

Gig Harbor City Council Meeting

**October 23, 2006
7:00 p.m.**



**AGENDA FOR
GIG HARBOR CITY COUNCIL MEETING
October 23, 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 City Council Meeting of October 9, 2006.
2. Liquor License Renewals: Maritime Mart; Marketplace Grille; Finholm's Market; GH Shell.
3. Approval of Payment of Bills for October 23, 2006:
Checks #51734 through #51860 in the amount of \$424,940.72.

OLD BUSINESS:

1. Second Reading of Ordinance and Public Hearing – Modification to the Hospital Benefit Zone.

NEW BUSINESS:

1. Resolution No. 688 - Setting the Public Hearing for the Milton Avenue Street Vacation Request – Drolshagen.
2. Public Hearing – Resolution No. 689 Accepting the Shafer Annexation Petition (ANX 06-1302).
3. Public Hearing - Resolution for Harbor Hill Development Application.
4. Public Hearing – 2007 General Fund Budget Revenue Sources and First Reading of Ordinance - 2006 Property Tax Levy.
5. First Reading of Ordinance – Relating to Annexation and Zoning – McCormick Ridge LLC (ANX 04-04).
6. First Reading of Ordinance – Changing the Meeting Time of the Regular City Council Meetings.
7. Borgen Boulevard Roundabout Re-Striping Project – Bid Award.
8. Resolution - Council Opposition to I-933.

STAFF REPORT:

1. David Rodenbach, Finance Director – Quarterly Report.

PUBLIC COMMENT:

COUNCIL COMMENTS / MAYOR'S REPORT:

ANNOUNCEMENT OF OTHER MEETINGS:

1. Gig Harbor North Traffic Options Committee Meeting, October 25th at 9:00 a.m. in the Community Rooms at the Gig Harbor Civic Center.
2. Operations and Public Projects Committee Meeting, October 26th at 3:00 p.m. in the Engineering/Operations Conference Room at the Community Development Department.
3. Special Council Meeting, Gig Harbor Peninsula Historical Society Proposed Draft Agreement, October 30th at 7:00 p.m. in the Council Chambers at the Gig Harbor Civic Center.
4. Budget Worksessions: Monday, November 6th and Tuesday, November 7th at 6:00 p.m. in the Community Rooms at the Gig Harbor Civic Center.

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

ADJOURN:

GIG HARBOR CITY COUNCIL MEETING OF OCTOBER 9, 2006

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

CALL TO ORDER: 7:03 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 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.

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

OLD BUSINESS:

1. Second Reading of Ordinance - Drug Paraphernalia. Chief Mike Davis presented this ordinance that would control the delivery, sale or manufacture of drug paraphernalia. He said that at the recommendation of Councilmember Payne, the fine had been increased to \$250.00.

Councilmember Dick spoke in favor of this ordinance. There were no further comments made.

MOTION: Move to adopt Ordinance No. 1055 as presented.
Franich / Conan – unanimously approved.

2. Second Reading of Ordinance – Harbor Hill Rezone (REZ 04-35). John Vodopich presented this ordinance that would amend the city's zoning map to adopt zoning changes for a 23.44 acre parcel.

MOTION: Move to adopt Ordinance No. 1056 as presented.
Payne / Dick – unanimously approved.

NEW BUSINESS:

1. First Reading of Ordinance – Interlocal Agreement with Pierce County to Expand the Hospital Benefit Zone. David Rodenbach, Finance Director, explained that this ordinance expands the Hospital Benefit Zone to include some areas of Unincorporated Pierce County up to 144th, and also approves an Interlocal Agreement with Pierce County to include these areas. He said that the public hearing on this expansion will be held during the 2nd reading of the Ordinance at the October 23rd meeting.

Councilmember Payne asked if another expansion would be possible in the future. Mr. Rodenbach responded that he believes this will only be allowed this one time. He then addressed questions about the Department of Revenue saying that this expansion has been done with their blessing and cooperation.

Councilmember Franich voiced concern that this type of financing arrangement could lead to future rezoning to commercial to take advantage of this financing tool. He said that he hopes that this does not happen.

STAFF REPORT:

1. Mike Davis, Chief of Police – September Stats. No verbal report given.

Mayor Hunter asked for an update on the Eddon Boatyard clean-up efforts. Steve Misiurak, City Engineer, explained that he is working with the Department of Ecology to do further chemical testing. He said that after completion of the testing and the analysis is submitted to DOE, he anticipates an opinion letter that will allow the city to move forward with the permitting process. He introduced Dave Templeton, Project Manager from Anchor Environmental, to answer questions.

Councilmember Ekberg asked if there was any way to speed up the process since the city is acting in a voluntary manner to perform the clean-up.

Mr. Templeton explained the two types of Ecology clean-up projects. In the voluntary program you are issued opinion letters as you move through the process. The letters aren't very clear-cut and may contain several caveats. In the other type of clean-up, you enter into an agreed order with DOE that is very specific on decision points and the steps that are required to be taken. He continued to explain that the clean-up of the Eddon Boat property is being done in conjunction with the seller in a voluntary clean-up program. He said that Ecology has not been particularly cooperative in helping to solve regulatory issues on the site. This may be due partly to a project manager that is relatively new to the clean-up program.

Mr. Templeton further explained that there has been a meeting with the supervisors to express frustration with the process, which may have turned out to be a positive move. Another technical memorandum is being submitted to DOE in the next two weeks, and the city should receive another opinion letter regarding the uplands. This letter, along with the results of the next submitted chemical test, will be litmus test as to the renewed

cooperation level. Mr. Templeton finalized by saying that this is a complicated process and that he still believes that the voluntary clean-up program is a better and faster way to move through the program. DOE has been invited to come and visit the site to help understand the end vision for the site in order to help to further the partnership.

Councilmember Payne asked for clarification on the scheduling. Mr. Templeton described the restrictions on a construction schedule. He said that the permitting process can take 8-9 months to go through the ESA process. With a concept in place to submit for permitting, it is realistic to enter into the construction phase during the 2007-2008 time frame. He said that this schedule has been revised based on the agreed-to steps with DOE. Originally, it was hoped to be able to enter into construction during the 2006-2007 construction window.

Mayor Hunter asked about the uplands. Mr. Templeton responded that this phase would include core sampling of the mud to be done from a vessel and some surface sampling on the beach. He said that they try and obtain three-year permits for construction and you can apply for an extension.

PUBLIC COMMENT: No one signed up to speak.

COUNCIL COMMENTS / MAYOR'S REPORT:

Councilmember Franich reported that he spoke with Tim Moore, Project Engineer with the Tacoma Narrows Bridge Project regarding screening, who told him that it may be acceptable to place screening at both approaches of the existing bridge and at the main tower section, but it probably wouldn't do much good. Councilmember Franich then said that the traffic low seems to be getting better.

Councilmember Franich then mentioned that he would like to discuss moving the Council Meeting time to 6:00 p.m.

MOTION: Move to direct staff to bring back an ordinance changing the time of the Council Meeting time.
Franich / Ekberg –

Councilmember Young said that he would also like to discuss changing the meeting day to something other than Mondays.

Councilmember Dick said the earlier time may make it more difficult for those crossing the bridge.

Councilmember Ekberg said that it makes sense to have it at an earlier time rather than having staff wait around until 7:00 p.m. Councilmember Conan agreed, but stressed that the affect on citizen participation needed to be considered.

RESTATED MOTION: Move to direct staff to bring back an ordinance changing the time of the Council Meeting time.
Franich / Ekberg – unanimously approved.

Mayor Hunter said that he and city staff had a good meeting with Pierce County Planning and Engineering, and Terry Lee, County Councilmember. He said that he would like to meet on a quarterly basis to develop a partnership to work on issues such as traffic.

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 pending litigation per RCW 42.30.110(1)(i).

MOTION: Move to adjourn to Executive Session for approximately 15 minutes at 7:32 p.m. in order to discuss pending litigation per RCW 42.30.110(1)(i).
Franich / Young – unanimously approved.

MOTION: Move to return to regular session at 7:45 p.m.
Kadzic / Ekberg – unanimously approved.

ADJOURN:

MOTION: Move to adjourn at 7:46 p.m.
Franich / Conan – unanimously approved.

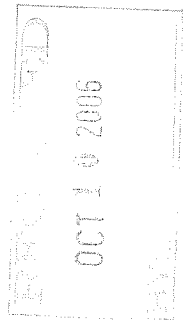
CD recorder utilized:
Disk #1 Tracks 1 – 14

Charles L. Hunter, Mayor

Molly M. Towslee, City Clerk

C091080-2 WASHINGTON STATE LIQUOR CONTROL BOARD DATE:10/03/06
LICENSED ESTABLISHMENTS IN INCORPORATED AREAS CITY OF GIG HARBOR
(BY ZIP CODE) FOR EXPIRATION DATE OF 20070131

LICENSEE	BUSINESS NAME AND ADDRESS	LICENSE NUMBER	PRIVILEGES
1 KAE & SOOK CORPORATION	MARITIME MART 7102 STINSON GIG HARBOR WA 98325 0000	078669	GROCERY STORE - BEER/WINE
2 LAI FOOK, RICHARD ANTHONY LAI FOOK, TERRY-ANN CARLENE	MARKETPLACE GRILLE 8825 N HARBORVIEW DR STE C & D GIG HARBOR WA 98332 2149	084215	BEER/WINE REST - BEER/WINE
3 HARBORVIEW GROCERY INC	FINHOLM'S MARKET AND GROCERY 8812 N HARBORVIEW DR GIG HARBOR WA 98335 0000	351392	GROCERY STORE - BEER/WINE
4 GRANITE SERVICE, INC.	GIG HARBOR SHELL FOOD MART 7101 PIONEER WAY GIG HARBOR WA 98335 0000	365485	GROCERY STORE - BEER/WINE





ADMINISTRATION

TO: MAYOR HUNTER AND CITY COUNCIL
FROM: DAVID RODENBACH, FINANCE DIRECTOR
SUBJECT: SECOND 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 23, 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.

ORDINANCE NO. 1057

**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 B 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:

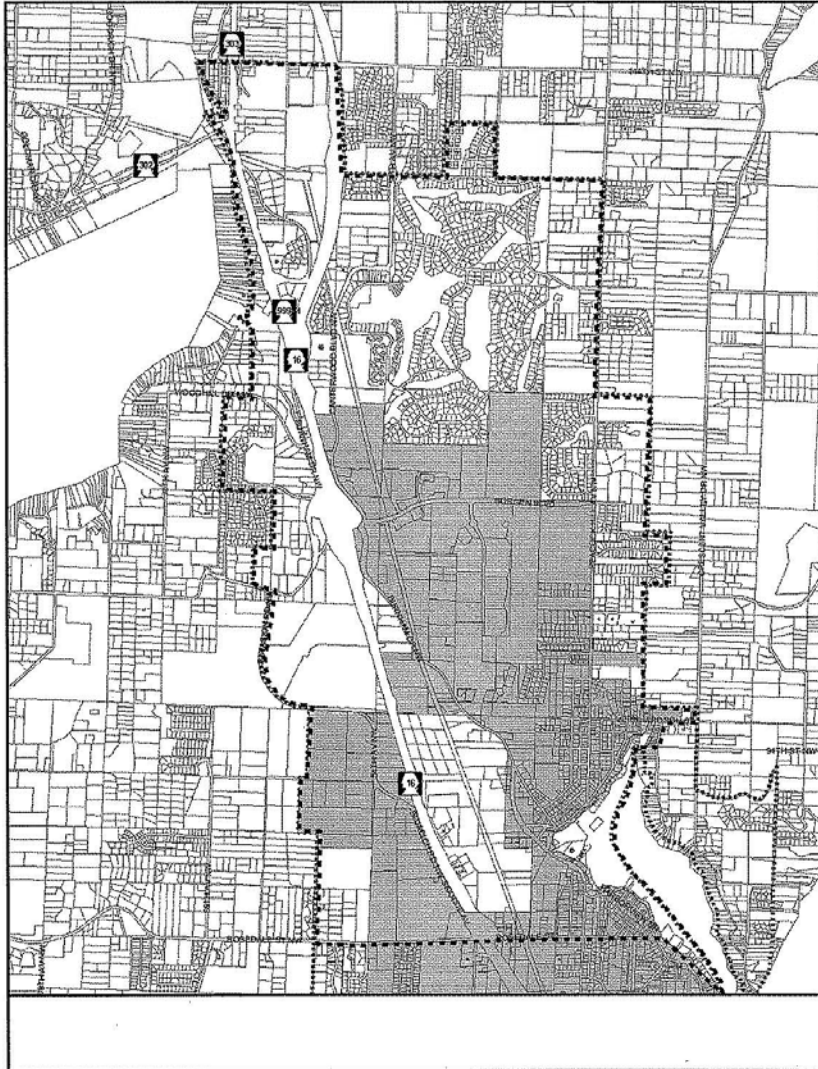
By: _____
MOLLY TOWSLEE, City Clerk

APPROVED AS TO FORM:

By: _____
CYNTHIA WEED

FILED WITH THE CITY CLERK: 10/04/06
PASSED BY THE CITY COUNCIL: 10/23/06
PUBLISHED: 11/01/06
EFFECTIVE DATE: 11/06/06
ORDINANCE NO: 1057

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. 1057 (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 executive this certificate.

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

City Clerk

EXHIBIT B

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: Mayor

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

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

CFPs 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 Indice 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 Indice 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)

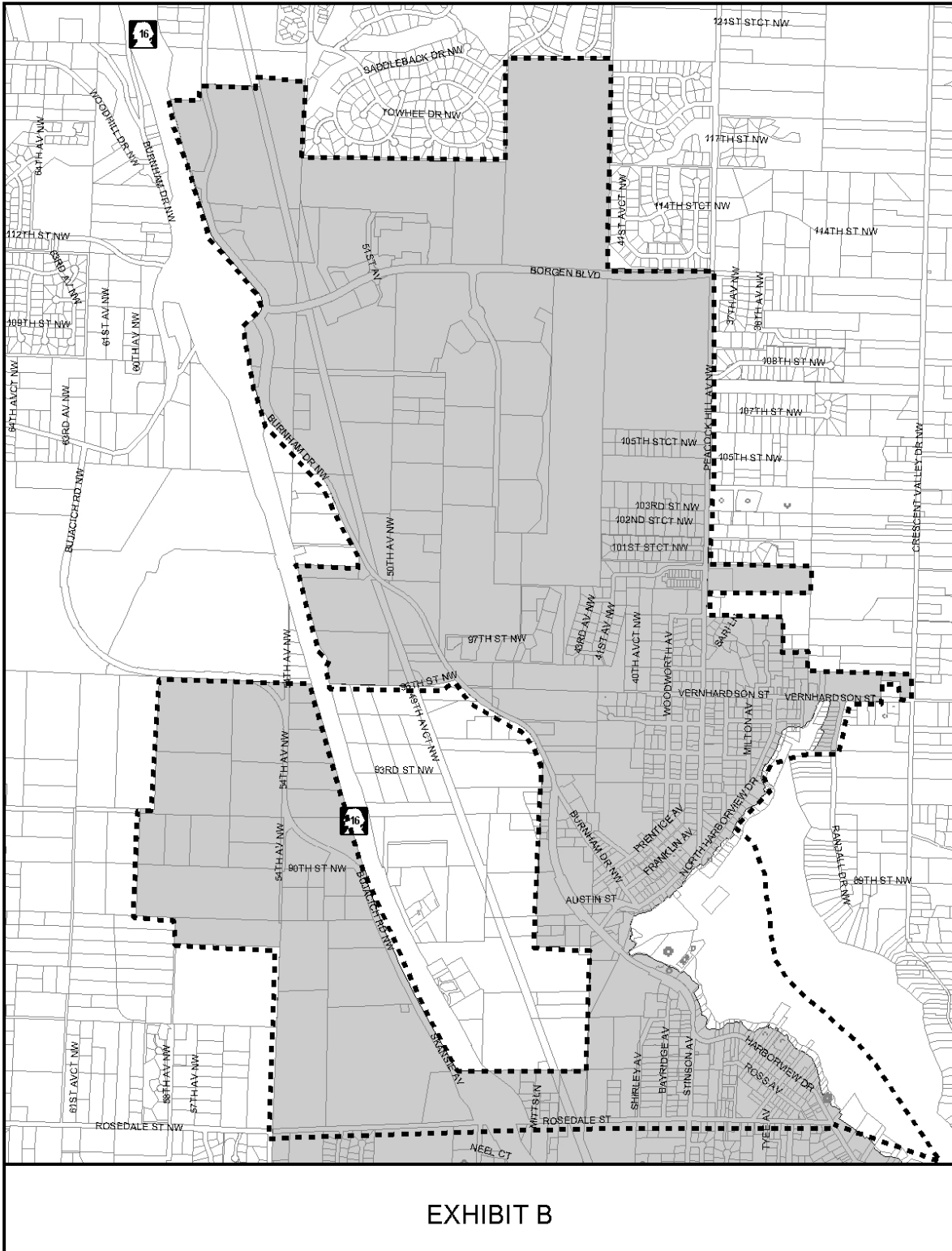
EXHIBIT A - 6

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
TOTAL = \$ 39,670,000	

EXHIBIT B



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. 1052 (herein called the "Ordinance") of the Council as finally adopted at a meeting of the Council held on the 24th day of July, 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 executive this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of July, 2006.

