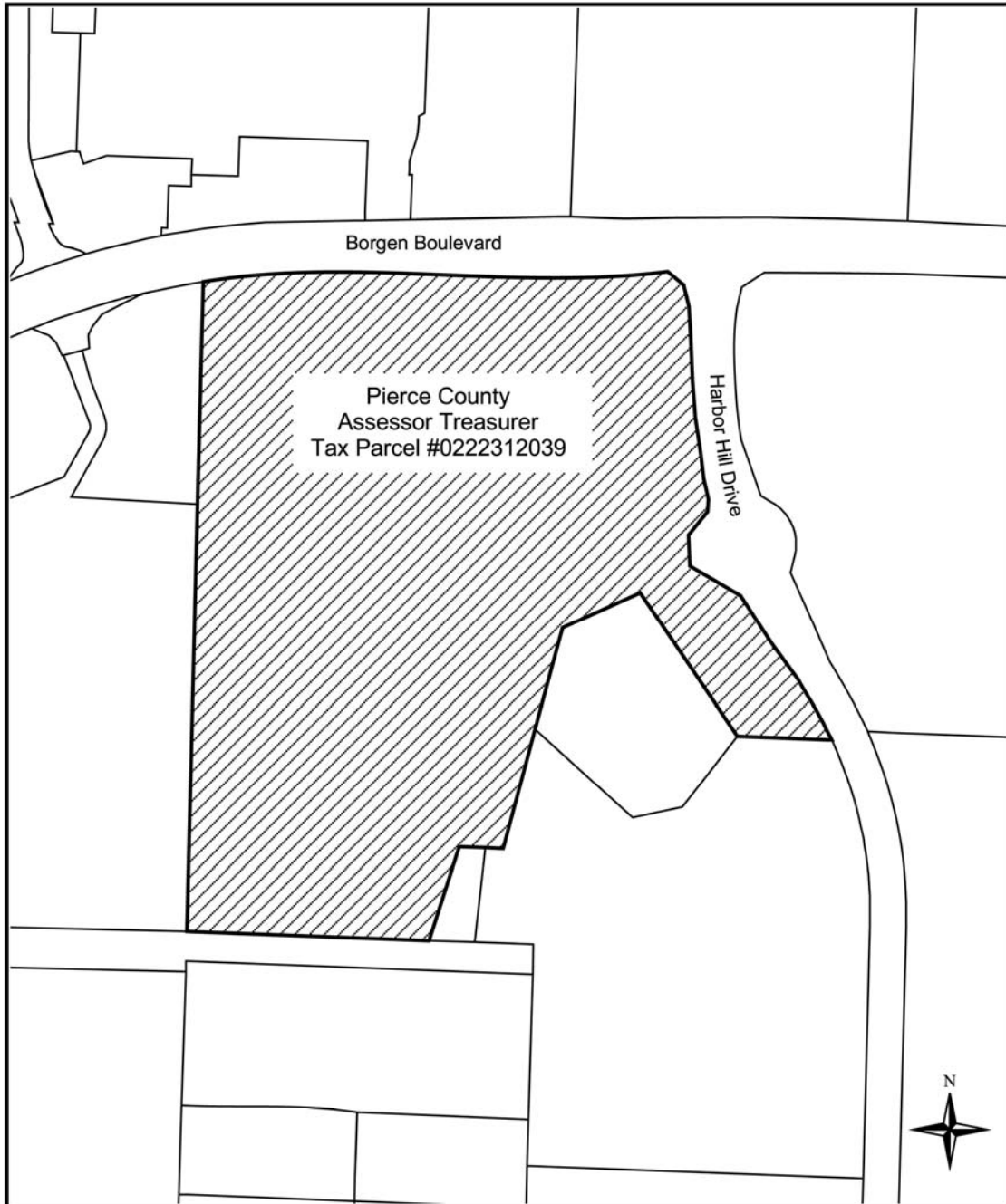
By: _____
MOLLY TOWSLEE, City Clerk

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

By: _____
CAROL A. MORRIS

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

Exhibit "A"
Harbor Hill Rezone (REZ 04-35)





TO: MAYOR HUNTER AND CITY COUNCIL ✓
FROM: DAVID RODENBACH, FINANCE DIRECTOR DR
SUBJECT: FIRST READING OF ORDINANCE AMENDING ORDINANCE NO. 1052,
EXPANDING THE BOUNDARIES OF THE GIG HARBOR HOSPITAL
BENEFIT ZONE AND APPROVING AN INTERLOCAL AGREEMENT
WITH PIERCE COUNTY EXPANDING THE HOSPITAL BENEFIT ZONE
DATE: OCTOBER 9, 2006

INTRODUCTION

This ordinance amends Ordinance No. 1052 and authorizes the Interlocal Agreement between the City and Pierce County; both of which are needed to expand the Hospital Benefit Zone to include portions of Pierce County that are within Gig Harbor's Urban Growth Area.

BACKGROUND

After this ordinance is passed, the city will submit an amended application to the Department of Revenue to establish an expanded Hospital Benefit Zone.

RECOMMENDATION

Staff recommends adoption of this ordinance after a public hearing and second reading both to be held October 23, 2006.

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF GIG HARBOR,
WASHINGTON, AMENDING ORDINANCE NO. 1052 AND
EXPANDING THE BOUNDARIES OF THE GIG HARBOR
HOSPITAL BENEFIT ZONE.**

WHEREAS, the Washington State Legislature in its 2006 Regular Session approved SHB 2670, as Chapter 111, Laws of 2006 (the "Act"), authorizing the formation of hospital benefit zones; and

WHEREAS, the Franciscan Health System, a Washington nonprofit corporation ("Franciscan") is proposing to construct a hospital ("Hospital") at 11567 Canterwood Boulevard NW, and Franciscan received a certificate of need for the construction of the Hospital on June 15, 2006; and

WHEREAS, a hearing was held on July 24, 2006, and the City Council approved Ordinance No. 1052, forming the Gig Harbor Hospital Benefit Zone;

WHEREAS, subsequent to the formation of the Gig Harbor Hospital Benefit Zone, Pierce County approved a resolution authorizing an Interlocal Agreement with the City, pursuant to which certain areas within the County and within the City's urban growth boundaries would be included within the Benefit Zone;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, DO ORDAIN; as follows:

Section 1. Definitions. As used herein, capitalized terms shall have the meanings given such terms in Ordinance No. 1052, except for the following:

Benefit Zone means the Gig Harbor Hospital Benefit Zone established by Section 4 of this ordinance, including the area added thereto by this amendatory ordinance.

Interlocal Agreement means the Interlocal Agreement, between the City and Pierce County, pursuant to which certain areas (described on Exhibit A attached hereto) shall be included within the Benefit Zone, as such Interlocal Agreement may be amended in the future by agreement of the City and Pierce County.

Section 2. The City hereby amends the boundaries of the Benefit Zone to include those areas within Pierce County described on Exhibit A attached hereto and incorporated by this reference herein. Following the approval of this ordinance, the boundaries of the Benefit Zone shall include the area described on Exhibit A.

Section 3. The City Council hereby reconfirms and repeats its findings made in Section 3 of Ordinance No. 1052.

Section 4. The City Council hereby finds that:

(a) The estimated cost of the Public Improvements is \$136,570,000, all of which is expected to be financed by the Bonds.

(b) The Excess Excise Taxes to be used to finance the Public Improvements are expected to be in place for thirty (30) years.

(c) The average amount of tax revenue to be received in all Fiscal Years through the imposition of the "Local Tax" is \$60,000,000.

(d) The City anticipates that the use of Excess Excise Taxes by the City will commence in 2011.

(e) The execution and delivery of the Interlocal Agreement is in the best interests of the City. The execution and delivery of the Interlocal Agreement by the Mayor is hereby authorized, ratified and approved.

(f) In Section No. 3 of this ordinance and Ordinance No. 1052, the City Council has made the findings required by Section 3(g) of the Act.

Section 5. Application to the Department. The City Administrator is hereby directed to make an amended application to the Department in the form and manner prescribed by the Department and file the same as soon as practicable.

Section 6. Affirmation. As amended by this amendatory ordinance, Ordinance No. 1052 is hereby ratified, approved and confirmed.

Section 6. Effective Date. This ordinance shall take effect and be in full force five (5) days after publication of an approved summary consisting of the title.

PASSED by the City Council and approved by the Mayor of the City of Gig Harbor this 23rd day of October, 2006.

