

Gig Harbor City Council Meeting

**April 11, 2011
5:30 p.m.**



**AGENDA FOR
GIG HARBOR CITY COUNCIL MEETING
Monday, April 11, 2011 – 5:30 p.m.**

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

CONSENT AGENDA:

1. Approval of the Minutes of City Council Meeting of March 28, 2011.
2. Receive and File: GHHWA Progress Report.
3. Correspondence / Proclamations: Parks Appreciation Day
4. Liquor License Action: a) Application – Rexall Drug; b) Special Occasion – Chamber of Commerce.
5. Interagency Agreement Tacoma-Pierce County Health Department – 2011 Natural Yard Care Workshops.
6. Resolution No. 859 - Adding Skansie Netshed to the Gig Harbor Register of Historic Places.
7. Cushman Trail Culvert Repair – Amendment No. 1 to Interlocal Agreement.
8. Shorecrest Sewer System Rate Study and Connection Fees Analysis – Amendment No. 1 to Consultant Services Contract/Peninsula Financial Consulting.
9. Standard Service Area Agreement with Pierce County and the City of Gig Harbor Water Department.
10. Approval of Payment of Bills for April 11, 2011: Checks #66579 through #66728 in the amount of \$769,445.48.
11. Approval of Payroll for the Month of March: Checks #5871 through #5877 in the amount of \$311,375.19.

PRESENTATIONS:

1. Recognition of Margaret Klockars, Hearing Examiner.
2. Parks Appreciation Day Proclamation – April 16th. Robyn Denson.
3. Crescent Creek Playground Update: Robyn Denson and Stephanie Payne.

OLD BUSINESS:

1. Official City Newspaper.

NEW BUSINESS:

1. Arts Commission Request for Direction.
2. First Reading of Ordinance – Definition of Gross Income for B&O Utility Tax.
3. Maritime Pier Restroom Contribution Agreements - Sunshine LLC and Dylan Enterprises (Tides Tavern).
4. Tides Tavern Shed License Agreement - Dylan Enterprises.

STAFF REPORT:

Donkey Creek Daylighting Project.

PUBLIC COMMENT:

MAYOR'S REPORT / COUNCIL COMMENTS:

ANNOUNCEMENT OF OTHER MEETINGS:

1. Disaster Preparation Forum – Tue. Apr. 12th at 6:00 p.m.
2. Council Retreat – Fri. Apr. 22nd at 8:30 a.m.
3. Parks Appreciation Day – Sat. Apr 16th

ADJOURN:

MINUTES OF GIG HARBOR CITY COUNCIL MEETING – March 28, 2011

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

CALL TO ORDER: 5:30 p.m.

PLEDGE OF ALLEGIANCE:

CONSENT AGENDA:

1. Approval of the Minutes of City Council Meeting of March 14, 2011.
2. Receive and File: a) Finance / Safety Committee Minutes February 22, 2011; b) Planning/Building Committee Minutes March 7, 2011.
3. Eddon Boat Property – Long Term Monitoring Plan Year 3/Consultant Services Contract/Anchor QEA LLC.
4. Approval of Payment of Bills for March 28, 2011: Checks #65998 through #66578* in the amount of \$712,257.00.
 - * Ck #65998 – 66009 Bank of America checks
 - * Ck #66010 – 66500 Bank of America checks destroyed due to bank conversion
 - * Ck #66501 – 66578 Columbia Bank checks

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

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

MOTION: Move to go into Executive Session at 5:33 p.m. for approximately 20 minutes to discuss pending and potential litigation per RCW 42.30.110(1)(i).
Franich / Malich – unanimously approved.

MOTION: Move to return to regular session at 5:54 p.m.
Franich / Conan – unanimously approved.

OLD BUSINESS: None scheduled.

NEW BUSINESS:

1. Public Hearing and Resolution Authorizing an Amendment to the Development Agreement for the Phased Development with McCormick Creek LLC. Associate Planner Cliff Johnson presented the background for this revised development agreement, highlighting the changes from the last development agreement.

City Administrator Rob Karlinsey summarized that as a result the city will get public use of the soccer fields for two years, and during the first phase, the property dedicated for

the connector road between Borgen Boulevard and Harbor Hill will be cleared and graded.

Councilmember Franich voiced concern with removal of language that requires the developer to pay a pro rata share of the interim improvements at the Borgen SR15 Interchange. Mr. Johnson explained that this is still a requirement of the Hearing Examiner's approval and SEPA documents. He then clarified that the 30% of the total plat connection fees must be paid within the first six years.

Mayor Hunter opened the public hearing at 6:14 p.m. No one came forward to speak and the public hearing closed.

MOTION: Move to adopt Resolution No. 858 authorizing the Mayor to execute the Development Agreement with McCormick Creek LLC.
Payne / Conan – unanimously approved.

STAFF REPORT: None.

PUBLIC COMMENT:

Joseph Weiler – 3804 60th St. Ct. NW. Mr. Weiler thanked council for allowing him and his fellow scouts to be present. He also thanked Council for their honesty as he has heard a lot of bad stuff on the radio about politicians.

Ethan Karlinsey – 7969 Beardsley Avenue NW. Mr. Karlinsey spoke in support of the chairs in the council chambers. He made the point because the chairs in school are really hard and really small. He said that if the chairs were changed, then after a long night of studying and video games, students could sleep in class instead of having to listen to boring "stuff" sitting in the hard chairs. The action that could happen is for people to make donations to "The Sore Bottom Foundation." He thanked Council.

MAYOR'S REPORT / COUNCIL COMMENTS:

Councilmember Young reported that all the things the city wanted from the Population Allocation and County-wide Planning policies passed at the last PCRC meeting with the exception of something that didn't apply to Gig Harbor.

Senior Planner Jenn Kester added that the GMCC is still working out final language regarding annexations.

Councilmember Malich thanked the Engineering, Public Works and Planning Staff for allowing him to sit in on the evaluation for the Maritime Pier design. He said that they found a long list of discrepancies.

ANNOUNCEMENT OF OTHER MEETINGS:

1. Council Retreat – Fri. Apr. 22nd at 8:30 a.m.

2. Shoreline Master Program Public Hearing / Open House: March 31st at 4:00 p.m.
3. Planning / Building Committee: Mon. Apr. 4th at 5:15 p.m.

ADJOURN:

MOTION: Move to adjourn at 6:16 p.m.
Franich / Conan – unanimously approved.

CD recorder utilized: Tracks 1002 – 1014

Charles L. Hunter, Mayor

Molly Towslee, City Clerk

RECEIVED

APR - 1 2011

CITY OF GIG HARBOR

cc: Mayor + Council
- Rob

Gig Harbor Historic Waterfront Association Implementing the Main Street™ Approach in the Gig Harbor Historic Waterfront District

Progress Report
March 31, 2011

One of the most exciting (and time intensive) GHHWA accomplishment during first quarter 2011 was the March 4th submission of our application for full Main Street™ designation. We await confirmation, which we have been told will be announced at the May 11-13 RevitalizeWA conference in Walla Walla. We are in the process of planning an Open House and press event on Friday, May 20th to celebrate the designation as well as our new office location.

Another very important accomplishment was the meeting GHHWA arranged with Kidder Mathews regarding the Peninsula Shopping Center, and the resulting invitation to their representatives to attend the March 23 GHHWA Roundtable Meeting. We had nearly 50 people in attendance – see attached article from “The Patch” re: the information shared at the meeting (Attachment A).

COMMITTEE UPDATES:

Economic Development Committee

Status of Current Projects:

Harbor Connection Trail – Bob Glass (Haven of Rest) has a potential buyer so the City has put their environmental work on hold. Gary Glein will contact Bob Glass to review status and support continuation of the trail concept.

Parking in the Downtown Waterfront Area - Parking is one of the basic elements for a viable downtown retail center. The Gig Harbor Historic Waterfront Association has recognized this and has worked to understand our needs and to make recommendations for improvements.

In 2008, the Association organized volunteers to survey parking in the waterfront area. These surveys were updated and expanded in 2010 by the Economic Development Committee to learn more about parking utilization by area and time of day.

The surveys found nearly 500 on-street stalls and over 1100 off street public and private stalls. This is more than enough to meet requirements but they are not all in the right place or are not available to the public. We also found that current building requirements make it difficult for owners to change the use of their building as they would not be able to meet current parking requirement codes.

The average use of public parking is only 34% but the downtown core and Finholm areas are more heavily used. Further, portions of these areas are even more heavily impacted - weekday peak use is at about 1pm when 70% of all stalls are in use throughout the downtown. Employees of downtown business use stalls that could be available to customers.

All survey information was given to the City and was summarized at "Roundtable" meetings to get more input. The following recommendations were made to the City in 2010:

- **Limit parking in the downtown core and other high use areas to two or three hours with enforcement assisted by volunteers to limit the cost to the City.**
- **Allow and encourage marina, church and yacht clubs to designate 15% of their parking for use by downtown employees during daytime hours when their parking use is minimal.**
- **In selected downtown areas, allow a change of use with acceptance of existing parking for changes within the current building footprint.**

The Association has also worked with the City on the Maritime Pier parking area and on the potential of a "leased" public parking area on Tarabocia behind Seasons. These combined could add about seventy added public stalls.

The City has been very supportive and is actively pursuing most of these recommendations. This will have a positive impact on downtown and the ease of customer access. We will further discuss these options at the April 20th Roundtable and welcome input from all in attendance.

Maritime Pier – The City is progressing on a repair permit and JARPA application for the Pier and the parking lot paving. Funds are currently not available for any of the Pier or Dock improvements. Committee discussion indicated they felt the City should embrace the long-range development of this site to include provision for commercial fisherman, short-term moorage, dinghy tie-up, tourist boats, marine fuel service, and public viewing. The city's character as the "Maritime City" and these improvements would reinforce this character and have a positive economic impact on downtown.

Available Properties Report – Not yet updated but preliminary calculations show the vacancy rate up to 15% (due to vacancy left by the departure of QFC).

Some other Goals & Projects:

- a. **Property & Tenant Data Base** – The committee will update this together but an Access or other database and update procedures need to be established first. A qualified database volunteer is needed.
- b. **Farmers Market Alternatives** – Still needs review. The Museum was suggested as a possible location. A good location needs power, water and parking. The goods available need to be broader than currently available at the Wednesday market.

- c. **Economic Vision, Drivers and types of appropriate business** – An economic summit has been suggested. Many meetings have been held and we are now in the process of meeting with selected business managers and property owners.

Recent Economic Awareness & Concerns – An energetic discussion was held about ways to involve key stakeholders to focus on the downtown economy. These actions should be designed to attract citizens and tourists downtown with emphasis on creating a gathering place where they connect to our water orientation and maritime heritage. The committee felt the Business Strategy Report did not sufficiently focus on the water and maritime assets of our community. We also need to be welcoming to boaters as this represents a significant economic opportunity.

The committee generally felt recent problems have created an opportunity to mobilize the community to work together to plan for the future. The approach will have to be different than in the past and we need to recognize what is needed to preserve our heritage consistent with economic vitality.

Design Committee

Skansie Park/Jerisich Dock Project

Placement of the dumpster on the adjoining marina property has been approved. The Design Committee has taken plans to numerous city committees for input and is working on ideas to improve the usability and attractiveness of our most important waterfront public space. The committee is also working on a mechanism to procure private resources to fund any approved changes to the park.

Waterfront District Map

The second edition of the GHHWA waterfront map has been printed and is being distributed to local businesses and organizations.

Flower Basket Watering Project

GHHWA has initiated the 2011 Flower Basket Program and is in the process of procuring a corporate sponsor to help with the cost of purchasing the 100 baskets. The baskets have been ordered and we can expect delivery in late May. The committee is also working on the recruitment of volunteers to water daily throughout the summer months. GHHWA staff will be working with Public Works re: logistics, location, etc. We will be promoting the program by having the watering truck in the Maritime Gig Fest Parade on June 4 (thank you to the city for the use of the truck for this purpose).

Connie Schick Clock Project

The GHHWA Design Committee is working with the Rotary Club on their proposed clock project for the corner of Pioneer and Harborview. Preliminary designs have been created and estimates for project elements are being procured. We are pleased to be a part of this effort and are excited about the ambience this project will provide in the center of the downtown section of the waterfront district.

Promotions Committee

The Art of Chocolate Walk – February 6, 2011

(Please see Attachment B for a compilation of comments procured from a post-event survey sent to attendees).

2011 Gig Harbor Street Scramble – May 28, 2011

GHHWA has been approached to again have a booth during the Street Scramble where we can promote upcoming events and activities.

2011 Maritime Gig Fest – June 4, 2011

GHHWA Promotions Committee assigned a liaison to the Chamber's Gig Fest committee. In cooperation with the city, the flower basket volunteers and other GHHWA committee members, the organization will have its first presence in the Gig Fest parade. The watering truck will be an entry in the parade to help promote the flower basket program.

2011 Chalk the Walk – July 16, 2011

Held an initial meeting with the chair of the Chalk the Walk committee. It is the intent of the committee to again work in concert with the Peninsula Art League on this promotion.

2011 Wine & Food Festival – August 6, 2011

Planning meetings for this event will be increased to weekly during this time of soliciting wineries, vendors, speakers, etc. We are very near to signing the contract for the celebrity chef and will commence the marketing efforts when that is completed. Twenty wineries are on board to date, and a number of local restaurants will be participating.

VIV Campaign – Ongoing

Working with the City of Gig Harbor's Marketing Department on how to promote the GHHWA initiated VIV (Very Important Visitor) ongoing campaign welcoming groups, retreats, conferences and visitors to the community.

Organization Committee

GHHWA monthly newsletter is distributed monthly via Constant Contact.

Email Blasts are sent as needed to inform the readership of upcoming district activities.

GHHWA distributes the monthly Art Walk newsletter, promoting the Gig Harbor Gallery Association events (First Saturday Art Walk).

Finances

Please see the Attachment C for a Profit & Loss Statement and Balance Sheet for 01/01/2011 through 03/31/2011 (Fiscal Year 2011 YTD).

B & O Tax Credit

GHHWA has been able to retain local tax monies within our community by encouraging businesses to utilize the Washington State B&O Tax credits available through the state's Main Street Incentive Program. A time-line for promotion of the B&O Tax Credit has been created by the Organization Committee.

2008 \$17,500
2009 \$24,000
2010 \$69,250

Additional Membership Revenue (not including those utilizing the Main Street Tax Credit)

2008 \$11,278
2009 \$13,334
2010 \$15,000 (see also MS Tax Credit revenue above)
2011 \$4,050.00 (YTD)

(New Members: Real Carriage Doors, JW Restaurant, Sophie's Touch; Renewing Members: Animal Crackers, Jack Sutton, Kevin Brooks State Farm Insurance, Michael Misner Attorney at Law, Arabella's Landing, Inn at Gig Harbor, Seasons on the Bay)

Training and Meetings

Training/Meetings attended by GHHWA staff, Board of Directors and Committees in 1st quarter 2011 includes:

- January 18, 2011 - Main Street Managers Meeting, Olympia, WA
- January 19, 2011 - Heritage Caucus, Olympia, WA (Main Street program spotlight)
- January 19, 2011 - In partnership with the 11 Main Street communities, co-sponsored legislative reception in Olympia to promote State Main Street Program. Spoke with Senator Derek Kilmer and Representative Jan Angel.
- January 19, 2011 - GHHWA staff and board president met with Representative Larry Seaquist re: maintaining the state Main Street program under Department of Archeology and Historic Preservation (DAHP) vs. transferring it to Department of Natural Resources.
- March 30, 2011 - Main Street Managers Program Planning Meeting
Seattle, WA
- March 31, 2011 - Washington Tourism Industry Summit
Seattle, WA

Meetings and training provided by GHHWA during 1st quarter 2011 for the Waterfront District include:

- | | |
|------------------|---|
| January 19, 2011 | Monthly Waterfront District Roundtable Meeting |
| February 9, 2011 | Monthly Waterfront District Roundtable Meeting
Small Business Development Center Guest Speaker
“Surviving the Downtown – Strategies for Small Business”
(see Attachment D for a copy of the Power Point presentation). Also attached for your reference as Attachment E are additional business assistance handouts made available at this meeting and through the GHHWA office. |
| March 23, 2011 | Monthly Waterfront District Roundtable Meeting
GHHWA invited Jerome O’Leary and Jane Hughes from Kidder Mathews, representing Peninsula Shopping Center owners, to come talk about their efforts for finding a new tenant and to discuss immediate plans for improvements. |



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Business

Vacant QFC Draws Interest From Small Grocers

Destination stores, like Trader Joe's and Metropolitan Market, may have said no to opening up in Gig Harbor, but a few smaller grocers think our town deserves a more lingering look.

By [Marci Baker \(users/marci-baker\)](#) | [Email the author \(#\)](#) | March 26, 2011

Much as they would like it, Gig Harbor residents aren't going to see [Trader Joe's \(http://www.traderjoes.com/\)](#), [Metropolitan Market \(http://www.metropolitan-market.com/\)](#) or [Whole Foods Market \(http://www.wholefoodsmarket.com/\)](#) replace the QFC on Judson Street. But there are smaller grocers currently considering the space.

That's what Kidder Mathews broker Jerome O'Leary told those who attended an open meeting of the [Gig Harbor Historic Waterfront Association \(http://www.gigharborwaterfront.org/\)](#) this week. Some 50 residents and business owners packed the downstairs of [Anthony's Restaurant \(http://gigharbor.patch.com/listings/anthony-s-restaurant\)](#) on March 23 to hear what O'Leary had to say about his firm's efforts to fill the 25,000-square-foot vacancy created by [QFC's closure \(http://gigharbor.patch.com/articles/soundview-qfc-to-close\)](#) in February.

Gig Harbor residents have been vocal in their desire to see a big-draw grocer – most notably Trader Joe's – take up residence in the downtown space. But O'Leary, who has been out shopping the site on behalf of its new owners, told the group those companies aren't interested.

"We have covered the grocery market to the best of our ability and we continue to get the same feedback. And that feedback so far is that a 25,000-square-foot grocer in this market is not viable," he said.

What looks to be more viable is a niche grocery store that would require half the space. One grocery operator has put together a proposal for a smaller store format that is currently under consideration, O'Leary said. Another that specializes in stores between 10,000 and 15,000 square feet is looking at the site as well.

Leasing to a grocer of this size would require splitting and redesigning the site as well as finding an additional tenant or two. The new owners, members of the Milgard family who took over the QFC space with their [purchase \(http://gigharbor.patch.com/articles/milgards-surface-as-owners-in-qfc-property-sale\)](#) of the Peninsula Shopping Center in January, are amenable to that.

"The ownership is all for this community and will put their resources on the table for the right kind of opportunity," said O'Leary.

The right opportunity involves attracting a quality tenant (or tenants) that suits both the needs of the community and the investment requirements of the owners.

A destination grocer could have accomplished all of that, but Kidder Mathews' efforts to attract one so far have been unsuccessful. Trader Joe's, Metropolitan Market and Whole Foods Markets were all approached, said O'Leary. They all politely said no. So did [Marlene's Grocery & Deli \(http://www.marlenesmarket-deli.com/\)](#) and [Red Apple Markets \(http://www.redapplemarkets.com/\)](#).

For most of them, the primary reason was that Gig Harbor's [population \(http://gigharbor.patch.com/articles/update-gig-harbor-sees-10-percent-increase-in-population-since-2000\)](#) – at 7,100 within city limits and 48,500 for the peninsula – is too small to generate the sales needed to support a store investment on its own.

"Trader Joe's specific response was that a store in Gig Harbor would cannibalize their other two stores in University Place and further out in the peninsula," said O'Leary. The grocer is opening up in Silverdale this summer.

Whole Foods requires a core population of at least 50,000 to draw regular customers from, he added. Gig Harbor would draw much less than that, especially given the number of competing major chain grocers in the area.

O'Leary said he spoke directly with Marlene's Grocery owner, Marlene Beadle, about coming into Gig Harbor. But she doesn't want to expand beyond her two organic food and products stores in Federal Way and Tacoma.

Harbor Greens (<http://gigharbor.patch.com/listings/harbor-greens-llc>) on Olympic Drive NW also declined the opportunity to expand, even though the owners offered to help financially as an enticement to the boutique grocer to relocate its store downtown, O'Leary said.

As a result, the search for a suitable tenant hasn't been limited to the grocery sector. "We're looking at all types of retailers," O'Leary said.

To date, these have included dollar stores as well as sellers of mattresses, supplements, auto parts and marine products.

The notion of a mattress or dollar store in downtown Gig Harbor didn't sit very well with those at the meeting, with one calling it a "major downgrade" for Gig Harbor.

"We still need that anchor that people want to come down to," added **Waters Edge Gallery & Framery** (<http://gigharbor.patch.com/listings/waters-edge-gallery-framery-inc>) owner Bill Fogarty. "They won't want to come down to a dollar market."

O'Leary cautioned that considering all options was just part of the process. Finding a grocery tenant is still the ideal choice, he said.

It's just too soon to say whether Gig Harbor can achieve that ideal or end up with something else.



<http://o2.aolcdn.com/dims-shared/dims3/PATCH/resize/600x450/http://hss-prod.hss.aol.com/hss/storage/patch/909c9696a3b92b4c8a1cb65ec9afa02c>

SEE NEXT IN BUSINESS

COMMENTS (7)

[Inge Rothig \(/users/inge-rothig\)](#)

4:00pm on Saturday, March 26, 2011 (http://gigharbor.patch.com/articles/vacant-qfc-draws-interest-from-small-grocers#comment_449356)

How about a nice eating place? Chipotle would fit the bill. Chipotle is a fast food place that serves unique healthy food. At this time, we have to drive to Federal Way to enjoy their delicious food.

Inge Rothig, Gig Harbor

[Jeanne Hampl \(/users/jeanne-hampl\)](#)

8:02am on Sunday, March 27, 2011 (http://gigharbor.patch.com/articles/vacant-qfc-draws-interest-from-small-grocers#comment_451247)

Gig Harbor needs a fabric store.

[Sandra \(/users/sandra-50\)](#)

8:36am on Sunday, March 27, 2011 (http://gigharbor.patch.com/articles/vacant-qfc-draws-interest-from-small-grocers#comment_451407)

Gig harbor needs a lot things, it really needs a grocery store in this location. Maybe it is time to open a fuel dock too (for boats).