City Clerk

EXHIBIT B

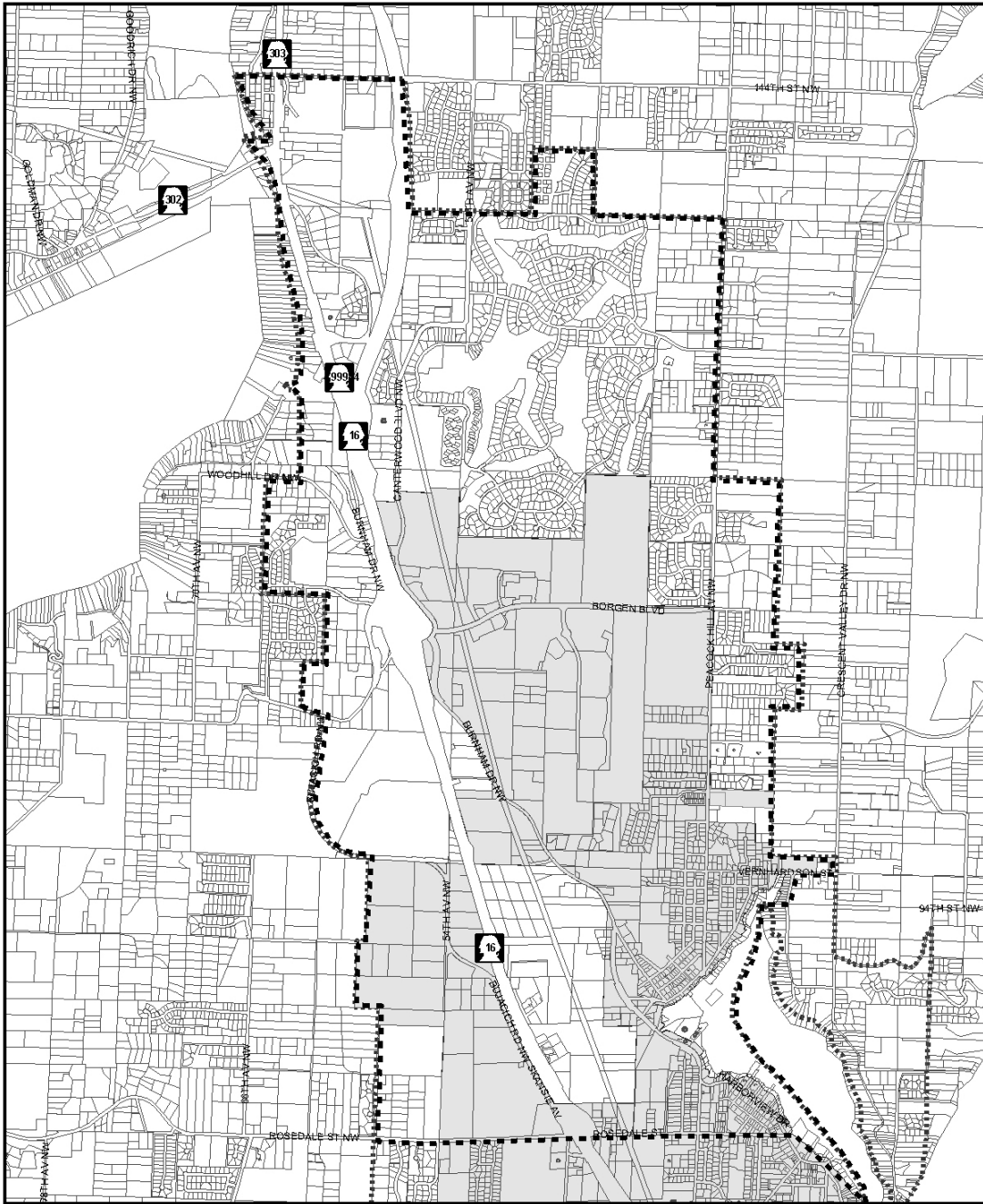


EXHIBIT B



"THE MARITIME CITY"

COMMUNITY DEVELOPMENT DEPARTMENT

TO: MAYOR HUNTER AND CITY COUNCIL
FROM: JOHN P. VODOPICH, AICP
COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: RESOLUTION FOR PUBLIC HEARING
MILTON AVENUE STREET VACATION REQUEST - DROLSHAGEN
DATE: OCTOBER 23, 2006

INTRODUCTION/BACKGROUND

The city received a letter on September 26, 2006 from Mr. Jeffery L. Drolshagen, owner of the abutting property, petitioning the city to vacate a portion of Milton Avenue in accordance with GHMC 12.14.002C.

Specifically, the request is for the vacation of the portion of Milton Avenue right-of-way currently held by the city and abutting the northwest property frontage of Lots 15,16 and 17 of parcel number 2260000391. Prior research on this right-of-way has determined that this portion of Milton Avenue was platted in Pierce County in 1888 and was not opened or improved by 1905. However, approximately 30 years ago, roadway improvements including city utilities were constructed to serve 6 lots to the north of this portion of Milton Avenue that abuts Mr. Drolshagen's parcel. The area requested for vacation as identified in the attached survey is outside the existing roadway section and the city has no plans on making improvements in this area. In order to ensure that this portion of Milton Avenue is placed on tax rolls and the ownership is formally recorded, the property owner has requested that the city vacate the street under GHMC 12.14.

The section of right-of-way proposed for vacation along Milton Avenue is surplus to the city's needs and the city does not have any plans for improving the right-of-way proposed for vacation. The vacation request will not eliminate public access to any property.

As defined in 12.14 GHMC, a resolution must be passed by the City Council setting a time and date for a public hearing on the proposed street vacation.

FISCAL CONSIDERATIONS

The processing fee has been paid in accordance with GHMC 12.14.004.

RECOMMENDATIONS

I recommend that Council pass the resolution setting Monday, November 27, 2006 at 7:00 P.M. as the date for the public hearing on the proposed street vacation of Prentice Avenue.

RESOLUTION NO. 688

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, TO INITIATE THE PROCEDURE FOR THE VACATION OF A PORTION OF MILTON AVENUE LYING NORTH OF NORTH HARBORVIEW DRIVE AND SELLERS STREET.

WHEREAS, Mr. and Mrs. Jeffrey Drolshagen, husband and wife desire to initiate the procedure for the vacation of the portion of Milton Avenue, originally created in the plat called Extension to the City of Gig Harbor, recorded in 1891 in Volume 5 of Plats at Page 68 in Pierce County, Washington.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Gig Harbor, Washington:

Section 1. A public hearing upon said street vacation shall be held in the council chambers of Gig Harbor City Hall on Monday, November 27, 2006, at 7:00 p.m., at which hearing all persons interested in said street vacation are invited to appear.

Section 2. The City Clerk is directed to post notices of the hearing in three public places and on the street to be vacated and to mail notices to all owners of any property abutting the portion of street to be vacated, pursuant to RCW 35.79.020.

PASSED this ____rd day of October, 2006.

Charles L. Hunter, Mayor

ATTEST:

Molly M. Towslee, City Clerk

FROM THE DESK OF
JEFFREY L. DROLSHAGEN
5205 47TH Avenue NW
Gig Harbor, Washington 98335

26 September 2006

Mr. John P. Vodopich AICP
Director of Planning and Building Services
3510 Grandview Street
Gig Harbor, Washington 98335

RE: Vacation of a portion of Milton Drive

Dear Mr. Vodopich,

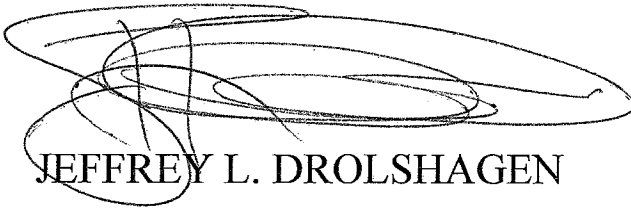
This letter serves as an official request to vacate a 78 foot long strip of Milton Drive right-of-way abutting my property at 9212 N. Harborview in the City of Gig Harbor. This right-of-way along with my property were created from the plat called "Extension to the City of Gig Harbor" record in 1891 in volume 5 of plats at page 68 in Pierce County, Washington. This portion of Milton Drive (Columbia Street) abutting my property at parcel number 2260000391 has never been used as a street.

Under the City of Gig Harbor's Municipal Code 12.14.018.C, which sites the "vacation of streets and alleys subject to 1889-90 Laws of Washington, Chapter 19, Section 32 (Non-user statute)," that portion of Milton Drive right-of-way abutting my parcel has adversely become mine legally since this right-of-way was never used for its original purpose.

In light of this information, I request that portion of Milton Drive abutting my property be vacated. Please see, attached drawing depicting that portion of the subject property of Milton Drive right-of-way in relation to my parcel. Also attached is the proposed legal description. The City's administrative pre-hearing fee described in GHMC 12.14.004(A) has been paid.

Thanking you for your assistance,

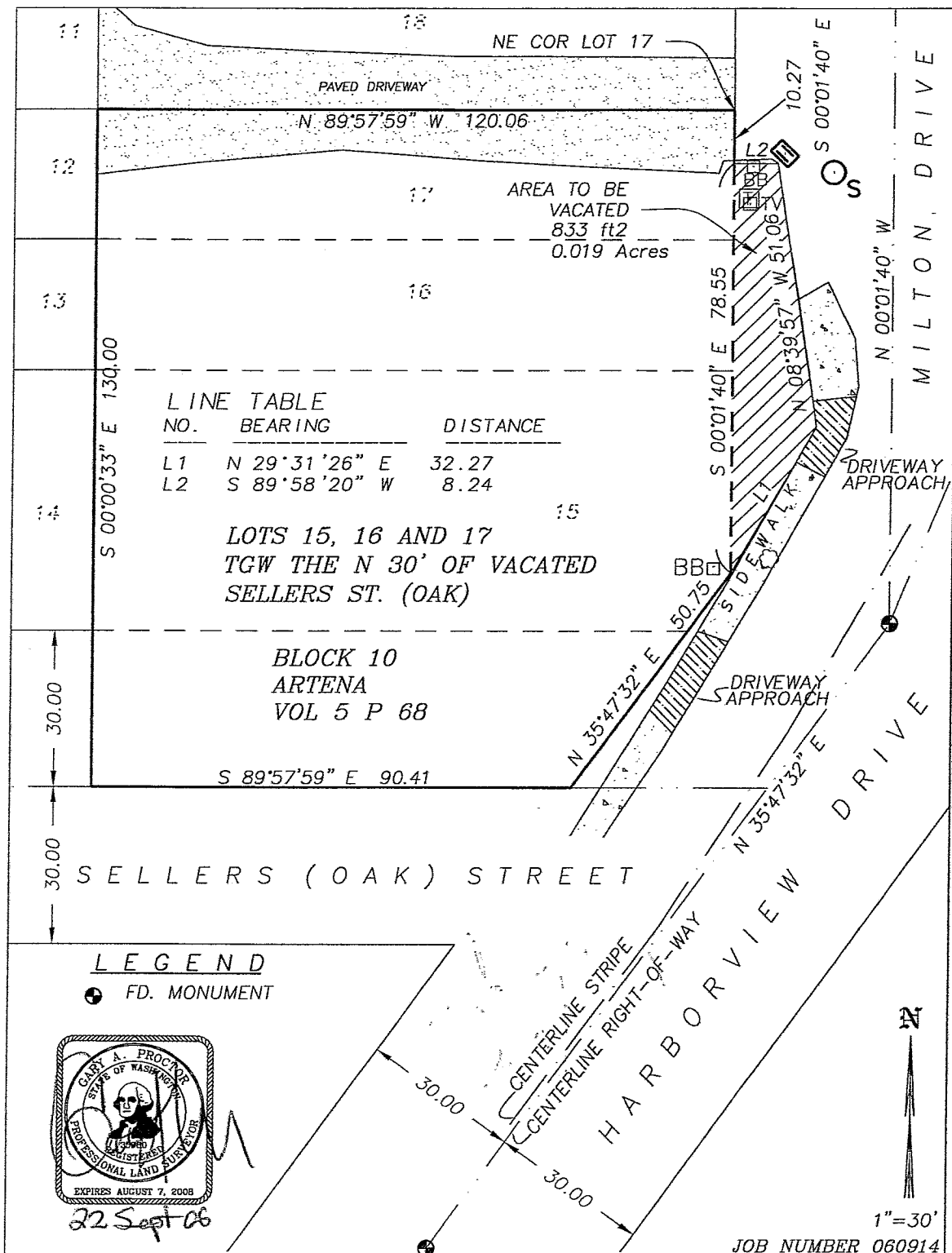
Respectfully,



JEFFREY L. DROLSHAGEN

2 attachments

CC: Mr. David Brereton, Director of Operations



Thornton
Land Surveying, Inc.
P.O. BOX 249
GIG HARBOR, WASHINGTON 98335
TELEPHONE (253) 858-8106 / FAX 858-7466

MILTON ST. VACATION
FOR AND REQUESTED BY
JEFF DROLSHAGEN
IN A PORTION OF THE NW1/4 OF THE NW1/4 OF
SECTION 5, TOWNSHIP 21 NORTH, RANGE 2 EAST, W.M.
PIERCE COUNTY, WASHINGTON

PROPOSED
LEGAL DESCRIPTION

RIGHT-OF-WAY THAT WILL ATTACH TO DROLSHAGEN ADJOINER
FOLLOWING VACATION OF A PORTION OF MILTON DRIVE, GIG HARBOR,
WASHINGTON

THAT PORTION OF THE WEST HALF OF MILTON DRIVE AS DEPICTED ON
THE PLAT OF ARTENA, ACCORDING TO THE PLAT THEREOF RECORDED IN
VOLUME 5 OF PLATS AT PAGE 68, RECORDES OF PIERCE COUNTY,
WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF LOT 17, BLOCK 10 OF
SAID PLAT; THENCE ALONG THE WEST LINE OF SAID MILTON DRIVE,
BEING THE EAST LINE OF SAID LOT 17, SOUTH 00°01'40 EAST 10.27 FEET TO
THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID WEST LINE
SOUTH 00°01'40 EAST 78.55 FEET TO THE NORTHWESTERLY MARGIN OF
HARBORVIEW DRIVE; THENCE NORTH 29°31'26" EAST 32.27 FEET; THENCE
NORTH 08°39'57 WEST 51.06 FEET; THENCE SOUTH 89°58'20" WEST 8.24 FEET
TO THE POINT OF BEGINNING.

SITUATE IN THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF
SECTION 5, TOWNSHIP 21 NORTH, RANGE 2 EAST, W.M., IN PIERCE COUNTY,
WASHINGTON.