CITY OF GIG HARBOR

CHARLES L. HUNTER, MAYOR

ATTEST/AUTHENTICATED:

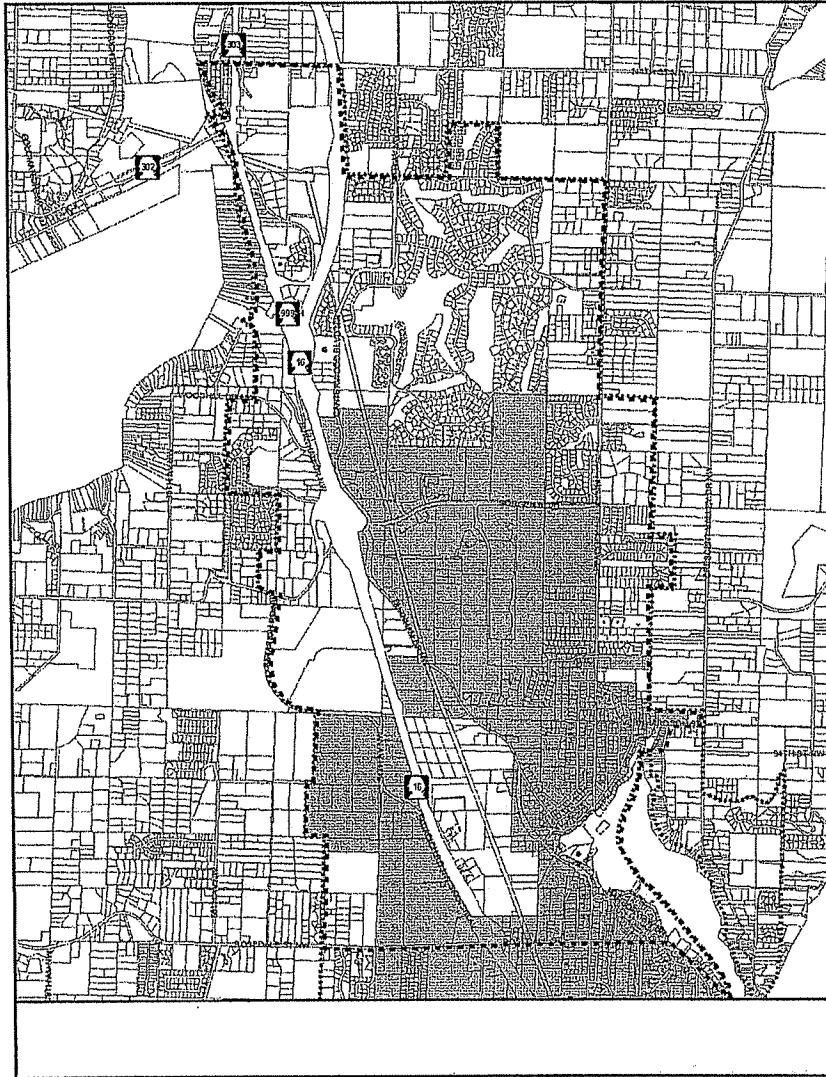
By: _____
MOLLY TOWSLEE, City Clerk

APPROVED AS TO FORM:

By: _____
CYNTHIA WEED

FILED WITH THE CITY CLERK: _____
PASSED BY THE CITY COUNCIL: 10/23/06
PUBLISHED: _____
EFFECTIVE DATE: _____
ORDINANCE NO: _____

EXHIBIT A



CLERK'S CERTIFICATE

I, the undersigned, the duly chosen, qualified, and acting Clerk of the City of Gig Harbor, Washington, and keeper of the records of the Council of the City (herein called the "Council"), DO HEREBY CERTIFY:

1. That the attached is a true and correct copy of Ordinance No. _____ (herein called the "Ordinance") of the Council as finally adopted at a meeting of the Council held on the 23rd day of October, 2006, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the adoption of the Ordinance; that all other requirements and proceedings incident to the proper adoption of the Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of October, 2006.

City Clerk

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

On October 23, 2006 the City Council of the City of Gig Harbor, Washington, approved Ordinance No. _____, the summary of text of which is as follows:

**AN ORDINANCE OF THE CITY OF GIG HARBOR,
WASHINGTON, AMENDING ORDINANCE NO. 1052 AND
EXPANDING THE BOUNDARIES OF THE GIG HARBOR
HOSPITAL BENEFIT ZONE.**

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

APPROVED by the City Council at their regular meeting on October 23, 2006.

BY: _____
MOLLY M. TOWSLEE, CITY CLERK

INTERLOCAL AGREEMENT

between

CITY OF GIG HARBOR, WASHINGTON

and

PIERCE COUNTY, WASHINGTON

Dated as of October 1, 2006

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INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT (this "Agreement") dated as of October 1, 2006, by and between the CITY OF GIG HARBOR, WASHINGTON (the "City") and PIERCE COUNTY, WASHINGTON (the "County");

WITNESSETH:

WHEREAS, the Washington State Legislature in its 2006 Regular Session approved SHB 2670, as Chapter 111, Laws of 2006 (the "Act"), authorizing the formation of hospital benefit zones for the purpose of undertaking public improvements in areas that will benefit from the private development the areas arising as a result of the public improvements; and

WHEREAS, the Franciscan Health System, a Washington nonprofit corporation ("Franciscan") is proposing to construct a hospital ("Hospital") at 11567 Canterwood Boulevard NW, and Franciscan received a certificate of need for the construction of the Hospital on June 15, 2006; and

WHEREAS, a hearing was held by the City Council on July 24, 2006, after notice as provided by law, and after discussion of the proposed public improvements and the proposed boundaries of the benefit zone and due consideration thereof and of all objections thereto, the Council of the City approved Ordinance No. 1052 (the "Ordinance") establishing the Gig Harbor Benefit Zone (the "Gig Harbor Benefit Zone"); and

WHEREAS, the Act authorized other taxing authorities who also will benefit from the public improvements and resulting private development in the area to participate in a benefit zone; and

WHEREAS, the County's participation in the Gig Harbor Benefit Zone would be limited solely to the approval of the re-direction of the State's portion of certain sales and excise taxes authorized under the Act to the Gig Harbor Benefit Zone; and

WHEREAS, the participation of the County as a taxing authority that levies sales and excise taxes under RCW ch. 82.14 is conditioned upon the County's recognition of the benefit of the proposed public improvements and resulting private investment within the Gig Harbor Benefit Zone and is further conditioned upon the County Council's approval of such participation; and

WHEREAS, RCW ch. 39.34 authorizes public agencies to enter into agreements for cooperative action; and

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties hereto covenant and agree as follows.

Section 1. Incorporation of Documents. A copy of Ordinance No. 1052 of the City, adopted on July 24, 2006 (including any amendments or supplements thereto, the "Ordinance")

is attached hereto as Exhibit A. Upon the approval of this Agreement, the City Council will amend the Ordinance, following the holding of an additional public hearing, to (a) include a revised boundary description, attached hereto as Exhibit B, and (b) provide that Excess Excise Taxes will include Excise Taxes levied by the County as well as the City within the Benefit Zone. The foregoing amendment of the Ordinance to include the area within the County shown in the revised boundary description and to include Excess Excise Taxes levied by the County is hereby approved by the County. The City shall not amend the Ordinance, other than as described above, without the prior written consent of the County so long as this Agreement is in effect and the County is performing its obligations hereunder.

Section 2. Definitions. Unless the context clearly requires otherwise, capitalized terms used in this Agreement have the meanings given such terms in the Ordinance.

Section 3. Findings by County. The County hereby makes the following findings:

(a) The Public Improvements are expected both to encourage private development within the revised boundaries of the Gig Harbor Benefit Zone and to support the development of the Hospital;

(b) The Public Improvements proposed to be financed in whole or in part using hospital benefit zone financing are expected both to encourage private development within the Gig Harbor Benefit Zone and to support the development of the Hospital; and

(c) Private development that is anticipated to occur within the Benefit Zone, as a result of the Public Improvements, will be consistent with the county-wide planning policy adopted by the County under RCW ch. 36.70A.210 and development regulations as adopted under authority of chapter 36.70 RCW.

Section 4. Limitations and Confirmations.

(a) The obligations issued to provide the hospital benefit zone financing for the Public Improvements, if any, will be authorized and issued by the City. The County shall have no liability, directly or indirectly, for those obligations.

(b) The County shall have no obligation to provide funds or financial support as a result of this agreement for the Public Improvements. The County's participation shall be limited solely to the approval of the re-direction of the State's portion of those sales and excise taxes authorized by the Act to be re-directed to the Gig Harbor Hospital Benefit Zone.

(c) The administration and governance of the Gig Harbor Benefit Zone shall be the sole responsibility of the City.

Section 5. Application to Department. The City Administrator is hereby directed to make application to the Department in the form and manner prescribed by the Department and file the same as soon as practicable on or after August 1, 2006 and to seek approval of the incorporation of the revised boundary pursuant to this Agreement.

Section 6. Governing Law; Venue. This Agreement is governed by and shall be construed in accordance with the substantive laws of the State of Washington and shall be liberally construed so as to carry out the purposes hereof. Except as otherwise required by applicable law, any action under this Agreement shall be brought in the Superior Court of the State of Washington in and for Pierce County.

Section 7. Notices. Except as otherwise provided herein, all notices, consents or other communications required hereunder shall be in writing and shall be sufficiently given if addressed and mailed by first-class, certified or registered mail, postage prepaid and return receipt requested, as follows:

To the County:

Pierce County
County-City Building
930 Tacoma Avenue South
Tacoma, WA 98402
Attention: County Administrator

To the City:

City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335

The County or the City may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent. Notices shall be deemed served upon deposit of such notices in the United States mail in the manner provided above.

Section 8. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the County and the City and their successors.

Section 9. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10. Amendments. This Agreement may not be effectively amended, changed, modified or altered, except by an instrument in writing duly executed by the County and the City (or their successors in title).

Section 11. Effective Date of and Termination of Agreement. This Agreement shall take effect upon its execution. This agreement shall be terminated automatically upon any default under Section 4. In addition, the parties may terminate this agreement upon mutual agreement. In any event, this agreement shall terminate upon the earliest of the repeal or determination of illegality of the Act, the repayment of all obligations secured by revenues of the Gig Harbor Hospital Benefit Zone or the dissolution of the Gig Harbor Hospital Benefit Zone.

Section 12. Counterpart Signatures. This Agreement may be executed in counterparts and each such counterpart shall for all purposes be deemed to be an original and together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the County and the City have caused this Agreement to be executed in their respective names by their duly authorized officers, and have caused this Agreement to be dated as of the date set forth on the first page hereof.