[Lori Goff \(/users/lori-goff\)](#)

8:40am on Sunday, March 27, 2011 (http://gigharbor.patch.com/articles/vacant-qfc-draws-interest-from-small-grocers#comment_451423)

I agree a grocery store would be great. I wish the Poulsbo-based Cenrtal Market would consider it. I sent an email to their CEO so perhaps they'll be interested.

[Kris Grose \(/users/kris-grose\)](#)

12:21pm on Sunday, March 27, 2011 (http://gigharbor.patch.com/articles/vacant-qfc-draws-interest-from-small-grocers#comment_452356)

We don't have to reinvent the wheel. A comprehensive study of other like-type communities would probably find them grappling with some of the same challenges we are here. Who is using the downtown corridor? It seems that we should capitalize on our unique tourism destination and provide a dock, grocery and other logical amenities. Then build on the volume to add others as they are able to be supported.

Debbie Kleinman (/users/debbie-kleinman)

2:02pm on Sunday, March 27, 2011 (http://gigharbor.patch.com/articles/vacant-qfc-draws-interest-from-small-grocers#comment_452697)

I drive all they way to Portland for a good selection of fabrics for home decor I always have several friend willing to make the drive as well. Fabric home decor Gig Harbor sounds good to me.

Jim Anderson (/users/jim-anderson)

3:16pm on Sunday, March 27, 2011 (http://gigharbor.patch.com/articles/vacant-qfc-draws-interest-from-small-grocers#comment_452959)

what about grocery outlet?

1. Thank you for coming to the 2nd Annual "Art of Chocolate" in Gig Harbor. Please tell us with whom you attended the event.

came by myself	<u>2</u>	6.4%
I came with my spouse	<u>10</u>	32.2%
I brought my entire family	<u>5</u>	16.1%
I came with a group of friends	<u>5</u>	16.1%
Number of people in your group:	<u>9</u>	29.0%

I came with friends and family. There were 8 of us. We all had a great time.

I came with my sister who lives in Gig Harbor. We had a great time! who doesn't love chocolate??

4 two daughters, 1 granddaughter and myself

What a fun event the "Art of Chocolate" was for us. It was a great way to get a good walk in and we covered most of the participants except the very distant ones. The vendors made it fun, were cheerful and most offered treats. The best was the consignment shop with the chocolate fountain-over the top-and she was so nice. We didn't see much art but we sure had fun and hope there is another event next year...it helps the winter doldrums. Thanks!

came with a girlfriend

It was over all enjoyable, and the Bingo was fun this year. It's fun to visit the Galleries and everyone is always friendly. My only suggestion would be to maybe hand out little cellophane bags with the maps for the chocolates to enjoy later in the day.

I came with a female friend.

Came with 1 person.

I came with my Mom and my son.

2-a friend invited me to join her.

Around 14 boat group

2 - I came with my daughter

Came with one friend.

My family met up with another family, and we all enjoyed the event together.

2. Did you attend last year's 2010 "Art of Chocolate"?

Yes 8 (25.8%)

No 23 (74.1%)

3. Would you attend this event if it was held again?

Yes 29 (93.5%)

No 2 (6.4%)

4. Please tell us a little about yourself. Do you live:

Within the City of Gig Harbor	<u>7</u>	22.5%
Within the greater Gig Harbor peninsula	<u>9</u>	29.0%
Within 10 miles of Gig Harbor	<u>3</u>	9.6%
Further than 10 miles from Gig Harbor	<u>6</u>	19.3%
If further than 10 miles, where did you travel from?	<u>6</u>	19.3%

Anacortes, WA
 I live in Auburn
 Puyallup, WA
 Artondale area
 Live in Port Orchard but belong to PAL and just joined the GH Library Writers Group. I'd love to live closer and spend more time in the harbor.
 Anderson Island, WA
 Bainbridge Island
 I live in Tacoma but we are moving to the peninsula this Summer.
 NE Tacoma.
 20miles
 We live near PLU in Tacoma.
 My husband is in the Navy and we live on the Bangor Base. We are from San Diego and the community that I grew up in is quaint like Gig Harbor. We immediately fell in love with Gig Harbor!
 Tacoma

5. How did you hear about the event?

Monthly GHHWA e-newsletter	<u>2</u>	6.4%
Rack card picked up in a waterfront business	<u>7</u>	22.5%
Event poster	<u>2</u>	6.4%
Newspaper article	<u>12</u>	38.7%
Word of mouth	<u>4</u>	12.9%
Banner hanging over Harborview Drive	<u>4</u>	12.9%
Facebook	<u>1</u>	3.2%
Twitter	<u>1</u>	3.2%
Heard about the event from someone who attended last year	<u>1</u>	3.2%
Other (View all)	<u>9</u>	29.0%

Friends in Gig Harbor
 Best friend lives in Gig Harbor
 From an Association member
 AAA Magazine
 notice via regular mail
 Looked up G.H. events on line
 Friend
 friends in Gig Harbor
 One of my groups on Meetup.com

6. Did you make retail purchases in any waterfront district stores you visited during "The Art of Chocolate?"

Yes	<u>24</u>	77.4%
No	<u>7</u>	22.5%

did last year, but money is a little tighter this year. We did look though.

First time purchase-value \$35.00

No, but we came back during the following week to make a purchase

Bought from three stores

I made about \$200.00 in retail purchases.

No, but I visited some shops for the first time that I will definitely return to for shopping, and also we met a friend for lunch at Suzanne's.

We try not to buy things right away. We husband did go back on a different date to buy something he had seen during the Art Walk.

But I gained several ideas for gifts later in the year.

7. Did you eat at any of the waterfront district restaurants during "The Art of Chocolate"?

Yes	17	54.8%
No	14	45.1%

I don't remember the name. It is new. My sister knew of it. We enjoyed it.

Don't remember the name but it serves Italian right across street from the water. Very good place, Coffee only

Red Rooster (whom we found out didn't even participate.)

Spiro's

last year friends and I ate at the Tides

Red Rooster

Suzanne's Deli - love it

I can't remember the name; down behind one of the stores on the water side. We usually eat at Anthony's but they were closed for a benefit.

Spiro's

Spiro's

As I said in the previous comment, met a friend at Suzanne's Bakery

Java Clay Cafe

Red Rooster Cafe

Kelly's Cafe. It was so good!!

Tides

I can't remember the name. It was a cute little restaurant with an all day happy hour. They had a great Riesling.

8. Do you have any suggestions for improving the "Art of Chocolate" event?

I did see a few items that interested me in one or two of the participating stores during the "Art of Chocolate" event. Though I did not purchase anything during the event, I returned a few days later and bought some of these things.

I thought it was just fine the way it was.

Don't get too serious about the game! We hope there is one next year, we have told our friends about it.

Some of the shop people seemed unfriendly to me.

Work with the businesses that may need extra ideas-possibly a short handout of ideas, customer service tips, and a questionnaire for businesses that may require additional help (possibly volunteers) so that they don't feel pressured if they are busy with paying customers while the "choco-visitors" are in the store.

Perhaps you could add a few more shops. I did enjoy the event.

Love it. We will go again

Repeat it next year, please. Thanks so much!

Hold it a little later in the year when there's more of a chance for warmer weather.

No

continue to do a good job

No, it's a really fun event. Merchants are wonderful and friendly and they keep it fun by being enthusiastic. I go to stores I've never been to before.

More chocolate.

have more stores participate

No, we truly enjoyed it.

It was fun collecting the bingo numbers, etc. As for the chocolate, it just wasn't consistent in how it was presented. In a few stores it felt as if I was stealing candy, it was uncomfortable. I like the retail locations that were actually really into the whole theme and talked about the chocolate that we were sampling, not just giving it away.

No, it was done very nicely. And we discovered some good new shops of which we had not been aware.

Not really. We enjoyed it very much as it was.

nope.

I pictured a more refined chocolate festival, but, in contrast, most of the retailers had Hershey Kisses and other small, forgettable wrapped chocolates. I would have enjoyed more of a chocolate "experience" where each shop featured a particular chocolate.

Maybe having different types of chocolate at different shops. I loved the game. It's a great way to go into each shop, even shops we didn't think we would be interested in.

My only suggestion would be to have it when it's a bit warmer...

It was wonderful. We had a lot of fun!

4:03 PM

03/31/11

Accrual Basis

**Gig Harbor Historic Waterfront
Balance Sheet
As of March 31, 2011**

	<u>Mar 31, 11</u>
ASSETS	
Current Assets	
Checking/Savings	
10500 · Frontier Bank	140.42
10550 · Columbia Bank	14,817.54
10600 · Petty Cash	50.00
Total Checking/Savings	<u>15,007.96</u>
Accounts Receivable	
11000 · Accounts Receivable	8,750.00
Total Accounts Receivable	<u>8,750.00</u>
Other Current Assets	
12000 · Undeposited Funds	100.00
Total Other Current Assets	<u>100.00</u>
Total Current Assets	<u>23,857.96</u>
TOTAL ASSETS	<u><u>23,857.96</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
24000 · Payroll Liabilities	1,353.24
Total Other Current Liabilities	<u>1,353.24</u>
Total Current Liabilities	<u>1,353.24</u>
Total Liabilities	1,353.24
Equity	
32000 · Unrestricted Net Assets	20,279.25
Net Income	2,225.47
Total Equity	<u>22,504.72</u>
TOTAL LIABILITIES & EQUITY	<u><u>23,857.96</u></u>

4:06 PM
03/31/11
Accrual Basis

**Gig Harbor Historic Waterfront
Profit & Loss
March 2011**

	<u>Mar 11</u>
Ordinary Income/Expense	
Income	
43400 · Direct Public Support	
43450 · Individ, Business Contributions	950.00
Total 43400 · Direct Public Support	<u>950.00</u>
44500 · Government Grants	
44535 · City Matching Funds	
44537 · City Matching Funds	8,750.00
Total 44535 · City Matching Funds	<u>8,750.00</u>
Total 44500 · Government Grants	8,750.00
49000 · Special Events Income	
49010 · Special Events Contributions	40.00
Total 49000 · Special Events Income	<u>40.00</u>
Total Income	9,740.00
Expense	
62800 · Facilities and Equipment	
62880 · Rent	700.00
62890 · Utilities	197.67
Total 62800 · Facilities and Equipment	<u>897.67</u>
64000 · Marketing	
64020 · Printing and Copying	227.64
64080 · Internet Services	59.00
Total 64000 · Marketing	<u>286.64</u>
65000 · Operations	
65040 · Supplies	302.58
65080 · Comcast Internet Services	89.25
Total 65000 · Operations	<u>391.83</u>
66000 · Payroll Expenses	
66010 · Executive Salary	4,000.00
66020 · Executive Director Benefits	350.00
66100 · Payroll Taxes	421.49
Total 66000 · Payroll Expenses	<u>4,771.49</u>
Total Expense	<u>6,347.63</u>
Net Ordinary Income	<u>3,392.37</u>
Net Income	<u><u>3,392.37</u></u>

4:07 PM

03/31/11

Accrual Basis

**Gig Harbor Historic Waterfront
Profit & Loss
January through March 2011**

	<u>Jan - Mar 11</u>
Ordinary Income/Expense	
Income	
43400 · Direct Public Support	
43450 · Individ, Business Contributions	4,050.00
Total 43400 · Direct Public Support	4,050.00
44500 · Government Grants	
44535 · City Matching Funds	
44537 · City Matching Funds	17,500.00
Total 44535 · City Matching Funds	17,500.00
Total 44500 · Government Grants	17,500.00
49000 · Special Events Income	
49010 · Special Events Contributions	990.00
Total 49000 · Special Events Income	990.00
Total Income	22,540.00
Expense	
62800 · Facilities and Equipment	
62880 · Rent	1,400.00
62890 · Utilities	197.67
62800 · Facilities and Equipment - Other	558.97
Total 62800 · Facilities and Equipment	2,156.64
63000 · Education	
63030 · Webinars & Presentations	59.90
Total 63000 · Education	59.90
64000 · Marketing	
64020 · Printing and Copying	911.45
64040 · Supplies	95.05
64050 · Newsletter	262.32
64080 · Internet Services	208.87
64090 · Permits	130.00
64000 · Marketing - Other	550.01
Total 64000 · Marketing	2,157.70
65000 · Operations	
65040 · Supplies	376.26
65050 · Telephone, Telecommunications	410.77
65060 · Website	340.00
65080 · Comcast Internet Services	148.25
65085 · License & Permits	10.00
65095 · Business Meals	30.00
Total 65000 · Operations	1,315.28
66000 · Payroll Expenses	
66010 · Executive Salary	12,000.00
66020 · Executive Director Benefits	1,050.00
66100 · Payroll Taxes	1,263.81
Total 66000 · Payroll Expenses	14,313.81
68300 · Travel and Meetings	
68310 · Conference, Convention, Meeting	267.42
68330 · Staff Travel	43.78
Total 68300 · Travel and Meetings	311.20
Total Expense	20,314.53
Net Ordinary Income	2,225.47
Net Income	2,225.47

SURVIVING THE DOWNTURN

Strategic Small Business

WASHINGTON STATE NETWORK

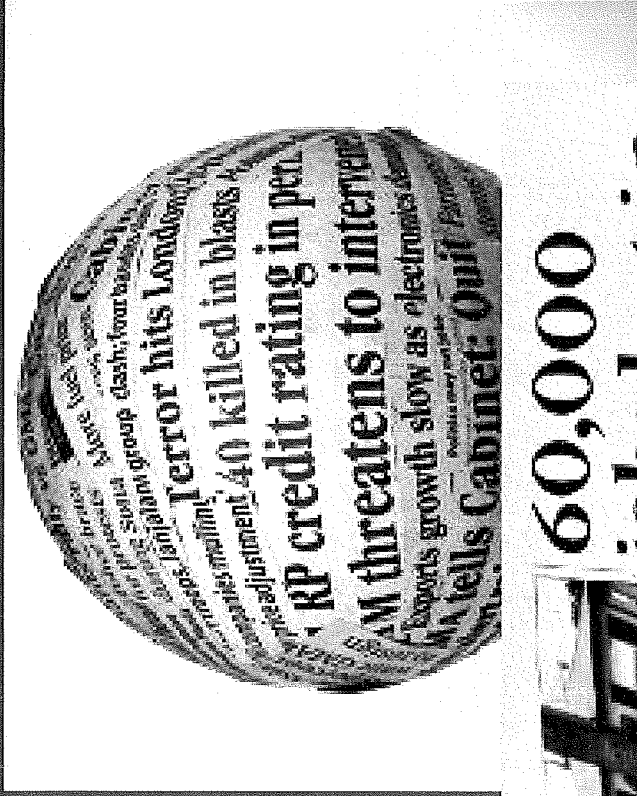


SMALL BUSINESS
DEVELOPMENT CENTERS

ELAINE JONES
BUSINESS ADVISOR
BREMERTON

It's Bad All Over

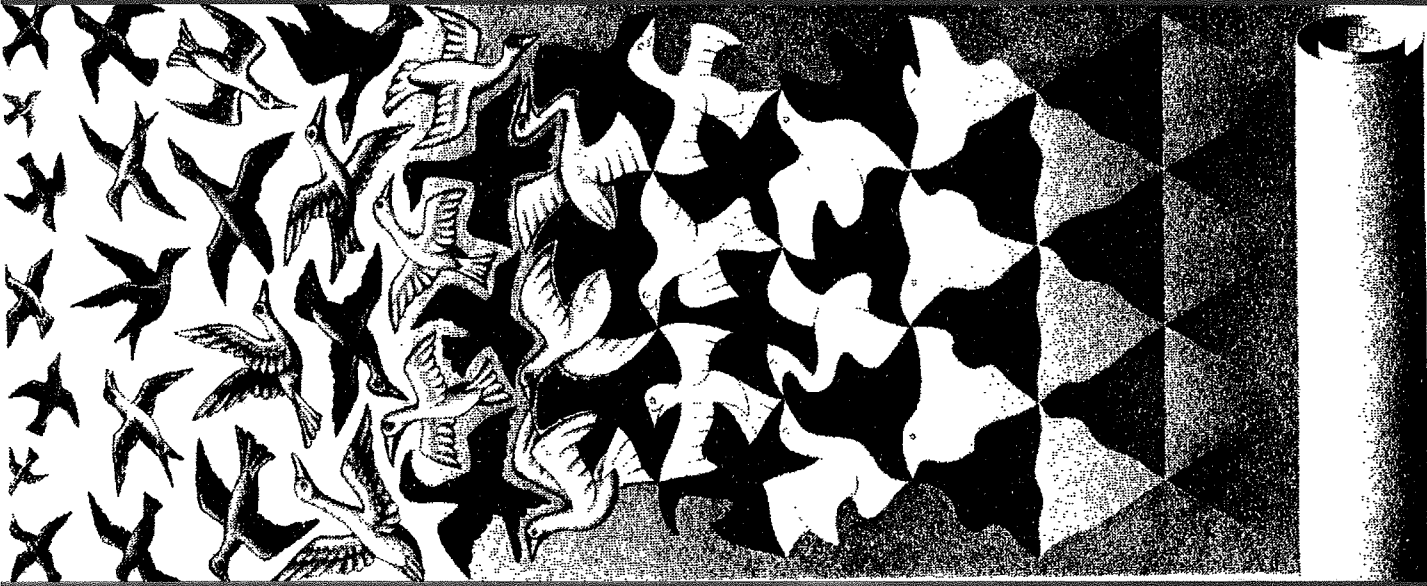
You are not alone
50% of WA builders
out of business in a
single year
Estimates of "real"
unemployment are
as high as 15%



This Was Supposed to be Fun

- ❑ Lifestyle vs. ambition
- ❑ Change happens
- ❑ Tourism down
- ❑ Confronting your values



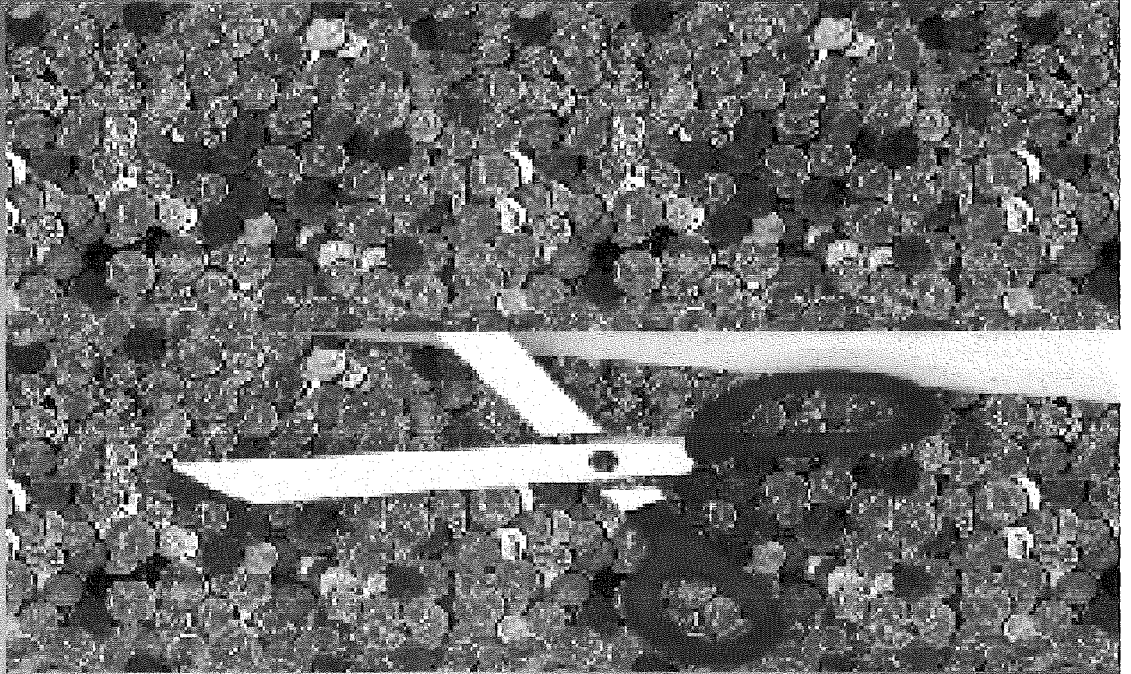


Angles of Attack

- Reduce costs
- Increase revenues
- Change of approach

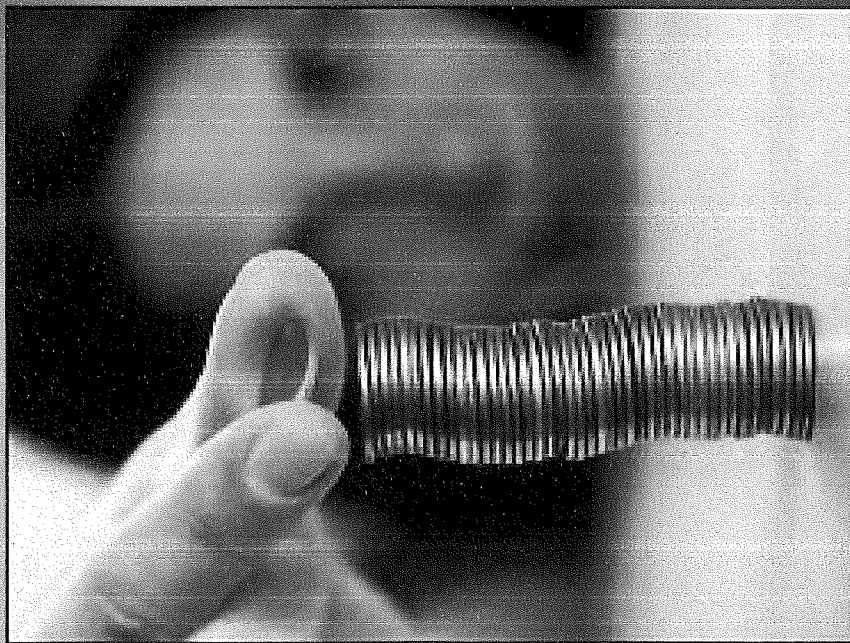
Look at every dollar coming in and every dollar going out, and every asset, benefit or advantage you have to offer

Reducing Costs



- Limit product lines
- Sell on consignment
- Collect A/R faster
- Less/more credit
- Rethink insurance (or other) payment schedules & totals
- Negotiate to vendor

Reducing Costs



Rent instead of buy?