22-Sept 2006



COMMUNITY DEVELOPMENT DEPARTMENT

TO: MAYOR HUNTER AND CITY COUNCIL
FROM: JOHN P. VODOPICH, AICP
COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: PUBLIC HEARING - RESOLUTION ACCEPTING THE SHAFER
ANNEXATION PETITION (ANX 06-1302)
DATE: OCTOBER 23, 2006

INFORMATION/BACKGROUND

The City received a complete Notice of Intention to Commence Annexation Proceedings for a proposal to annex approximately 0.31 acres of property located at the corner of Soundview Drive and 61st Street Court NW adjacent to the existing City limits and within the City's Urban Growth Area (UGA). At the August 14, 2006 meeting, the City Council accepted the Notice of Intention and authorized the circulation of an annexation petition (Payne/Franich, 6-0-0) subject to the following conditions:

1. The City shall require that the property owner(s) assume all of the existing indebtedness of the area being annexed;
2. The City will require the simultaneous adoption of Single-Family Residential (R-1) zoning for the proposed area in substantial compliance with the Comprehensive Plan as adopted by City of Gig Harbor Ordinance No. 981; and
3. The property will be subject to the Height Restriction Area standards (GHMC 17.62).

The City received the petition for annexation on August 17, 2006, which was subsequently certified by the Pierce County Office of the Assessor-Treasurer on August 23, 2006 as being legally sufficient.

Acceptance of the annexation petition and referral to the Pierce County Boundary Review Board for consideration must be done by Resolution.

Notice of this public hearing was posted in three conspicuous places within the area proposed for annexation; was mailed to all property owners of record both within the annexation area and within three hundred feet (300') of the area proposed for annexation; published in the Peninsula Gateway; and posted on the City website.

POLICY CONSIDERATIONS

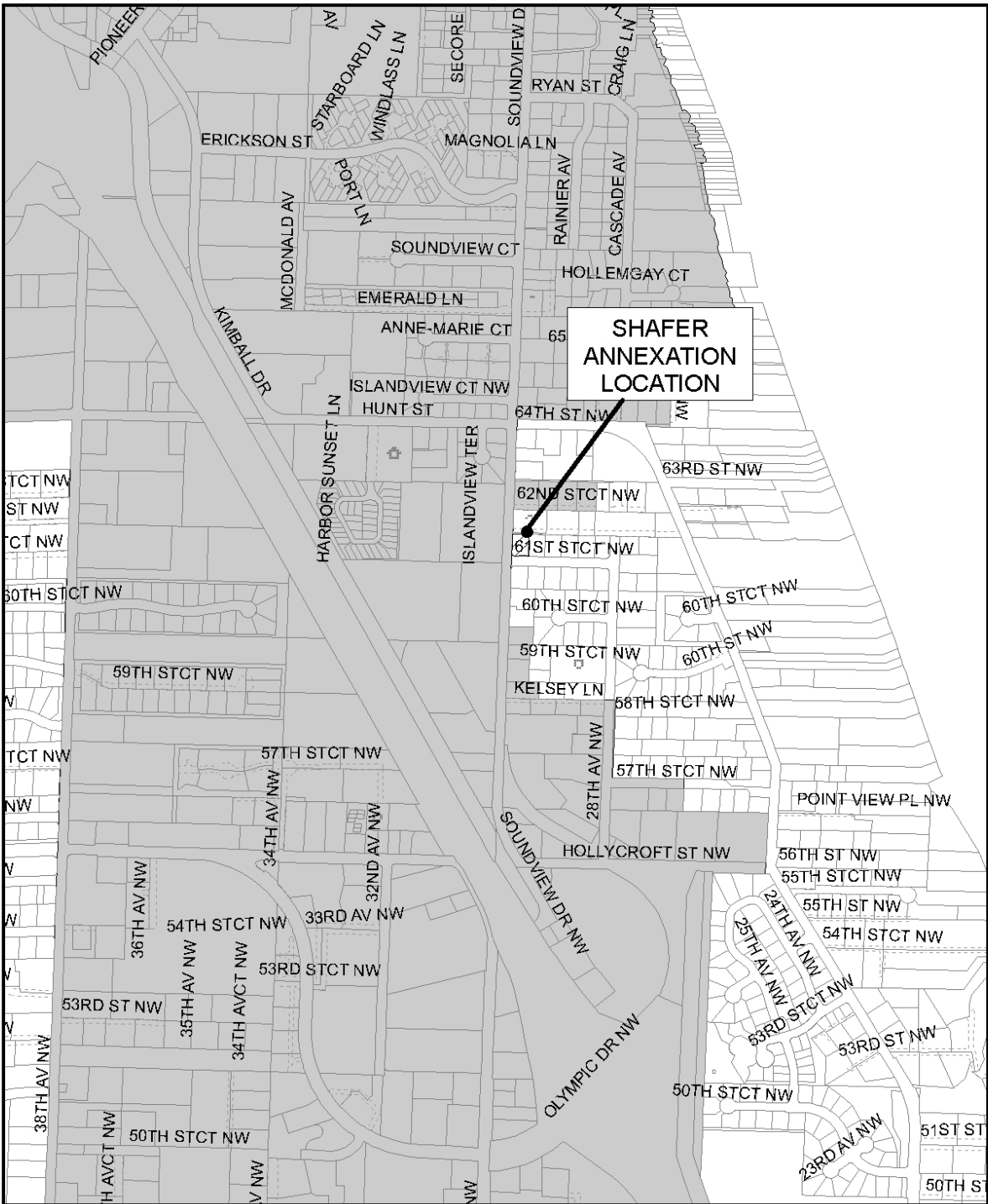
None.

FISCAL IMPACT

The \$200.00 annexation fee has been paid.

RECOMMENDATION

I recommend that the Council approve the resolution accepting the annexation petition for the Shafer Annexation (ANX 06-1302) and further refer it to the Pierce County Boundary Review Board for consideration.



SHAFER ANNEXATION (ANX-06-1302)
VICINITY MAP

**CITY OF GIG HARBOR
RESOLUTION NO. _____**

A RESOLUTION OF THE CITY OF GIG HARBOR, RELATING TO ANNEXATION AND ZONING, PROVIDING THE CITY COUNCIL'S ACCEPTANCE OF THE ANNEXATION PETITION FOR APPROXIMATELY 0.31 ACRES OF PROPERTY LOCATED AT THE CORNER OF SOUNDVIEW DRIVE AND 61ST STREET COURT NW (ANX 06-1302), ADJACENT TO THE CITY LIMITS, WITHIN THE CITY'S URBAN GROWTH AREA, LOCATED IN PIERCE COUNTY, DECLARING THE CITY COUNCIL'S INTENT TO ADOPT PROPOSED ZONING REGULATIONS FOR THE ANNEXATION AREA, AND REFERRING THE PETITION FOR ANNEXATION TO THE BOUNDARY REVIEW BOARD.

WHEREAS, on May 18, 2006, the City of Gig Harbor received a Notice of Intent to Annex approximately 0.31 acres of property located at the corner of Soundview Drive and 61st Street Court NW, adjacent to the existing City limits and within the City's Urban Growth Area (UGA), located in Pierce County; and

WHEREAS, the Notice of Intent was signed by the owners of not less than ten percent (10%) of the acreage of the property; and

WHEREAS, on August 14, 2006, the City Council met with the initiators of the petition and voted (Payne/Franich, 6-0-0) to authorize the circulation of the annexation petition subject to certain conditions including adoption of pre-annexation Single-Family Residential (R-1), requiring that the property owners assume all of the existing indebtedness of the area being annexed, and requiring that the property be subject to the Height Restriction Area standards (GHMC 17.62); and

WHEREAS, on August 17, 2006, petitions for annexation of the property described and graphically depicted on Exhibit A was received by the City; and

WHEREAS, on August 23, 2006, the Pierce County office of the Assessor-Treasurer certified the signatures on the petition for annexation of the property described and graphically depicted on Exhibit A; and

WHEREAS, the property described and graphically depicted on Exhibit A and proposed to be annexed is within the Urban Growth Area as established by Pierce County and included in the Comprehensive Plans of both the County and the City of Gig Harbor; and

WHEREAS, the City of Gig Harbor Comprehensive Plan, adopted in December, 2004, established the land use map designation for this area as Residential Low, along with pertinent goals and objectives, to guide the development of the annexation area over the next twenty years; and

WHEREAS, the proposed pre-annexation zoning of Single-Family Residential (R-1) being applied to the property described and graphically depicted on Exhibit A is consistent with the City of Gig Harbor Comprehensive Land Use Plan designation of Residential Low; and

WHEREAS, on October 23, 2006, the City Council, following a public hearing on the annexation petition, voted to declare its intent to authorize and approve the annexation and the proposed pre-annexation Single-Family Residential (R-1) zoning for the area described and graphically depicted on Exhibit A, subject to Boundary Review Board approval; now, therefore,

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

Section 1. The Gig Harbor City Council hereby declares its intent to authorize and approve the annexation of approximately 0.31 acres of property located at the corner of Soundview Drive and 61st Street Court NW, adjacent to the existing City limits, located in Pierce County, as described and graphically depicted on Exhibit A, attached hereto, as part of the City of Gig Harbor, contingent upon compliance with the following conditions:

- A. Pursuant to the terms of the annexation petition, the approximately 0.31 acres of property located at the corner of Soundview Drive and 61st Street Court NW, adjacent to the existing City limits, located in Pierce County, as described and graphically depicted on Exhibit A, shall be assessed and taxed at the same rate and on the same basis as property within the City, including assessments for taxes and payment of any bonds issued or debts contracted prior to or existing as of the date of annexation; and
- B. All property within the area described and graphically depicted on Exhibit A shall be zoned as Single-Family Residential (R-1), in accordance with the Gig Harbor Municipal Code, Title 17; and
- C. The property shall be subject to the Height Restriction Area standards (GHMC 17.62).

Section 2. The Gig Harbor City Clerk hereby declares the property described and graphically depicted on Exhibit A, which is the subject of the annexation petition, to be contiguous with the boundaries of the City of Gig Harbor.

Section 3. The City Council hereby authorizes the Mayor to submit all necessary documentation to the Pierce County Boundary Review Board in order to gain

approval for the annexation provided in this Resolution. The City Council shall not take any further action on the annexation proposal until such time as the Pierce County Boundary Review Board has completed its review of the Notice of Intent to Annex.

RESOLVED by the City Council this 23rd day of October 2006.

APPROVED:

MAYOR, CHARLES L. HUNTER

ATTEST/AUTHENTICATED:

CITY CLERK, MOLLY M. TOWSLEE

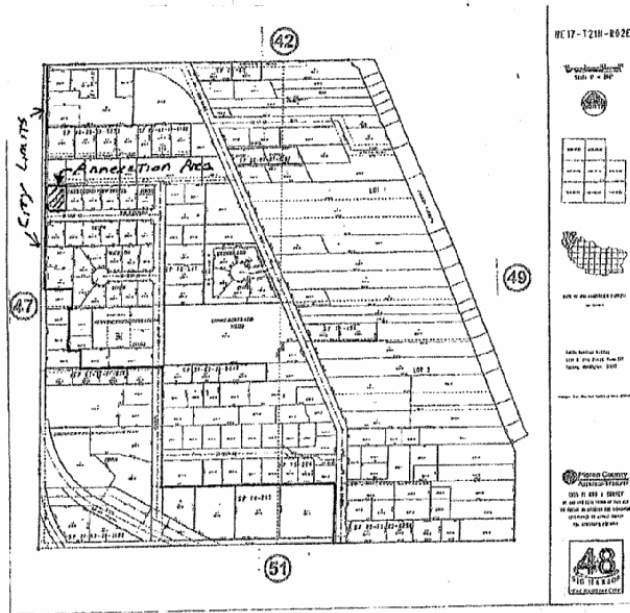
APPROVED AS TO FORM;
OFFICE OF THE CITY ATTORNEY:

BY: _____

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
RESOLUTION NO.

**Exhibit A
SHAFFER MAP & LEGAL ANX 06-1302**

RECEIVED
CITY OF GIG HARBOR
AUG 17 2006
COMMUNITY
DEVELOPMENT



PIERCE COUNTY PLANNING
& LAND SERVICES

JUN 15 2006

PIERCE COUNTY

Legal Description - Shafer ANX 06-1302

RECEIVED
CITY OF GIG HARBOR
AUG 1 / 2006
COMMUNITY
DEVELOPMENT

Shafer Annexation (ANX 06-1302) Legal Description

A PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 21 NORTH, RANGE 2 EAST, WILLAMETTE MERIDIAN, DESCRIBED AS FOLLOWS:

LOT 2 OF BUTLER'S SOUND VIEW TRACT'S;

SITUATE IN THE COUNTY OF PIERCE, STATE OF WASHINGTON.

PIERCE COUNTY PLANNING
& LAND SERVICES

JUN 15 2006

PIERCE COUNTY



COMMUNITY DEVELOPMENT DEPARTMENT

TO: MAYOR HUNTER AND CITY COUNCIL
FROM: JOHN P. VODOPICH, AICP
COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: PUBLIC HEARING AND RESOLUTION – DEVELOPMENT
AGREEMENT WITH HARBOR HILL LLC
DATE: OCTOBER 23, 2006

INFORMATION/BACKGROUND

The Hearing Examiner approved, with conditions the applications for Site Plan Review, Site-specific Rezone, and Design Review for the proposed Costco Wholesale Warehouse facility on August 1, 2006. This Decision was not appealed and is final.

Specifically, condition 29 stated that “all conditions of design review established by the Design Review Board (DRB) and set forth in Exhibit 18 are incorporated in full as conditions of this Decision”.

The Gig Harbor Municipal Code calls for locating structures near the front setback line and minimizing parking in front of buildings (GHMC 17.99.300 (B) and .330 (H)). In order to comply with this section of Code, the Developer proposed a phased approach to the construction of frontage buildings on the site. The DRB recommended that the City and Harbor Hill LLC enter into a binding commitment that runs with the land that provides for damages to be paid to the City if certain timelines are not met.

City staff and representatives of Harbor Hill LLC have been discussing the terms of a Development Agreement consistent with the DRB’s recommendation and Hearing Examiner’s approval.

The Development Agreement calls for the building and obtaining of shell Certificates of Occupancy for buildings A and B within eighteen (18) months of Costco passing its foundation inspection and the building and obtaining of shell Certificates of Occupancy for buildings C, D, and E within thirty (30) months of Costco passing its foundation inspection.

The Developer is required to execute a Cash Set Aside in the amount of One-hundred Fifty Thousand Dollars (\$150,000.00) to ensure performance. Failure to perform by the stated deadlines results in forfeiture of funds to the City based on a sliding scale outlined in Section 10 of the Agreement.

The City Attorney has reviewed the proposed Development Agreement and will provide comment at the meeting.

RECOMMENDATION

I recommend that the Council hold the public hearing; consider public testimony; consider the recommendations of the City Attorney; deliberate; and if necessary, amend the Agreement prior to approval.

Two separate motions will be necessary; one to approve the Development Agreement and one to pass the Resolution executing the Development Agreement.

RESOLUTION NO. 6xx

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

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

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

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

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

WHEREAS, the Developer has a fee simple or other substantial beneficial interest in the real property located south of Borgen Boulevard and west of Harbor Hill Drive, Gig Harbor, Washington, which is legally described in Exhibit A of the Development Agreement, attached hereto and incorporated herein by this reference, on which the Developer intends to develop five (5) store buildings; and

WHEREAS, on October 23, 2006, the City Council held a public hearing on the Development Agreement during a regular public meeting and voted to approve the Development Agreements attached hereto as Exhibits A; Now, Therefore,

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

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

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

PASSED by the City Council this 23rd day of October, 2006.

APPROVED:

MAYOR, CHARLES L. HUNTER

ATTEST/AUTHENTICATED:

CITY CLERK, MOLLY M. TOWSLEE

APPROVED AS TO FORM;
OFFICE OF THE CITY ATTORNEY:

BY: _____
CAROL A. MORRIS

FILED WITH THE CITY CLERK: //06
PASSED BY THE CITY COUNCIL: //06
RESOLUTION NO. 6xx

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF GIG HARBOR
AND HARBOR HILL LLC, FOR THE
COSTCO SHOPPING CENTER RESIDUAL PARCELS**

THIS DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into this 2nd day of October, 2006, by and between the City of Gig Harbor, a Washington municipal corporation, hereinafter the "City," and Harbor Hill LLC, a limited liability company organized under the laws of the State of Washington, hereinafter the "Developer."