APPROVED:

CITY OF GIG HARBOR

PIERCE COUNTY

Title of Signatory: _____

Title of Signatory: _____

EXHIBIT A

ORDINANCE NO. 1052

**AN ORDINANCE OF THE CITY OF GIG HARBOR,
WASHINGTON, MAKING CERTAIN FINDINGS AND
ORDERING THE FORMATION OF A HOSPITAL BENEFIT
ZONE.**

WHEREAS, the Washington State Legislature in its 2006 Regular Session approved SHB 2670, as Chapter 111, Laws of 2006 (the "Act"), authorizing the formation of hospital benefit zones; and

WHEREAS, the Franciscan Health System, a Washington nonprofit corporation ("Franciscan") is proposing to construct a hospital ("Hospital") at 11567 Canterwood Boulevard NW, and Franciscan received a certificate of need for the construction of the Hospital on June 15, 2006; and

WHEREAS, a hearing was held on July 24, 2006, after notice as provided by law, and after discussion of the proposed public improvements and the proposed boundaries of the benefit zone and due consideration thereof and of all objections thereto, the Council has determined to order the formation of a benefit zone in order to undertake the public improvements described below;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, DO ORDAIN; as follows:

Section 1. Definitions. As used herein, the following capitalized terms have the following meanings:

Act means Laws of Washington, Chapter 111, 2006 Regular Session.

Base Year means 2007 which is the calendar year immediately following the creation of the Benefit Zone.

Benefit Zone means the Gig Harbor Hospital Benefit Zone established by Section 4 of this ordinance.

Department means the State of Washington Department of Revenue.

Excise Taxes mean the local retail sales and use taxes authorized in RCW82.14.030.

Excess Excise Taxes mean the amount of Excise Taxes received by the City during each Measurement Year from taxable activity within the Benefit Zone over and above the amount of Excise Taxes received by the City during the Base Year from taxable activity within the Benefit Zone.

Excess State Excise Taxes mean the amount of Excise Taxes received by the State during the Measurement Year from taxable activity within the Benefit Zone over and above the amount of Excise Taxes received by the State during the Base Year from the taxable activity within the Benefit Zone. The term **Excise Taxes**, for the purpose of this definition, means state retail sales and use taxes imposed under chapter 82.08 and 82.12 RCW.

Fiscal Year means the year beginning July 1 and ending on June 30.

Franciscan means the Franciscan Health System, the owner and operator of the Hospital.

Hospital means St. Anthony Hospital to be constructed at 11567 Canterwood Boulevard NW and operated by the Franciscan.

Local Public Sources include, but are not limited to, private monetary contributions and Tax Allocation Revenues dedicated to the financing of the Public Improvements.

Local Tax means the sales and use tax authorized to be imposed by Section 7 of the Act.

Measurement Year means a calendar year, beginning with 2008 which is the year following the Base Year and each calendar year thereafter, that is used annually to measure the amount of Excess Excise Taxes required to be used to finance the costs of Public Improvements.

Public Improvements means the public improvements described in Section 2 of this ordinance.

State Contribution means the lesser of (i) two million dollars or (ii) an amount equal to Excess State Excise Taxes received by the State during the preceding calendar year.

Tax Allocation Revenues mean the tax revenues derived from the receipt of Excess Excise Taxes and distributed to the City in order to finance the Public Improvements.

Section 2. The City hereby designates a benefit zone within the boundaries of the City for the purpose of acquiring, constructing and installing the public improvements described on Exhibit A attached hereto and incorporated by this reference herein. The foregoing improvements are hereafter referred to as the "Public Improvements."

Section 3. The City Council hereby makes the following findings:

(a) The Public Improvements are expected both to encourage private development within the area described in Section 4(a) (the "Benefit Zone") and to support the development of the Hospital;

(b) The Public Improvements proposed to be financed in whole or in part using hospital benefit zone financing are expected both to encourage private development within the Benefit Zone and to support the development of the Hospital;

(c) Private development that is anticipated to occur within the Benefit Zone, as a result of the Public Improvements, will be consistent with the county-wide planning policy adopted by Pierce County under RCW ch. 36.70A.210 and the City's comprehensive plan and development regulations as adopted under authority of chapter 36.70 RCW; and

(d) The Public Improvements proposed to be financed in whole or in part using hospital benefit zone financing (as authorized under the Act) are reasonably likely to:

- (1) increase private investment within the Benefit Zone;
- (2) increase employment within the Benefit Zone; and
- (3) generate, over a period of time that the Local Tax is expected to be imposed, state and local sales use tax revenues that are equal to or greater than the aggregate State Contributions and Local Public Sources.

Section 4. There is hereby established a hospital benefit zone of the City to be known as "Gig Harbor Hospital Benefit Zone" (herein referred to as the "Benefit Zone").

(a) The boundaries of the Benefit Zone shall be as described on Exhibit B attached hereto and incorporated by this reference herein.

(b) The estimated cost of the Public Improvements is \$136,570,000, all of which is expected to be financed by the Bonds.

(c) The Excess Excise Taxes to be used to finance the Public Improvements are expected to be in place for thirty (30) years.

(d) The average amount of tax revenue to be received in all Fiscal Years through the imposition of the "Local Tax" is \$60,000,000.

(e) The City anticipates that the use of Excess Excise Taxes by the City will commence in 2011.

(f) In Section No. 3 of this ordinance, the City Council has made the findings required by Section 3(g) of the Act.

Section 5. Application to the Department. The City Administrator is hereby directed to make application to the Department in the form and manner prescribed by the Department and file the same as soon as practicable on or after August 1, 2006.

Section 6. Effective Date. This ordinance shall take effect and be in full force five (5) days after publication of an approved summary consisting of the title.

PASSED by the City Council and approved by the Mayor of the City of Gig Harbor this 24th day of July, 2006.

CITY OF GIG HARBOR



CHARLES L. HUNTER, MAYOR

ATTEST/AUTHENTICATED:

By: 

MOLLY TOWSLEE, City Clerk

APPROVED AS TO FORM:

By: 

CYNTHIA WEED

FILED WITH THE CITY CLERK: 7/5/06
PASSED BY THE CITY COUNCIL: 7/24/06
PUBLISHED: 7/26/06
EFFECTIVE DATE: 7/31/06
ORDINANCE NO: 1052

EXHIBIT A-1

DESCRIPTION OF PUBLIC IMPROVEMENTS

The group of improvements, beginning with the SR 16/Burnham Drive interchange project which is the cornerstone of the plan, plus several other important arterial improvements, are all essential to support that interchange or to divert some of the forecast demand away from that interchange. Completing all of these improvements is the key to maintaining LOS standards for the interchange area when North Gig Harbor is fully developed. These projects are described next.

Reconstruct the SR 16/Burnham Drive Interchange. This configuration replaces two roundabouts with one signalized intersection at the mid-point of the arterial bridge across the freeway. The arterial bridge is expanded to provide four through travel lanes plus turning lanes. Estimated Cost is \$40M.

Reconstruct the Existing Roundabout Intersection of Borgen Boulevard with Canterwood Boulevard/Burnham Drive as a Signalized Intersection. This high volume intersection is east of the SR 16/Burnham Drive interchange as reconstructed, and will need to be converted to a signalized intersection in lieu of the current six-legged roundabout at the same time as the SPUI interchange conversion. Estimated Cost is \$400K. New East-West Arterial Connection between Canterwood Boulevard and Purdy Drive, across SR 16, north of the SR 16/Burnham Drive Interchange. A new arterial connection is proposed across SR 16 between South Purdy Drive on the west and Canterwood Boulevard on the east. Estimated Cost is \$7.5M.

New East-West Arterial Connection between Burnham Drive and Bujacich Road, across SR 16, at or near 96th Street NW. Connect across the freeway at 96th Street a longer surface route that would contour southerly from 96th Street to cross SR 16 up to one quarter mile south of 96th Street, then contour back to that east-west alignment. Estimated Cost is \$13M.

Improved Arterial Connection North-South between Bujacich Road and Wollochet Drive, west of SR 16. Construct an arterial connection between Bujacich Road to Rosedale Street. Estimated Cost is \$15M.

Harbor Hill Drive, South Extension to Burnham Drive. Extend Harbor Hill Drive from its current terminus down to Burnham Drive. Estimated Cost is \$6M.

New Collector Arterial, Canterwood Boulevard to Borgen Boulevard to 50th Street to Harbor Hill Drive. Construct a new road from Canterwood Boulevard to Borgen Boulevard. Estimated Cost is \$15M.

EXHIBIT A - 2

GFPs from the City's 2004 Comp Plan

Stormwater

Project Name	Cost*
1 (DC1012) Burnham Dr	\$ 39,000
2 (AW1027) Peacock Hill Ave	\$ 24,000
3 Donkey Crk Fish Enhancement Study	\$ 62,000
4 McCormick Crk Fish Enhancement Study	\$ 62,000
TOTAL = \$187,000	

* In 2006 Dollars (WSDOT Index for Construction Costs)

EXHIBIT A – 3

CFPs from the City's 2004 Comp Plan

Water

Project Name	Cost*
1 Storage Tank Mtce	\$ 150,000
2 Replace Source Meters	\$ 23,000
3 Leak Detection & BFP Inventory	\$ 66,000
4 Upgrade Perrow Well	\$ 179,000
5 GH North Well (#7)	\$ 1,100,000
6 500,000 Gallon Storage Tank	\$ 2,925,000

TOTAL = \$ 4,443,000

* In 2006 Dollars (WSDOT Indice for Construction Costs)

EXHIBIT A - 4

CFPs from the City's 2004 Comp Plan

Wastewater

Project Name	Cost ¹
1 Outfall Misc ²	\$ 77,000
2 WWTP Aeration Modifications, Complete ²	\$ 215,000
3 WWTP Dewatering ²	\$ 1,108,000
4 WWTP Headworks ²	\$ 416,000
5 WWTP Headworks Complete ²	\$ 427,000
6 Outfall Construction Phase 1 ²	\$ 542,000
7 Outfall Construction Phase 2 ²	\$ 558,000
8 Outfall Construction Phase 3 ²	\$ 4,461,000
9 WWTP Clarifier ²	\$ 679,000
10 WWTP UV Disinfection ²	\$ 398,000
11 Gig Harbor North (East Side) ³	\$ 3,224,000
12 Peacock Hill Ave from 99th St to Harbor Estates ³	\$ 3,162,000
13 Peacock Hill Ave from Harbor Estates to North UGA Boundary ³	\$ 4,545,000
14 54th Ave south of Bujacich Rd ³	\$ 2,238,000
15 East Side of Highway 16, North of Rosedale St ³	\$ 1,599,000
16 Woodhill Drive ³	\$ 864,000
17 Burnham Dr from Harborview Dr to 96th St	\$ 862,000
18 N Harborview Dr from Peacock Hill Ave to LS#2	\$ 450,000
19 LS#4, Phase 1	\$ 2,119,000
20 LS#4, Phase 2	\$ 558,000
21 LS#8	\$ 1,074,000
TOTAL = \$ 29,576,000	