Share others' equipment

Barter

Stop any leaks—literal
AND figurative

Track ALL costs

Reducing Costs

- Cut benefits
 - Insurance
 - Retirement
- Lay people off
 - Job sharing
 - Vacation/furlough
- Cut wages



This Was Supposed to be Fun

- There are options
- But no “no action” alternative
- Be guided by your values
- Keep thinking



Increasing Revenue

Sell inventory

Sell assets, equipment

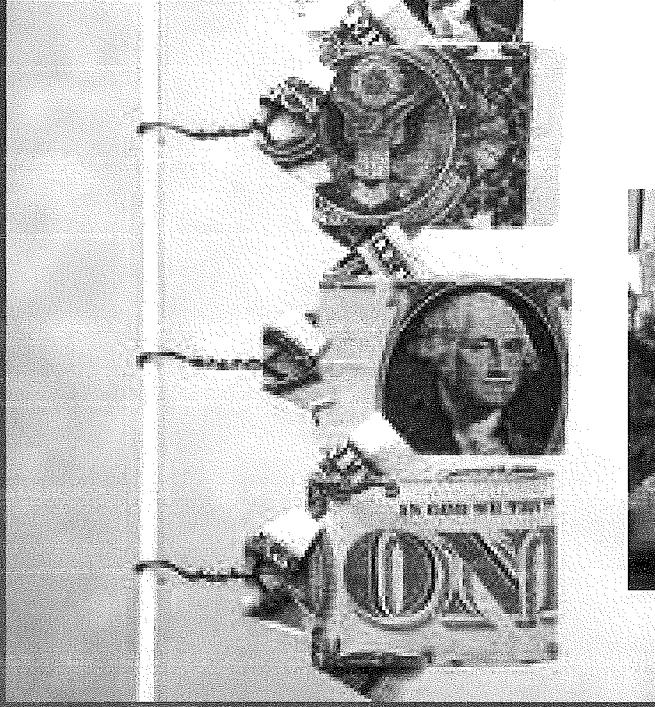
E-Bay

Craigslist

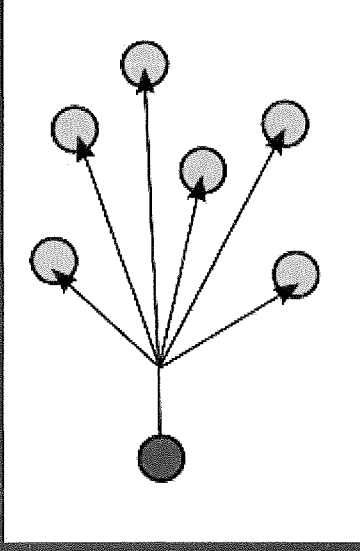
▣ Sublet space

■ “Pop-up” business

■ Meeting/class space



Increasing Revenue



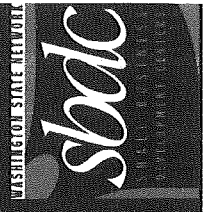
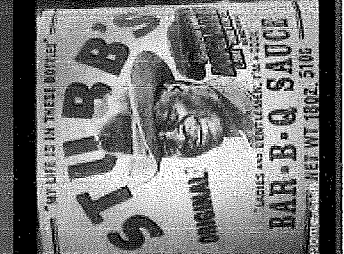
Work your customer base

Events, contests, specials

Add visibility through media/blogs

Create new products

Create new distribution channels



Increasing Revenue

Teach a class/workshop

Mine the web

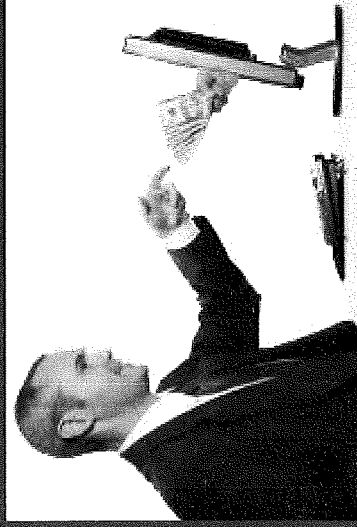
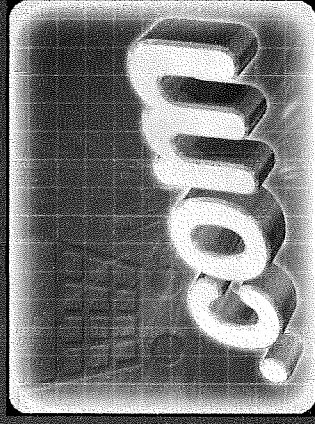
E-Commerce

Web page optimization

Key words, links

Fresh, interesting features/specials

Use free analytics to improve



Google!

Increasing Revenue

Groupon/Living Social

Timed w/partners?

Cloud funding

Kickstarter

InvestIn

Spot.us

Provide a location for a project

KICKSTARTER
A NEW WAY TO FUND & FOLLOW CREATIVELY

HOME PROJECTS FOLLOW STARTING A PROJECT

Facebook Twitter YouTube

DAILY DEALS
from **livingsocial**

50% off
Philadelphia's
Best Stuff

Get today's deal!

KICKSTARTER

Allison Weiss makes a full-length record!

195 BACKERS
\$7,711 PLEDGED OF \$2,000 GOAL

SECONDS TO GO

FUNDRAISING SUCCESS! The project successfully raised its full amount August 2

PLEDGE \$1 OR MORE Any donation above \$1 gets an update on the project.

HELP ME MAKE MY DREAMS COME TRUE
GET COOL STUFF IN RETURN

Management Approach

Temp CFO

Add a partner

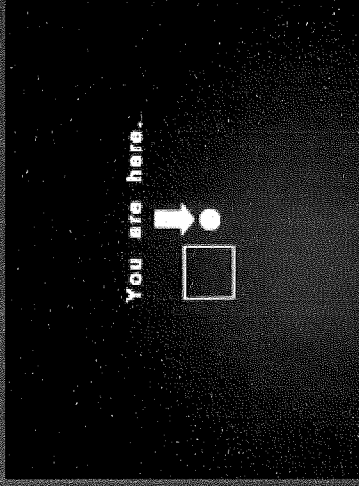
Get an intern

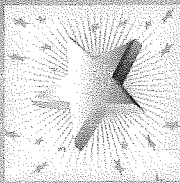
Be an MBA class project

Merge

Ask an "immigrant"

Start a radio show





Free/Almost Free Resources

Public Library
Colleges & universities

Your customers

Your suppliers

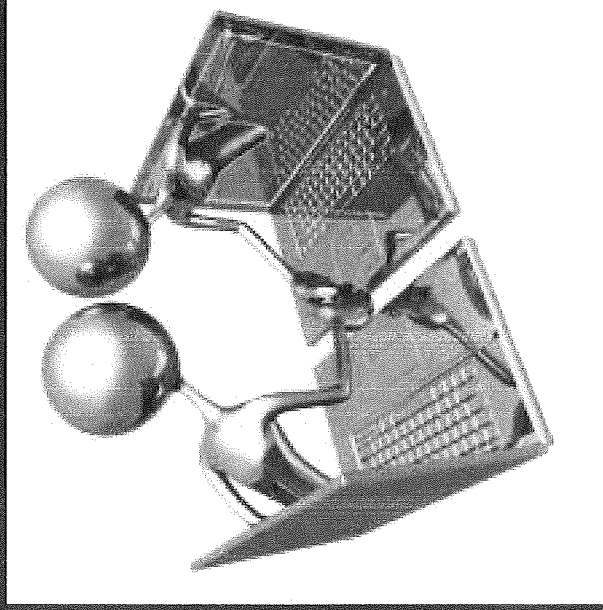
Trade associations

Workshops/classes

The Internet

You name it, it's in there

Specialty blogs and chat rooms

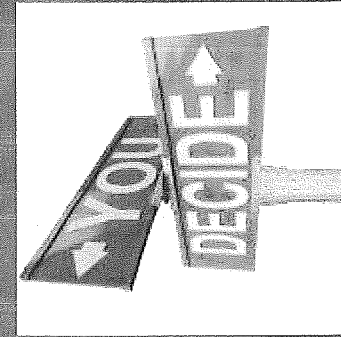
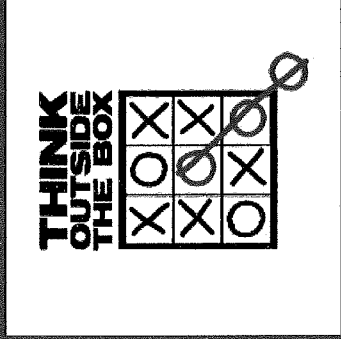


Our Network Resources

- ❑ www.wsbdc.org
- ❑ **Confidential, one-on-one, no-cost advising**
 - ❑ John Rodenberg in Tacoma at 253-680-7768
 - ❑ jrodenberg@bates.ctc.edu
 - ❑ Elaine Jones in Bremerton at 360-307-4220
 - ❑ elaine.jones@wsbdc.org
 - ❑ 24 centers statewide
- ❑ **Workshops**
- ❑ **Research**

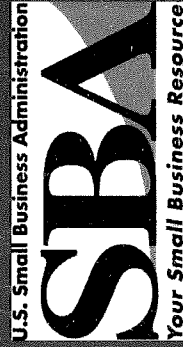
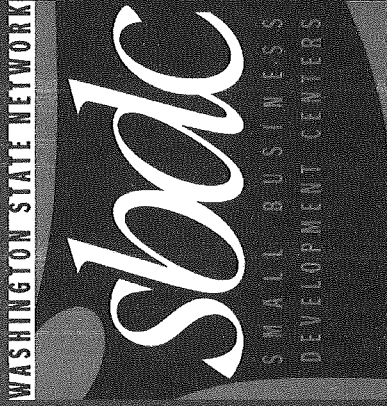
Yes You Can Survive the Downturn

- There are options
- But no “no action” alternative
- Be guided by your values
- Keep thinking



THANK YOU!!!

QUESTIONS?



The Washington SBDC is a partnership with the U.S. Small Business Administration, Washington State University's College of Business, Economics and other Washington institutions of higher learning. This development program is not an endorsement of any products or services. For more information, please contact:



“Peak Performance” Assessment & Strategies *How to Survive in a Slowing Economy*



Purpose: The economy has slowed and small businesses are being impacted. This is a practical guide designed to help a business owner assess circumstances, frame new strategies and find appropriate resources.

Quick-Assessment		Yes	No
1.	Do you have a business plan that has been updated within the last three months?		
2.	Has your business revised its performance goals to match the current environment and does it have a process to measure incremental results?		
3.	Do you have an updated marketing plan and budget tailored to the changing environment?		
4.	Do you prepare and monitor monthly financial statements (income & cash flow statements, balance sheet and aging of receivables)?		
5.	Do you know the strengths and weaknesses of your key competitors and have you adjusted your business strategy accordingly?		
6.	Do you have a process to measure customer satisfaction?		
7.	Have you considered possible strategic alliances, merger opportunities or acquisitions of competitors or their product lines?		
8.	Do you have an established process to monitor and control inventory?		
9.	Do you have and use a Customer Relationship Management (CRM) database or process to track, analyze and retain your current customers?		
10.	Have you identified the greatest potential threats to your business?		

Strategies	
Step 1.	Reality Check – Candidly answer the assessment questions above and take appropriate action to address issues receiving a “no” response.
Step 2.	Get Lean and Mean – Review current financial statements, including current accounts receivable and payables with your accountant, mentor or business coach. Identify “5” or more ways to cut costs and increase revenues.
Step 3.	Maximize Cash Flow - Review current monthly payment amounts on business leases, bank loans, credit cards and supplier terms to consider possible re-negotiation of rates and terms. Review your receivables weekly and reach-out to customers with outstanding accounts. Remember, the longer an account is past due, the less likely you are to receive payment. Be willing to offer payment plans to customers who fall behind, but make sure they stick to the agreement.
Step 4.	Look for New Opportunities – Take a step back and review the direction and forward strategies for your business in the current environment. Put things in perspective, recalibrate and explore new business opportunities created by the downturn. Specifically, look for ways to diversify and offer new products and services that can generate new revenue. Identify “5” or more new product and/or service ideas for your business.
Step 5.	Leverage Technology - Technology can serve to enable your business. Use it to track and target customers as well as to improve business efficiencies. If you don’t already have a Web presence or an eCommerce strategy, consider implementing one or both to attract customers from around the world and around the clock. Review

	several Web and eCommerce strategies used by your competitors or other businesses in your industry. Identify "5" ways you can better use technology in your business.
Step 6.	Keep & Hire Quality Employees – Your employees are valuable business assets. Keep the best, hire only quality and liberate those who are not adding value. Make sure your best employees know who they are and how much they are appreciated.
Step 7.	Provide Incredible Customer Service – If you satisfy customer needs and provide incredible customer service, you will exponentially increase the chances for your success. Identify "10" key customer service strategies and describe them on a poster where all employees can readily see them. Discuss the strategies at your next staff meeting.
Step 8.	Network – Expand your knowledge and surround yourself with knowledgeable people. Use a network of experienced advisors, mentors and business coaches to help guide your business decisions. Take a free online SBA business course today and make an appointment to talk with an SBDC, SCORE or WBC business counselor sometime during the next week.
Step 9.	Capitalize on Credit – Review your personal and business credit scores. Deal with any credit issues before they are a problem. Developing and maintaining a good credit history is important to you and your business. Good credit provides benefits regarding access to and the cost of capital.
Step 10.	Increase Marketing Efforts – Learn as much as you can about changes your customers are facing and target them with persistence and good advertising. Review multiple marketing campaigns of your competitors and other businesses. Identify "5" marketing/advertising ideas you can implement immediately.
Step 11.	Solicit New Ideas – Ask your employees, customers, mentors and others for suggestions on how you can diversify and improve your business operations.

Resources	
SBA District Offices	http://www.sba.gov/localresources/index.html
SBA: Economic Recovery	http://www.sba.gov/helpingmainstreet/index.html
Small Business Development Centers (SBDC)	http://www.sba.gov/aboutsba/sbaprograms/sbdc/sbdclocator/SBDC_LOCATOR.html
SCORE	http://www.score.org/index.html
Women's Business Centers	http://www.sba.gov/aboutsba/sbaprograms/onlinewbc/index.html
SBTN - Menu of Online Business Courses	http://www.sba.gov/services/training/onlinecourses/index.htm
Targeted Online Business Courses & Tools	
Free Online Course: <i>Finance Primer – Guide to SBA's Loan Guaranty Programs</i>	http://web.sba.gov/sbtn/registration/index.cfm?CourseId=29
Free Online Course: <i>How to Prepare a Business Plan</i>	http://web.sba.gov/sbtn/registration/index.cfm?CourseId=27
Free Online Course: <i>Marketing 101: Guide to Winning Customers</i>	http://web.sba.gov/sbtn/registration/index.cfm?CourseId=30
Free Online Course: <i>Business Opportunities: Guide to Winning Federal Contracts</i>	http://web.sba.gov/sbtn/registration/index.cfm?CourseId=25
Free Online Course: <i>How to Prepare a Loan Package</i>	http://web.sba.gov/sbtn/registration/index.cfm?CourseId=28
Automated Business Plan Template	http://web.sba.gov/busplantemplate/BizPlanStart.cfm

Small Business Training Network (SBTN)
www.sba.gov/training
 Entrepreneurial Development – Office of Entrepreneurship Education
 U.S. Small Business Administration

Business Survival Tips for a Tight Economy

Times are challenging right now for many small businesses. Increased gas prices and other rising costs have caused many owners to tighten their belts to make ends meet. While there are many obvious things to do to lower expenses, the following are some more in-depth strategies you can use to keep your bottom line looking healthy.

- **Review your inventory levels.** It's always important to keep inventory turning. During a time of slowing sales, you need to evaluate your inventory more carefully and reduce the stocking units that are not turning well. Inventory turns are expressed in two ways – days inventory (the number of days it takes you to sell your inventory) or inventory turns (the number of times you turn your inventory in a year). Do you know what your turn rate should be? Has been historically? Or what the industry average is?
- **Review/determine your company's break-even point.** Understand what level of sales is required to stay profitable.
- **Analyze your customers.** Take a close look at your customer segments, and make sure you understand why they purchase from you. Segmenting can be done in several ways. For instance, you can use volume of sales; type of customer, such as purchase location (retail/wholesale/internet); type of buyer (commercial/government/personal); or by buyer demographics (educated/family status/residence location).

Then you can analyze your various segments to determine what product/service features are important when customers make purchase decisions, which segment provides the best margins and/or greatest volume for your business and other identifying features.

- **Watch what the big boys are doing.** They have big dollars to spend on marketing and monitoring the market place. For instance, consider all of the value meals that have been developed by the restaurant industry, all of which are targeted at budget-conscious consumers. Another strategy the big players in the market are utilizing is to cooperatively market. For instance, if you buy a meal at some restaurants, you get free DVDs, toys or other added values. Consider what you can do to make customers feel they are getting more for their money.
- **Encourage/promote a "buy locally" strategy in your community.** People do not want to travel to make their purchases, so as a local business, you may be able to capitalize on high fuel costs and the convenience you offer. Even though times are tough, now may not be the time to cut back on your advertising/marketing efforts in the local market. Remind people that buying from you saves fuel and postage costs.
- **Take positive actions and maintain a positive attitude.** People want to buy from a winner, so act like a winner! Do a little market research and be ready to identify and capitalize on potential opportunities. A colleague shared recently that he talked to a restaurant owner whose business has actually been increasing due to the fact that he's taking advantage of a competitor/s cutbacks; offering more customer friendly hours (opening two hours earlier by customer request); offering friendly and personalized service (reintroducing big coffee cups and small ups again by customer request); and is actively combating any negative word of mouth in the local marketplace.

- **Don't be so focused on cutting costs that you forget about trying to increase sales (while keeping costs the same).** Consider charging something for products or services that are currently provided at no cost. Increase prices, and try to sell more to existing customers instead of constantly prospecting for new ones.
- **Look for ways to maximize the power of referral** within and to your business.
- **Make efforts to reduce the amount of time it takes to collect payment from customers.** The most important key to getting paid on time is to be clear about the work that was done, how much should be paid and by when.
 - Add a bold **due date** to your invoice.
 - Call to make sure the customer got the invoice.
 - Don't wait until the payment is overdue; start collection efforts immediately.
 - Make certain all customer service efforts are addressed immediately so that they won't later be used as an excuse for withholding payment.
- **Contact your Accountant to identify potential tax breaks that may have been forgotten or overlooked.** Some may still provide some financial relief:
 - You may deduct up to \$250,000 for purchases of major equipment, including computers, non-customized computer software, office furniture and machinery.
 - If business this year is truly bad and you are going to lose money, you may consider carrying back this loss in order to get a refund of taxes paid in prior years. A net operating loss deduction can generally be carried back to each of the two preceding tax years to offset taxable income in those years.
 - Tax law also continues to provide generous incentives for small business owners. Self-employed individuals can generally deduct 100 percent of the cost of their health insurance (up to the amount of their earned income).
- **Refinance.** Check into potential debt refinancing options to determine if there are lower interest rates or other options available.
- **Take the opportunity to do some of the things you never seem to have time to do when business is booming.** Engage in some strategic planning and/or market analysis to identify your best options for the future. Spruce up the business, or update employee manuals. Do some research on your competition. Build relationships with former and existing customers. Make good use of the time, and you'll be ready to face the future.

For help or more information on remaining competitive during challenging economic times, consult with your local SBDC.

Sustaining Your Business in Challenging Times ~ Controlling Your Cash Flow ~

I. RE-EXAMINE YOUR BUSINESS

a. Analyze

- i. What business are you in?
- ii. What products or services do you offer?
- iii. What do you do best?
- iv. What should you focus on?
- v. Look at your business from your customers view

b. Profit margins per segment, department or product

- i. Check your margins for each product separately; look for products that aren't profitable and rob profits from others
- ii. Get rid of unprofitable segments, departments or products; clean house - they take time and money away from your business and affect your customers' view of your business.
- iii. Review employee structure - consider cutting hours or jobs; hard to do, but sometimes necessary for your business' survival
- iv. Use roving CFO's and temporary help as an alternative to full-time or part-time help you would have to pay regularly even during slow times

II. CASH FLOW ANALYSIS

- a. **Prepare a cash flow projection** - monthly revenue and expenses for one year; use it as a budget and cash flow analysis tool
- b. **Compare estimates vs. actual at least monthly** - compare revenues and expenses at least once a month. Look for deviations and ask "why?"; determine explanations
- c. **Symptoms vs. causes** - cash shortage is a symptom - you need to find what is causing the shortfall: could be waste, overspending, reduced sales, margins off, unexpected bills, etc.

III. MARKETING

- a. **Reassess your market** - markets are changing, are you?
- b. **Concentrate on what you do best** - don't try to be everything to everyone - it wears you out and confuses your customers' view of your business
- c. **Be customer sensitive** - are you supplying your customers needs or your own?

IV. PRICING

- a. **Investigate customer sensitivity** - quality, availability, service, etc. all affect why customers buy; price is not always most important; price also effects your customers' view of your product or service; pricing too low may make your product appear to be of lesser quality
- b. **Competition** - examine your competition closely; do they have faster service or better quality?