RECITALS

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

WHEREAS, local governments may also enter into a development agreement for real property outside its boundaries as part of a proposed annexation or service agreement (RCW 36.70B.170(1)); and

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

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

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

WHEREAS, the Developer has a fee simple or other substantial beneficial interest in the real property located south of Borgen Boulevard and west of Harbor Hill Drive, Gig Harbor, Washington, which is legally described in Exhibit A attached hereto and incorporated herein by this reference (hereinafter the "Residual Parcels"), on which the Developer intends to develop five (5) store buildings; and

WHEREAS, the Residual Parcels comprise Residual Parcels A, B, and C, as described on Exhibit A hereto; and

WHEREAS, Developer intends to develop Building A on Parcel A, Building B on Parcel B, and Buildings C, D, and E on Parcel C; and

WHEREAS, the Developer has sold to Costco Wholesale Corporation, a Washington corporation (hereinafter "Costco"), an adjoining parcel of real property (the "Costco Parcel"), on which Costco intends to construct a Costco wholesale store (the "Costco Store"); and

WHEREAS, the Costco Parcel and Residual Parcels together comprise the entirety of the Shopping Center Property, a drawing of which is attached hereto as Exhibit B (hereinafter the "Drawing"); and

WHEREAS, the City's code requires that primary structures be located near the front setback line (GHMC Section 17.99.300(B)) and the City's code also requires that parking in front of buildings be minimized (GHMC Section 17.99.330(H)); and

WHEREAS, the construction of Buildings A, B, C, D, and E on the Residual Parcels will partially screen the Costco Store on the Costco Parcel from motorists and pedestrians on Borgen Boulevard, partially mitigating the aesthetic impacts of the Costco Store on such motorists and pedestrians; and

WHEREAS, existing trees within the Residual Parcels also partially screen the Costco Store on the Costco Parcel from motorists and pedestrians on Borgen Boulevard, partially mitigating the aesthetic impacts of the Costco Store on such motorists and pedestrians; and

WHEREAS, as a condition of the City's approval of the design of the Costco Store on the Costco Parcel, the City requires assurances that the Developer either will preserve existing trees within that portion of the Residual Parcels legally described on Exhibit C attached hereto and incorporated herein by this reference (hereinafter the "Tree Preservation Area") or will cause Buildings A, B, C, D, and E to be constructed within the time periods set forth in this Agreement (unless an extension is granted by the City as provided in Section 17 herein), as described in Sections A.4, A.6, and A.7 of the Notice of Recommendation dated June 26, 2006, from Jennifer Sitts of the City to Costco (DRB 05-75), which were incorporated into the Hearing Examiner Findings, Conclusions, and Decision dated August 1, 2006 (File Nos. SPR 05-67, REZ 04-35, and DRB 05-75), as modified by an Order Amending Findings, Conclusions and Decision dated August 3, 2006 (hereinafter the "Residual Parcel Conditions"); and

WHEREAS, the City requires the making of this Agreement to assure that the Developer will comply with the City's code and that future development and use of the Residual Parcels is consistent with the Residual Parcel Conditions and the conditions of the City's permits and approvals; and

WHEREAS, this Agreement governs the development of the Residual Parcels but does not govern the development or use of the Costco Parcel; and

WHEREAS, the Developer desires to make this Agreement with the City to comply with the City's code and the Residual Parcel Conditions; and

WHEREAS, the City has the authority to enter into a development agreement with the

Developers of real property for the purposes described above; and

WHEREAS, on August 1, 2006, the City Hearing Examiner approved the Costco site plan application and rezone application; and

WHEREAS, on October 23, 2006, the City Council held a public hearing regarding this Agreement; and

WHEREAS, on October 23, 2006, the City Council voted to approve the making of this Agreement, which upon mutual execution, acknowledgment, and delivery shall be recorded in the real property records of Pierce County, Washington.

Now, therefore, the parties hereto agree as follows:

AGREEMENT

Section 1. The Project. The Project is the development and use of the Residual Parcels.

Section 2. The Subject Property. The Residual Parcels and Project site are legally described in Exhibit A attached hereto and incorporated herein by this reference.

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

a) "Adopting Ordinance" means the Ordinance which approves this Agreement, as required by RCW 36.70B.200.

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

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

d) "Design Manual" means the Gig Harbor Design Manual, as chapter 17.98 of the Gig Harbor Municipal Code, adopted by the City.

e) "Director" means the City's Community Development Director or Director of Planning and Building.

f) "Effective Date" means the effective date of the Adopting Ordinance.

g) "Existing Land Use Regulations" means the ordinances adopted by the City Council of Gig Harbor in effect on the Effective Date, including the adopting ordinances that govern the permitted uses of land, the density and intensity of use, and the design, improvement,

construction standards and specifications applicable to the development of the Residual Parcels, including, but not limited to the Comprehensive Plan, the City's Official Zoning Map and development standards, the Design Manual, the Public Works Standards, SEPA, Concurrency Ordinance, and all other ordinances, codes, rules and regulations of the City establishing subdivision standards, park regulations, building standards, and other development standards. Existing Land Use Regulation does not include non-land use regulations, which includes taxes and impact fees.

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

i) "Project" means the anticipated development of the Residual Parcels, as specified in Section 1 and as provided for in all associated permits/approvals, and all incorporated exhibits.

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

- a) Exhibit A – Description of Residual Parcels
- b) Exhibit B – Drawing
- c) Exhibit C – Description of Tree Preservation Area

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

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

b) The "Developer" or Owner is a private enterprise which owns the Shopping Center Property in fee and whose principal office is located at 19245 Tenth Avenue N.E., Poulsbo, Washington 98370.

c) The "Landowner." From time to time, as provided in this Agreement, the Developer may sell or otherwise lawfully dispose of a portion of the Residual Parcels to a Landowner who, unless otherwise released, shall be subject to the applicable provisions of this Agreement related to such portion of the Residual Parcels.

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

Section 7. Term of Agreement. This Agreement shall commence upon the effective date of the Adopting Ordinance approving this Agreement and shall continue in force for a period of two (2) years or until all of the obligations of the Developer as set forth herein have been fully performed to the satisfaction of the City, whichever is later, unless extended or

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

Section 8. Further Discretionary Actions. Developer acknowledges that the Existing Land Use Regulations contemplate the exercise of further discretionary powers by the City. These powers include, but are not limited to, review of additional permit applications under SEPA. Nothing in this Agreement shall be construed to limit the authority or the obligation of the City to hold legally required public hearings, or to limit the discretion of the City and any of its officers or officials in complying with or applying Existing Land Use Regulations.

Section 9. Satisfaction of Residual Parcel Conditions. The Developer proposes to perform the Residual Parcel Conditions under the following schedule, instead of at the time of construction of the Costco Store. The City agrees to the following schedule, subject to the terms and conditions of this Agreement:

(a) The Developer shall not cut, damage, or remove any tree within the Tree Preservation Area except as necessary for utility installations within thirty (30) feet of any roadway, unless prior to any such cutting, damaging, or removing Developer has obtained from the City a permit for the construction of a Building within the affected Parcel.

(b) Within eighteen (18) months after the date that the Costco Store building passes its foundation inspection, the Developer or its successors and assigns shall have obtained building permits for the construction of Buildings A and B on Residual Parcels A and B, shall have completed shell construction of Buildings A and B, and shall have obtained shell Certificates of Occupancy for Buildings A and B.

(c) Within thirty (30) months after the date that the Costco Store building passes its foundation inspection, the Developer or its successors and assigns shall have obtained building permits for the construction of Buildings C, D, and E on Residual Parcel C, shall have completed shell construction of Buildings C, D, and E, and shall have obtained shell Certificates of Occupancy for Buildings C, D, and E.

Section 10. Security. The parties agree that in order to ensure performance by the Developer or Landowner of the provisions of Section 9 of this Agreement, the Developer shall execute a Cash Set Aside Agreement with the City and an appropriate Financial Institution of the Developer's choice, on a form approved by the City Attorney. The Developer shall deposit One Hundred Fifty Thousand Dollars (US\$150,000.00) (the "Security Deposit") into the account with the Financial Institution within three (3) business days after mutual execution and delivery of the Cash Set Aside Agreement, which may occur prior to the Council's public hearing on this Agreement at the City's option. The Cash Set Aside Agreement shall provide that the Financial Institution will hold the Security Deposit in an escrow account invested according to the Developer's instructions. At no time shall any portion of the Security Deposit be released without written authorization from the City. The Security Deposit shall represent the amount of

money determined by the City to be adequate to secure performance with the City's codes and the conditions of Section 9 of this Agreement, because the Developer's performance under this Agreement does not constitute an optional phasing plan for development of the Property. In the event that the Developer shall not have performed as required by Section 9 of this Agreement on the dates established herein, then the Financial Institution shall, upon the demand of the City, remit the Security Deposit to the City within two (2) business days after the demand, based on the following schedule:

(a) For each of the first fourteen (14) days of Developer's delay, the Financial Institution will remit \$500 to the City.

(b) On the fourteenth (14th) day of Developer's delay, the Financial Institution will remit \$43,000 to the City.

(c) For each of the next fourteen (14) days of Developer's delay, the Financial Institution will remit \$1,000 to the City.

(d) On the twenty-eighth (28th) day of Developer's delay, the Financial Institution will remit \$86,000 to the City.

The Financial Institution shall have no duty or right to evaluate the correctness or appropriateness of the City's demand and shall not interplead or in any manner delay payment of the Security Deposit to the City. The Cash Set Aside Agreement shall provide that if the Developer performs as required by Section 9 of this Agreement, as acknowledged by the City in a Resolution adopted for this purpose, then the City will authorize the Financial Institution to release the Security Deposit to the Developer. Otherwise, if the Developer does not perform as required by Section 9 of this Agreement, then the City shall retain all of the Security Deposit. -Within ten (10) business days after the Developer has obtained shell Certificates of Occupancy for Buildings A, B, C, D, and E, the City shall deliver to the Financial Institution written instructions that the remainder of the Security Deposit shall be paid to the Developer. The Security Deposit shall represent the entire liability of the Developer and the Landowner for any default under Section 9 of this Agreement.

Section 11. Default.

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

B. After notice and expiration of the thirty (30) day period, if such default has not been cured or is not being diligently cured in the manner set forth in the notice, the City may, at its option, demand that the Security Deposit in the Cash Set Aside account be turned over to the City as provided in Section 10 or institute legal proceedings against the Developer and/or Landowner to whom the City gave notice of default under this Section 11 pursuant to this Agreement for specific performance and to enforce the City's Codes. Notwithstanding the foregoing, the Developer and the Landowner shall have no liability to the City for any default under Section 9 of this Agreement except the payment of the Security Deposit, which may be remitted to the City by the Financial Institution as provided under Section 10 of this Agreement.

Section 12. Annual Review. The City shall, at least every twelve (12) months during the term of this Agreement, review the extent of good faith substantial compliance by Developer and Landowner with this Agreement.

Section 13. Termination. This Agreement shall expire and/or terminate as provided below:

This Agreement shall terminate upon the expiration of the term identified in Section 7 as long as all of the Developer's obligations in connection therewith have been fully complied with, including the obligations required by this Agreement, as determined by the City. Upon satisfaction of all obligations and termination of this Agreement, the City shall pass a Resolution, which shall be recorded against the Property in a form satisfactory to the City Attorney, indicating that the Agreement has been terminated.

Section 14. Effect of Termination on Developer Obligations. Termination of this Agreement as to the Developer of the Residual Parcels or any portion thereof shall not affect any of the Developer's obligations to comply with the City Comprehensive Plan and the terms and conditions or any applicable zoning code(s) or subdivision map or other land use entitlements approved with respect to the Residual Parcels, any other conditions of any other development specified in the Agreement to continue after the termination of this Agreement or obligations to pay assessments, liens, fees or taxes.

Section 15. Assignment and Assumption. The Developer shall have the right to sell, assign or transfer this Agreement with all their rights, title and interests therein to any person, firm or corporation at any time during the term of this Agreement. Developer shall provide the City with written notice of any intent to sell, assign, or transfer all or a portion of the Residual Parcels, at least 30 days in advance of such action.

Section 16. Covenants Running with the Land. This Agreement shall be recorded against the Property legally described in Exhibit A, and the conditions and covenants set forth in this Agreement and incorporated herein by the Exhibits shall run with the land and the benefits and burdens shall bind and inure to the benefit of the parties. The Developer, Landowner and every purchaser, assignee or transferee of an interest in the Residual Parcels, or any portion thereof, shall be obligated and bound by the terms and conditions of this Agreement, and shall be

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

Section 17. Amendment to Agreement; Effect of Agreement on Future Actions.

This Agreement may be amended by mutual consent of all of the parties, provided that any such amendment shall follow the process established by law for the adoption of a development agreement (*see*, RCW 36.70B.200). However, nothing in this Agreement shall prevent the City Council from making any amendment to its Comprehensive Plan, Zoning Code, Official Zoning Map or development regulations during the next two (2) years, as the City Council may deem necessary to the extent required by a serious threat to public health and safety. Nothing in this Development Agreement shall prevent the City Council from making any amendments of any type to the Comprehensive Plan, Zoning Code, Official Zoning Map or development regulations two (2) years from the anniversary date of the Effective Date of this Agreement.

Section 18. Releases. Developer, and any subsequent Landowner, may free itself from further obligations relating to the sold, assigned, or transferred property, provided that the buyer, assignee or transferee expressly assumes the obligations under this Agreement as provided herein.

Section 19. Notices. Notices, demands, correspondence to the City and Developer shall be sufficiently given if dispatched by pre-paid first-class mail to the addresses of the parties as designated in Section 5. Notice to the City shall be to the attention of both the City Administrator and the City Attorney. Notices to subsequent Landowners shall be required to be given by the City only for those Landowners who have given the City written notice of their address for such notice. The parties hereto may, from time to time, advise the other of new addresses for such notices, demands or correspondence.

The City of Gig Harbor
Attn: Community Development Director
3510 Grandview Street
Gig Harbor, WA 98335
(253) 851-6170

Harbor Hill LLC
Attn: President
19245 Tenth Avenue N.E.
Poulsbo, WA 98370
(360) 697-6626

City Attorney
Carol Morris
P.O. Box 948
Seabeck, WA 98380-0948

Section 20. Reimbursement for Agreement Expenses of the City. Developer agrees to reimburse the City for actual expenses incurred over and above the fees paid by Developer as an applicant incurred by City directly relating to this Agreement, including recording fees, publishing fees and reasonable staff and consultant costs not otherwise included within application fees. This Agreement shall not take effect until the fees provided for in this section, as well as any processing fees owed to the City for the development of the Residual Parcels, are paid to the City. Upon payment of all expenses, the Developer may request written acknowledgement of all fees. Such payment of all fees shall be paid, at the latest, within thirty (30) days from the City's presentation of a written statement of charges to the Developer.

Section 21. Applicable Law and Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. If litigation is initiated to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. Venue for any action shall lie in Pierce County Superior Court or the U.S. District Court for Western Washington.

Section 22. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity other than a party or a Landowner to challenge this Agreement or any provision herein, the City may elect to tender the defense of such lawsuit or individual claims in the lawsuit to Developer and/or Landowner(s). In such event, Developer and/or such Landowners shall hold the City harmless from and defend the City from all costs and expenses incurred in the defense of such lawsuit or individual claims in the lawsuit, including but not limited to, attorneys' fees and expenses of litigation, and damages awarded to the prevailing party or parties in such litigation. The Developer and/or Landowner shall not settle any lawsuit without the consent of the City. The City shall act in good faith and shall not unreasonably withhold consent to settle.

Section 23. Severability. If any phrase, provision or section of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any statute of the State of Washington which became effective after the effective date of the ordinance adopting this Development Agreement, and either party in good faith determines that such provision or provisions are material to its entering into this Agreement, that party may elect to terminate this Agreement as to all of its obligations remaining unperformed.

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

HARBOR HILL LLC

By _____
Its President

CITY OF GIG HARBOR

By _____
Its Mayor

ATTEST:

By _____
City Clerk

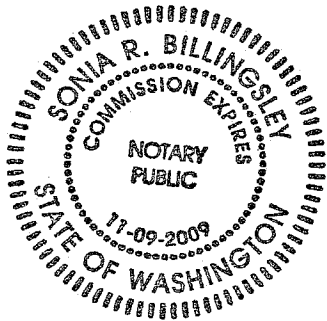
APPROVED AS TO FORM:

By _____
City Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

On this 2ND day of OCTOBER, 2006, before me, a Notary Public in and for the State of Washington, personally appeared JON ROSE, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the President of HARBOR HILL LLC to be the free and voluntary act and deed of said limited liability company for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.