1 In 2006 Dollars (WSDOT Index for Construction Costs)

2 This project is for system-wide improvements. Cost shown is only 50% of estimated construction costs.

3 Currently shown in the 2004 Comp Plan as developer funded.

EXHIBIT A - 5

CFPs from the City's 2004 Comp Plan

Parks

Project Name	Cost*
1 Burnham Dr	\$ 421,000
2 City Park at Crescent	\$ 1,920,000
3 Gig Harbor North	\$ 3,033,000
4 Trail - City Park/Sunset	\$ 90,000
5 WWTP	\$ 482,000
<hr/>	
TOTAL = \$ 5,464,000	

* In 2006 Dollars (WSDOT Index for Construction Costs)

EXHIBIT A - 6

CFPs from the City's 2004 Comp Plan

Summary

Facility	Cost*
1 Stormwater	\$ 187,000
2 Water	\$ 4,443,000
3 Wastewater	\$ 29,576,000
4 Parks	\$ 5,464,000
<hr/>	
	TOTAL = \$ 39,670,000

EXHIBIT B

BOUNDARIES OF THE BENEFIT ZONE

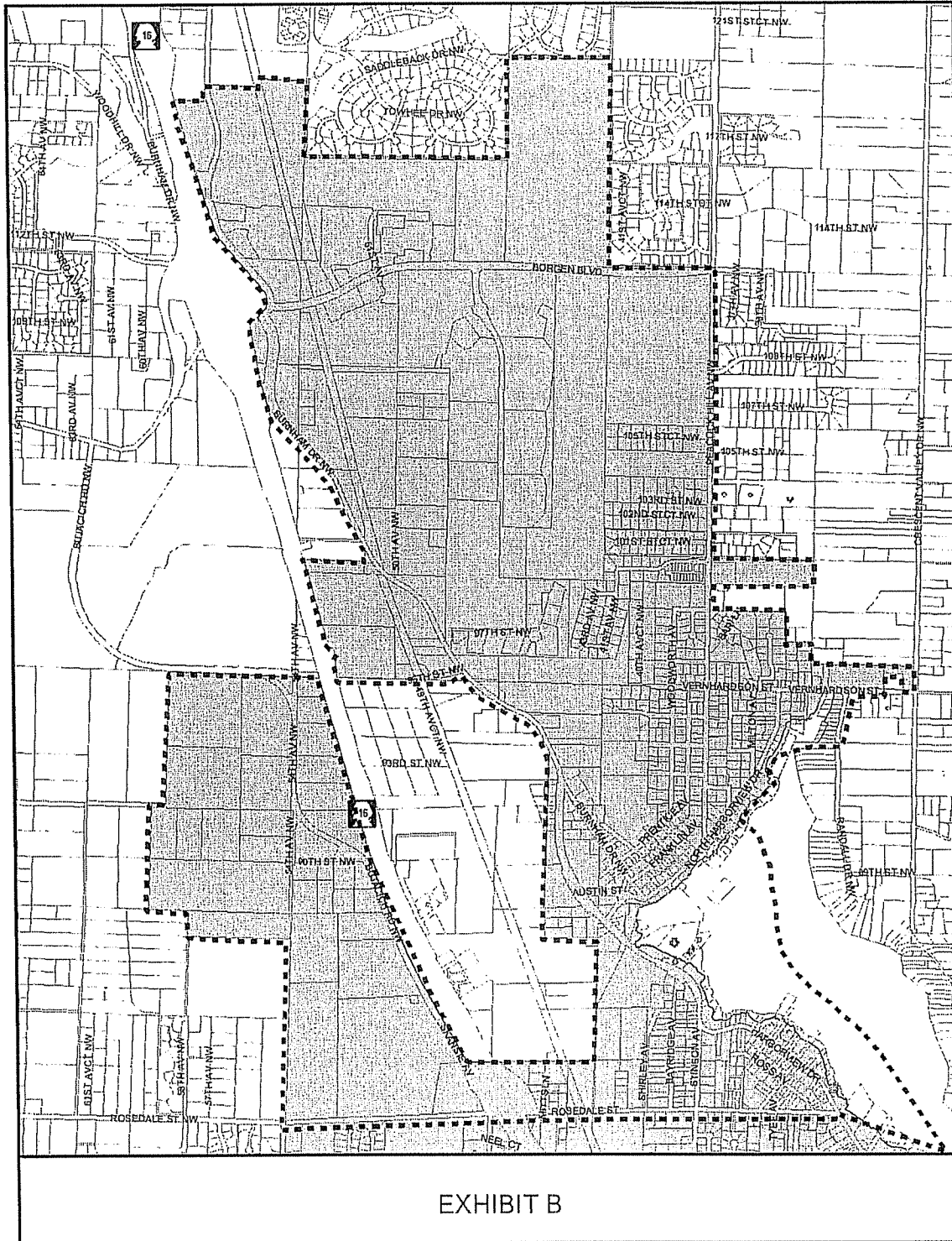


EXHIBIT B

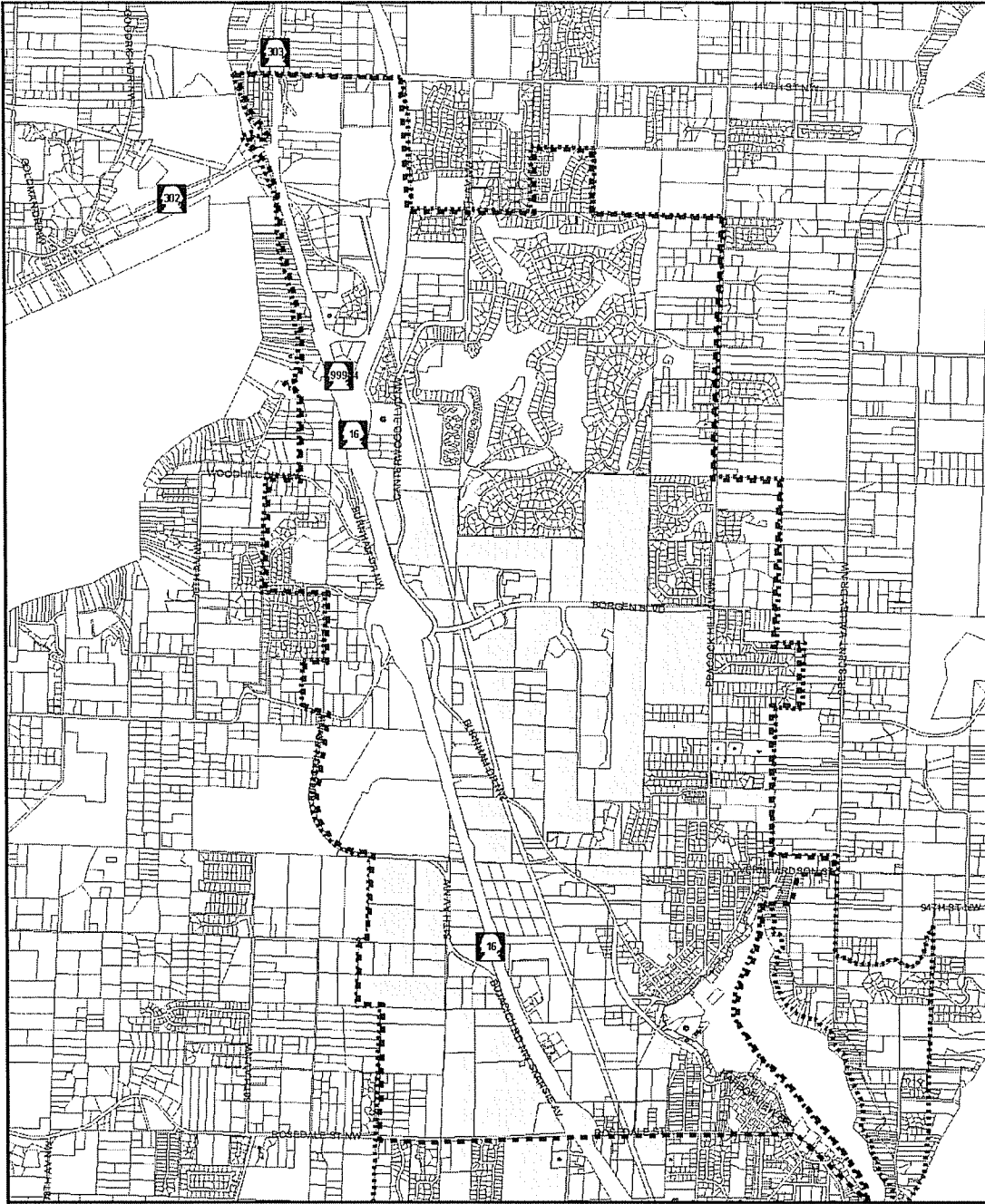


EXHIBIT B



POLICE

TO: MAYOR CHUCK HUNTER AND CITY COUNCIL
FROM: CHIEF OF POLICE MIKE DAVIS
SUBJECT: GHPD MONTHLY REPORT FOR SEPTEMBER 2006
DATE: OCTOBER 9, 2006

DEPARTMENTAL ACTIVITIES

September 2006 YTD **calls for service** when compared to September 2005 YTD **calls for service** show an increase of 471 dispatched calls. During this timeframe we have also seen 208 more **reports written** by our officers. **DUI arrests** are down by eight, which can again be attributed to being short-staffed at night with two officers currently attending the police academy. Even though our infractions are down by 89 this year, our criminal citations are up by 84. Statistics show our September 2006 YTD **traffic accidents** have increased by eight accidents when compared to September 2005 YTD. September 2006 YTD statistics indicate our **misdemeanor and felony arrests** are up by 25 and 17 arrests respectively when compared to the same time period in 2005.