- c. **Reduce production costs** - reducing production and overhead costs helps you charge less and still make your margins
 - i. Examine expenses carefully - look for costs you can reduce, shop around for insurance, employee benefits, supplies (waste), etc.
 - ii. Examine vendors - analyze price, credit terms and service
 - iii. Check margins - be sure your sales price covers your costs

V. PURCHASING - Buy smarter

- a. **Use cash discounts** - some businesses offer substantial discounts if you pay cash when you purchase; *do this only if your cash flow allows*; if discounts require minimum purchases, consider sharing orders with other businesses
- b. **Purchase only as needed** - avoid purchasing huge amounts; large bills follow large purchases and tie up cash
- c. **Avoid building unnecessary inventory** - It costs money in storage charges and lost interest to keep excessive goods on hand; ties up cash while you wait to sell
- d. **Remember competitive market** - Look again at your suppliers: Are they competitively priced? Do they offer discounts? Analyze their credit policies; the "old" suppliers you've always had may not be the best for your business
- e. **Use trade credit** - don't borrow money when you can get it free; 30 days to pay is 30 days of free credit; pay suppliers that don't charge interest last; plan the timing of purchases - if you purchase on the billing date, you get 30 days before your bill comes, and then another 30 days to pay
- f. **Examine your bank's terms and charges** - review bank service charges and interest rates for checking and savings accounts
- g. **Use credit cards** - *Consider this option carefully!* Credit cards allow 30 days of free credit if you pay on time; don't be late - credit card interest is high

VI. PAYMENTS - Accounts Payable

- a. **Use early payment discounts** - pay up promptly to take advantage of discounts if your cash flow allows
- b. **Pay when due** - bills with terms 30 days should be paid when due, not early; keep your cash for interest and your own cash flow
- c. **Talk to creditors** - if you have to pay late, be sure to talk to your creditors and honestly explain your situation and when payment will be made
- d. **Pay everyone "a little"** - if you have to budget payments, give each creditor something instead of paying one at a time in full; this keeps everyone happy and gives you more control, tell them how much you can pay and when, and pay on time - if you can't, be sure to call and explain
- e. **Pay bank loans and IRS first** - they can close you down!
- f. **Pay creditors you need the most or who can hurt you the most next** - future deliveries you need, who charges interest, or who will just drive you crazy

VII. BILLING

- a. **Reassess billing procedures**
 - i. Bill more often - bill when you deliver your product, bi-weekly, or at least monthly;

- ii. Bill regularly - customers appreciate a regular billing so they can pay several small bills rather than one large one
 - iii. Consider deposits upfront for large contracts and a regular payment schedule thereafter
- b. **Check that terms are clearly printed** - Customers need to know when you expect them to pay in order to cooperate

VIII. CREDIT ACCOUNTS - Aggressively Collect Accounts Receivable

- a. **Offer discounts** - encourages early payment (ex: 2% 10 days); helps cash flow to receive payment sooner, but don't offer discounts that you can't afford
- b. **Charge interest** - customers will pay a bill with a service charge after 30 days before one without a service charge
- c. **Call and visit overdue accounts** - customers respect a business that collects aggressively
 - i. Call as soon as bill is overdue; ask for specific payment date and call immediately if not paid on time
 - ii. Keep a record of your correspondence with your customer
 - iii. Visit if necessary to collect
 - iv. Use certified mail
- d. **Use collection services** - small claims court and collection agencies can help you collect when all else fails. Don't pay a service to try to collect hopeless account.
- e. **Review credit granting criteria**
 - i. Be more selective with customers allowed to pay on credit
 - ii. Be a little stingier with how much credit you extend
 - iii. Consider credit cards as an alternative

IX. FIXED ASSETS

- a. **Never purchase fixed assets with working capital**
 - i. Do not pay long-term purchases with short-term cash; instead, apply for a loan
 - ii. Use short-term financing for short-term needs and long-term financing for long-term needs
- b. **Purchase only absolute musts** - Purchase only what you have to and what will be most cost-effective; this is no time to take risks
- c. **Sell assets you don't or rarely use** - get rid of equipment you don't need to provide some additional cash
- d. **Make better use of real estate** - review your space requirements; make better use of your space; consider sub-leasing
- e. **Consider leasing assets** -
 - i. Sometimes more cost-effective than buying
 - ii. A true lease is deductible in full as you make payments
 - iii. Consider leasing assets that don't hold their value or will be obsolete at the end of a lease term

X. OTHER HINTS

- a. **Deposit cash collections regularly** - Deposit cash as soon as you receive it; it can take several days before it clears the bank so you can use it
- b. **Talk to your bank**
 - i. Build a professional relationship with your lender
 - ii. Communicate before you get into trouble
 - iii. Be honest
- c. **Don't wait too long before you ask for help** - you risk losing your options
- d. **Pay taxes on time**
 - i. Consider putting your payroll taxes (& Rooms & Meal taxes) into a savings account weekly until due
 - ii. Beware heavy duty penalties and interest - penalties and interest are wasted cash; you can borrow for less and pay on time
- e. **Don't use the IRS as a lending institution**
 - i. Interest rates too high
 - ii. Not a long-term lender
 - iii. Cannot trust the IRS's long-term cooperation
- f. **Don't pay loans off early** - unless you are sure you won't need the money late
 - i. It is difficult to re-borrow
 - ii. If you must pay early, watch for early payment penalties and first pay off loans that charge the highest rate of interest
- g. **Work together and keep a positive attitude** - Your competition can be one of your best resources to share purchases, learn from mistakes and help market your area as one people would like to visit and shop in

Where Have All the Customers Gone?

Some small business owners may be wondering if the current economic crisis is causing consumers to be more conservative in their spending, explaining the recent dip in sales.

Although the current economic crisis may be a cause, Kathy Macomber, a business development specialist with University of Missouri Extension, says business owners should also consider the increasing impact of the Internet.

"Whether or not you have a Web site or market online, your customers are using the Internet for shopping, price comparisons and stock availability," says Macomber.

Nielson Online conducted a survey in November 2008 which showed the Top 10 Reasons to Shop Online. The number one reason was the ability to shop 24 hours a day. The number two reason was to "save time" and third was to "avoid crowds" followed closely by "saves gas."

Other top reasons included "sales/discounts," "low prices," "comparison shopping," "selection," "available product information," and "items in stock."

"To learn what your potential customer learns about your business, consider using a search engine on your company name. Even if you don't have a Web site, you will likely see a map link and quite possibly some customer reviews of your store and products," says Macomber.

She recommends reading any reviews and comments. If there is misinformation, add your own comments correcting the errors. Do not be defensive or critical, and thoughtfully consider whether there are changes you could make to prevent the continued misperception.

"It is also a good idea to take a look at your top ten products and services. Then do a search on them to see what your customers are finding for price comparisons. Your loyal customers may take you off their shopping list before you ever knew you were on," says Macomber.

When looking at the combined price and shipping costs, is your pricing attractive? Do you add sufficient value, through customer service and knowledgeable staff to justify a higher price?

One simple and inexpensive way to establish a Web presence is to create a blog (i.e. weblog). There are many free services, such as blogger or blogspot with simple templates. Do a search on blogs and read a few to get a flavor for the frequency of posts and the quality of information.

"Blogs should not be a solicitation or advertising, but can demonstrate your expertise and can subtly communicate information on your business. Providing information consumers value and building a reputation as an expert in your area can build readership," explains Macomber.

Macomber also says to not underestimate the simple strategy of surveying customers informally as they visit your business, or more formally with direct mail or email.

"Are they spending less with you than they historically have? What would it take to earn more of their business? The top ten list is a good start for the questions to ask in order to understand what your customers value most," Macomber notes.

Source: Missouri Small Business and Technology Development Center

Tried and true, or tired and through

by Doug Fleener, Dynamic Experiences Group

February 8, 2011

"Excellent firms don't believe in excellence - only in constant improvement and constant change."
- Tom Peters

I was talking with a retailer yesterday who discussed with me all of the changes and decisions she needs to make concerning her stores, including investing in new fixtures, new brands, expanding her lines, and her staff.

Are you thinking that this retailer's business must be down? Far from it, she's coming off a record year. Even so, here she is talking about all the changes she needs to make to keep her store fresh and relevant to her customers.

This is one of the differences I see between extraordinary retailers and average ones. **Extraordinary retailers are driven to keep improving and upgrading their physical store and product lines regardless of their sales success.** Then again, this approach is what makes them more successful.

Success is often a business's worst enemy. **Year after year a successful company keeps doing the tried and true, but fails to realize that they're slowly slipping down to tired and through.**

Here are some things to consider to improving on the tried and true before it becomes tired and through:

1. Are your top products and brands still relevant to your customers? This may sound pretty basic, but there were a lot of typewriter repair shops that lost a lot of money trying to hang on. Remember, it's always easier to adjust your products and brands for your customers than it is to find new customers for your products and brands.

2. Do you invest in new ways to display your key brands? None of us like to spend money on walls and fixtures, but if a product line is key to our success then we can't afford to let its importance being overshadowed by worn or dated fixtures surrounding it.

New products on old and tired fixtures are like putting a mini-skirt on grandma. (Sorry, I guess I'm still freaked out by Joan Rivers as the new GoDaddy girl.) The point is that you have to invest in new fixtures from time to time or you'll pay a much higher price down the road.

3. Are you testing and bringing in new categories and lines to evolve your tried and true? As a business matures it does risk becoming, dare I say, boring? Some stores bring in the same product year after year with just slight iterations, and then owners/managers can't figure out why sales are stalled and traffic is dropping. Always be thinking about what else you can sell to your current customer base. There's usually more opportunity around us than we realize. We just need to create it.

4. Do you update your store before it needs it? I was recently in a jewelry store whose carpet was so worn it was an embarrassment. I'm sure that over the last couple of years the company management has felt they couldn't afford to replace it in such a difficult retail environment. I say they can't afford *not* to change it. If you've been thinking for a while now that you need to repaint, replace, or update something in your store, chances are you should have already done it.

5. Do you keep growing and developing your staff so they don't drift from tried and true to tired and through? Complacency is a business killer that causes missed sales and lost customers. Tried and true employees are good, but a challenged and growing tried and true team will always outperform the competition.

So let me ask, are you always improving your tried and true?

Doug

PROCLAMATION OF THE MAYOR OF THE CITY OF GIG HARBOR

WHEREAS, parks, playgrounds, nature trails, open spaces, community and cultural centers, and historic sites make a community attractive and desirable places to live, work, play and visit to contribute to our ongoing economic vitality; and

WHEREAS, parks are a place where people can reflect, re-energize or socialize; a place where everyone is welcome; and a place that builds community; and

WHEREAS, parks, greenways and open spaces provide a welcome respite from our fast paced, high-tech lifestyles while protecting and preserving our natural environment; and

WHEREAS, numerous jurisdictions, cities and organizations have joined together to create an event that encourages citizens to celebrate the value and enhanced quality of life that parks bring to our communities; and

WHEREAS, many businesses, benefactors, organizations and donors have provided sponsorships and donations to support this event that will bring citizens together to support their local parks; and

WHEREAS, hundreds of people of all ages have pledged to volunteer their time to clean-up and beautify parks and open space throughout Gig Harbor and Pierce County on Saturday, April 24, 2010;

NOW, THEREFORE, I, Charles L. Hunter, Mayor of the City of Gig Harbor, hereby designate April 16, 2011, as

PARKS APPRECIATION DAY

and encourage all citizens to celebrate by participating in this event and visiting their local parks and other regional parks throughout Pierce County.

Chuck Hunter, Mayor

Date



NOTICE OF LIQUOR LICENSE APPLICATION

DRL

WASHINGTON STATE LIQUOR CONTROL BOARD
License Division - 3000 Pacific, P.O. Box 43075
Olympia, WA 98504-3075
Customer Service: (360) 664-1600
Fax: (360) 753-2710
Website: www.liq.wa.gov

DATE: 3/24/11

TO: MOLLY TOWSLEE, CITY CLERK
RE: NEW APPLICATION

UBI: 273-001-184-001-0001

License: 407814 - 1U County: 27
Tradename: GIG HARBOR REXALL PHARMACY
Loc Addr: 3114 JUDSON AVE WA 98335-1222
GIG HARBOR
Mail Addr: PO BOX 406 WA 98335-0406
GIG HARBOR
Phone No.: 253-851-9411 KEN TALLMAN

APPLICANTS:

GIG HARBOR PHARMACY, INC.
TALLMAN, KENNETH LOUIS 1954-12-24
TALLMAN, JONI RAE 1953-07-06
THRASH, GLENNA 1911-04-27

Privileges Applied For:
GROCERY STORE - BEER/WINE

As required by RCW 66.24.010(8), the Liquor Control Board is notifying you that the above has applied for a liquor license. You have 20 days from the date of this notice to give your input on this application. If we do not receive this notice back within 20 days, we will assume you have no objection to the issuance of the license. If you need additional time to respond, you must submit a written request for an extension of up to 20 days, with the reason(s) you need more time. If you need information on SSN, contact our CHRI Desk at (360) 664-1724.

- 1. Do you approve of applicant?
2. Do you approve of location?
3. If you disapprove and the Board contemplates issuing a license, do you wish to request an adjudicative hearing before final action is taken?
4. If you disapprove, per RCW 66.24.010(8) you MUST attach a letter to the Board detailing the reason(s) for the objection and a statement of all facts on which your objection(s) are based.

DATE

SIGNATURE OF MAYOR, CITY MANAGER, COUNTY COMMISSIONERS OR DESIGNEE

WASHINGTON STATE LIQUOR CONTROL BOARD-License Services
3000 Pacific Ave SE - P O Box 43075
Olympia WA 98504-3075

TO: MAYOR OF GIG HARBOR

March 25, 2011

SPECIAL OCCASION # 092720

CHAMBER OF COMMERCE-GIG HARBOR
3311 HARBORVIEW
GIG HARBOR WA 98335

DATE: JUNE 5, 2011

TIME: NOON TO 8 PM

PLACE: ENCLOSED AREA, PARKING LOT, 3212 HARBORVIEW DR, GIG HARBOR

CONTACT: WARREN ZIMMERMAN

253-851-6865

SPECIAL OCCASION LICENSES

- * License to sell beer on a specified date for consumption at specific place.
- * License to sell wine on a specific date for consumption at a specific place.
- * Beer/Wine in unopened bottle or package in limited quantity for off premises consumption.
- * Spirituous liquor by the individual glass for consumption at a specific place.

If return of this notice is not received in this office within 20 days from the above date, we will assume you have no objection to the issuance of the license. If additional time is required please advise.

1. Do you approve of applicant? YES NO
2. Do you approve of location? YES NO
3. If you disapprove and the Board contemplates issuing a license, do you want a hearing before final action is taken? YES NO

<u>OPTIONAL CHECK LIST</u>	<u>EXPLANATION</u>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
LAW ENFORCEMENT	_____	YES <input type="checkbox"/>	NO <input type="checkbox"/>
HEALTH & SANITATION	_____	YES <input type="checkbox"/>	NO <input type="checkbox"/>
FIRE, BUILDING, ZONING	_____	YES <input type="checkbox"/>	NO <input type="checkbox"/>
OTHER:	_____	YES <input type="checkbox"/>	NO <input type="checkbox"/>

If you have indicated disapproval of the applicant, location or both, please submit a statement of all facts upon which such objections are based.

DATE SIGNATURE OF MAYOR, CITY MANAGER, COUNTY COMMISSIONERS OR DESIGNEE



**Business of the City Council
City of Gig Harbor, WA**

Subject: Agreement Tacoma-Pierce County Health Department – 2011 Natural Yard Care Workshops

Proposed Council Action: Authorize the Mayor to execute the Interagency Agreement Tacoma-Pierce County Health Department – 2011 Natural Yard Care for the amount of \$6,000.

Dept. Origin: Public Works/Engineering

Prepared by: Wayne Matthews *WPM*
Engineering Technician

For Agenda of: April 11, 2011

Exhibits: Tacoma-Pierce County Health Department Interagency Agreement

	Initial & Date
Concurred by Mayor:	<u>CLH 4/5/11</u>
Approved by City Administrator:	<u>ABK</u>
Approved as to form by City Atty:	<u>AB via email</u>
Approved by Finance Director:	<u>DD 4/5/11</u>
Approved by Department Head:	<u>4/4/11</u>

Expenditure Required	\$6,000 (Grant Funded)	Amount Budgeted	See Fiscal Below	Appropriation Required	0
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INFORMATION/BACKGROUND

One of the requirements under the City's current NPDES permit is for the City to provide an active public education and outreach component. The City has offered the Natural Yard Care Workshops to the public which have been well attended. The attached Interagency Agreement with Tacoma-Pierce County Health Department (TPCHD) will continue these workshops.

The 2010 Natural Yard Care Workshops averaged 63 in attendance at each workshop. The Gig Harbor workshop has continually attracted the highest attendance of any of the Natural Yard Care Workshops in Pierce County. The workshops have specialist guest speakers with power point presentations and hands-on activities.

Included is survey documentation on the effectiveness of the workshops and attendees applying what they learn in their home landscaping care through a follow up survey. Such records would be submitted to Ecology in the NPDES Stormwater Permit annual report.

FISCAL CONSIDERATION

The TPCHD Ecology Grant that supported the Natural Yard Care Workshops program ended last year. This year without the Ecology grant funding, TPCHD asks for the monetary support from the host jurisdictions.

The average cost per workshop has not changed significantly over the past two years, only the source of funding. The average cost per attendee has decreased as enrollment to the workshops have increased. The cost per attendee to TPCHD was approximately \$32 for each Gig Harbor Natural Yard Care Workshop in 2010.

To continue to offer the Natural Yard Care Workshops, TPCHD provides an Interagency Agreement to the host jurisdiction. The agreement states the goals, activities, outputs, schedule, and the deliverables to be provided. The Interagency Agreement covers the expense to TPCHD for their work on the project.

The Natural Yard Care Workshops project cost of \$6,000 will be 100% reimbursed by the Gig Harbor Stormwater Pass Through grant from Ecology.

BOARD OR COMMITTEE RECOMMENDATION

The Interagency Agreement Tacoma-Pierce County Health Department – 2011 Natural Yard Care was reviewed at the Operations and Public Projects Committee Meeting held on February 17, 2011 and committee members present were supportive of continuing these workshops with the understanding that this expense would be fully reimbursed by the Ecology Pass Through grant.

RECOMMENDATION/MOTION

Move to: Authorize the execution of the Interagency Agreement Tacoma-Pierce County Health Department – 2011 Natural Yard Care for the amount of \$6,000.



Subject: Resolution to designate Skansie Brothers Park on the Gig Harbor Register of Historic Places

Proposed Council Action: Approve Resolution No. 859 Designating Skansie Brothers Park for Inclusion on the Gig Harbor Register of Historic Places

Dept. Origin: Administration

Prepared by: Lita Dawn Stanton *AS*
Historic Preservation Coordinator

For Agenda of: April 11, 2011

Exhibits: Resolution 859

Initial & Date

Concurred by Mayor: CLH 4/5/11
Approved by City Administrator: PK
Approved as to form by City Atty: ok-email
Approved by Finance Director: DR 4/5/11
Approved by Department Head: _____

Expenditure	Amount	Appropriation
Required \$ -0-	Budgeted \$ -0-	Required \$ -0-

INFORMATION / BACKGROUND

In 2005, the City adopted Historic Preservation Chapter 17.97 to provide for the identification, evaluation, designation and protection of designated historic resources within the boundaries of the City. The City's Master Shoreline Program also recognizes the importance of preserving the physical, aesthetic and social components of the City's waterfront history by identifying the significance of the our maritime heritage. The U.S. Department of the Interior defines "District" as a significant concentration, linkage, or continuity of sites, buildings, structures, or objects united historically or aesthetically by plan or physical development. The historic **Skansie Netshed and House Historic District** meets five of eleven eligibility criteria as established by the Secretary of the Interiors Standards and Guidelines used to qualify for the Gig Harbor Register of Historic Places.

FISCAL CONSIDERATION

none

BOARD OR COMMITTEE RECOMMENDATION

On March 24, 2011, the Design Review Board reviewed the Skansie Netshed and House District application and unanimously recommended that it be added to the Gig Harbor Register of Historic Places.

RECOMMENDATION / MOTION

Move to: Approve Resolution No. 859 Designating Skansie Brothers Park for Inclusion on the Gig Harbor Register of Historic Places.

RESOLUTION NO. 859

A RESOLUTION OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO HISTORIC PRESERVATION, DESIGNATING SKANSIE BROTHER PARK FOR INCLUSION IN THE CITY'S REGISTER OF HISTORIC PLACES, IMPOSING CONTROLS UPON SKANISIE BROTHERS PARK, UNDER CHAPTER 17.97 OF THE GIG HARBOR MUNICIPAL CODE.

WHEREAS, the City of Gig Harbor is the owner of record of the historic site known as Skansie Brothers Park located at 3207 Harborview Drive in Gig Harbor, Washington, ASSESSOR'S PARCEL NUMBER 0221082232; and

WHEREAS, on February 23, 2011, the City of Gig Harbor requested that the property be added to the City's Register of Historic Places; and

WHEREAS the Historic Preservation Code, Chapter 17.97 of the Gig Harbor Municipal Code, establishes a procedure for the designation and preservation of structures, objects and areas having historical, cultural, architectural, archaeological engineering or geographic importance; and

WHEREAS, pursuant to GHMC Section 17.97.040(B)(3), the Design Review Board of the City, after a public meeting on March 24, 2011, voted to recommend approval of the nomination of the Skansie Netshed and House located on the property described below as a historic district, has transmitted its decision to the City Council for consideration, and has recommended that the same be approved by the City Council; and

WHEREAS it appears that the structures located on the property are an outstanding example of the City's cultural, artistic, social, architectural, and historic heritage; and

WHEREAS such designation would safeguard the heritage of the City as represented by those structures which reflect significant elements of the city's history to foster civic and neighborhood pride in the beauty and accomplishments of the past; provide a sense of identity based on the city's history; stabilize and improve the aesthetic and economic viability of the site; enhance the City's attraction of tourists and visitors; and promote the use of the historic buildings for education and cultural stimulation; and

WHEREAS, The U.S. Department of the Interior defines "District" as a significant concentration, linkage, or continuity of sites, buildings, structures, or objects united historically or aesthetically by plan or physical development; and

WHEREAS, based upon said findings, the City Council believes that it would be in the best interest of the City to so designate the property described below as the Skansie Netshed & House Historic District and place it on the Gig Harbor Register of Historic Places;

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GIG HARBOR:

Section 1. Designation. Pursuant to the provisions of Chapter 17.97 of the Gig Harbor Municipal Code, the Council of the City of Gig Harbor hereby approves the designation of the following property as a historic place and places said property on the Gig Harbor Register of Historic Places:

SKANSIE NETSHED AND HOUSE HISTORIC DISTRICT

The real property is located at 3207 Harborview Drive, Gig Harbor, Washington 98335, Assessor Parcel Number 0221082232 shown on attached Exhibit "A",

and legally described as:

Section 08 Township 21 Range 02 Quarter 21 PARCEL A DBLR 2004-06-02-5005 DESC AS FOLL COM AT NW COR SEC 8 TH S 88 DEG 18 MIN 20 SEC E ALG NLY LI SD SEC 1797.63 FT TO INTER OF ROSEDALE ST NW & HARBORVIEW DR NW TH S 88 DEG 18 MIN 46 SEC E 35.31 FT TO ELY R/W & POB TH N 30 DEG 08 MIN 34 SEC W 20.70 FT TH N 28 DEG 30 MIN 24 SEC W 12.52 FT TH N 37 DEG 22 MIN 14 SEC E 176.57 FT TH S 52 DEG 37 MIN 46 SEC E 60 FT TH S 37 DEG 22 MIN 14 SEC W 59.5 FT TO GOVT ML TH S 33 DEG 38 MIN 46 SEC E 108.49 FT TO MEANDER COR BET SECS 8 & 5 TH S 68 DEG 56 MIN 21 SEC E 149.27 FT TH S 34 DEG 03 MIN 39 SEC W 257.22 FT TH N 30 DEG 08 MIN 34 SEC W 313.96 FT TO POB TOG/W 2ND CL TDLDS ABUTT COMB OF 2-020, 2-019, 02-21-05-3120 & 765000-011-0 SEG 2005-1190BL 01-26-05BL

Situate in the City of Gig Harbor, County of Pierce, State of Washington; based upon satisfaction of the following standards of GHMC 17.97.040, the property:

1. Is associated with events that have made a significant contribution to the broad patterns of national, state or local history;
2. Embodies the distinctive architectural characteristics of a type, period, style, or method of design or construction, or represents a significant and distinguishable entity whose components may lack individual distinction;
3. Exemplifies or reflects special elements of the city's cultural, special, economic, political, aesthetic, engineering, or architectural history.
4. Is associated with the lives of persons significant in national, state or local history.
5. Is a creative and unique example of folk architecture and design created by persons not formally trained in the architectural or design professions, and which does not fit into formal architectural or historical categories.