Sonia R Billingsley
NOTARY PUBLIC in and for the State of
Washington, residing at GIG HARBOR
My appointment expires 11/9/09
Print Name SONIA R BILLINGSLEY

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 was authorized to execute the instrument and acknowledged it as the Mayor of the City of Gig Harbor for the uses and purposes mentioned in this instrument.

DATED: _____

(Signature)

NOTARY PUBLIC, State of Washington,
residing at: _____
My appointment expires: _____

Exhibit A
The Residual Parcels

Parcels A, B, and C of Gig Harbor Binding Site Plan for Harbor Hill, as recorded under recording number 200609185002, Records of Pierce County, Washington.

Exhibit B
Drawing of Shopping Center Property

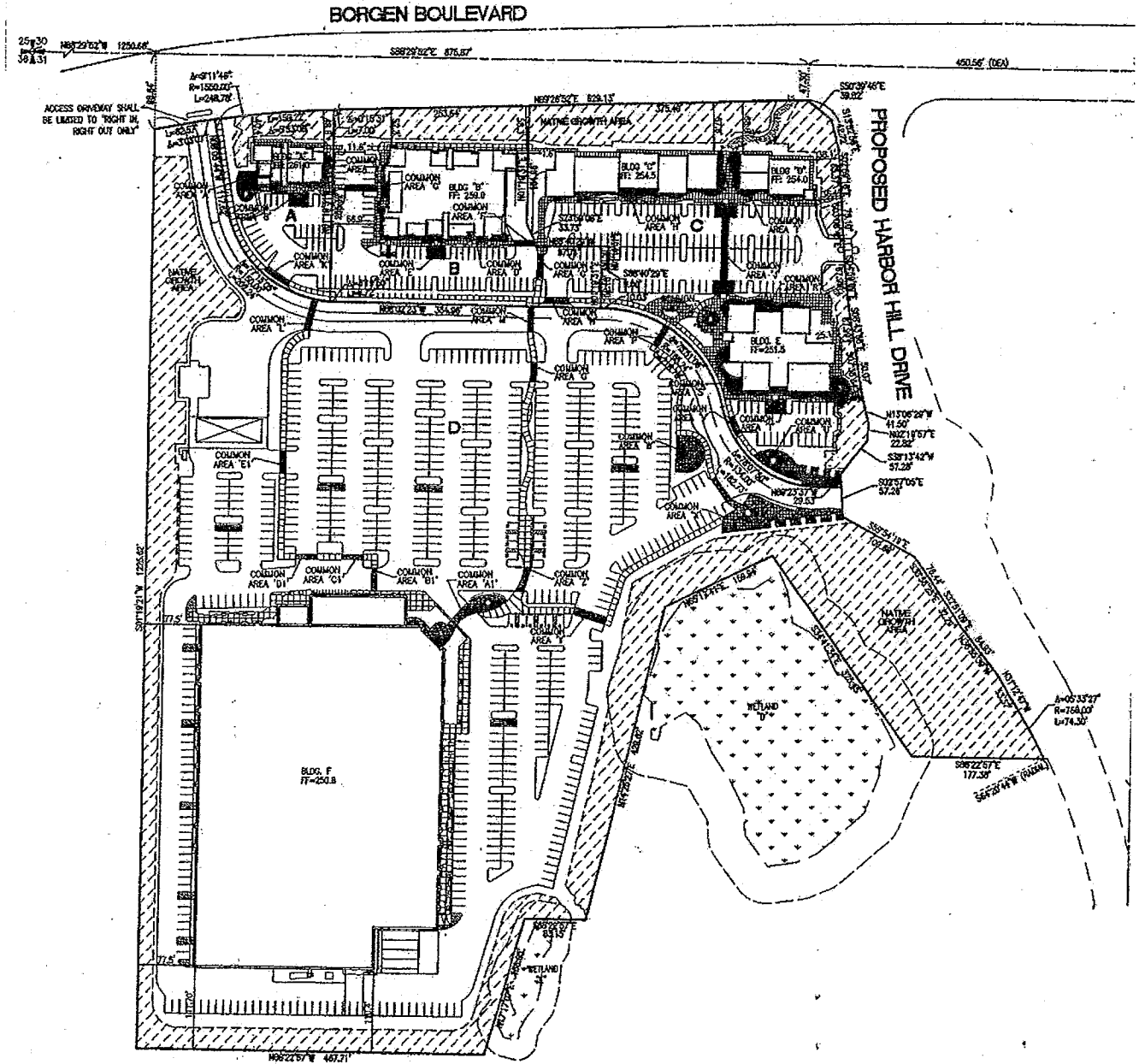


Exhibit C
Tree Preservation Area

Parcels A, B, and C of Gig Harbor Binding Site Plan for Harbor Hill, as recorded under recording number 200609185002, Records of Pierce County, Washington.

**CITY OF GIG HARBOR
CASH SET ASIDE AGREEMENT**

DATE POSTED: _____
PROJECT COMPLETION DATE: _____

RE: Gig Harbor Subdivision/Plat/Permit No.: SPR 05-67, REZ 04-35, DRB 05-75
Owner/Developer Contractor: Harbor Hill LLC
Project Address: the real property located south of Borgen Boulevard and west of Harbor Hill Drive, Gig Harbor, (hereinafter the "Property") which is legally described in Exhibit A, attached hereto and incorporated herein by this reference.

WHEREAS, Harbor Hill LLC, hereinafter referred to as "Harbor Hill LLC" or "the Developer" has applied to the City of Gig Harbor, hereinafter referred to as "the City", for a site plan, rezone and design review approval to construct the project known as the Costco Store and 5 other buildings on the Property legally described in Exhibit A, and

WHEREAS, the City Hearing Examiner conditionally approved the requested actions on August 1, 2006, and

WHEREAS, one condition of the Hearing Examiner's approval was that Harbor Hill LLC and the City enter into a Development Agreement to address the timing of the construction and tree removal on the Property in order to conform to the City's codes; and

WHEREAS, a public hearing will be held on October 23, 2006, and the City Council will consider execution of the Development Agreement, which is attached hereto as Exhibit B and incorporated herein by this reference; and

WHEREAS, _____ hereinafter referred to as "the Financial Institution" is a financial institution qualified to do business in the State of Washington, now, therefore,

IN CONSIDERATION of the mutual covenants contained herein, and to ensure the performance of the conditions required for the City approval of the Developer's project, and if the Council approves the Development Agreement (Exhibit B), it is hereby agreed as follows:

1. Escrow Account.

Developer shall establish an escrow account with the Financial Institution in the amount of One Hundred Fifty Thousand Dollars and no cents, (\$150,000.00), Account No. _____.

At no time shall any portion of the sums in said account be released without written authorization from the City. The Financial Institution shall hold the Security Deposit in an escrow account until directed to release the same by the City.

2. Financial Institution's Release of Funds for Developer's Violation of Agreement. In the event the City determines that the Developer shall not have performed according to Section 9 of the Development Agreement (Exhibit B), then the Institution shall, upon the demand of the City, remit to the City within two days of said demand, the amount of funds in the account, or such lesser amount as may be specified in the demand, according to the schedule in the Development Agreement. The Institution agrees that it shall have no duty or right to evaluate the correctness or appropriateness of any such notice or determination by the City, and shall not interplead, or in any manner, delay payment of said funds to the City.

3. Financial Institution's Release of Funds for Developer's Performance Consistent with the Agreement. If the Developer performs as required by Section 9 of the Development Agreement, then the City will authorize the Financial Institution to release the Security Deposit to the Developer.

4. Expiration. This Agreement shall remain in full force and effect until the obligations secured hereby have been fully performed or all of the Security Deposit has been released according to the Development Agreement.

5. Enforcement. It is specifically agreed by and between the parties that in the event any legal action must be taken to enforce the provisions of this Cash Set Aside Agreement or to collect the funds in the escrow account, the prevailing party shall be entitled to collect its costs and reasonable attorneys fees as a part of the reasonable costs of securing the obligation hereunder. In the event of settlement or resolution of these issues prior to the filing of any suit, the actual costs incurred by the City, including reasonable attorneys' fees, shall be considered a part of the obligation hereunder secured. Said costs and reasonable legal fees shall be recoverable by the prevailing party, not only from the funds set aside, but also over and above the funds in the account as a part of any recovery in any judicial proceeding.

The Institution hereby agrees that this Agreement shall be governed by the laws of the State of Washington. Venue of any litigation arising out of this Agreement shall be in Pierce County Superior Court.

DATED this _____ day of _____, 200__.

FINANCIAL INSTITUTION

DEVELOPER/OWNER

By: _____

By _____

Its _____

Its _____

Business Name: _____

Business Name: _____

Business Address: _____

Business Address: _____

City/State/Zip Code: _____

City/State/Zip Code: _____

Telephone Number: _____

Telephone Number: _____

CITY OF GIG HARBOR

By: _____
 Its City Engineer

Date: _____

City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335
(253) 851-6170

CHECK FOR ATTACHED NOTARY SIGNATURE

____ Partnership or Corporation (Form P-2) – PAGE 3

____ Financial Institution (Form P-2) – PAGE 4

FORM P-2

(Use for Partnership, Corporation and Financial Institution Only)

STATE OF WASHINGTON)
) ss.
COUNTY OF)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged as the _____ of _____ that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it to be (his/her) free and voluntary act 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: _____

FORM P-2

(Use for Partnership, Corporation and **Financial Institution** Only)

STATE OF WASHINGTON)
) ss.
COUNTY OF)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged as the _____ of _____ that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it to be (his/her) free and voluntary act 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: _____

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON,
LEVYING THE GENERAL PROPERTY TAXES IN THE AMOUNT OF
\$1,497,699 AND EXCESS PROPERTY TAXES IN THE AMOUNT OF
\$300,000 FOR THE CITY OF GIG HARBOR FOR THE FISCAL
YEAR BEGINNING JANUARY 1, 2007.**

WHEREAS, the City Council of the City of Gig Harbor attests that the City population is 6,765; and

WHEREAS, the City Council of the City of Gig Harbor have properly given notice of the public hearing held October 23, 2006 to consider the City's General Fund revenue sources for the 2007 calendar year, pursuant to RCW 84.55.120; and

WHEREAS, the City Council of the City of Gig Harbor held a meeting on October 23, 2006 and considered its budget for the 2007 calendar year; and

WHEREAS, the City Council of the City of Gig Harbor after a public hearing held on October 23, 2005, and after duly considering all relevant evidence and testimony presented, determined that the City of Gig Harbor requires a regular levy in the amount of one million four hundred ninety seven thousand six hundred ninety nine dollars and no cents (\$1,497,699.00), which includes an increase in property tax revenue from the previous year, and amounts resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, and the amounts authorized by law as a result of any annexations that have occurred and refunds made, in order to discharge the expected expenses and obligations of the city and in its best interest; and

WHEREAS, the City Council of the City of Gig Harbor determined that the City of Gig Harbor requires an excess levy in the amount of three hundred thousand dollars and no cents (\$300,000.00) in order to provide debt service for the 2005 Unlimited Tax General Obligation Bond.

NOW, THEREFORE, the City Council of the City of Gig Harbor, Washington ORDAINS as follows:

Section 1. An increase in the regular property tax levy is hereby authorized for the 2006 levy in the amount of fourteen thousand five hundred forty six dollars and no cents (\$14,546.00) which is a percentage increase of 1% from the previous year.

Section 2. The Property tax excess levies required to raise estimated revenues for the City of Gig Harbor for the ensuing year commencing January 1, 2007, shall be levied upon the value of real and personal property which has been set at an assessed valuation of \$1,437,988,732. Taxes levied upon this value shall be:

Approximately \$0.2086 per \$1,000 assessed valuation, producing an estimated amount of three hundred thousand dollars and no cents (\$300,000.00) for 2005 Unlimited Tax General Obligation Bond debt service.

Section 3. This ordinance shall be published in the official newspaper of the city, and shall take effect and be in full force five (5) days after the date of its publication.

PASSED by the City Council of the City of Gig Harbor, Washington, and approved by its Mayor at a regular meeting of the council held on this 13th day of November, 2006.

Charles L. Hunter, Mayor

ATTEST/AUTHENTICATED:

By: _____
Molly Towslee, City Clerk

APPROVED AS TO FORM:

By: _____
Carol A. Morris, City Attorney

Filed with city clerk: 10/18/06

Passed by the city council:

Date published:

Date effective:



COMMUNITY DEVELOPMENT DEPARTMENT

TO: MAYOR HUNTER AND CITY COUNCIL
FROM: JOHN P. VODOPICH, AICP
COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: FIRST READING OF AN ORDINANCE RELATING TO ANNEXATION
AND ZONING - McCORMICK RIDGE LLC (ANX 04-04)
DATE: OCTOBER 23, 2006

INFORMATION/BACKGROUND

The City received a complete Notice of Intention to Commence Annexation Proceedings from McCormick Ridge LLC for a proposal to annex approximately 38 acres of property located west of Canterwood Boulevard, adjacent to the existing City limits and within the City's Urban Growth Area (UGA). At the October 24, 2005 meeting, the City Council accepted the Notice of Intention and authorized the circulation of an annexation petition.

The City received petitions for annexation on May 18, and June 1, 2006, which were subsequently certified by the Pierce County Office of the Assessor-Treasurer on June 30, 2006 as being legally sufficient.

At the conclusion of a public hearing on August 14, 2006, the Council passed Resolution No. 684 accepting the annexation petition and referred the annexation to the Pierce County Boundary Review Board for consideration. The Boundary Review Board deemed the annexation approved on October 11, 2006.

Adoption of an ordinance annexing the property and establishing zoning is in order. The City Attorney has reviewed and approved the attached ordinance for your consideration.

POLICY CONSIDERATIONS

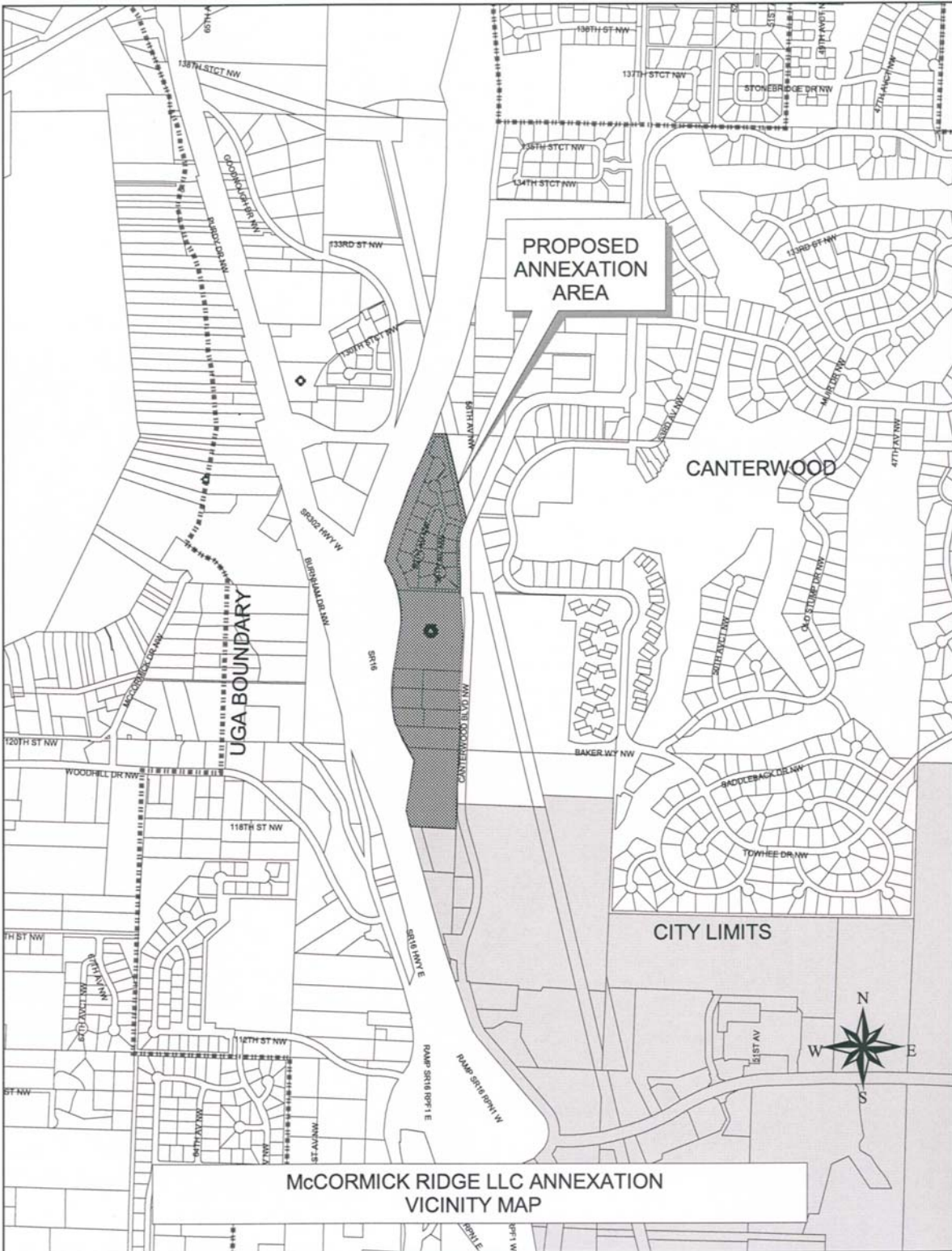
None.