Category	September 2006					
	September 2005	September 2006	Change	YTD 2005	YTD 2006	Change
Calls for Service	398	438	40	3720	4191	471
General Reports	147	130	-17	1160	1368	208
Criminal Traffic	6	8	2	72	97	25
Infractions	106	92	-14	880	791	-89
Criminal Citations	0	11	11	0	84	84
Warrant Arrests	6	7	1	75	63	-12
Traffic Reports	16	19	3	128	136	8
DUI Arrests	2	3	1	43	35	-8
Misdemeanor Arrests	21	24	3	244	269	25
Felony Arrests	5	4	-1	73	90	17
FIR's	0	0	0	12	9	-3

Attached you will find several graphs that track 2006 monthly statistics. I have left data from the last two years on several graphs to provide a baseline with which to compare our current activity levels as we progress through 2006 (remember some of the graphs contain cumulative numbers).

The Reserve Unit supplied 57 hours of volunteer time assisting our officers in September.

Our COPS (Citizens on Patrol) Volunteer Ken McCray provided 18 hours of volunteer time in September.

The Marine Services Unit provided 47 hours of patrol time during the month of September. Specific activities included the following:

- Dispatched calls: 1
- Boating citations: 0
- Marine inspections: 9
- Search and rescue: 0
- Boater assists: 7
- Boating complaints: 6

The Explorer Program completed one training meeting during the month of September 2006. On September 2nd, one Explorer assisted the Gig Harbor Folk Festival. This event was a big success and, despite the limited availability of our Explorers, the organizers were quite happy with our presence. Additionally, we added one more Explorer to our post and have two other interested applicants. Officer Gary Dahm has assumed responsibility for the Explorer program at GHPD and has been appointed the Explorer Advisor.

The hours below do not reflect any ride-along hours. We have not yet started counting those hours, but will do so in the future.

○ Training Meeting	9 Explorers X 2 hours	18 hours
○ Folk Festival	1 Explorer X 4 hours	4 hours

TOTAL EXPLORER HOURS (September)

22 HOURS

TRAFFIC ACCIDENT LOCATION REPORT FOR SEPTEMBER 2006

LEGEND:

P-LOT-	PARKING LOT	H&R-	HIT & RUN
NON -	NON INJURY	INJ-	INJURY
RED/CYC-	PEDESTRIAN/CYCLIST	R/A-	ROUNDBOUT

TRAFFIC ACCIDENTS FOR SEPTEMBER 2006					
DATE	TIME	LOCATION	TYPE	CASE#	AGE
9/1/2006	20:00	3518 Harborview Dr.	H&R	GH061097	N/A
9/2/2006	10:15	Rosedale St. & Stinson Ave.	NON	GH061103	22
9/3/2006	14:05	5500 Olympic Dr.	P-Lot-Non	GH061105	31
9/6/2006	8:40	Wollochet @ SR 16	NON	GH061111	19
9/6/2006	10:50	4700 Pt. Fosdick Dr.	NON	GH061112	60
9/6/2006	11:00	3700 56th St.	NON	GH061113	51
9/8/2006	15:05	10500 Blk Peacock Hill	NON	GH061128	36
9/9/2006	14:00	Pioneer Way & Stinson Ave.	NON	GH061132	23
9/10/2006	14:50	Borgen Blvd. @ 51st Ave.	R/A - NON	GH061138	28
9/13/2006	17:59	Hunt St.& 46th Ave.	NON	GH061151	17
9/18/2006	8:10	Olympic Dr. @ SR 16 Overpass	NON	GH061167	47
9/21/2006	15:55	7400 Stinson Ave.	NON	GH061182	77
9/23/2006	14:05	4800 Pt. Fosdick Dr.	NON	GH061189	43
9/24/2006	1:04	5114 Pt. Fosdick Dr.	INJ	GH061197	51
9/26/2006	9:00	11330 51st Ave.	H&R - P-Lot	GH061201	N/A
9/26/2006	18:23	Borgen Blvd. Overpass	NON	GH061206	78
9/28/2006	7:30	4900 Olympic Dr.	NON	GH061211	42
9/28/2006	19:56	Pt. Fosdick @ Olympic Dr.	NON	GH061215	47
9/29/2006	9:10	Olympic Dr @ Hollycroft	NON	GH061218	38
9/29/2006	15:30	5800 Soundview Dr.	NON	GH061222	16
9/30/2006	20:00	Stinson & Grandview	NON	GH061229	22

TRAFFIC ACCIDENT INVOLVEMENT ACCORDING TO AGE CATEGORY 2006 YTD

	Teens (15-18)	Young Adult (19-25)	Adult (26-50)	Seniors (51 over)
January	3	4	7	4
February	1	7	5	6
March	5	4	7	1
April	2	2	5	7
May	3	3	8	5
June	3	2	6	1
July	5	7	3	5
August	3	1	4	6
September	2	5	7	5
YTD Totals	27	35	52	40

Some of the more interesting calls for the month of September 2006 included:

- September 5th: Sgt. Emmett stopped a vehicle for speeding in downtown Gig Harbor. A check of the 19-year old male driver revealed that he was operating the vehicle with a suspended driver's license. The male was taken into custody and his vehicle searched incident to arrest. During the search, Sgt. Emmett found a baggie containing 22 grams of marijuana. When the driver was asked why his license was suspended, he said that he could not afford to pay the fines

associated with his outstanding traffic tickets. He did, however, have the several hundred dollars needed to purchase the marijuana. Case # 061110

- September 6th: A female employee at a local restaurant reported that while she was working, someone stole \$600.00 in cash from her wallet. The female had placed her purse in a cabinet in a central location in the restaurant. Unfortunately, anyone in the restaurant, including customers had open access to the cabinet. There were no suspects at the time of the report. Case # 061116
- September 7th: A grocery store employee notified a patrolling officer of a pickup truck that had been parked in their lot for about two weeks. The officer checked the license plate and discovered that the truck had been stolen from Port Orchard. The truck was undamaged and in perfect condition. The owner of the truck responded to the scene and drove the truck home. Case # 061118
- September 7th: A local animal hospital reported that during the night time hours, someone stole two very large planters from in front of their business. The planters contained flower arrangements and were valued at \$300.00. Case # 061119
- September 7th: While at Gig Harbor High School, Lt. Colberg checked a vehicle in the parking lot that was occupied by two males in their early 20's. One of the subjects was wanted on a possession of a controlled substance warrant from Tacoma. Lt. Colberg took the subject into custody and he was transported to the Pierce County Jail and booked on the warrant. Case # 061121
- September 8th: A local grocery store reported that two females in their 20's ran out of the store each holding a basket full of meat, and then jumped into a waiting vehicle which fled the lot. A partial license plate number was obtained by a witness and the case is under investigation. The store believes that the value of the stolen meat was over \$250.00. Case # 061125
- September 9th: Two male teenagers were arrested for attempting to steal approximately \$35.00 worth of car stereo equipment from a local department store. Store security witnessed the two subjects concealing the items in their clothing and walking out of the store. When questioned, the two subjects said that they had the money to pay for the items; however, they had been told it was easy to steal from that store. Case # 061133
- September 10th: While patrolling in the area of a local shopping center at 2:00 am, Officer Dahm noticed a male subject dressed in black, about 200 feet away, attempting to pull open a door of a closed business. The male saw Officer Dahm and fled on foot to the rear of the complex. As Officer Dahm entered the rear area of the complex, he observed a vehicle exiting the area with its lights off. Officer Dahm stopped the vehicle and made contact with the 36-year old male driver. The male appeared to be the same subject that Officer Dahm had seen at

the door; however, because of the distance, Officer Dahm could not be sure and he did not see the subject's face. While Officer Dahm was questioning the subject, Sgt. Emmett checked the business and discovered that the lock on the front door had been pried off. It did not appear that the business had been entered. The suspect denied involvement in the attempted burglary. Because there was not enough probable cause to make an arrest at the scene, the suspect was released. This was a great job by Officer Dahm in preventing a burglary to a business that has been burglarized in the past. Officer Dahm received a *Letter of Recognition* for his alertness in preventing this attempted burglary. Case # 061134

- September 10th: A 1987 Jeep Cherokee was stolen from in front of a residence within the city limits. Prior to contacting the police, the owner located the vehicle in another part of the city. The Jeep was disabled and had suffered moderate body damage. It appears that whoever stole the Jeep, did some 4-wheeling with it before it broke down. The damage was estimated at \$2000.00. Case # 061136

Other reported incidents during the first week of September included:

- 7 Non Injury Accidents
 - 1 Hit & Run Accident
 - 3 Vehicle Prowls
- September 11th: A local drug & alcohol rehabilitation center reported that during the night time hours, someone kicked open a side door and stole a desk top computer system. It appears that the perpetrator(s) looked throughout the business; however, nothing else was taken. No evidence was found at the scene and there are no suspects in the case. Case # 061141
 - September 11th: The owner of a house under renovation reported that someone stole a newly installed dishwasher and kitchen faucet. A lawn mower and garage door opener were also stolen from the garage. Neighbors reported seeing a white pickup truck with a black trailer in the driveway at about the time of the break-in. A male and female were also seen near the pickup truck. The male and the female have yet to be identified and the case is currently under investigation. Case # 061144
 - September 12th: A small downtown shop reported the theft of a gold ring. Two male subjects expressed a strong interest in the ring on Friday. The ring was secured in a glass case. The two subjects returned on Sunday and one of the subjects distracted the sales clerk while the other subject stole the cabinet lock and the gold ring. The suspects in this case have not been identified and the case is currently under investigation. Case # 061146