Section 2. Historic Registry (HR). The Planning Director is hereby instructed to effectuate the necessary changes to the Zoning Map of the City in accordance with the zoning established by this section. See Exhibit "B", Gig Harbor HR Designations Zoning Map.

Section 3. Controls. A Certificate of Appropriateness must be obtained from the Design Review Board pursuant to GHMC Section 17.97.050, before the owners may make alterations or changes beyond the work approved to correct structural deterioration or decay as defined under the Secretary of the Interiors Preservation Guidelines.

RESOLUTION PASSED by the City Council and approved by the Mayor of the City of Gig Harbor this 11th day of April 2011.

APPROVE:
CITY OF GIG HARBOR

MAYOR, CHARLES L. HUNTER

ATTEST/AUTHENTICATED:

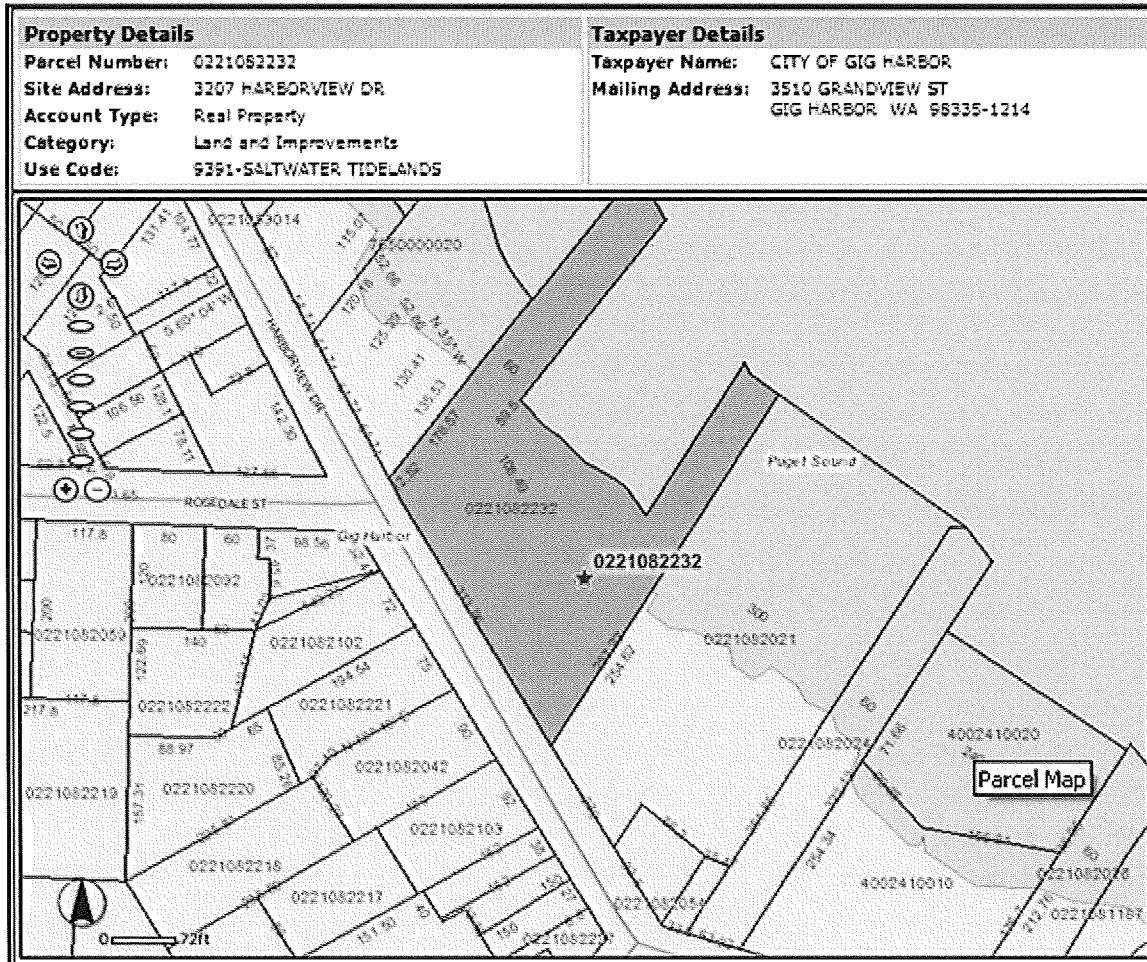
By: _____
CITY CLERK, MOLLY TOWSLEE

APPROVED AS TO FORM;
OFFICE OF THE CITY ATTORNEY:

By: _____
ANGELA S. BELBECK

FILED WITH THE CITY CLERK: 04/06/11
PASSED BY THE CITY COUNCIL: 04/11/11
RESOLUTION NO: 859

Exhibit A





Subject: Cushman Trail Culvert Repair
-- Amendment #1 to Interagency Agreement

Proposed Council Action: Authorize the Mayor on behalf of council to approve Amendment #1 to the Interagency Agreement between the City of Gig Harbor and Pierce County for the repair of a broken culvert under the Cushman Trail.

Dept. Origin: Public Works/Engineering

Prepared by: Marcos McGraw *mmg*
Project Engineer

For Agenda of: April 11, 2011

Exhibits: Amendment #1 to Interagency Agreement (Contract #065624)

	Initial & Date
Concurred by Mayor:	<i>CLH 4/6/11</i>
Approved by City Administrator:	<i>RBK</i>
Approved as to form by City Atty:	<i>email 4/5/11</i>
Approved by Finance Director:	<i>DR 4/6/11</i>
Approved by Department Head:	_____

Expenditure	\$46,409.44	Amount		Appropriation	
Required (see Fiscal Consideration below)		Budgeted	\$0.00 (See below)	Required	\$0

INFORMATION / BACKGROUND

The City Council of the City of Gig Harbor approved the Interagency Agreement between Pierce County and the City during the council meeting held on July 28, 2008 for construction of the Cushman Trail Phase 2 project. The project is now complete and it functions as a magnificent recreational facility within the City of Gig Harbor. Rain from winter storms washed fill dirt out of a new structural earth wall and through a broken section of an existing culvert under the wall. The affected section of trail is located approximately 900 feet north of Rosedale Street.

FISCAL CONSIDERATION

The emergency Resolution #857 was approved for the repair of the Cushman Trail Culvert Repairs on March 14, 2011. The value of the repair is based on an estimate provided by Active Construction, Inc. to repair the culvert (by pipe bursting methods) in the amount of \$46,409.44. The City of Gig Harbor will pay these costs with money from the Stormwater Operating Fund. As a partner in construction of this recreational facility, Pierce County agreed to pay for half the costs for repair of the broken culvert in the amount of \$23,250.00 per the Amendment Number 1.

BOARD OR COMMITTEE RECOMMENDATION

N/A

RECOMMENDATION / MOTION

Move to: Approve Amendment #1 to the Interagency Agreement between the City of Gig Harbor and Pierce County for the repair of a broken culvert under the Cushman Trail.

**FIRST AMENDMENT
TO INTERAGENCY AGREEMENT FOR
JOINT DEVELOPMENT OF CUSHMAN TRAIL PHASE 2
(CITY OF GIG HARBOR)
Contract #065624**

THIS FIRST AMENDMENT TO THE INTERAGENCY AGREEMENT FOR JOINT DEVELOPMENT OF CUSHMAN TRAIL PHASE 2 (hereinafter "First Amendment") is made and entered into as of the Effective Date (defined in Section 7 below) by and between Pierce County, a municipal corporation and political subdivision of the state of Washington (hereinafter "County") and the City of Gig Harbor, an optional Code City organized under RCW 35A and a municipal corporation (hereinafter "City").

RECITALS

WHEREAS on August 28, 2008, County and City entered into that certain Interagency Agreement (hereinafter "Agreement") for the purposes of cooperatively designing, permitting, constructing, maintaining and operating Phase 2 of the Cushman Trail ("Trail"), on property owned by Tacoma Public Utilities ("TPU"); and

WHEREAS County and City desire to amend the Agreement;

NOW, THEREFORE, for and in consideration of the terms, covenants and conditions set forth herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, County and City agree as follows:

AGREEMENT

1. **Incorporation of Recitals.** The above recitals are true and correct and are incorporated herein as if fully set forth.
2. **Repair.** As Section 4 ("Administration") states that the Joint Board will meet annually to review conditions on the Cushman Trail and to address any problems as required by law. The review held after the completion of the project construction revealed that winter storms washed dirt out from under the west edge of the trail on wall #4 (located approx. 900 feet north of Rosedale St.) which broke the 18-inch diameter culvert under wall #4. Therefore, the County and City agree to the following repair:
Replacement of the broken and inadequate 18-inch diameter culvert with a 24-inch diameter culvert under wall #4 (to include 4 tons quarry rock, new 24-inch diameter HDPE SDR 26, ecology block and steel plates to protect trail surface, equipment and labor).
3. **Repair Administration and Cost.** The City shall be designated the lead agency in determining the scope, permitting, construction and contract administration. The County will reimburse the City for up to 50% of the cost of the repair, up to a maximum amount of \$23,250.00.

4. **Conflict.** In the event of a conflict between this First Amendment and the Agreement, the provisions of this First Amendment shall govern.
5. **Authority.** County and City each represent and warrant to the other it has the power and authority to execute this First Amendment and that there are no third-party approvals required to execute this First Amendment or to comply with the terms or provisions contained herein.
6. **Ratified and Confirmed.** The Agreement, except as amended by the First Amendment, is hereby ratified and confirmed in all respects and shall remain in full force and effect in accordance with its original terms and provisions.
7. **Effective Date of First Amendment.** The effective date of this First Amendment shall be the date County Executive shall have affixed her signature hereto as indicated opposite her name below.

SIGNATURES & ACKNOWLEDGMENTS APPEAR ON FOLLOWING PAGES

COUNTY SIGNATURE PAGE
Joint Development of the Cushman Trail 065624-1

Approved as to legal form only:

Deputy Prosecuting Attorney Date

Recommended:

Director, Parks & Recreation Date

Director, Facilities Management Date

Director, Budget & Finance Date

Final Action:

Pierce County Executive Date

STATE OF WASHINGTON)
)
COUNTY OF PIERCE)

On this ____ day of _____, 20__, before me, the undersigned, a notary public in and for the state of Washington, duly commissioned and sworn, personally appeared PAT MCCARTHY, known to me to be the Executive of Pierce County, Washington, a municipal corporation and political subdivision of the state of Washington, who executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that she is authorized to execute the said instrument.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

NOTARY SIGNATURE

PRINTED NAME _____
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON,
RESIDING AT _____
MY COMMISSION EXPIRES _____

CITY SIGNATURE PAGE

Joint Development of the Cushman Trail - Contract 065624-1

Approved as to legal form only:

Chief Asst. City Attorney Date

Final Action:

Gig Harbor City Mayor Date

Attest:

Gig Harbor City Clerk Date

STATE OF WASHINGTON)
)
COUNTY OF PIERCE)

On this ____ day of _____, 20____, before me, the undersigned, a notary public in and for the state of Washington, duly commissioned and sworn, personally appeared _____, known to me to be the Mayor of the City of Gig Harbor, Washington, a municipal corporation and optional Code City organized under RCW 35A, who executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute the said instrument.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

NOTARY SIGNATURE

PRINTED NAME _____
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON,
RESIDING AT _____
MY COMMISSION EXPIRES _____

Subject: Shorecrest Sewer System Rate Study and Connection Fee Analysis
-- Amendment No. 1 to Consultant Services Contract with Peninsula Financial Consulting

Proposed Council Action: Authorize the Mayor to execute an Amendment No. 1 to the contract with Peninsula Financial Consulting in the amount not-to-exceed \$2,500.00.

Dept. Origin: Public Works/Engineering

Prepared by: Stephen Misiurak, PE
City Engineer

For Agenda of: April 11, 2011

Exhibits: Amendment No. 1 to CSC
Exhibit A Scope of Work and
Cost Estimate

Initial & Date

Concurred by Mayor:

LLH 3/31/11

Approved by City Administrator:

RJK

Approved as to form by City Atty:

approved via email 3/29/11

Approved by Finance Director:

DFR 3/30/11

Approved by Department Head:

3/30/11

Expenditure Required	\$2,500	Amount Budgeted	\$14,000	Appropriation Required	\$0
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INFORMATION / BACKGROUND

On December 13, 2010 Council awarded a Consultant Services Contract with Peninsula Financial Consulting in the amount of \$3,800.00 to perform a sewer rate study for the Shorecrest sewer system. This contract amendment provides additional compensation at the request of the City for the consultant attendance at three, possibly four additional outreach meetings to discuss and describe his sewer rate methodology and present the results of his study.

FISCAL CONSIDERATION

Funding for this project is provided by Wastewater Operating Objective No. 8 in the 2011 Budget and sufficient funds are available to cover this expenditure.

BOARD OR COMMITTEE RECOMMENDATION

N/A

RECOMMENDATION / MOTION

Move to: Authorize the Mayor to execute an Amendment No. 1 to the Contract with Peninsula Financial Consulting in the amount not-to-exceed amount of \$2,500.00 for a total revised contract amount not-to-exceed \$6,300.00.

**FIRST AMENDMENT
TO
CONSULTANT SERVICES CONTRACT
BETWEEN THE CITY OF GIG HARBOR AND
PENINSULA FINANCIAL CONSULTING**

THIS FIRST AMENDMENT is made to that certain Consultant Services Contract dated December 13, 2010 (the "Agreement"), by and between the City of Gig Harbor, a Washington municipal corporation (hereinafter the "City"), and Peninsula Financial Consulting, a corporation organized under the laws of the State of Washington, located and doing business at PO Box 354, Brinnon, Washington 98320 (hereinafter the "Consultant").

RECITALS

WHEREAS, the City is presently engaged in analyzing sewer rates and connection charges for the Shorecrest Community Sewer System and desires that the Consultant perform services necessary to provide the following consultation services; and

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

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

Section 1. **Scope of Work.** Section 1 of the Agreement is amended to add the work described in **Exhibit A – Scope of Work and Cost Estimate**, attached to this Amendment, which Exhibit is incorporated herein as if fully set forth.

Section 2. **Authorize Compensation.** Section 2(A) of the Agreement is amended to authorize the City to pay compensation to the Consultant for the work described in **Exhibit A** in the amount not-to-exceed Two Thousand Five Hundred Dollars and no cents, (\$2,500.00).

Section 3. **Duration of Work.** Section 4 of the Agreement is amended to require the tasks described in **Exhibit A** to begin immediately upon execution of this Amendment. The parties agree that the work described in **Exhibit A** shall be completed by June 30, 2011; provided however, that additional time shall be granted by the City for excusable days or extra work.

Section 4. **Effectiveness of all Remaining Terms of Agreement.** All of the remaining terms and conditions of the Agreement between the parties shall be in effect and be fully enforceable by the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement on this _____ day of _____, 201__.

THE CITY OF GIG HARBOR

By: _____
Its Principal

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

March 28, 2011

Mr. Steve Misiurak
City Engineer
City of Gig Harbor, 98335

SUBJECT': REVISION TO WORK PROPOSAL FOR SHORECREST SEWER ANALYSIS

Dear Steve:

As a result of our meeting on the 24th of this month the City will provide revised O&M costs for the Shorecrest system as well as a list of possible capital improvements to include the cost of the most expensive system component and the cost to connect the community system to the municipal system. The City will also provide a list of the number and years of Shorecrest customers and the previous billing rates they paid to be used to determine the appropriate amount of reserves that should be transferred to the Shorecrest capital reserve fund. Please note that my work to revise the rate calculations and documentation is all covered under the existing contract amount of \$3,800.

Staff also requested my attendance at three additional meetings to include meeting with the utility subcommittee, concerned homeowners, and the City Council, with the possibility of attending a fourth meeting with the City Council. As discussed I will attend all three meetings to support staff and if requested will attend a fourth meeting for a cost not to exceed \$2,500 (see attached cost exhibit).

Please call if you any questions.

Sincerely,

Ashley Emery

EXHIBIT

**FINANCIAL CONSULTING SERVICES
SCOPE AND ESTIMATED COST**

Project Title: 2010 Shorecrest Sewer Rate Analysis

TASKS		Hours	Cost
1	Meet with City Council subcommittee	7	\$ 665
2	Meet with concerend homeowners	7	\$ 665
3	First reading of draft rate & fee ordinance at City Council	7	\$ 665
4	Second reading of rate & fee ordinance atCity Council	0	\$ -
Total		21	\$ 1,995
Hourly Rate:			\$ 95.00
Total Labor Cost			\$ 1,995
Mileage & Expenses (Mileage @ \$0.50/mile)			\$ 450
Printing			\$ -
TOTAL ESTIMATED COST:			\$ 2,500



**Business of the City Council
City of Gig Harbor, WA**

Subject: Standard Service Agreement –
Pierce County

Proposed Council Action: Authorize the
Water Department Superintendent to the sign
a Standard Service Agreement with Pierce
County.

Dept. Origin: Public Works
Prepared by: Jeff Langhelm *[Signature]*
For Agenda of: April 11, 2011
Exhibits: Agreement with Attachments

Initial & Date

Concurred by Mayor: CLH 4/5/11
Approved by City Administrator: RJK
Approved as to form by City Atty: ADD'D VIA EMAIL 4/4/11
Approved by Finance Director: FP 4/5/11
Approved by Department Head: [Signature] 4/5/11

Expenditure Required	\$0	Amount Budgeted	\$0	Appropriation Required	\$0
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INFORMATION/BACKGROUND

Pierce County is required to track and coordinate various aspects of public water supply systems located within their jurisdiction through their Coordinated Water System Plan (CWSP). As part of the CWSP, Pierce County verifies water systems do not duplicate or pass over service areas.

The City of Gig Harbor has been requested by Pierce County to sign a standard service agreement (see attached exhibit) in connection with Pierce County's CWSP. If the City fails to provide a signed agreement Pierce County may recommend the Washington State Department of Health not accept the City's Water System Plan.

The draft version of the City's Retail Water Service Area is included in the Agreement as Attachment A. An updated version of this figure will be supplied to Pierce County provided the agreement is signed.

FISCAL CONSIDERATION

By signing this agreement the City is not obligating to provide water service to any areas not already provided in the City's Water System Plan. Therefore no additional fiscal obligation is necessary.

BOARD OR COMMITTEE RECOMMENDATION

N/A

RECOMMENDATION/MOTION

Authorize the Water Department Superintendent to the sign a Standard Service Agreement with Pierce County.

**STANDARD SERVICE AGREEMENT
ESTABLISHING WATER UTILITY
SERVICE AREA BOUNDARIES**

PREAMBLE

THIS AGREEMENT establishing water utility service area boundaries is entered into this day for purposes of identifying the external boundaries of the service area for which this water purveyor has assumed water service responsibility.

WHEREAS, service area agreements are required by WAC 246-293-250 to help assure that water reserved for public water supply purposes within Pierce County will be utilized in the future in an efficient and planned manner; and

WHEREAS, the designation of retail water service area and future service planning areas, together with the cooperation of other utilities, will help assure efficient planning to accommodate growth, avoid duplication of service, and facilitate the best use of resources; and

WHEREAS, The responsibilities applicable to water purveyors are outlined in the Pierce County Coordinated Water System Plan (CWSP) and by the adopted rules and regulations of the Washington State Department of Health (DOH); and

WHEREAS, It is not the intent of this Agreement to give new authority or responsibilities to the water purveyor or to the County or State regulatory agencies, in addition to those requirements imposed by law; and

NOW, THEREFORE, the undersigned party, having entered into this Agreement by its signature, concurs with and will abide by the following provisions:

Section 1. The terms used within the contract shall be as defined in the implementing regulations of Chapter 70.116 RCW, except as identified below.

- A. Lead Agency shall mean the department or organization within Pierce County that has been designated by the Pierce County Executive as being administratively responsible for the coordination and filing of the Pierce County Water Service Area map, Standard Service Agreement Establishing Water Utility Service Area Boundaries, Agreements for Retail Service Areas, Utility Service Policies, and other administrative documents necessary for the implementation of the Pierce County CWSP.
- B. Pierce County Coordinated Water System Plan (CWSP) shall mean the plan adopted by the Pierce County Council for public water systems within critical water supply service areas within Pierce County which identifies the present and future needs of the systems and sets forth means for meeting those needs in the most efficient manner possible.
- C. Pierce County Water Service Area Map shall mean the map referenced in this Agreement for the retail service area signed by the water purveyor, except as amended in accordance with the CWSP procedures and with the concurrence of the affected water purveyors.

- D. Retail Service Area shall mean the designated geographical area within Pierce County in which the undersigned water purveyor assumes full responsibility for providing water service to individual customers.
- E. Utility Service Policies shall mean those policies and conditions of service that are attached to the provision of water service for individual customers. The identified policies and conditions of service are those conditions incorporated within the water purveyor's water system improvement and expansion plans required under the provisions of the Public Water Systems Coordination Act and DOH.