FISCAL IMPACT

None.

RECOMMENDATION

I recommend that the Council approve the ordinance as presented following the second reading.





Pierce County

Boundary Review Board

2401 South 35th Street
Tacoma, Washington 98409-7460
(253) 798-7156 • FAX (253) 798-3680

October 11, 2006

RECEIVED
CITY OF GIG HARBOR
OCT 13 2006
COMMUNITY
DEVELOPMENT

John P. Vodopich, Community Development Director
City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335

Re: Proposed Annexation to City of Gig Harbor – McCormick Ridge A-06-6

Dear Mr. Vodopich:

The forty-five (45) day period has elapsed since the Notice of Intention was officially filed with the Pierce County Boundary Review Board on August 21, 2006, and the Board's jurisdiction has not been invoked.

Accordingly, as provided by RCW 36.93.100, the subject proposal is deemed approved by the Boundary Review Board.

The City of Gig Harbor needs to submit a certified copy of its final ordinance, along with the attached legal description, formally extending its boundaries to accomplish completion of the proposal. The ordinance should come directly to the Boundary Review Board for distribution to all concerned County departments.

Sincerely,

Toni Fairbanks
Chief Clerk

f:\clerk\brb\annexation\A-06-6 Route.doc
Enclosure

c: Clare Hardie; 2906 North Union Ave; Tacoma WA 98407
Michael Baechler; 12520 59th Ave NW; Gig Harbor WA 98332



**CITY OF GIG HARBOR
ORDINANCE NO.**

AN ORDINANCE OF THE CITY OF GIG HARBOR, RELATING TO ANNEXATION AND ZONING, ANNEXING APPROXIMATELY 38 ACRES OF PROPERTY LOCATED WEST OF CANTERWOOD BOULEVARD (ANX 04-04), ADOPTING SINGLE-FAMILY RESIDENTIAL (R-1) AND MEDIUM-DENSITY RESIDENTIAL (R-2) ZONING, AND REQUIRING THE PROPERTY OWNERS TO ASSUME THEIR PROPORTIONATE SHARE OF INDEBTEDNESS.

WHEREAS, the City of Gig Harbor received a Notice of Intent to Annex approximately 38 acres of property located west of Canterwood Boulevard, adjacent to the existing City limits and within the City's Urban Growth Area (UGA), located in Pierce County; and

WHEREAS, the Notice of Intent was signed by the owners of not less than ten percent (10%) of the acreage of the property; and

WHEREAS, on October 24, 2005, the City Council met with the initiators of the petition and voted (Dick/Ruffo, 6-1-0) to authorize circulation of the annexation petition subject to certain conditions including adoption of pre-annexation Single-Family Residential (R-1) and Medium-Density Residential (R-2) zoning, requiring that the property owners assume all of the existing indebtedness of the area being annexed, and requiring the submission of a wetland report; and

WHEREAS, on May 18 and June 1, 2006, petitions for annexation of the property described in Exhibit A and graphically depicted on Exhibit B were received by the City; and

WHEREAS, on June 30, 2006, the Pierce County office of the Assessor-Treasurer certified the signatures on the petition for annexation of the property described in Exhibit A and graphically depicted on Exhibit B; and

WHEREAS, On April 24, 2006, the applicant submitted of a wetland analysis report for the subject property pursuant to GHMC Section 18.08.090; and

WHEREAS, the wetland report has been reviewed and determined to be in conformance with the Gig Harbor Municipal Code.

WHEREAS, the property described in Exhibit A and graphically depicted on Exhibit B proposed to be annexed is within the Urban Growth Area as established by Pierce County and included in the Comprehensive Plans of both the County and the City of Gig Harbor; and

WHEREAS, the City of Gig Harbor Comprehensive Plan, adopted in December, 2004, established the land use map designation for this area as Residential Low and Residential Medium, along with pertinent goals and objectives, to guide the development of the annexation area over the next twenty years; and

WHEREAS, the proposed pre-annexation zoning of Single-Family Residential (R-1) and Medium-Density Residential (R-2) being applied to the property described in Exhibit A and graphically depicted on Exhibit B is consistent with the City of Gig Harbor Comprehensive Land Use Plan designation of Residential Low and Residential Medium; and

WHEREAS, on August 14, 2006, the City Council, following a public hearing on the annexation petition, voted (Payne/Dick, 6-0-0) to declare its intent to authorize and approve the annexation and the proposed pre-annexation Single-Family Residential (R-1)

and Medium-Density Residential (R-2) zoning for the area described in Exhibit A and graphically depicted on Exhibit B, subject to Boundary Review Board approval (Resolution No. 684); and

WHEREAS, on August 16, 2006, the Notice of Intention, together with supporting documentation, was submitted to the Chief Clerk of the Pierce County Boundary Review Board; and

WHEREAS, on August 29, 2006, the Chief Clerk of the Pierce County Boundary Review Board deemed the annexation proposal as complete, set the official filing date as August 21, 2006, initiated the forty-five (45) day review period, and noted that the period during which jurisdiction could be invoked would expire on October 5, 2006; and

WHEREAS, on October 11, 2006, the Pierce County Boundary Review Board issued a written decision approving the annexation of the property as described and graphically depicted in Exhibit A; and

WHEREAS, the City Council considered this Ordinance during its regular City Council meeting's of October 23 and November 13, 2006; Now, Therefore,

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

Section 1. The Gig Harbor City Council hereby approves the annexation of approximately 38 acres of property located west of Canterwood Boulevard, adjacent to the existing City limits, located in Pierce County, as described in Exhibit A and graphically depicted on Exhibit B, attached hereto, as part of the City of Gig Harbor, contingent upon compliance with the following conditions:

- A. Pursuant to the terms of the annexation petition, the approximately 38 acres of property located west of Canterwood Boulevard, adjacent to

the existing City limits, located in Pierce County, as described in Exhibit A and graphically depicted on Exhibit B, shall be assessed and taxed at the same rate and on the same basis as property within the City, including assessments for taxes and payment of any bonds issued or debts contracted prior to or existing as of the date of annexation; and

- B. All property within the area described in Exhibit A and graphically depicted on Exhibit B shall be zoned as Single-Family Residential (R-1) and Medium-Density Residential (R-2), in accordance with the Gig Harbor Municipal Code, Title 17.

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 in Section 1.

Section 3. The Gig Harbor City Clerk hereby declares the property described in Exhibit A and graphically depicted in Exhibit B to be contiguous with the boundaries of the City of Gig Harbor.

Section 4. The City Clerk is hereby directed to record a certified copy of this ordinance with the Office of the Pierce County Auditor.

Section 5. This ordinance shall take effect five days after passage and publication as required by law.

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

APPROVED:

MAYOR, CHARLES L. HUNTER

ATTEST/AUTHENTICATED:

CITY CLERK, MOLLY M. TOWSLEE

APPROVED AS TO FORM;
OFFICE OF THE CITY ATTORNEY:

BY: _____
CAROL A. MORRIS

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
ORDINANCE NO.

Exhibit A
McCORMICK RIDGE LLC ANNEXATION (ANX 04-04)
LEGAL DESCRIPTION

ANNEXATION LEGAL

(ANX 04-04)

That portion of the Southeast quarter and the Northeast quarter of Section 25, Township 22 North, Range 01 East of the Willamette Meridian, in Pierce County, Washington.

Beginning at the Northeast corner of the Northwest quarter of the Southeast quarter of Section 25, Township 22 North, Range 1 East of the Willamette Meridian, also said point being on the Westerly right of way line of Canterwood Boulevard N.W.; Thence South along the East line of said Northwest quarter of the Southeast to the Southwest corner of Lot 1, Pierce County Large Lot Subdivision #2970, and the **True Point of Beginning**;

Thence continuing South along the East line of said Northwest quarter of the Southeast quarter to the Southeast corner of the North half of the Northwest quarter of the Southeast quarter;

Thence West to the Easterly right of way line of S.R. #16;

Thence Northwesterly along last said Easterly right of way line to the North line of the Northwest quarter of the Southeast quarter;

Thence continuing Northwesterly along last said Easterly right of way to the Southwest corner of the Short Plat recorded under A.F.N. 79-214, records of Pierce County, Washington;

Thence continuing Northwesterly along said Easterly right of way to the Northwest corner of said Short Plat, also being the Southwest corner of the Short Plat recorded under A.F.N. 79-351, records of Pierce County, Washington;

Thence continuing Northwesterly along said Easterly right of way to the Northwest corner of last said Short Plat, also being the Southwest corner of the Condominium Plat of McCormick Ridge, a condominium recorded under A.F.N. 200309085001, records of Pierce County, Washington;

Thence continuing Northwesterly along said Easterly right of way to the Northwest corner of said condominium, also being the Southwest corner of the Plat of Springhill Estates recorded under A.F.N. 9210010443, records of Pierce County, Washington;

Thence continuing Northwesterly and Northeasterly along said Easterly right of way to the Northwest corner of said Plat of Springhill Estates and the North line of the Northeast quarter of said Section 25;

Thence East along said North line of the Plat of Springhill Estates to the Northeast corner of said Plat, also being on the Westerly right of way line of the Tacoma-Lake Cushman Transmission Line Right of Way;

Thence Southeasterly along said Westerly right of way to the Westerly right of way line of Canterwood Boulevard N.W.;

Thence Southeasterly along a line projected and perpendicular to the West line of Canterwood Boulevard N.W. to intersect the East line of said right of way;

Thence Southerly along said Easterly right-of-way line to the South line of Lot 1, Pierce County Large Lot Subdivision #2970 and the boundary of City of Gig Harbor as established by Ordinance 746, dated January 27, 1997;

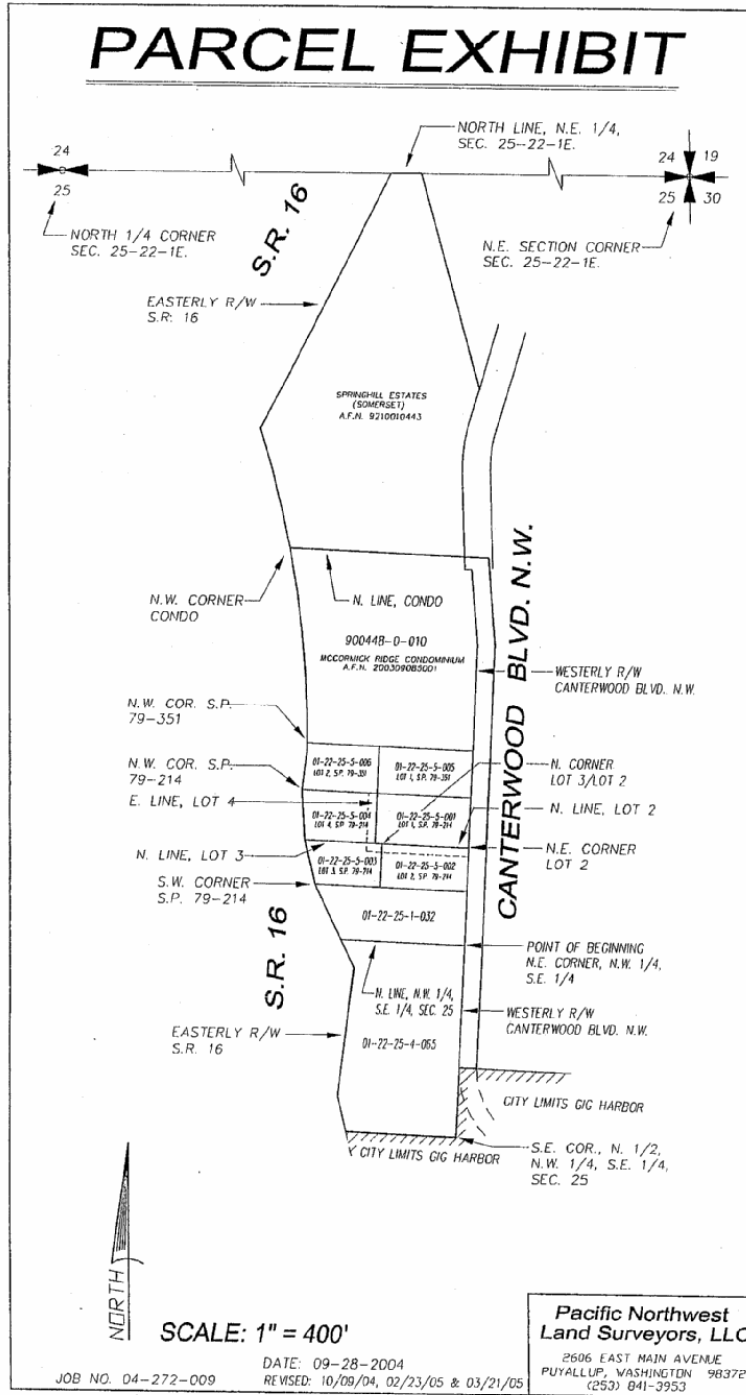
Thence Westerly along said City boundary to the **True Point of Beginning**.

04272revisedlegals.doc

9/28/04 dds/jjn revised 11/9/04 jjn/dds revised 02/23/05 jjn/dds revised 03/21/05 jjn/dds revised 04/07/05

*Acceptable to
B&B 7/11/05*

Exhibit B
MCCORMICK RIDGE LLC ANNEXATION (ANX 04-04)
ANNEXATION AREA MAP



*Acceptable to BLS
 Review 9/10*



COMMUNITY DEVELOPMENT DEPARTMENT

TO: MAYOR HUNTER AND CITY COUNCIL
FROM: JOHN P. VODOPICH, AICP
COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: FIRST READING OF AN ORDINANCE CHANGING THE
MEETING TIME OF REGULAR CITY COUNCIL MEETINGS
DATE: OCTOBER 23, 2006

INFORMATION/BACKGROUND

At the October 9, 2006 meeting, the City Council directed staff to prepare an ordinance which would change the meeting time of regular City Council meetings from 7:00 PM to 6:00 PM. Discussion at that meeting also included the possibility of changing the day of the week on which regular City Council meetings are held.

The City Attorney has prepared the ordinance as presented.

RECOMMENDATION

I recommend Council approval of the ordinance as presented at the second reading.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO CITY COUNCIL MEETINGS, CHANGING THE TIME (AND DATE?) OF REGULAR CITY COUNCIL MEETINGS FROM 7:00 P.M TO 6:00 P.M. ON THE SECOND AND FOURTH MONDAYS OF EACH MONTH, AMENDING GIG HARBOR MUNICIPAL CODE SECTION 2.04.010.