- September 12th: A 48-year old male was arrested for assaulting his 46-year old wife. Neighbors called the police after hearing screaming coming from the residence. Upon the officer's arrival, they could hear a male yelling and a female crying from inside the home. The male that answered the door had bloody scratches on his neck. When asked what had happened, the male replied that he and his wife had an argument. Upon checking the female, officers discovered that she had several bruises and abrasions on her neck and upper back area. The husband and wife are of Korean decent and a slight language barrier slowed the officer's investigation. Officers were able to determine that the male had choked, kicked, and pulled his wife's hair. The male was taken into custody and booked in the Pierce County Jail on charges of Assault (Domestic Violence). Case # 061149
- September 14th: A disabled motorist found a Beretta .25 caliber handgun lying in the bushes next to where his vehicle broke down. The handgun was in good working order and a check did not provide owners information. The gun will be sent to the Washington State Patrol crime lab for entry into their data base. Case # 061157
- September 16th: While walking foot patrol at the Gig Harbor Skateboard Park, Officer Chapman observed a 16-year old male staggering around as if he was intoxicated. Upon checking the teenager, Officer Chapman was able to determine that the teen was indeed intoxicated. A portable breath test showed a reading of .155. The teen was refused entry at Remann Hall due to his state of intoxication and Officer Chapman was required to have the teen evaluated at a local hospital prior to booking. The teenager was eventually released by a physician and later booked into Remann Hall on a charge of Minor in Possession of Alcohol. Officer Chapman spent about five hours on this detail. Case # 061162
- September 17th: Officer Garcia was dispatched to check two subjects starting a fire at the rear of a victim's property. Upon arriving, Officer Garcia found two 14-year old males starting a camp fire in a heavily wooded area. The boys were using a spray can to accelerate the fire. When questioned, the boys said that they were unaware that the property was owned by the homeowner. They were also unaware of the current burn ban. The two were taken into custody and released to their parents. The case report has been forwarded to Remann Hall for possible reckless burning charges. Case # 061165

Other reported incidents during the second week of September included :

- 2 Non Injury Accidents
- 1 Hit & Run Accident
- 3 Vehicle Prowls
- 1 Driving While License Suspended arrest

- September 19th: A 17-year old male student at Gig Harbor High School was arrested for writing “graffiti” on the walls of three restrooms at the school. The student was caught in the act by a school staff member and later said that he had no explanation for causing the damage. During a search of the student’s backpack, a prescribed pill was located. Unfortunately, the pill had not been prescribed to the student. The student was later suspended from school and released to his mother. A report of the incident has been forwarded to Remann Hall for charges. Case # 061171
- September 19th: Officer Garcia and Sgt. Emmett were dispatched to a local motel for a woman that had rented her room with a stolen credit card. Upon arriving at the motel, the officers were informed that the female had called in the reservation the night before using someone else’s credit card number. The card itself had not been stolen. When the officers confronted the 24-year old female, she said that her “Auntie” in Las Vegas had called in the reservation. Further investigation revealed that the female had also stayed in motels in Tacoma and Lakewood using the stolen number. The female was taken into custody for forgery and two outstanding warrants from Lakewood. She was booked into the Pierce County Jail and representatives from Tacoma PD and Lakewood PD added charges from their jurisdictions. Case # 061175
- September 20th: While staying home from school because he was sick, a 17-year old male heard someone knocking at his front door. Thinking that the person at the door was a solicitor, the 17-year old did not answer the door. A few minutes later, he heard a noise in another part of the house and saw a white male wearing a white construction helmet and an orange construction vest prying open a rear window. The perpetrator saw the victim inside the house and fled on foot. The victim waited until his mother came home from work and made her aware of the incident. A construction crew had been working in the neighborhood at the time of the incident. A witness was later located that saw the male at the front door holding the helmet and vest in his hand and it was determined that the construction crew working in the area was not involved. The case is under investigation. Case # 061179
- September 20th: Gig Harbor High School began an investigation involving five students ranging from 14- to 18-years of age. The students were accused of using marijuana prior to going to school and then possessing it while at school. After a police investigation, two students were arrested for unlawful possession of a controlled substance (marijuana) and two were cited for possessing tobacco products. The two students that were arrested were released to their parents and all five students were suspended from school. Case # 061196
- September 21st: An 18-year old male was arrested for attempting to steal a sandwich and a can of beer from a local grocery store. The male walked into the store and ordered the sandwich. He then went to the bakery and got a paper bag. The suspect placed the sandwich and a cold can of beer in the bag and

walked out of the store. Unfortunately for him, store security had watched the entire event and detained him as he walked out the door. Case # 061183

- September 23rd: A GHPD officer located a stolen 2004 Mustang parked in the parking lot of a local apartment complex. The Mustang had moderate front end damage and had been stolen two days before from Kent. A resident reported that he saw a Hispanic male exit the vehicle and walk away after parking it. Case # 061188
- September 24th: A city resident reported that she parked her 1989 Honda Accord downtown to do a little shopping. When she returned a couple of hours later, the car was gone. There are no known witnesses or suspects. Case # 061190
- September 23rd: While in the area of a local tavern, Officer Welch saw a vehicle leaving the lot at a high rate of speed and “fishtailing” out on to the street. Officer Welch stopped the vehicle and contacted the 27-year old male driver. While talking to the driver, Officer Welch suspected that he was intoxicated. The driver failed field sobriety tests at the scene and was taken into custody for DUI. He later blew a .137 on the BAC machine. During a search of the suspect’s vehicle incident to arrest, Officer Welch located a small amount of marijuana. The suspect was charged with DUI and Unlawful Possession of a Controlled Substance. Case # 061193
- September 23rd: Later the same day, Officer Welch was on patrol when he was nearly hit head on by a vehicle driving in his lane of travel. A stop was made on that vehicle and Officer Welch determined that the 36-year old female driver was possibly intoxicated. She also failed her field sobriety tests and was taken into custody for DUI. She later refused the BAC test and was charged with DUI. Case # 061195
- September 24th: While on patrol, Sgt. Emmett checked the license plates of an older Honda on his mobile computer. The read out showed that the registered owner of the vehicle was driving with a suspended driver’s license. A stop was made on the vehicle, and it was discovered that the vehicle had recently been sold. However, upon checking the driving status on the 32-year old male driver, it revealed his driver’s license was suspended in the 1st degree. The male was also wanted on an active felony warrant from Skagit County. The male was taken into custody and booked into the Pierce County Jail. Case # 061192
- September 24th: Officer Dahm responded to the area of a local tavern after a 51-year old male patron had driven his 2002 Jeep off the end of a 10-foot embankment and then fled the scene on foot. The male had been “cut off” at the tavern and was leaving at a high rate of speed when the accident occurred. Upon his arrival, Officer Dahm located the Jeep wedged against a tree and a tow truck was needed to pull it out of the embankment. Witnesses said that the suspect had suffered facial injuries and was being uncooperative before he fled

on foot. Officer Dahm was able to make contact with the suspect later in the day and the suspect was arrested for Negligent Driving w/ Alcohol and Hit & Run. Case # 061197

Other reported incidents during the third week of September included:

- 4 Non Injury Accidents
 - 3 Hit & Run Accidents
 - 2 Vehicle prowls
 - 2 Driving While License Suspended 3rd degree arrests
-
- September 27th: A city resident reported waking up to find that someone had “punched” the ignition on his 1981 Dodge Pickup as the vehicle sat in his driveway. It appears that the perpetrator could not get the vehicle started and fled the scene. There are no suspects. Case # 061207
 - September 27th: A local department store reported that a male approximately 40 years of age stole two GPS systems valued at \$980.00 and fled out the rear door. Store security was alerted to rear door alarm and after reviewing the store video tape, they saw the male subject grab the GPS systems and flee out the back door. The suspect has not yet been identified. Case # 061210
 - September 29th: Officers were dispatched to a local residence on a physical fight between a mother and her 17-year old daughter. Upon arrival, the officers were able to determine that the daughter was the “primary aggressor.” After arresting the 17-year old, the reporting officer described her as “completely out of control” and shouting profanities at her mother. The 17-year old was booked into Remann Hall on charges of DV assault 4th. Case # 061221
 - September 29th: Officer Allen observed two vehicles racing within the city limits. He was able to stop one of the vehicles at the scene and detain the 23-year old male driver. The male driver was later arrested for reckless driving, driving with a suspended driver’s license and negligent driving with alcohol. A 19-year old female passenger was also arrested for minor in possession of alcohol. Case # 061225
 - September 29th: Within a few minutes of Officer Allen’s stop, Sgt. Dougil located the second vehicle that Officer Allen had seen racing. The 21-year old male driver of that vehicle was arrested for negligent driving with alcohol and unlawful possession of a controlled substance (marijuana). Case # 061223
 - September 29th: Officer Welch was dispatched to assist an off-duty Tacoma police officer attempting to stop a drunk driver on SR 16. The Tacoma officer was on her way home in a marked police vehicle when she observed the erratic driving. When she attempted to stop the vehicle, it refused to pull over. The vehicle finally pulled over after being somewhat blocked by a Pierce County

Sheriff's vehicle at an exit ramp. The 44-year old male driver was taken into custody and Officer Welch investigated the DUI offense. The male later blew a .219 on the BAC machine. During a search of the suspect's vehicle incident to arrest, a loaded .22 caliber handgun was located under his driver's seat. Case # 061224