Section 2. Lead Agency. The lead agency for administering the Pierce County Water Utility service area agreements shall be the Pierce County Department of Public Works and Utilities unless otherwise established by the Pierce County Executive. The lead agency shall function only as a coordination center. The lead agency will maintain the original documents and will be responsible for updating the water system map and agreements as provided for in the CWSP.

Section 3. Authority The authority for this Agreement is granted by the Public Water Systems Coordination Act of 1977, Chapter 70.116 RCW.

Section 4. Service Area Boundaries. The undersigned Water Purveyor acknowledges that the Pierce County Water Service Area Maps identifying its retail service area boundaries, dated _____ and included as Attachment A to this Agreement, identify the Water purveyor's present and future service area. The undersigned further acknowledges that there are no service area conflicts with an adjacent water utility or purveyor, or, if such a conflict exists, agrees that no new water service will be extended within disputed areas except as stipulated in an adjudication by DOH.

This agreement shall apply to service areas existing as of August, 1994, and to the service area boundaries identified in the above referenced maps, or as shown on current revisions thereof, provided that no revisions of service areas shown on these maps shall be made without prior written concurrence of the water utilities/purveyors involved and such written concurrence is filed with the Lead Agency. Revisions may also require an amendment to the purveyor's or utility's service plans.

Section 5. Boundary Adjustments. If, at some time in the future it is in the best interest of the undersigned parties to make service area boundary adjustments, such modifications must be by written concurrence of all involved utilities and the proper legislative authority(ies), and must be noted and filed with the designated Pierce County lead agency and DOH. It is understood by the undersigned utility that it may decline to provide service within its designated service area boundary, but in that case, an applicant may be referred to other adjacent purveyors or utilities or a new utility may be created and the original service area boundary will be adjusted accordingly.

Section 6. System Extension Policies. The undersigned utility agrees that in order to expand its existing water service area, (other than by addition of retail customers to existing water mains), or to serve in the capacity of a pre-qualified satellite system management agency (SSMA), it shall have adopted design standards and Utility Service extension policies. The

design standards shall meet or exceed the Pierce County Water System Minimum Standards and Specifications.

A water utility anticipating expansion of retail service in unincorporated areas of Pierce County, or intending to operate as an SSMA, shall identify utility service policies in its updated water system plan. The undersigned utility agrees to identify, for information, its utility service policies or provide a copy of the updated water system plan to the Lead Agency prior to application for extension of its existing water system into new service areas within the unincorporated areas of Pierce County.

Municipalities further agree that if they identify a service area outside of their existing municipal corporate boundaries, the municipality will assume full responsibility for providing water service equivalent to the level of service provided for their customers inside the city limits with similar service requirements, and must also meet or exceed Pierce County's minimum design standards.

Section 7. Special Working Agreements. Special working agreements, if they exist and are relevant, between this water purveyor and any adjacent water purveyor shall be attached to this Agreement as Attachment B and incorporated herein by this reference.

Section 8. Compliance with the CWSP. Nothing in this Agreement shall waive any requirement of the state, federal or local government regarding the provision of water service. This Agreement shall comply with the interlocal agreement requirement of the CWSP.

IN WITNESS WHEREOF, the undersigned party has executed this Agreement as of

Date

City of Gig Harbor

Water Purveyor

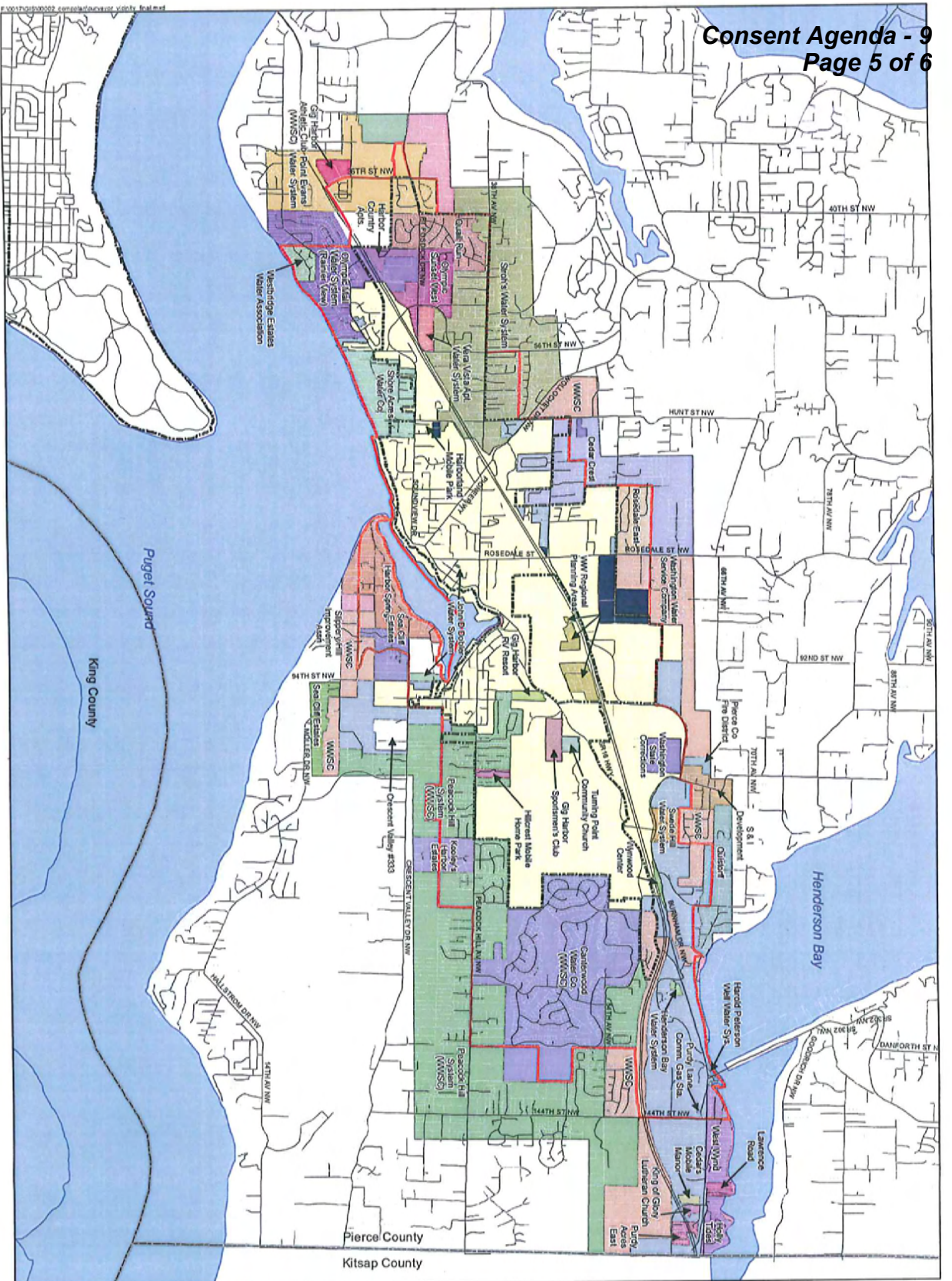
Representative
Water Department Superintendent

Title

Receipt Acknowledged:

Pierce County Public Works and Utilities Department

Date



CITY OF GIG HARBOR

WATER
COMPREHENSIVE PLAN

RETAIL WATER SERVICE
AREA AND
ADJACENT WATER
PURVEYORS
FIGURE 1.2



ATTACHMENT A

DRAFT

Legend

- Gig Harbor City Limits
- Gig Harbor USA
- Retail Water Service Area
- Proposed Gig Harbor Service Area



STANDARD SERVICE AGREEMENT
ATTACHMENT B

Utility shall include copies of separate agreements, relating to common service areas, transfer arrangements, special working agreements, and/or retail service agreements with adjacent utilities. These agreements will be included by reference in this Interlocal Agreement.

No separate agreements exist.

CERTIFICATE OF RECOGNITION

WHEREAS Margaret Klockars was hired as the City of Gig Harbor's Hearing Examiner in March of 2007; and

WHEREAS, Ms. Klockars served four years as Gig Harbor's Hearing Examiner until March 15, 2011; and

WHEREAS, during that time she conducted 55 hearings and made decisions on 105 applications; and

WHEREAS, during that time only one of her decisions was appealed (case still pending); and

WHEREAS, Staff, applicants and members of the public found her to be easy to work with and understand; and

WHEREAS, her decisions were always well thought out and consistent with City ordinances and case law; and

WHEREAS, the entire Planning Staff will miss her calm demeanor and hearing presence; and

WHEREAS, although her voice was quiet, there was never a doubt who was in charge of the hearings she presided over;

NOW THEREFORE, we the City Council of the City of Gig Harbor with to formally recognize

Margaret Klockars

for her efforts, which will have a positive and lasting impact on the Staff and on the community she served.

Mayor Chuck Hunter

Councilmember Steven Ekberg

Councilmember Derek Young

Councilmember Jim Franich

Councilmember Paul Conan

Councilmember Ken Malich

Councilmember Tim Payne

Councilmember Paul Kadzik

Date

Crescent Creek Playground Update

Gig Harbor City Council Meeting
April 11, 2011

Robyn Denson/Stephanie Payne

Playground Public Forum

Comments 3/3/11

"I want the playground all put together" (Seth, age 6)

★ ★ ★ ★ ★ ★ ★ ★	Creative/unique destination playground, fun theme, fish/natural, artsy
★ ★ ★ ★ ★ ★ ★	Pirate ship, treasure chest in pirate ship, tunnel through pirate ship
★ ★ ★ ★ ★	Accessible ramps, pathways and rails for children and adults with physical challenges and/or mobility aids, partially fully-accessible
★ ★ ★ ★	Mat/tile surfacing, specialized surfacing that allows for equipment such as walkers and wheelchairs
	Climbing rope structure
	Swings – keep them must have, toddler swings, both traditional and special needs
★ ★ ★	Picnic area
	Benches inside play areas for adults
	Equipment for younger kids, smaller kid swinging component (cat-tail Create Play)
	Spinning tall things, merry-go-round–rotating net climber
	Wheelchair access play equipment
	Sensory items – sound/talk tubes
	Cre8Pla

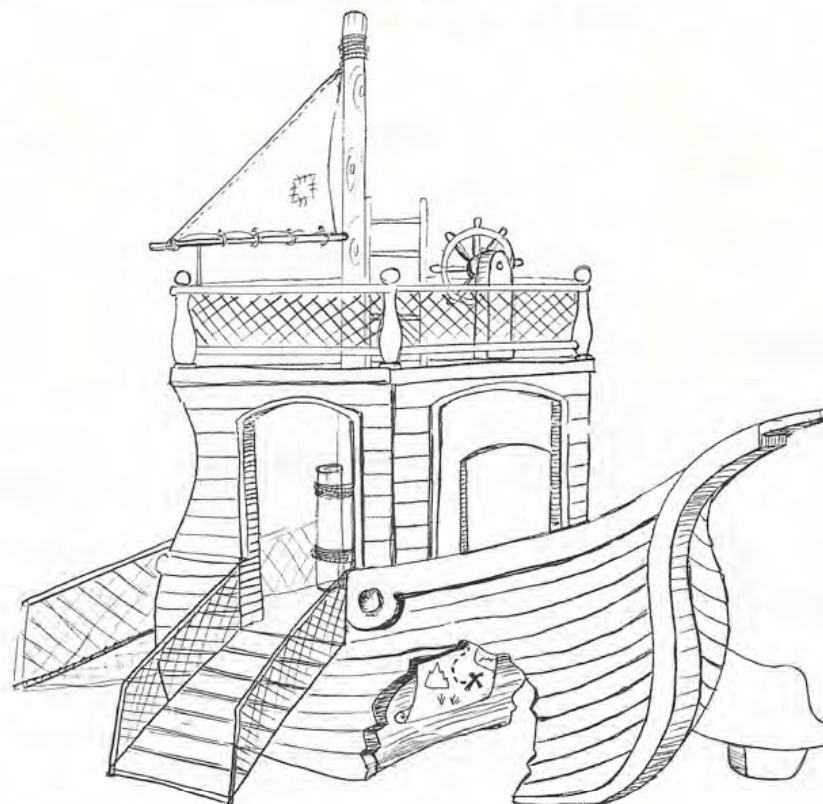
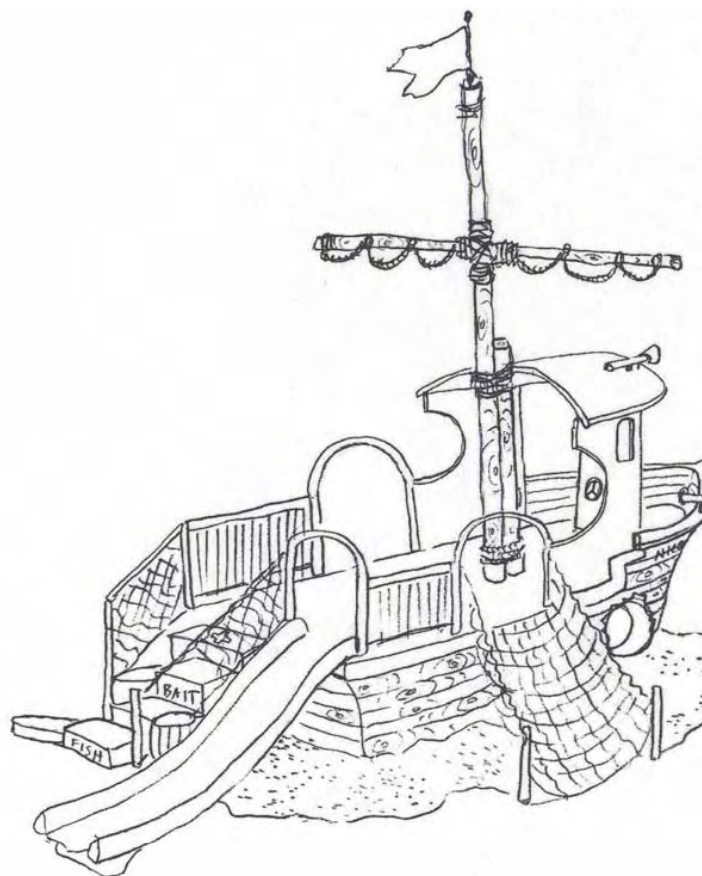
Playground Public Forum Comments 3/3/11 (continued)

★ ★	More challenging for bigger kids, nets and climbing things for older age groups
	Play pockets w/learning features, educational signs, near themes toy structures
	Hanging slide component (zipline concept)
	Slides
	Spray park
★	Keep fence
	Keep open, no closed, hidden areas
	Equipment like at Pt. Defiance zoo
	Nature course
	Aero sliders
	Big Toy at Jefferson-climbing structures
	Big Toys
	No Big Toy/power scapes
	Rocking horses, seals, trucks-riders
	Rocks n'Ropes
	Roller coaster
	Shorter fire poles and longer/taller poles
	Swinging disks – Elephant Play
	Teeter totter
	Water squirter pads like at zoo
	Monkey bars, low for elementary age kids
	Tunnels

TUGBOAT



CUSTOM PLAY ENVIRONMENTS



8100 Wayzata Blvd., Suite C, Golden Valley, MN 55426

Phone: 612.670.8195 Fax: 612.486.7740

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Fundraising Budget Example

Matching Funds Grant from City of Gig Harbor		\$100,000
Benefit Concert (250 people)	\$200	\$50,000
Bricks		
Raffle		
Tshirts		
Corporate Sponsors (3)	\$10,000	\$30,000
Sponsors (3)	\$5,000	\$15,000
Sponsors (5)	\$1,000	\$5,000
Grand Total		\$200,000



Subject: Official City Newspaper

Proposed Council Action:

(1) If proof that bid criteria has been met, no action is required. If not met:

(2) Move to rescind the motion of March 14th to award the designation of the "Official City Newspaper" to Gig Harbor Life starting April 15, 2011.

(3) Move to award the designation of the "Official City Newspaper" to The Peninsula Gateway.

Dept. Origin: Administration

Prepared by: Molly Towslee, City Clerk

For Agenda of: April 11, 2011

Exhibits: RCW 65.16.040

Concurred by Mayor:

Approved by City Administrator:

Approved as to form by City Atty:

Approved by Finance Director:

Approved by Department Head:

Initial & Date
C.L.H. 4/6/11
PJK
by e-mail 4/5

Table with 6 columns: Expenditure, Amount, Admin, Parks, PW, Appropriation. Row 1: Required TBD, Budgeted: Pln: \$6,000, PD \$400, BFS \$500, Required \$0.

INFORMATION / BACKGROUND

At the March 14th Council meeting a motion was made to appoint Gig Harbor Life as the city's official newspaper effective April 15, 2011.

In an e-mail dated March 28th, George LeMasurier, Publisher at The Peninsula Gateway challenged the validity of the award to Gig Harbor Life saying that they did not meet the criteria of a legal newspaper because they are not included on the Pierce County Superior Court list of legal newspapers; a requirement of RCW 65.16.040, and asking for reconsideration of the appointment.

Gig Harbor Life staff was contacted alerting them to the fact that they were not included on the Pierce County Superior Court's list of legal newspapers, and advising them that they had until April 11th to file the necessary paperwork to be added in order to meet this criteria.

If Gig Harbor Life provides written proof that they have been approved by Pierce County Superior Court as a legal newspaper in Pierce County, they will meet the bid criteria. If they cannot meet these terms, Council should rescind their motion designating them as official paper and appoint The Peninsula Gateway or The News Tribune.

- The Peninsula Gateway: \$72.99
The News Tribune: \$144.72

RECOMMENDATION / MOTION

Move to: See "Proposed Council Action" above.

RCW 65.16.040

Legal publications to be approved — Order of approval.

Sixty days from and after the date *this act becomes effective, a legal newspaper for the publication of any advertisement, notice, summons, report, proceeding, or other official document now or hereafter required by law to be published, shall be a newspaper which has been approved as a legal newspaper by order of the superior court of the county in which such newspaper is published. Such order may be entered without notice upon presentation of a petition by or on behalf of the publisher, setting forth the qualifications of the newspaper as required by *this act, and upon evidence satisfactory to the court that such newspaper is so qualified.

[1941 c 213 § 1; Rem. Supp. 1941 § 253a.]

Notes:

***Reviser's note:** (1) The language "this act" appears in 1941 c 213 codified as RCW [65.16.020](#) through [65.16.080](#).

(2) The effective date of this act is midnight June 11, 1941; see preface 1941 session laws.



Business of the City Council
City of Gig Harbor, WA

Subject: Arts Commission and the Gig Harbor Arts Alliance Performing Arts Center

Proposed Council Action: Provide direction on whether the Arts Commission should explore a performing arts center.

Dept. Origin: Administration

Prepared by: Rob Karlinsey
City Administrator

For Agenda of: April 11, 2011

Exhibits:

Concurred by Mayor:

Approved by City Administrator:

Approved as to form by City Atty:

Approved by Finance Director:

Approved by Department Head:

Initial & Date

CLH 4/11/11

RJK

Expenditure Required	n/a	Amount Budgeted	n/a	Appropriation Required	n/a
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INFORMATION / BACKGROUND

The Gig Harbor Arts Commission is a nine-member board appointed by the Mayor and confirmed by a vote of the Council. The Commission is authorized to encourage, conduct, sponsor or co-sponsor public programs to further the development and public awareness of fine arts and performing arts in our community. The Commission manages the City's Public Art Grants Program. They are also initiating a new Outdoor Gallery program to place outdoor pedestals for public art. This program will consist of a recurring year-long exhibit of loaned artwork and possible acquisition of exhibited pieces. The first pedestal will be placed on Harborview Drive within an existing planting area this year.

On March 8, 2011, Mark Hoppen presented a proposal for an arts center known as the "Arts Alliance for Greater Gig Harbor Peninsula Area" to the Arts Commission during their quarterly meeting. Darcy Wright of the Peninsula Art League (PAL) provided additional input on the need for a performing and visual art center. She requested confirmation that the Gig Harbor Arts Commission could be added to the petition being circulated by the group. In response to input from Rob Karlinsey, Arts Commission Chair Tracy von Trotha forwarded a letter of support to the Gig Harbor Arts Alliance (GHAA). In it, she stated, "...as an advisory committee the Arts Commission works under the direction of the City Council. Prior to formal written support as a Commission, we will ask the Council for direction. This topic will be added to Council's Agenda on April 11, 2011."

In response to her request to meet, on Thursday, April 7, the Mayor and City Administrator Karlinsey met with GHAA representative and Peninsula Art League president, Anne Knapp, to review the performing arts center. The Mayor provided encouragement for GHAA's work. However, based on the City's current struggle to fund core City services and infrastructure, he expressed reservation that City Council could provide any financial commitment for the GHAA project at this time.

FISCAL CONSIDERATION

n/a

BOARD OR COMMITTEE RECOMMENDATION

n/a

RECOMMENDATION / MOTION

Move to: Direct (or not direct) the Arts Commission to explore the possibility of a performing arts center in Gig Harbor.

The Vision: by 2020...

Pierce County has a strong arts and culture identity.

High levels of participation in a variety of arts and cultural activities.

Business sector values arts and culture sector as a partner for economic vitality.

County-wide commitment to meaningful access and opportunities for arts and cultural experiences.

The arts are supported in both familiar and unexpected places.

Cultural entities communicate effectively and work together.

School curriculum includes and sustains the arts as an equal and valued part of education.

The region's historic legacy is well documented and preserved.

Cultural traditions of residents are shared and celebrated.



Key Findings:

“Arts and cultural activity is recognized as a significant, if currently underutilized, partner in economic development including its critical impact on the hospitality industry, the creation and retention of creative economy jobs, and as a component of healthy and safe communities.”

“Some communities, notably Puyallup, Sumner, and Gig Harbor, are using local arts and cultural assets to enhance their quality of life and economic vitality. Nevertheless, Tacoma remains the county's arts and cultural hub, home to an energized community of arts and cultural organizations and artists, augmented by a substantial community of artists residing in the Gig Harbor and Key Peninsula area”

There is a belief that Tacoma and a few smaller communities are poised today to have a strong arts and cultural identity but that will require intentional, strategic, and collaborative effort to take the next step.