WHEREAS, the City Council wishes to change the time of its regular meetings from 7:00 p.m. to 6:00 p.m. because _____

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. Section 2.04.010 of the Gig Harbor Municipal Code is hereby amended to read as follows:

2.04.010 Meeting day and time. The second and fourth Mondays of each an every month are declared to be and designated as the regular and official meeting days of the city council of the city and the meetings shall be conducted on such days commencing at ~~7:00~~6:00 p.m.; provided however, that in the event any of the regular and official meeting days fall upon a legal holiday, the regular and official meeting day shall be on the Tuesday following the second and fourth Monday of each month.

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



"THE MARITIME CITY"

COMMUNITY DEVELOPMENT DEPARTMENT

TO: MAYOR HUNTER AND CITY COUNCIL
FROM: STEPHEN MISIURAK, P.E., CITY ENGINEER
SUBJECT: BORGEN BOULEVARD ROUNDABOUT RE-STRIPING PROJECT
– BID AWARD
DATE: OCTOBER 23, 2006

INTRODUCTION/BACKGROUND

City staff, in conjunction with the Operations and Public Projects Committee members, have developed and recommend various roundabout striping changes on Borgen Boulevard. This contract provides for the re-striping of Borgen/51st Street. and Harbor Hill/Borgen Roundabouts. These changes will better aid the traveling public in driving through them. In accordance with the City's Small Works Roster Process (Resolution No. 592), three roadway striping contractors were contacted for price quotations. Two contractors responded with the following price quotation proposals:

Road Runner Striping Inc.	\$ 8,960.00
Stripe Rite, Inc.	\$ 10,667.00

A third contractor provided a quotation (Apply-A-Line) in the amount of \$13,063.10, was received late. Based on the price quotation proposals received, the lowest price quotation received was from Road Runner Striping, Inc. in the amount of Eight Thousand Nine Hundred Sixty Dollars and No Cents (\$8,960.00), including retail sales tax.

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

FISCAL CONSIDERATIONS

This work was not anticipated in the adopted 2006 Budget, however sufficient funds are available in the Street Operating General Fund.

RECOMMENDATION

I recommend the Council authorize the award and execution of the contract for Borgen Roundabout Re-striping to Road Runner Striping, Inc., as the lowest responsible respondent, for their price quotation proposal amount of Eight Thousand Nine Hundred Sixty Dollars and No Cents (\$8,960.00), including retail sales tax.

CITY OF GIG HARBOR
BORGEN ROUNDABOUT RE-STRIPING 2006
CONTRACT

THIS AGREEMENT, made and entered into in duplicate, this ____ day of _____, 2006, by and between the City of Gig Harbor, a Non-Charter Code City in the State of Washington, hereinafter called the "City", and Road Runner Striping, Inc., hereinafter called the "Contractor".

WITNESSETH:

That in consideration of the terms and conditions contained herein and attached and made a part of this Contract, the parties hereto covenant and agree as follows:

1. The Contractor shall do all of the work and furnish all of the labor, materials, tools and equipment necessary to complete the pavement markings on City streets, and shall perform any changes in the work, all in full compliance with the contract documents entitled "Borgen Roundabouts Re-striping" which are by this reference incorporated herein and made a part hereof; and agrees to accept payment for the same in accordance with the said contract documents, including the schedule of prices in the "Price Quotation Proposal," the approximate sum of Eight Thousand Nine Hundred Sixty dollars and no cents (\$8,960.00), subject to the actual quantity of work performed, at the time and in the manner, subject to the provisions of the Contract Documents, the Special Provisions, and the Standard Specifications.
2. Work shall commence and contract time shall begin on the first working day following the tenth (10th) calendar day after the date the City executes the Contract, or the date specified in the Notice to Proceed issued by the City Engineer, whichever is later. All physical contract work shall be completed within fifteen (15)-working days.
3. The Contractor agrees to pay the City the sum of \$89.60 per day for each and every day said work remains uncompleted after expiration of the specified time, as liquidated damages.
4. The Contractor shall provide for and bear the expense of all labor, materials, tools and equipment of any sort whatsoever that may be required for the full performance of the work provided for in this Contract upon the part of the Contractor.
5. The term "Contract Documents" shall mean and refer to the following: "Request for Price Quotation Proposals," "Price Quotation Proposal," "Addenda" if any, "Specifications," "Plans," "Contract," "Performance Bond," "Payment Bond," "Notice to Proceed," "Change Orders" if any, and any documents referenced or incorporated into the Contract Documents, including, but not limited to the Washington State Department of Transportation's "2006 Standard Specifications for Road, Bridge, and Municipal Construction," and the Local Agencies American Public Works Association (APWA) Supplement to Division 1 GSP's.
6. The Contractor for himself/herself, and for his/her heirs, executors, administrators, successors, assigns, agents subcontractors, and employees, does hereby agree to the full performance of all of the covenants herein contained upon the part of the Contractor.

CONTRACT: Borgen Roundabout Re-striping 2006
Page 2 of 3

7. It is further provided that no liability shall attach to the City by reason of entering into this Contract, except as expressly provided herein.

IN WITNESS WHEREOF the parties hereto have caused this contract to be executed the day and year first herein above written:

CITY of GIG HARBOR:

CONTRACTOR:

Charles L. Hunter, Mayor
City of Gig Harbor

Eben Erickson
Print Name: Eben Erickson
Print Title: President

ATTEST:

Road Runner Striping Inc.
10611 Canyon Road East #122
Puyallup, WA 98373
(253) 535-5153

City Clerk

APPROVED FOR FORM:

City Attorney



ADMINISTRATION

TO: MAYOR HUNTER AND CITY COUNCIL
FROM: DAVID RODENBACH, FINANCE DIRECTOR
DATE: OCTOBER 23, 2006
SUBJECT: THIRD QUARTER FINANCIAL REPORT

The quarterly financial reports for the third quarter of 2006 are attached.

Total resources, including all revenues and beginning cash balances, are 94% of the annual budget. Total revenues, excluding beginning cash balances, are 81% of the annual budget while total expenditures are at 64%.

General Fund revenues (excluding beginning balance) are 82% of budget. Taxes are on pace to meet budget at 75%. At this time it appears that sales tax revenues will come in at about \$4.7 million. Private utilities taxes (5% of gross receipts for provision of telephone service, electricity, natural gas and water) will come in around \$1.1 million. Permit revenues are at \$403,000 as compared to a budget of \$336,000.

General fund expenditures are 64% of budget. This is in line with prior year's experience. All General fund departments are on track to be within budget.

Street Fund revenues and expenditures through September are 61% and 65% of budget respectively.

Water and Sewer revenues through September are at 91% and 74% of budget. Last year revenues for the same period were 78% and 71% of budget. If this pace is maintained, Water revenues will exceed budget and Sewer revenues will come in near budget for 2006.

Water and Sewer expenditures are at 63% and 66% respectively. For the same period last year, both funds were at 66% of budget. It appears we should be within our expenditure budget for both the Water and Sewer Funds. Storm Sewer revenues and expenditures are at 67% and 60% of budget.

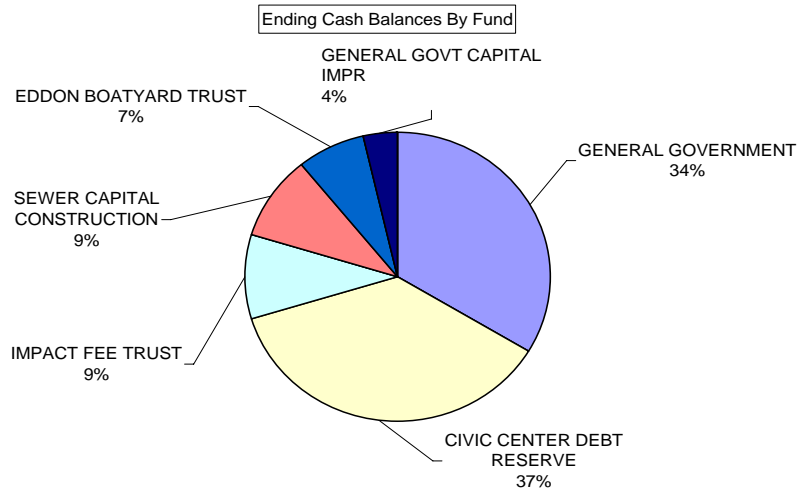
Cash balances are adequate in all funds.

**CITY OF GIG HARBOR
CASH AND INVESTMENTS
YEAR TO DATE ACTIVITY
AS OF SEPTEMBER 30, 2006**

DESCRIPTION	BEGINNING BALANCE	REVENUES	EXPENDITURES	OTHER CHANGES	ENDING BALANCE
GENERAL GOVERNMENT	\$ 2,689,243	\$ 6,163,430	\$ 5,780,669	\$ (334,464)	\$ 2,737,540
STREET FUND	706,817	1,509,069	1,589,773	(442,518)	183,595
DRUG INVESTIGATION FUND	10,729	3,455	6,740	(91)	7,353
HOTEL-MOTEL FUND	272,198	162,180	208,514	(18,397)	207,467
PUBLIC ART CAPITAL PROJECTS	40,454	11,656	-	-	52,110
PARK DEVELOPMENT FUND	92,986	103,345	183,819	2,855	15,366
CIVIC CENTER DEBT RESERVE	2,086,382	886,793	-	-	2,973,175
LTGO BOND REDEMPTION	11,965	452,379	319,911	(304)	144,130
2000 NOTE REDEMPTION	16,069	170,609	-	-	186,678
LID NO. 99-1 GUARANTY	83,932	2,754	-	-	86,686
UTGO BOND REDEMPTION	1,581	140,628	66,325	-	75,884
PROPERTY ACQUISITION FUND	314,021	253,124	463,928	(1,765)	101,453
GENERAL GOVT CAPITAL IMPR	335,014	350,966	400,000	-	285,980
IMPACT FEE TRUST	407,534	366,302	-	(9,736)	764,101
WATER OPERATING	117,807	708,755	484,044	(156,729)	185,789
SEWER OPERATING	285,832	1,235,335	1,228,492	(86,397)	206,278
UTILITY RESERVE	112,569	40,465	-	-	153,033
UTILITY BOND REDEMPTION	76,365	253,354	270,112	(179)	59,427
SEWER CAPITAL CONSTRUCTION	1,370,665	602,171	928,323	(289,197)	755,315
STORM SEWER OPERATING FUND	248,313	298,057	363,597	(3,793)	178,979
WATER CAPITAL ASSETS	155,517	106,935	2,355	(98,305)	161,791
LIGHTHOUSE MAINTENANCE TRUST	1,857	61	-	-	1,918
EDDON BOATYARD TRUST	711,027	17,137	118,236	(10,288)	599,641
\$	10,148,874	\$ 13,838,959	\$ 12,414,837	\$ (1,449,308)	\$ 10,123,690

AS OF SEPTEMBER 30, 2006

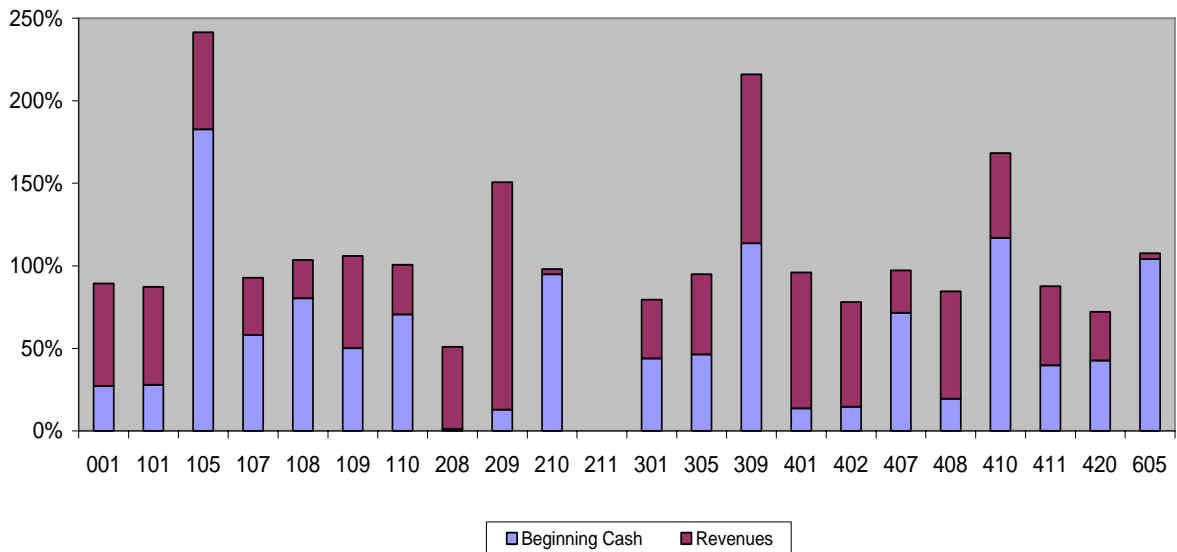
	MATURITY	RATE	BALANCE
CASH ON HAND			\$ 300
CASH IN BANK		0.9500%	1,500,002
LOCAL GOVERNMENT INVESTMENT POOL		4.1605%	7,323,388
FEDERAL HOME LOAN BANK	11/27/06	3.2000%	500,000
FEDERAL HOME LOAN BANK	05/03/10	5.0000%	700,000
BANK OF AMERICA - CD	10/31/06		100,000
			<u>\$ 10,123,690</u>



**CITY OF GIG HARBOR
YEAR-TO-DATE RESOURCE SUMMARY
AND COMPARISON TO BUDGET
AS OF SEPTEMBER 30, 2006**

FUND NO.	DESCRIPTION	ESTIMATED RESOURCES	ACTUAL Y-T-D RESOURCES	BALANCE OF ESTIMATE	PERCENTAGE (ACTUAL/EST.)
001	GENERAL GOVERNMENT	\$ 9,904,140	\$ 8,852,673	\$ 1,051,467	89%
101	STREET FUND	2,538,047	2,215,886	322,161	87%
105	DRUG INVESTIGATION FUND	5,874	14,184	(8,310)	241%
107	HOTEL-MOTEL FUND	468,268	434,378	33,890	93%
108	PUBLIC ART CAPITAL PROJECTS	50,314	52,110	(1,796)	104%
109	PARK DEVELOPMENT FUND	185,391	196,330	(10,939)	106%
110	CIVIC CENTER DEBT RESERVE	2,953,311	2,973,175	(19,864)	101%
208	LTGO BOND REDEMPTION	910,894	464,344	446,550	51%
209	2000 NOTE REDEMPTION	123,952	186,678	(62,726)	151%
210	LID NO. 99-1 GUARANTY	88,460	86,686	1,774	98%
211	UTGO BOND REDEMPTION	259,000	142,209	116,791	55%
301	PROPERTY ACQUISITION FUND	713,433	567,145	146,288	79%
305	GENERAL GOVT CAPITAL IMPR	722,433	685,980	36,453	95%
309	IMPACT FEE TRUST	358,315	773,837	(415,522)	216%
401	WATER OPERATING	860,530	826,562	33,968	96%
402	SEWER OPERATING	1,950,344	1,521,167	429,177	78%
407	UTILITY RESERVE	157,308	153,033	4,275	97%
408	UTILITY BOND REDEMPTION	390,054	329,719	60,335	85%
410	SEWER CAPITAL CONSTRUCTION	1,172,274	1,972,835	(800,561)	168%
411	STORM SEWER OPERATING FUND	623,400	546,369	77,031	88%
420	WATER CAPITAL ASSETS	363,765	262,451	101,314	72%
605	LIGHTHOUSE MAINTENANCE TRUST	1,782	1,918	(136)	108%
607	EDDON BOATYARD TRUST	719,000	728,165	(9,165)	101%
		\$ 25,520,289	\$ 23,987,834	\$ 1,532,455	94%