- September 29th: While Officer Welch was transporting his intoxicated driver to GHPD, he saw an occupied vehicle parked along the side of the road. Officer Welch stopped and asked the 21-year old male driver what he was doing. The male looked up and said "I'm doing something bad." When asked what that was, the male held up a lit marijuana cigarette and said "I'm smoking marijuana." This subject was taken into custody and both subjects were transported to GHPD. The 21-year old was charged with unlawful possession of a controlled substance and later released with a criminal citation. Case # 061225
- September 30th: Officer Chapman was dispatched to the parking lot of a local grocery store on a suspicious motorcycle that had been in the lot for several days. Upon closer inspection, Officer Chapman noticed that the ignition was damaged and the license plate was gone. A check of the VIN number revealed that the motorcycle was recently stolen from Port Orchard. The owner was contacted and the motorcycle released to him. Case # 061228

Other reported incidents during the fourth week of September included:

- 5 - Non Injury Accidents
- 1 - Hit & Run Accident
- 1 - Vehicle Prowl
- 2 - Driving While License Suspended arrests

TRAVEL / TRAINING:

- Officer Welch attended a Police Officer Training (PTO) Conference
- Chief Davis attended FBINA Training in Vancouver, WA from September 5th through the 7th

SPECIAL PROJECTS:

The drug paraphernalia ordinance passed its first reading with the only suggestion from council being a desire to raise the amount of the civil infraction for the first offense. The fine amount was raised from \$100.00 to \$250.00 for the second reading.

The flashing "School Zone" lights are functioning on Rosedale in front of the Gig Harbor High School. These lights along with our police motorcycle were purchased last year with grant money from the Washington Traffic Safety Commission. Our obligation with this grant was to provide ongoing traffic enforcement of the "School Speed Zones" in front of the schools on Rosedale.

We have completed our interviews for Police Training Officers (PTOs). Our strategic plan involves a transition to a problem-oriented policing culture at GHPD. One of the first steps in this transition is changing the way we train our new recruits. Our former training program, known as a Field Training Officer (FTO) program essentially taught officers through a “sage on the stage” method utilizing a methodology much like what you see in our current school system. The instructor provides information and the student then regurgitates the information by taking a written test. The PTO program utilizes problem-based learning techniques that develop problem solvers instead of problem responders. I will provide regular updates on our progress in implementing this new program at GHPD.

FIELD CONTACTS:

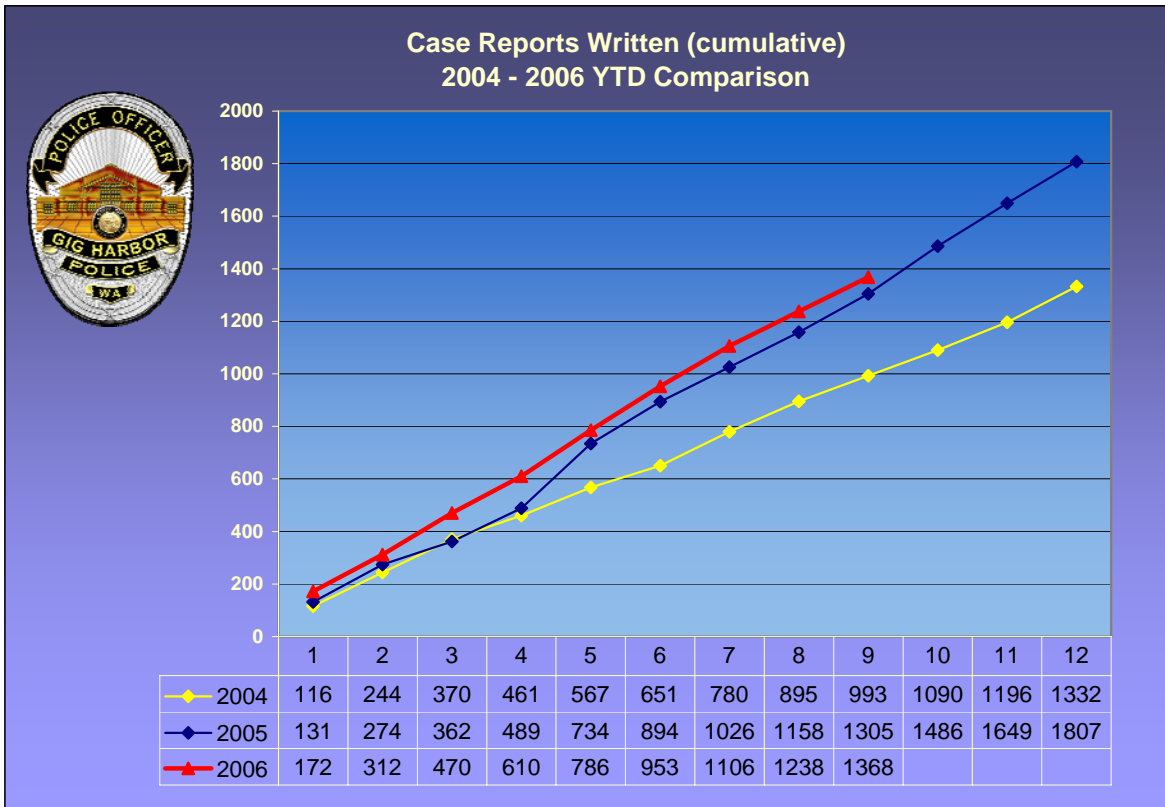
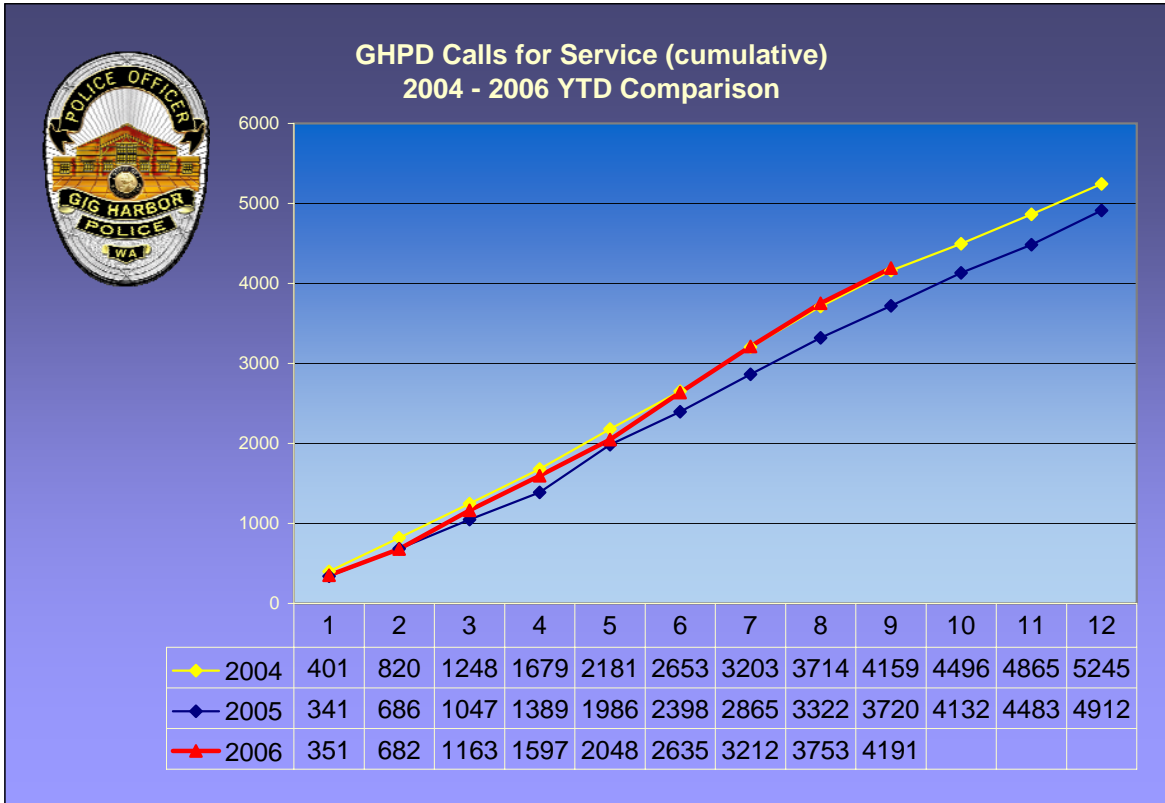
Staff made the following contacts in the community during September:

- Chief Davis attended the Pierce County Council meeting held at the Gig Harbor Civic Center.
- Chief Davis attended the cooperative cities meeting on September 27th held in Fife.
- Chief Davis hosted local city resident Leann O’Neil as “Chief for the Day” on September 28th. Leann purchased the “Chief for a Day” opportunity at a recent Rotary auction.
- Chief Davis served as the commentator for the first session of our three session educational series on identity theft held at the Civic Center on October 3rd. Detective Fred Douglas and CSO Mock also assisted with this first session.