Those communities where elected officials and other civic leaders have a strong interest and belief in the contribution of arts and culture are reaping benefits.”

Value of Arts and Culture:

Economic- Nationally, the non profit arts and culture industry generates \$166 Billion in economic activity every year- \$63 Billion in spending by organizations and an additional \$103.1 Billion in event-related spending by their audiences.

The business community views arts and culture as an important source of and partner in creating economic vitality and significant contributor to the county's quality of life, making it attractive to existing and potential employers and employees.

The arts are increasingly recognized as a critical tool in developing creative problem solvers who are engaged and ready to enter the work force or continue their education.

Strategies:

- Develop targeted initiatives to link hospitality and tourism interests with the arts and cultural sector based on shared goals and values.
- Improve municipal and County government's promotion, usage and support of local arts and culture.
- Increase financial support for the arts and culture in recognition of its role in the county's economic development and quality of life.
- Develop more effective and expanded ways to bring cultural experiences to school children especially in unincorporated Pierce County.

Critical Learning Points

Pierce County and Pierce County Arts Commission will have little or no role in creating an Arts Facility west of the Narrows Bridge- their main focus is Tacoma and Mt Rainier National Park.

There is a critical need by both arts groups and the community at large for consistent spaces in which to learn, interact and create a wide variety of arts (visual and performing) enrichment activities.

No one group will be able to attain this goal alone. Arts groups need to link to create an Alliance, and plan for an Arts Facility. This will make for the best use of materials and energy, and create a hub for the community.

Our greater community needs to be involved because they stand to gain the most: enrichment, consistently available entertainment, education for all ages and support of schools, improved economics, increased tourism, pride of community, recreational activities for all ages, higher livability quotient.

Shared Needs

Serving in forums for the Pierce County Vision 2020 Plan was part of the inception of the proposed Arts Alliance. Our groups on the West side of the Narrows bridge discovered common concerns and needs. The report reinforced our determination that we should unite to create a home for the visual and performing arts in order to share our Passion for our art with the greater Gig Harbor community.

Proposed Arts Alliance

Visual Arts-

Peninsula Art League

Two Waters Arts Alliance

Gig Harbor Quilters

Totally for the Troops

Peninsula Hands On Art

Gig Harbor Arts Commission

Open Studio Tour

Performing Arts-

Gig Harbor Peninsula Civic Orchestra

Peninsula Youth Orchestra

Gig Harbor Peninsula Symphony Orchestra

Paradise Theatre

Gig Harbor Performing Arts Center

Gig Harbor Film Festival

We are still reaching out to other non profit arts groups in the greater Gig Harbor area.

Facilities Program 03.11.2011

The Arts Alliance proposes a Three Part Facility consisting of:

- Large Performance Hall
- Community Theatre
- Visual Arts Facility

Performance Hall

Larger facility designed to break down into multiple uses:

- Large performance area with 500- 1000 seats for symphony concerts, and dance performances, but could also possibly be used for larger conferences, events, etc. All wheelchair accessible.
- Ballroom for smaller venues or rehearsals, or rental for special events/weddings, or conferences. Ballroom could have mirrored wall and barre for dance.
- 2 small meeting or conference rooms
- A full kitchen/catering facility adjacent to ball room/lobby for gala events/weddings
- Lobby to have space for Exhibitions of Visual Art , ticket window
- Restrooms as per code, Janitor closet adjacent
- offices with storage space
- Parking for this facility would need to accommodate cars as per code

Community Theatre

This facility would be an indoor community theatre with seating capacity of 150-250 in a more intimate setting. Specification for this wheel chair accessible facility might include:

- Large enough stage to provide ample room for traps and special effects doors and for scenery and lighting needs
- Orchestra pit to house a 20 piece orchestra
- A lobby area large enough to accommodate a small gathering or reception, with space to hang Art or informational Exhibits when needed/appropriate. Public restrooms adjacent.
- Secure box office
- Concessions area with drinking fountains, adjacent janitor closet.
- Workshop area for set construction, prop and costume storage., sink. Possibly an adjacent building or work area outdoors for storing large props, etc.
- Dressing rooms and restrooms for actors. Practice rooms and office space
- Parking for 40 – 65 cars

Visual Arts Facility

This Visual Arts Facility would consist of two separate buildings-

Facility A “Arts and Teaching” would house mostly 2D artwork and classes and would include meeting rooms, exhibit spaces, and classrooms;

Facility B “Hot Arts” would be mostly for 3D artwork production and classes, with safe access for viewing of glass and casting areas by public. This facility would be fully accessible by wheel chairs. It is recommended that there should be a protected sculpture exhibit area adjacent to Hot Arts Facility and possibly viewable from the main arts exhibit area.

Arts and Teaching Building

- 2 medium-large sized meeting rooms, possibly with center divider, to accommodate meetings of 100-150 people. Built in digital projector for presentations, or lectures, plus sound system for large meetings and lectures. Compact kitchenette with sink, microwave, refrigerator for workshops or receptions should be included.
- 2 hands on art classrooms with 2 sinks each for classes of up to 24. Classrooms need to include closets to store equipment and art supplies, shelving, have good ventilation, and additional outlets/power rating for use with computers or sewing/quilting machines.
- Open area with wall space to hang large exhibits- approx 400 linear feet necessary for quality exhibit- this could be smaller if free standing units could be adjacent to main walls. Adjacent storage space for free standing units is necessary. Decent lighting is critical. (Additional space for smaller exhibits could be easily located in Performance Center and Theatre lobby areas)
- Parking for this facility would need to accommodate 50-80 cars, close to the facility, as it would be anticipated that many of the users would be carrying heavy or bulky items.

Hot Arts Building

- Core building would be a high roof concrete building with good ventilation with gas supply for the housing of Gas and Electric Ceramic Kilns, Glass Kilns, Glory Hole, Burn out kiln for wax casting molds, crucible furnace for bronze casting, welding equipment, and separate patina room and sand blasting room. The kilns for glass and ceramics should be in a separate area accessible to ceramic and glass classrooms. The Glass glory hole and Foundry would be viewed through large windows for the visiting public.
- Four Adjacent classrooms for jewelry, glass arts, ceramics, and clay sculpture class room/work room. The ceramics and glass class rooms need a door to the kiln area, and all four classrooms would need a locking tool and supply closets. All class rooms need sinks.
- Two large adjacent rooms attached to the core building would house room for sculpture mold & detail working. Both classrooms would need a locking tool and supply closet, and sinks. The cast working room should have small adjacent area for patina work with extra good exhaust venting plus access to gas torch, and a sand blast room with compressor and outside portal to compressor (also hose bib) for use with pressure washing. Doorways need to accommodate moving large sculptures between areas, and out of doors.
- There would need to be a access for supplies and finished sculptures. There would need to be parking for 20-50 cars.

Going forward

What does the Arts Alliance need from the City of Gig Harbor?

Creation of a partnership between Arts Alliance, PenMet Parks, Peninsula School District, Pierce County, related commercial sector, and the City of Gig Harbor to facilitate a feasibility study, a public conceptual design process, suitable funding alternatives, and inclusion of this project in the Cities Parks, Recreation, and open space plan.

Subject: First reading – Ordinance allowing a deduction for bad debts on the total gross income upon which business and occupation tax is computed

Proposed Council Action: Adopt ordinance After second reading

Dept. Origin: Finance

Prepared by: David Rodenbach, Finance Director

For Agenda of: April 11, 2011

Exhibits: GHMC 3.16.020 and Ordinance

Concurred by Mayor:

Approved by City Administrator

Approved as to form by City Atty:

Approved by Finance Director:

Approved by Department Head:

Initial & Date

CRH 4/7/11

DRK

by e-mail

DR 4/6/11

Expenditure Required	Amount Budgeted	Appropriation Required
\$0	\$0	\$0

INFORMATION / BACKGROUND

Peninsula Light pays utility tax on gross income received for services billed within Gig Harbor city limits. Current city code does not allow deductions for account write-offs. Peninsula Light has requested the city to allow a deduction for accounts that have been written off.

The Washington State Department of Revenue currently allows a bad debt deduction when calculating the taxable base for state business and occupation taxes.

FISCAL CONSIDERATION

Peninsula Light has indicated that write-offs are approximately .23 percent of total billings. The deduction for Electric B & O utility tax for 2010 would have been \$1,045.

If this same percentage for write-offs were applied across all City B & O tax categories (Water, Natural Gas and Telephone), the amount would be an additional \$1,400.

BOARD OR COMMITTEE RECOMMENDATION

The bad debt deduction was presented to the Finance and Safety committee on April 4. The committee did not support the deduction.

RECOMMENDATION / MOTION

Move to: Adopt ordinance after second reading.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, AMENDING SECTION 3.16.070 GHMC TO ALLOW FOR A DEDUCTION ON THE TOTAL GROSS INCOME UPON WHICH BUSINESS AND OCCUPATION TAX IS COMPUTED FOR BAD DEBTS; ESTABLISHING AN EFFECTIVE DATE; AND PROVIDING FOR SEVERABILITY.

WHEREAS, the City of Gig Harbor is authorized to tax the gross income of private utility businesses operating within the City's boundaries and the City's own municipal utilities pursuant to RCW 35A.82.020; and

WHEREAS, the City Council desires to allow for a deduction on the total gross income upon which utility businesses are taxed for certain bad debts; Now, therefore,

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

Section 1. Amended. Section 3.16.070 GHMC is hereby amended to read as follows:

There is excepted and deducted from the total gross income upon which the license fee or tax is computed, so much thereof as is derived from the business which the city is prohibited from taxing under the Constitution or laws of the United States or the Constitution or laws of the state of Washington, and any amount paid by the taxpayer to the United States or the state of Washington as excise taxes levied or imposed upon the sale or distribution of property or services.

There shall also be excepted and deducted from the total gross income upon which the tax is computed all bad debts for services incurred, rendered or charged for during the tax year. Debts shall be deemed bad and uncollectible when they have been written off the books of the taxpayer. In the event debts are subsequently collected, the income shall be reported in the return for the quarter in which the debts are collected and at the rate prevailing in the tax year when collected.

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

Section 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 Council and approved by the Mayor of the City of Gig Harbor,
this ____ day of _____, 2011.

CITY OF GIG HARBOR

Mayor Charles L. Hunter

ATTEST/AUTHENTICATED:

Molly M. Towslee, City Clerk

APPROVED AS TO FORM:
Office of the City Attorney

Angela S. Belbeck

Filed with city clerk: 04/06/11
Passed by the city council:
Date published:
Date effective:



Subject: Maritime Pier Restroom Contribution Agreements – Sunshine LLC and Dylan Enterprises (Tides Tavern)

Proposed Council Action:

Authorize the Mayor to execute the attached agreements.

Dept. Origin: Administration
Prepared by: Rob Karlinsey
For Agenda of: April 11, 2011
Exhibits: Agreements

Initial & Date

Concurred by Mayor: CLH 4/8/11
Approved by City Administrator: ROK 4/8/11
Approved as to form by City Atty: VIA EMAIL 4/8/11
Approved by Finance Director: DP 4/8/11
Approved by Department Head: _____

Expenditure	Amount	Appropriation
Required: \$60,000	Budgeted: \$0	Required: Approx. \$60,000 in 2012

INFORMATION / BACKGROUND

In 2010, the City of Gig Harbor purchased the property located at 3003 Harborview Drive, now being called the Maritime Pier property and formerly known as Madison Shores. The City intends to eventually replace the current pier and construct a parking lot on the land. The parking lot, if required permits are received in time, should be constructed in the fall of 2011. Though neither funded nor included as part of the parking lot improvements, the City also plans to construct a public restroom on the site at a later date.

As neighbors, both the Tides Tavern owner and Sunshine LLC (representing the owners of the building that houses the Threshold Group and the Russell Family Foundation) have expressed an interest in the location of the restroom on the site and have acknowledged the benefits of having a public restroom located in that part of the downtown. In particular, these two neighbors are opposed to the restroom being located up near the sidewalk and street.

After the main deal points for negotiations were outlined for the City Council in February, these two neighbors have also expressed opposition to placing above-ground fuel tanks near the street. While the City is not pursuing a marine fuel dispensing operation at the Maritime Pier site at this time, marine fuel as a potential service beyond the near-term horizon at the site is not being ruled out either. Whether the site is a viable and economically responsible place for marine fuel dispensing should be ascertained before determining the exact location of fuel dispensing infrastructure on the site. Nevertheless both Sunshine LLC and the Tides

Tavern would prefer that in case the Maritime Pier ever became a marine fuel dispensing location, above-ground tanks would not be located near the street.

As described below, both Sunshine LLC and the Tides Tavern (Dylan Enterprises) are offering the City consideration in return for meeting their requests for the restroom and above-ground tank locations.

Key Points for Agreement to Construct a Public Restroom – Sunshine LLC:

- Sunshine LLC to contribute \$20,000 to the City to construct a public restroom at the northerly boundary of the Maritime Pier Property (not along Harborview Drive) and for City's agreement not to place above-ground fuel tanks along Harborview Drive.
- City to deposit the \$20,000 with Columbia Bank.
- If the City constructs restroom by May 24, 2013 (the Friday before Memorial Day Weekend) toward the northerly boundary, the City may withdraw the \$20,000. (Interest goes to Sunshine LLC.) The City agrees that if during the 20 year term of the Agreement it relocates the restroom to Harborview Drive, it will refund \$15,000, and that if it locates above-ground fuel tanks along Harborview Drive, it will refund \$5,000.
- If the City does not construct by May 24, 2013, or if the City constructs along Harborview Drive, Sunshine may terminate the agreement and get a full refund, in which case the agreement regarding the fuel tanks expires.

Key Points for Agreement to Construct a Public Restroom - Dylan Enterprises:

- Dylan Enterprises to contribute \$40,000 to the City to construct a public restroom at the northerly boundary of the Maritime Pier Property (not along Harborview Drive) and for City's agreement not to place above-ground fuel tanks along Harborview Drive.
- The City to deposit the \$40,000 with Columbia Bank.
- If the City constructs restroom by May 24, 2013 (the Friday before Memorial Day Weekend) toward the northerly boundary, the City may withdraw the \$40,000. (Interest goes to Sunshine LLC.) City agrees that if during the 20 year term of the Agreement it relocates the restroom to Harborview Drive, it will refund \$35,000, and that if it locates above-ground fuel tanks along Harborview Drive, it will refund \$5,000.
- If the City does not construct by May 24, 2013, or if the City constructs along Harborview Drive, Dylan Enterprises may terminate the agreement and get a full refund, in which case the agreement regarding the fuel tanks expires.

FISCAL CONSIDERATION

The combined \$60,000 from Dylan Enterprises and Sunshine LLC will provide a majority of the funding necessary to construct a restroom at the Maritime Pier site. The Mayor plans on including the expenditure appropriation in the proposed 2012 budget.

BOARD OR COMMITTEE RECOMMENDATION

N/A

RECOMMENDATION / MOTION

Move to: Authorize the Mayor to execute the Maritime Pier Restroom Contribution Agreements – Sunshine LLC and Dylan Enterprises (Tides Tavern)

AGREEMENT TO CONSTRUCT A PUBLIC RESTROOM

THIS AGREEMENT is made and entered into between SUNSHINE PROPERTY MANAGEMENT, L.L.C., a Washington limited liability company (referred to as "Sunshine LLC"), and the CITY OF GIG HARBOR, a Washington municipal corporation (the "City").

WHEREAS, Sunshine LLC owns property located on the Gig Harbor waterfront at 3025 Harborview Drive, Gig Harbor, and desires to contribute to the City to construct a public restroom on City property at 3003 Harborview Drive (the "Maritime Pier property"), which adjoins Sunshine LLC's property; and

WHEREAS, Sunshine LLC acknowledges that it will receive a benefit from the construction of a public restroom on City property adjoining its lot because the restroom will not be built where it could block the view of vehicles leaving its building parking.

NOW, THEREFORE, in consideration of the mutual benefits set forth herein, the parties agree as follows:

1. Sunshine LLC's Obligations: Sunshine LLC agrees to pay the City Twenty Thousand Dollars (\$20,000.00) to construct a public restroom and limit the location of above-ground fuel tanks, as detailed below, at the Maritime Pier property. Sunshine LLC agrees to transfer the funds to the City ten (10) days after the execution of this Agreement. Sunshine LLC further agrees that the City retains exclusive control of the design, construction, bidding (if applicable), and maintenance of the project. Nothing in this Agreement obligates Sunshine LLC to pay more than \$20,000.00 toward the costs of construction of the restroom.

2. City's Obligations:

a. Subject to availability and appropriation of necessary funds, the City agrees to design and construct a public restroom at the Maritime Pier property by May 24, 2013. The City will endeavor to construct the restroom toward the northerly boundary of the Maritime Pier property, and not along Harborview Drive.

b. The City shall establish an interest-bearing escrow account with Columbia Bank, Gig Harbor branch, in the amount of Twenty Thousand Dollars (\$20,000) after receipt of the funds from Sunshine LLC. Upon completion of the restroom in accordance with the location and timeline above, by presenting to Columbia Bank the City's acceptance of the project, the City shall have the right to withdraw \$20,000, and the City shall direct Columbia Bank to issue a check payable to Sunshine LLC for all interest accrued, less costs associated with the account. Once the City withdraws the \$20,000, the City agrees it will not relocate the restroom to the portion of the Maritime Pier property along Harborview Drive for the duration of this Agreement

unless the City makes a one-time refund (without interest) to Sunshine LLC in the amount of Fifteen Thousand Dollars (\$15,000).

c. If the restroom is constructed toward the northerly boundary of the Maritime Pier property within the timeline provided above, the City covenants that should it install above-ground fuel tanks at the Maritime Pier property at any time within the duration of this Agreement, such tanks shall not be located along Harborview Drive unless the City makes a one-time refund (without interest) to Sunshine LLC in the amount of Five Thousand Dollars (\$5,000).

3. Ownership and Maintenance: The parties acknowledge that the City shall own the public restroom constructed on City property and shall be responsible for maintenance and furnishing supplies in connection with the public restroom.

4. Indemnification: The City agrees to indemnify and hold Sunshine LLC harmless from and against any and all claims, demands and causes of action made by third parties of every kind and character arising directly or indirectly or in any way incident to, in connection with, or arising out of the City's design, construction or maintenance of the restroom; PROVIDED that the obligation of the City to indemnify, defend and hold harmless shall not extend to injuries, sickness, death or damage caused by or resulting from the sole or contributory misconduct or negligence of Sunshine LLC, its agents or employees.

5. Duration/Termination: This Agreement shall take effect upon full execution and shall remain in effect for a period twenty years, unless terminated as provided herein. Sunshine LLC may terminate this Agreement in the event construction of the restroom is not completed by May 24, 2013, in the event the City constructs the restroom along Harborview Drive, or in the event the City Administrator notifies Sunshine LLC of the City's intent not to construct the restroom. In the event of termination, the City shall promptly direct Columbia Bank to issue a check payable to Sunshine Property Management, L.L.C., in the amount of the account balance consisting of principal plus accrued interest, less any costs associated with the account, and the covenant regarding fuel tanks in section 2 above shall be revoked and of no further force or effect.

[Remainder of page intentionally left blank.]

6. Entire Agreement: This Agreement contains the entire understanding between the parties and supersedes all other oral or written understandings, arrangements, or agreements with respect to the design, construction and maintenance of the public restroom. Any modifications to this Agreement must be made in writing and signed by both parties.

DATED this ____ day of _____, 2011.

CITY OF GIG HARBOR

SUNSHINE PROPERTY
MANAGEMENT, L.L.C.

By: _____
Mayor Charles L. Hunter

By: _____
Edward Lazar, Manager

ATTEST:

Molly Towslee, City Clerk

APPROVED AS TO FORM:
Office of the City Attorney

Angela S. Belbeck

AGREEMENT TO CONSTRUCT A PUBLIC RESTROOM

THIS AGREEMENT is made and entered into between DYLAN ENTERPRISES, INC., a Washington corporation, d/b/a Tides Tavern (referred to as "Dylan Enterprises"), and the CITY OF GIG HARBOR, a Washington municipal corporation (the "City").

WHEREAS, Dylan Enterprises operates a restaurant located on the Gig Harbor waterfront at 2925 Harborview Drive, Gig Harbor, and desires to pay the City to construct a public restroom on City property at 3003 Harborview Drive (the "Maritime Pier property"); and

WHEREAS, Dylan Enterprises acknowledges that it will receive a benefit from the construction of a public restroom on City property adjoining this lot because the public will no longer have the need to enter the restaurant to use a restroom;

NOW, THEREFORE, in consideration of the mutual benefits set forth herein, the parties agree as follows:

1. Dylan Enterprises' Obligations. Dylan Enterprises agrees to pay the City \$40,000.00 to construct a public restroom and limit the location of above-ground fuel tanks, as detailed below, at the Maritime Pier property. Dylan Enterprises agrees to transfer the funds to the City ten days after the execution of this Agreement. Dylan Enterprises further agrees that the City retains exclusive control of the design, construction, bidding (if applicable), and maintenance of the project. Nothing in this Agreement obligates Dylan Enterprises to pay more than \$40,000 toward the costs of construction of the restroom.

2. City's Obligations.

a. Subject to availability and appropriation of necessary funds, the City agrees to design and construct a public restroom at the Maritime Pier property by May 24, 2013. The City will endeavor to construct the restroom toward the northerly boundary of the Maritime Pier property, and not along Harborview Drive.

b. The City shall establish an interest-bearing escrow account with Columbia Bank, Gig Harbor branch, in the amount of Forty Thousand Dollars (\$40,000) after receipt of the funds from Dylan Enterprises. Upon completion of the restroom in accordance with the location and timeline above, by presenting to Columbia Bank the City's acceptance of the project, the City shall have the right to withdraw \$40,000, and the City shall direct Columbia Bank to issue a check payable to Dylan Enterprises for all interest accrued, less costs associated with the account. Once the City withdraws the \$40,000, the City agrees it will not relocate the restroom to the portion of the Maritime Pier property along Harborview Drive for the duration of this Agreement unless the City makes a one-time refund (without interest) to Dylan Enterprises in the amount of Thirty-five Thousand Dollars (\$35,000).

c. If the restroom is constructed toward the northerly boundary of the Maritime Pier property within the timeline provided above, the City covenants that should it install above-

ground fuel tanks at the Maritime Pier property at any time within the duration of this Agreement, such tanks shall not be located along Harborview Drive unless the City makes a one-time refund (without interest) to Dylan Enterprises in the amount of Five Thousand Dollars (\$5,000).