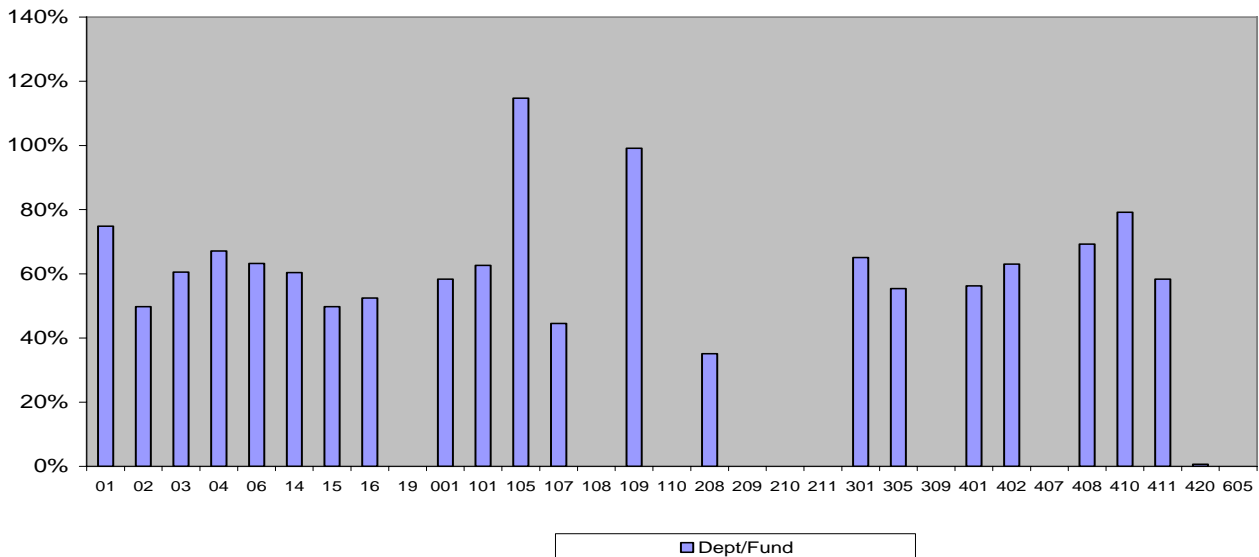
Resources as a Percentage of Annual Budget



**CITY OF GIG HARBOR
YEAR-TO-DATE EXPENDITURE SUMMARY
AND COMPARISON TO BUDGET
FOR PERIOD ENDING SEPTEMBER 30, 2006**

FUND NO.	DESCRIPTION	ESTIMATED EXPENDITURES	ACTUAL Y-T-D EXPENDITURES	BALANCE OF ESTIMATE	PERCENTAGE (ACTUAL/EST.)
001	GENERAL GOVERNMENT				
01	NON-DEPARTMENTAL	\$ 2,470,445	\$ 1,848,900	\$ 621,545	75%
02	LEGISLATIVE	35,600	17,727	17,873	50%
03	MUNICIPAL COURT	547,000	330,980	216,020	61%
04	ADMINISTRATIVE/FINANCIAL	895,800	601,327	294,473	67%
06	POLICE	2,279,680	1,441,066	838,614	63%
14	COMMUNITY DEVELOPMENT	1,427,890	862,479	565,411	60%
15	PARKS AND RECREATION	968,300	481,810	486,490	50%
16	BUILDING	374,600	196,380	178,220	52%
19	ENDING FUND BALANCE	904,825	-	904,825	
001	TOTAL GENERAL FUND	9,904,140	5,780,669	4,123,471	58%
101	STREET FUND	2,538,047	1,589,773	948,274	63%
105	DRUG INVESTIGATION FUND	5,874	6,740	(866)	115%
107	HOTEL-MOTEL FUND	468,268	208,514	259,754	45%
108	PUBLIC ART CAPITAL PROJECTS	50,314	-	50,314	
109	PARK DEVELOPMENT FUND	185,391	183,819	1,572	99%
110	CIVIC CENTER DEBT RESERVE	2,953,311	-	2,953,311	
208	LTGO BOND REDEMPTION	910,894	319,911	590,983	35%
209	2000 NOTE REDEMPTION	123,952	-	123,952	
210	LID NO. 99-1 GUARANTY	88,460	-	88,460	
211	UTGO BOND REDEMPTION	259,000	66,325	192,675	
301	PROPERTY ACQUISITION FUND	713,433	463,928	249,505	65%
305	GENERAL GOVT CAPITAL IMPR	722,433	400,000	322,433	55%
309	IMPACT FEE TRUST	358,315	-	358,315	
401	WATER OPERATING	860,530	484,044	376,486	56%
402	SEWER OPERATING	1,950,344	1,228,492	721,852	63%
407	UTILITY RESERVE	157,308	-	157,308	
408	UTILITY BOND REDEMPTION	390,054	270,112	119,942	69%
410	SEWER CAPITAL CONSTRUCTION	1,172,274	928,323	243,951	79%
411	STORM SEWER OPERATING FUN	623,400	363,597	259,803	58%
420	WATER CAPITAL ASSETS	363,765	2,355	361,410	1%
605	LIGHTHOUSE MAINTENANCE TRU	1,782	-	1,782	
607	EDDON BOATYARD TRUST	719,000	118,236	600,764	16%
		\$ 25,520,289	\$ 12,414,837	\$ 13,105,452	49%

Expenditures as a Percentage of Annual Budget



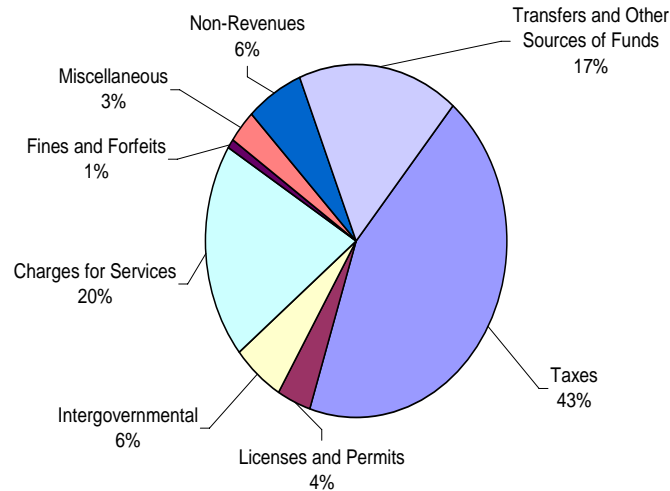
**CITY OF GIG HARBOR
YEAR-TO-DATE REVENUE SUMMARY
BY TYPE
FOR PERIOD ENDING SEPTEMBER 30, 2006**

<u>TYPE OF REVENUE</u>	<u>AMOUNT</u>
Taxes	\$ 6,073,327
Licenses and Permits	487,576
Intergovernmental	783,940
Charges for Services	2,716,872
Fines and Forfeits	134,706
Miscellaneous	401,225
Non-Revenues	842,469
Transfers and Other Sources of Funds	2,398,843
Total Revenues	<u>13,838,959</u>
Beginning Cash Balance	10,148,874
Total Resources	<u>\$ 23,987,834</u>

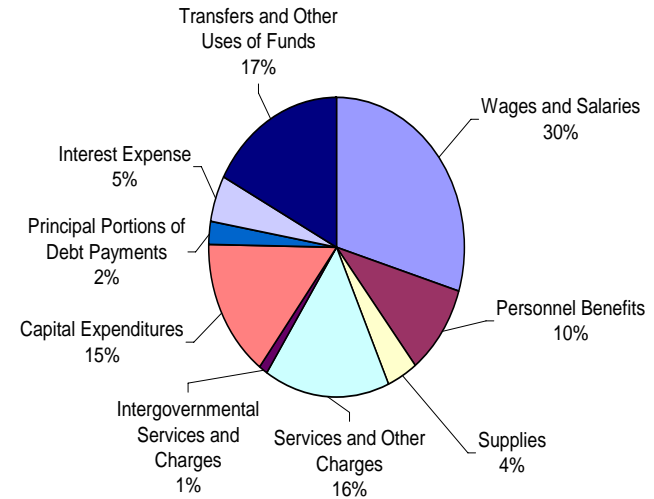
**CITY OF GIG HARBOR
YEAR-TO-DATE EXPENDITURE SUMMARY
BY TYPE
FOR PERIOD ENDING SEPTEMBER 30, 2006**

<u>TYPE OF EXPENDITURE</u>	<u>AMOUNT</u>
Wages and Salaries	\$ 3,705,979
Personnel Benefits	1,202,761
Supplies	471,116
Services and Other Charges	1,950,618
Intergovernmental Services and Charges	136,180
Capital Expenditures	1,895,334
Principal Portions of Debt Payments	296,292
Interest Expense	610,056
Transfers and Other Uses of Funds	2,146,500
Total Expenditures	<u>12,414,837</u>
Ending Cash Balance	10,123,690
Total Uses	<u>\$ 22,538,526</u>

Revenues by Type - All Funds



Expenditures by Type - All Funds



**CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2006**

	SPECIAL REVENUE FUNDS												TOTAL SPECIAL REVENUE
	001 GENERAL GOVERNMENT	101 STREET	105 DRUG INVESTIGATION	107 HOTEL - MOTEL	108 PUBLIC ART PROJECTS	109 PARK DVLP FUND	110 CIVIC CTR DEBT RSRV	301 PROPERTY ACQUISITION	305 GEN GOVT CAPITAL IMP	309 IMPACT FEE TRUST FUND	605 LIGHTHOUSE MAINT	607 EDDON BOATYARD	
ASSETS													
CASH	\$ 288,856	\$ 20,101	\$ 805	\$ 22,714	\$ 5,705	\$ 1,682	\$ 194,133	\$ 11,107	\$ 31,310	\$ 83,656	\$ 210	\$ 599,641	\$ 971,064
INVESTMENTS	2,448,684	163,494	6,548	184,753	46,404	13,684	2,779,042	90,346	254,670	680,444	1,708	-	4,221,094
RECEIVABLES	1,099,001	50,243	-	26,373	-	-	-	-	-	-	-	-	76,617
FIXED ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	3,836,540	233,838	7,353	233,840	52,110	15,366	2,973,175	101,453	285,980	764,101	1,918	599,641	5,268,774
LIABILITIES													
CURRENT	3,401	136,754	-	-	-	5,267	-	-	-	4,386	-	-	146,407
LONG TERM	24,213	3,217	-	-	-	-	-	-	-	-	-	-	3,217
TOTAL LIABILITIES	27,614	139,971	-	-	-	5,267	-	-	-	4,386	-	-	149,624
FUND BALANCE:													
BEGINNING OF YEAR	3,426,166	174,571	10,638	280,174	40,454	90,574	2,086,382	312,256	335,014	393,412	1,857	700,739	4,426,073
Y-T-D REVENUES	6,163,430	1,509,069	3,455	162,180	11,656	103,345	886,793	253,124	350,966	366,302	61	17,137	3,664,087
Y-T-D EXPENDITURE	(5,780,669)	(1,589,773)	(6,740)	(208,514)	-	(183,819)	-	(463,928)	(400,000)	-	-	(118,236)	(2,971,009)
ENDING FUND BALANCE	3,808,926	93,867	7,353	233,840	52,110	10,100	2,973,175	101,453	285,980	759,715	1,918	599,641	5,119,151
TOTAL LIAB. & FUND BAL	3,836,540	\$ 233,838	\$ 7,353	\$ 233,840	\$ 52,110	\$ 15,366	\$ 2,973,175	\$ 101,453	\$ 285,980	\$ 764,101	\$ 1,918	\$ 599,641	\$ 5,268,774

**CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2006**

	208 LTGO BOND REDEMPTION	209 2000 NOTE REDEMPTION	210 LID 99-1 GUARANTY	211 UTGO BOND REDEMPTION	TOTAL DEBT SERVICE
ASSETS					
CASH	\$ 15,780	\$ 20,438	\$ 9,491	\$ 8,308	\$ 54,017
INVESTMENTS	128,350	166,240	77,195	67,576	439,362
RECEIVABLES	-	-	-	-	-
FIXED ASSETS	-	-	-	-	-
OTHER	-	-	-	-	-
TOTAL ASSETS	144,130	186,678	86,686	75,884	493,378
LIABILITIES					
CURRENT	-	-	-	-	-
LONG TERM	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCE:					
BEGINNING OF YEAR	11,661	16,069	83,932	1,581	113,243
Y-T-D REVENUES	452,379	170,609	2,754	140,628	766,371
Y-T-D EXPENDITURE	(319,911)	-	-	(66,325)	(386,236)
ENDING FUND BALANCE	144,130	186,678	86,686	75,884	493,378
TOTAL LIAB. & FUND BAL	\$ 144,130	\$ 186,678	\$ 86,686	\$ 75,884	\$ 493,378

**CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2006**

	PROPRIETARY							TOTAL PROPRIETARY
	401 WATER OPERATING	402 SEWER OPERATING	407 UTILITY RESERVE	408 UTILITY BOND REDEMPTION	410 SEWER CAP. CONST.	411 STORM SEWER OPERATING	420 WATER CAP. ASSETS	
ASSETS								
CASH	\$ 20,771	\$ 22,601	\$ 16,755	\$ 6,506	\$ 82,694	\$ 19,326	\$ 17,713	\$ 186,366
INVESTMENTS	165,019	183,678	136,279	52,921	672,621	159,653	144,078	1,514,248
RECEIVABLES	240,389	278,436	-	-	-	41,066	-	559,891
FIXED ASSETS	3,537,426	8,452,880	-	-	1,636,259	639,403	370,869	14,636,836
OTHER	-	-	-	-	-	-	-	-
TOTAL ASSETS	3,963,604	8,937,594	153,033	59,427	2,391,575	859,447	532,660	16,897,341
LIABILITIES								
CURRENT	(500)	-	-	264,729	56,758	2	44,605	365,595
LONG TERM	42,641	41,590	-	1,609,905	-	29,119	-	1,723,255
TOTAL LIABILITIES	42,141	41,590	-	1,874,634	56,758	29,122	44,605	2,088,850
FUND BALANCE:								
BEGINNING OF YEAR	3,696,752	8,889,161	112,569	(1,798,449)	2,660,968	895,866	383,475	14,840,343
Y-T-D REVENUES	708,755	1,235,335	40,465	253,354	602,171	298,057	106,935	3,245,071
Y-T-D EXPENDITURE	(484,044)	(1,228,492)	-	(270,112)	(928,323)	(363,597)	(2,355)	(3,276,923)
ENDING FUND BALANCE	3,921,464	8,896,004	153,033	(1,815,207)	2,334,816	830,326	488,055	14,808,491
TOTAL LIAB. & FUND BAL	\$ 3,963,604	\$ 8,937,594	\$ 153,033	\$ 59,427	\$ 2,391,575	\$ 859,447	\$ 532,660	\$ 16,897,341

**CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
BY FUND TYPE
AS OF SEPTEMBER 30, 2006**

	GENERAL GOVERNMENT	SPECIAL REVENUE	DEBT SERVICE	TOTAL GOVERNMENTAL	PROPRIETARY	TOTAL ALL FUND TYPES
ASSETS						
CASH	\$ 288,856	\$ 971,064	\$ 54,017	\$ 1,313,936	\$ 186,366	\$ 1,500,302
INVESTMENTS	2,448,684	4,221,094	439,362	7,109,140	1,514,248	8,623,388
RECEIVABLES	1,099,001	76,617	-	1,175,617	559,891	1,735,508
FIXED ASSETS	-	-	-	-	14,636,836	14,636,836
OTHER	-	-	-	-	-	-
TOTAL ASSETS	3,836,540	5,268,774	493,378	9,598,693	16,897,341	26,496,034
LIABILITIES						
CURRENT	3,401	146,407	-	149,808	365,595	515,403
LONG TERM	24,213	3,217	-	27,429	1,723,255	1,750,684
TOTAL LIABILITIES	27,614	149,624	-	177,238	2,088,850	2,266,087
FUND BALANCE:						
BEGINNING OF YEAR	3,426,166	4,426,073	113,243	7,965,481	14,840,343	22,805,824
Y-T-D REVENUES	6,163,430	3,664,087	766,371	10,593,888	3,245,071	13,838,959
Y-T-D EXPENDITURES	(5,780,669)	(2,971,009)	(386,236)	(9,137,914)	(3,276,923)	(12,414,837)
ENDING FUND BALANCE	3,808,926	5,119,151	493,378	9,421,456	14,808,491	24,229,947
TOTAL LIAB. & FUND BAL.	\$ 3,836,540	\$ 5,268,774	\$ 493,378	\$ 9,598,693	\$ 16,897,341	\$ 26,496,034