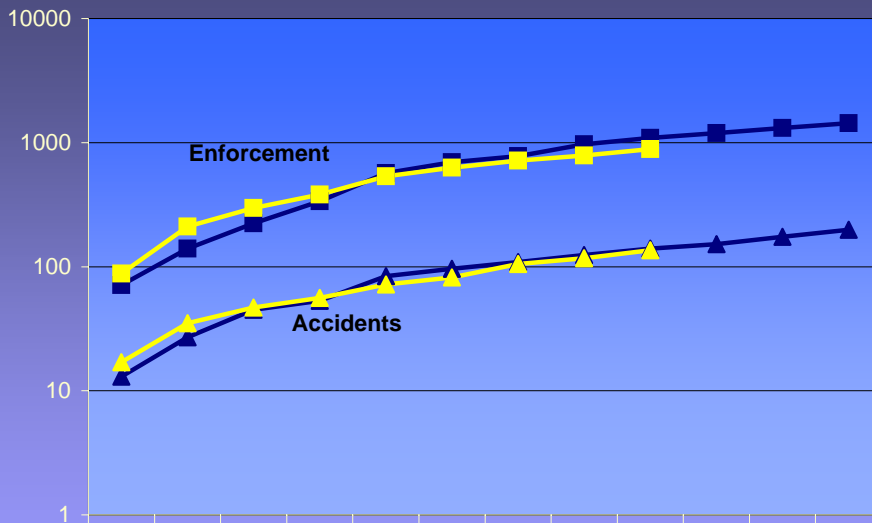
OTHER COMMENTS:

Our two recruits, Raquel Brunson and Chet Dennis are continuing to do well at the Basic Police Academy in Burien. Raquel recently received a cut that required stitches above her right eye while training in defensive tactics. It doesn’t appear that this will slow her down and she is definitely living up to her nickname of *Rocky*. Both recruits are due to graduate from the academy on November 18th.

SEPTEMBER 2006 YTD MONTHLY ACTIVITY GRAPHS

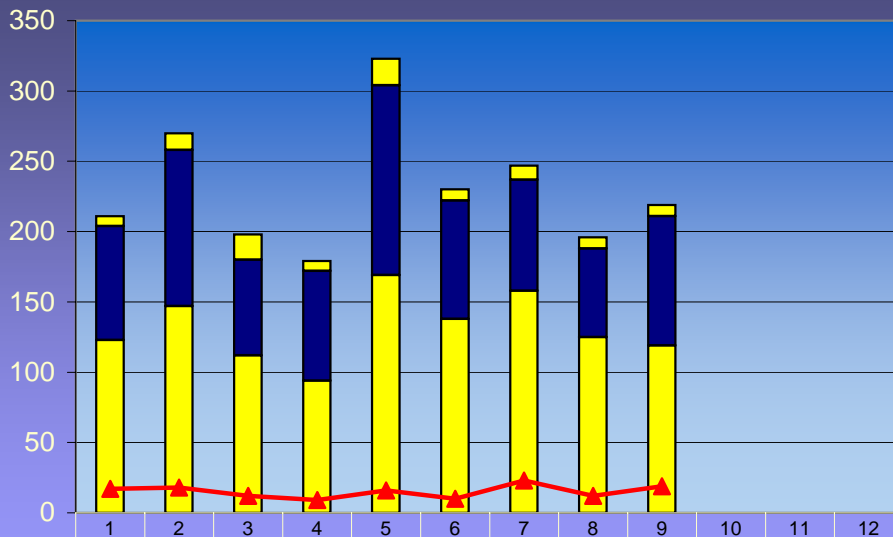


Trends: Traffic Enforcements vs. Accidents 2005 - 2006 YTD Comparison (cumulative)



	1	2	3	4	5	6	7	8	9	10	11	12
2005 Infractions + Citations	71	140	223	337	568	696	779	968	1092	1195	1316	1432
2006 Infractions + Citations	88	211	297	382	536	628	717	788	888			
2005 Reportable Accidents	13	27	45	53	84	96	109	124	140	152	174	199
2006 Reportable Accidents	17	35	47	56	72	82	105	117	136			

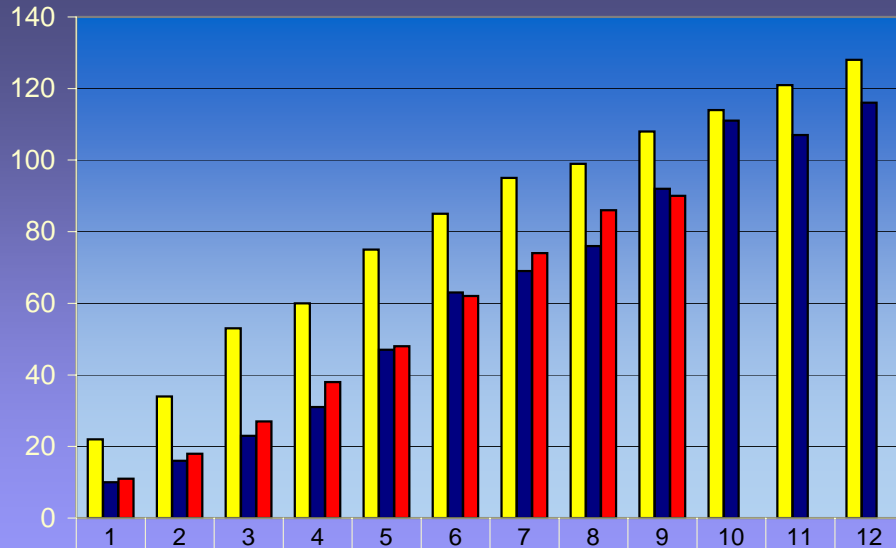
2006 Traffic Enforcement vs. Accidents Comparison Monthly Totals



	1	2	3	4	5	6	7	8	9	10	11	12
Criminal Traffic Citations	7	12	18	7	19	8	10	8	8			
Infractions	81	111	68	78	135	84	79	63	92			
Verbal Warnings	123	147	112	94	169	138	158	125	119			
Accidents	17	18	12	9	16	10	23	12	19			



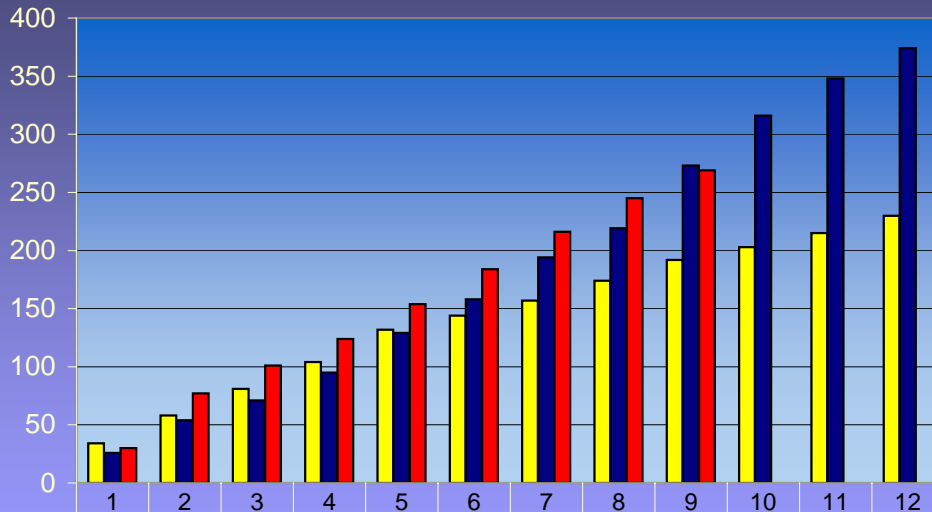
Felony Arrests (cumulative) 2004 - 2006 YTD Comparison



■ Felony 2004	22	34	53	60	75	85	95	99	108	114	121	128
■ Felony 2005	10	16	23	31	47	63	69	76	92	111	107	116
■ Felony 2006	11	18	27	38	48	62	74	86	90			



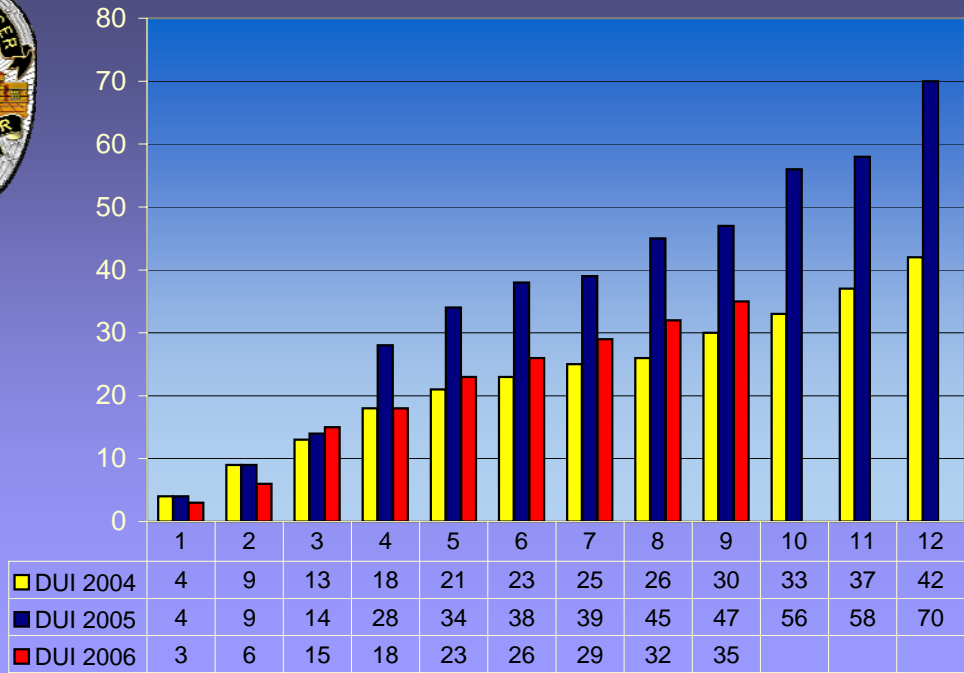
Misdemeanor Arrests (Cumulative) 2004 - 2006 YTD Comparison



■ Misdemeanor 2004	34	58	81	104	132	144	157	174	192	203	215	230
■ Misdemeanor 2005	26	54	71	95	129	158	194	219	273	316	348	374
■ Misdemeanor 2006	30	77	101	124	154	184	216	245	269			



DUI Arrests (cumulative) 2004 - 2006 YTD Comparison



Warrant Arrests (cumulative) 2004 - 2006 YTD Comparison