3. Ownership and Maintenance. The parties acknowledge that the City shall own the public restroom constructed on City property and shall be responsible for maintenance and furnishing supplies in connection with the public restroom.

4. Indemnification. The City agrees to indemnify and hold Dylan Enterprises harmless from and against any and all claims, demands and causes of action made by third parties of every kind and character arising directly or indirectly or in any way incident to, in connection with, or arising out of the City's design, construction, or maintenance of the restroom; PROVIDED that the obligation of the City to indemnify, defend and hold harmless shall not extend to injuries, sickness, death or damage caused by or resulting from the sole or contributory misconduct or negligence of Dylan Enterprises, its agents or employees.

5. Duration/Termination. This Agreement shall take effect upon full execution and shall remain in effect for a period of twenty years unless terminated as provided herein. Dylan Enterprises may terminate this Agreement in the event construction of the restroom is not completed by May 24, 2013, in the event the City constructs the restroom along Harborview Drive, or in the event the City Administrator notifies Dylan Enterprises of the City's intent not to construct the restroom. In the event of termination, the City shall promptly direct Columbia Bank to issue a check payable to Dylan Enterprises, Inc., in the amount of the account balance consisting of principal plus accrued interest, less any costs associated with the account, and the covenant regarding fuel tanks in section 2 above shall be revoked and of no further force or effect.

[Remainder of page intentionally left blank.]

6. Entire Agreement. This Agreement contains the entire understanding between the parties and supersedes all other oral or written understandings, arrangements, or agreements with respect to the design, construction, and maintenance of the public restroom. Any modifications to this Agreement must be made in writing and signed by both parties.

DATED this ____ day of _____, 2011.

CITY OF GIG HARBOR

DYLAN ENTERPRISES, INC.,
d/b/a Tides Tavern

By: _____
Mayor Charles L. Hunter

Philip T. Stanley
Its: _____

ATTEST:

Molly Towslee, City Clerk

APPROVED AS TO FORM:
Office of the City Attorney

Angela S. Belbeck



Subject: Tides Tavern Shed License Agreement – Dylan Enterprises

Proposed Council Action:

Authorize the Mayor to execute the attached shed license agreement with Dylan Enterprises.

Dept. Origin: Administration
Prepared by: Rob Karlinsey
For Agenda of: April 11, 2011
Exhibits: License Agreement

Initial & Date

Concurred by Mayor: cut 4/8/11
Approved by City Administrator: RJK 4/8/11
Approved as to form by City Atty: via email 4/8/11
Approved by Finance Director: DR 4/8/11
Approved by Department Head: _____

Expenditure	Amount	Appropriation
Required: \$0	Budgeted: \$0	Required: \$0

INFORMATION / BACKGROUND

In 2010, the City of Gig Harbor purchased the property located at 3003 Harborview Drive, now being called the Maritime Pier property and formerly known as Madison Shores. The City intends to eventually replace the current pier and construct a parking lot on the land. The parking lot, if required permits are received in time, should be constructed in the fall of 2011.

Since the 1970s, a shed built by the Tides Tavern (Dylan Enterprises) has been located on the site on the bulkhead at the Soundview Drive street end. The Tides Tavern owner wishes to maintain the shed's current location, although he has agreed to reduce its length from approximately 21 feet to 10 feet. The Tides Tavern has already relocated its dumpsters and miscellaneous equipment off of the Maritime Pier property.

Because the shed is located on City right-of-way, the arrangement for the shed will be in the form of a license agreement.

Key Points for Tides Tavern Shed License Agreement:

- City to authorize Dylan Enterprises (Tides Tavern) to use a 10' by 10' portion of property for a shed for the Tides Tavern.

- License takes effect January 1, 2012 for a term of 20 years, with the opportunity for a 5-year extension upon renegotiation of the license fee.
- Dylan Enterprises will pay \$40,000 for the use over the 20-year period, payable annually at a flat rate of \$2,943 which over time represents the amount of \$40,000 present value.
- Dylan Enterprises will pay leasehold excise taxes.
- Dylan Enterprises will reduce the size of the shed and spend \$5,000 on aesthetic improvements in keeping with the historical architecture of the Tides Tavern. Plans must be reviewed and approved by the City in advance of construction.
- The City retains emergency access rights and may access the area with 20 days notice for non-emergencies.
- Dylan Enterprises will be responsible for any liability associated with the shed.
- Dylan Enterprises will not assign or transfer all or any part of its interest in the License without prior written consent from the City (at the City's sole discretion).

FISCAL CONSIDERATION

The City will receive \$2,943 per month in return for allowing the Tides Tavern to locate its 10'x10' shed on City right-of-way. In addition, the Tides Tavern will pay the leasehold excise tax.

BOARD OR COMMITTEE RECOMMENDATION

N/A

RECOMMENDATION / MOTION

Move to: Authorize the Mayor to execute the attached shed license agreement with Dylan Enterprises.

LICENSE TO USE PROPERTY

THIS LICENSE AGREEMENT is entered into by and between the CITY OF GIG HARBOR, WASHINGTON (the "City") and DYLAN ENTERPRISES, INC., a Washington corporation, d/b/a Tides Tavern ("Dylan Enterprises") for the purposes hereafter mentioned.

RECITALS

A. The City owns real property commonly referred to as 3003 Harborview Drive, Gig Harbor, Washington 98335 and the adjacent Soundview street end (the "Maritime Pier property") adjacent to property currently occupied by Dylan Enterprises commonly referred to as the Tides Tavern, 2925 Harborview Drive, Gig Harbor, Washington 98335; Tax Parcel No. 0221081074 (the "Tides Parcel"); and

B. For a number of years, in connection with Dylan Enterprises' use of the Tides Parcel, Dylan Enterprises has maintained a shed and a smoker on a portion of the Soundview street end without formal documentation from the City, that portion more specifically described as Area 1 and Area 2 and depicted on **Exhibit A** attached hereto and incorporated herein by this reference (the "Original Shed Location"); and

C. While the City is under no obligation to allow Dylan Enterprises to continue use of the Original Shed Location, the City is willing to allow Dylan Enterprises to maintain the shed on a portion of the Original Shed Location as described below, subject to conditions;

NOW, THEREFORE, in consideration of the terms and conditions set forth below, the City and Dylan Enterprises agree as follows:

AGREEMENT

1. License to Use Property. The City hereby grants to Dylan Enterprises a license to use the real property depicted as Area 1 on **Exhibit A** (the "Licensed Premises") for the purpose of maintaining a shed and smoker for Dylan Enterprises' use associated with the Tides Parcel, along with the right to access the shed and smoker from the Tides Parcel. No other use of City property is authorized under this License.

2. Duration of License. This License shall take effect upon January 1, 2012, and shall remain in effect for twenty years. This License may be renewed for one five-year period upon satisfactory negotiation of an appropriate license fee provided Dylan Enterprises is in full compliance with the requirements under this Agreement.

3. Consideration - Payment. The City has determined that the value for use of the Licensed Premises over a period of 20 years is approximately \$40,000 present value. Rather than making monthly payments, the parties agree to establish a flat

annual license fee, payable in advance, commencing on January 1, 2012, in the amount of \$2,943.

4. Leasehold Excise Taxes. Dylan Enterprises shall, pursuant to chapter 82.29A RCW, annually remit to the City Leasehold excise tax payments in the amount of 12.84% of the above contract rental value. If the State adjusts the leasehold excise tax rate, the annual leasehold excise tax amount due to the City will change accordingly. Leasehold excise tax payments must be paid to the City in advance on or before the first day of each year commencing January 1, 2012, at the following address: Finance Director, City of Gig Harbor, 3510 Grandview Street, Gig Harbor, WA 98335, or such other address as the City may designate from time to time in writing.

5. Utilities. Dylan Enterprises shall be responsible for any electrical and water utilities present in the shed, subject to compliance with applicable laws, rules and regulations. No other utilities shall be permitted.

6. Alteration and Maintenance of Shed; Removal. Dylan Enterprises shall maintain the shed in good condition and maintain an appearance consistent with the historical architectural and look of the existing Tides Tavern on the Tides Parcel. Within six months of the commencement of this License, Dylan Enterprises will reduce the length and width of the shed to no more than ten feet by ten feet, depicted as Area 1 in **Exhibit A** of this License. Also within six months of the commencement of this License, Dylan Enterprises shall improve the exterior appearance of the shed to be in keeping with the historical architecture of the Tides Tavern. Plans for said shed improvements shall be reviewed and approved in advance and in writing by and at the discretion of the City. Such approval shall be for aesthetic appearance only and shall not be construed as the City's approval as to the structural integrity of the shed or compliance with applicable regulations, laws or ordinances. Dylan Enterprises will spend up to \$5,000 in making the aesthetic shed improvements. This up to \$5,000 amount will be in addition to Dylan Enterprises' costs for reducing the shed dimensions. Dylan Enterprises or its successors may abandon the shed with 30 days notice to the City and thereby terminate this License. If the License is terminated at any time during a calendar year, the license fee for the remainder of any calendar year will not be prorated nor returned to Dylan Enterprises. Upon termination, expiration or revocation of this License Dylan Enterprises will remove the shed and all personal property from the Licensed Premises, unless otherwise agreed by the City.

7. City Emergency Access. In the event of emergency, the City shall have the right to gain access to any of its infrastructure at any time that may be impeded by the shed location without prior notification to Dylan Enterprises. Absent emergency, the City shall provide 20 days advance notice prior to accessing its infrastructure that may be impeded by the shed.

8. Costs - Liens. All work and maintenance on the shed shall be at the sole cost and expense of Dylan Enterprises. No portion of such cost shall ever be or become the responsibility of the City. Dylan Enterprises shall not suffer any lien to be

placed on the City property as the result of any construction relating to the shed and in the event any such lien is filed by any contractor, subcontractor, supplier or materialman of Dylan Enterprises, Dylan Enterprises agrees to immediately satisfy and secure the release thereof, regardless of whether or not Dylan Enterprises disputes the amount claimed by the contractor, subcontractor, supplier, or materialman.

9. Hazardous Substances. Dylan Enterprises shall assume all costs associated with testing, monitoring, remediation, clean-up, and disposal of any hazardous substance or dangerous waste, as defined in RCW 70.105.010, which results from Dylan Enterprises' past, present and future use of the Licensed Premises.

10. Property Damage/Loss. Dylan Enterprises acknowledges the City is not responsible for and assumes no liability for lost, stolen or damaged property stored in the shed.

11. Liability Insurance. Dylan Enterprises, at its expense, shall maintain at all times during the term of this License, comprehensive liability insurance, contractual liability insurance, property damage liability insurance and such other insurance as the City may require from time to time in respect of the Premises and the use thereon, with the City as an additional insured, with One Million Dollars (\$1,000,000) minimum combined single limit coverage, or its equivalent. The limits of such insurance shall not limit the liability of Dylan Enterprises. All such insurance shall also insure the performance by Dylan Enterprises of the indemnity agreement set forth in Section 12 below. Upon the request of the City, Dylan Enterprises shall deliver to the City certificates of insurance, in such form reasonably requested by the City, issued by the insurance company or its authorized agent.

12. Indemnity. To the maximum extent permitted by law, Dylan Enterprises shall indemnify, defend and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, in any way arising out of or resulting from Dylan Enterprises' use of the Licensed Premises, or otherwise related to this Agreement, except for injuries and damages caused by the sole negligence of the City. It is further specifically and expressly understood that the indemnification provided herein constitutes the Dylan Enterprises' waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the Parties. The indemnity obligations of Dylan Enterprises shall survive expiration or revocation of this License as to any claim, suit, loss, or liability for any injury or damage occurring prior to such expiration or revocation.

13. Assignment. Dylan Enterprises acknowledges that the use authorized by this License is personal to Dylan Enterprises and is permissive. Dylan Enterprises expressly acknowledges that no such use shall be grounds for any claim of adverse possession or prescriptive use against the City or any successor in interest to the City. Dylan Enterprises shall not assign or otherwise transfer all or any part of Dylan

Enterprises' interest in this License without the City's prior written consent, which consent shall be subject to City's sole discretion.

14. Revocation. This License may be revoked by the City at any time in the event Dylan Enterprises fails at any time to comply with any condition of this License with twenty days of notice from the City notifying Dylan Enterprises of the need to come into compliance.

15. Notices. All notices or demands of any kind required or desired to be given by City or Dylan Enterprises shall be in writing and deemed delivered upon actual delivery or forty-eight (48) hours after depositing the notice or demand in the United States mail, certified or registered, postage prepaid, and shall be addressed:

If to City at:

City of Gig Harbor
Attn: City Administrator
3510 Grandview Street
Gig Harbor, WA 98335
(253) 851-6127

If to Dylan Enterprises at:

c/o Peter Stanley
602 North "C" Street
Tacoma, WA 98403
(253) 229-7000

or such other addresses as the parties may from time to time designate in writing.

16. No Third Party Rights. No third party beneficiaries or rights are intended or created by this License.

17. Governing Law, Jurisdiction and Venue. This License shall be construed and enforced in accordance with the laws of the State of Washington. The parties agree to submit themselves to venue and jurisdiction in the appropriate court in Pierce County, Washington.

18. Severability. If any term or provision of this License shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this License shall not be affected thereby.

19. Waiver. No covenant, term or condition of this License or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver or the breach of any covenant, term or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term or condition.

20. Entire Agreement. This License constitutes the entire agreement between the City and Dylan Enterprises relative to the shed. This Agreement may be amended only by a written instrument signed by the City and Dylan Enterprises. The City and Dylan Enterprises agree hereby that all prior oral agreements relating to this agreement are merged in or revoked by this License.

IN WITNESS WHEREOF, the parties have executed this instrument on the day and year written below.

CITY OF GIG HARBOR

DYLAN ENTERPRISES, INC.,
d/b/a Tides Tavern

Mayor Charles L. Hunter
Date: _____

By: _____
Its: _____
Date: _____

APPROVED AS TO FORM:
Office of the City Attorney

Angela S. Belbeck

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the _____ of DYLAN ENTERPRISES, INC., to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____

Printed: _____
NOTARY PUBLIC in and for Washington
Residing at: _____
My appointment expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that CHARLES L. HUNTER is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Mayor of the CITY OF GIG HARBOR, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____

Printed: _____
NOTARY PUBLIC in and for Washington
Residing at: _____
My appointment expires: _____

EXHIBIT A

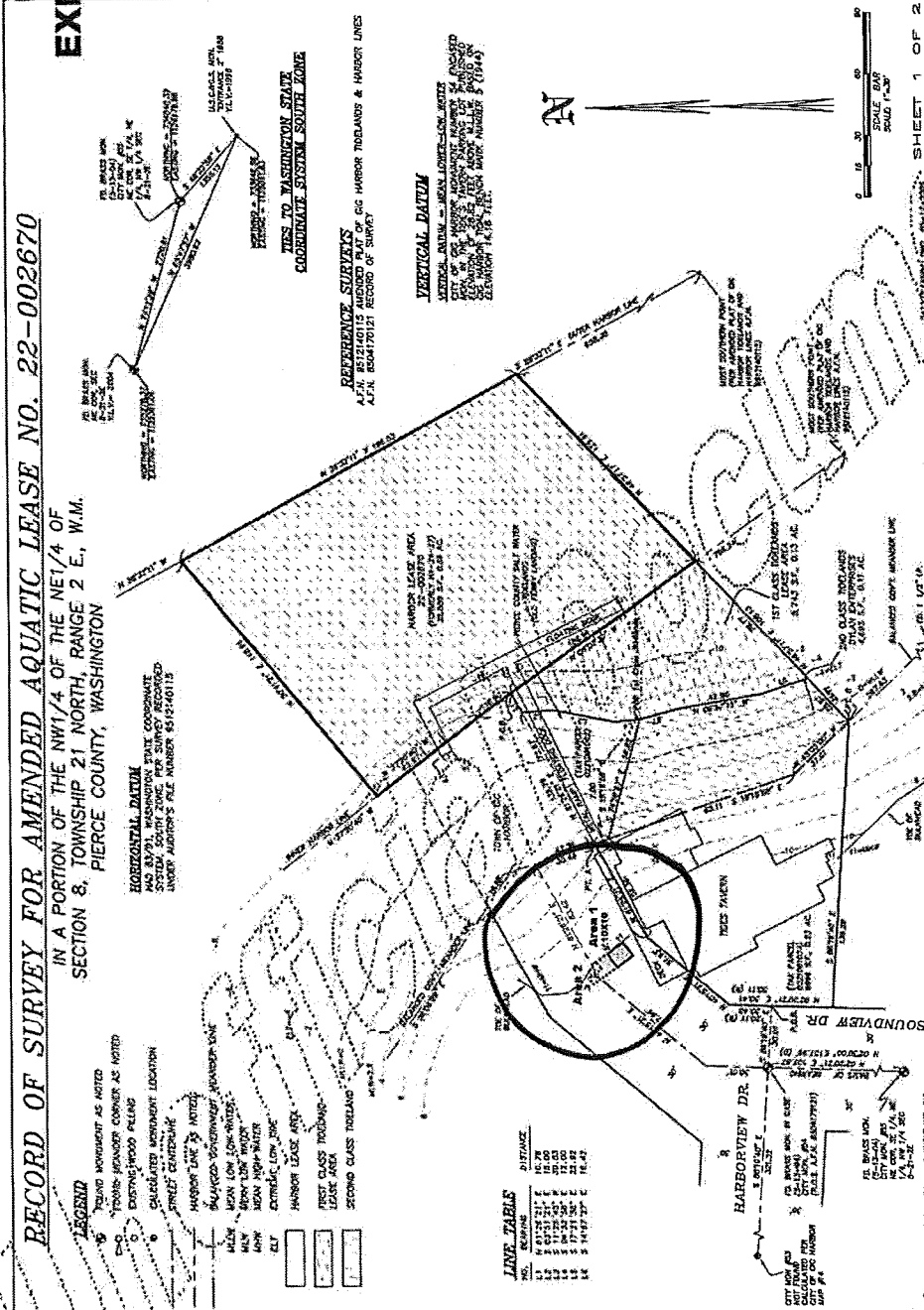
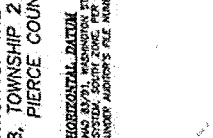
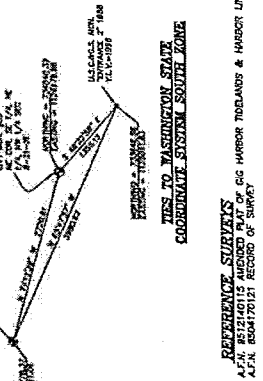
RECORD OF SURVEY FOR AMENDED AQUATIC LEASE NO. 22-002670

IN A PORTION OF THE NW1/4 OF THE NE1/4 OF SECTION 8, TOWNSHIP 21 NORTH, RANGE 2 E., W.M., PIERCE COUNTY, WASHINGTON

LEGEND

- TRAILING MONUMENT AS NOTED
- TRAILING MONUMENT CORNER AS NOTED
- EXISTING WOOD PILING
- CALCULATED MONUMENT LOCATION
- PIERCE COUNTY CENTERLINE
- HARBOR LEASE AREA
- MEAN LOW WATER
- MEAN HIGH WATER
- EXTREMUM LOW ZONE
- EXTREMUM HIGH ZONE
- FIRST CLASS TIDE GAUGE
- SECOND CLASS TIDE GAUGE

NO.	BEARING	DISTANCE
1	S 17° 31' 23" E	16.00
2	S 61° 23' 31" E	16.00
3	S 87° 52' 24" E	16.00
4	S 24° 25' 24" E	16.00
5	S 17° 31' 23" E	16.00



SURVEYOR'S CERTIFICATE
 THIS MAP OR PORTION THEREOF WAS MADE BY ME OR UNDER MY CLOSE PERSONAL SUPERVISION AND TO THE BEST OF MY KNOWLEDGE AND BELIEF IT COMES INTO FULL COMPLIANCE WITH THE REQUIREMENTS OF THE SURVEYING ACT IN THE PRESENCE OF THE FOLLOWING WITNESSES:
 [Signature] SURVEYOR
 [Signature] COUNTY CLERK

AUDITOR'S CERTIFICATE
 I HAVE EXAMINED THE RECORDS OF THE SURVEYOR AND TO THE BEST OF MY KNOWLEDGE AND BELIEF THE SAME COMPLY WITH THE REQUIREMENTS OF THE SURVEYING ACT IN THE PRESENCE OF THE FOLLOWING WITNESSES:
 [Signature] COUNTY CLERK

Thornton Land Surveying, Inc.
 P.O. BOX 249
 BIG HARBOR, WASHINGTON 98335
 TELEPHONE (253) 858-8106 / FAX 858-7488

RECORD OF SURVEY NO. 22-002670
 SHEET 1 OF 2
 DOWN: DEC 10 10:11 AM 2003
 CHIEF: [Signature]
 DAP: [Signature]

200 519 13 500



**Business of the City Council
City of Gig Harbor, WA**

Subject: Staff Report -- Donkey Creek / Austin Estuary Restoration and Transportation Improvements Project Update

Proposed Council Action: Staff Report Only

Dept. Origin: Administration

Prepared by: Rob Karlinsey
City Administrator

For Agenda of: April 11, 2011

Exhibits:

Concurred by Mayor:	_____	Initial & Date
Approved by City Administrator:	<u>ROK</u>	
Approved as to form by City Atty:	_____	
Approved by Finance Director:	_____	
Approved by Department Head:	_____	

Expenditure	Amount	Appropriation
Required see below	Budgeted n/a	Required n/a

INFORMATION / BACKGROUND

In November of 2006, the City entered into an agreement with the Gig Harbor Peninsula Historical Society (GHPHS) which resulted in the City purchase of a conservation easement over GHPHS property in 2009. The conservation easement was required in order to pursue restoration of Donkey Creek and improvements located within the nearby Austin Estuary.

The City of Gig Harbor received a grant and two appropriations to perform the transportation improvements and restoration work at Donkey Creek and Austin Estuary. They are administered by the Washington State Recreation and Conservation Office (RCO), the United States Fish and Wildlife (USF&W) and the Department of Housing and Urban Development (HUD). The City will contribute additional funds from the City's Stormwater Capital account for stormwater and street improvements. The restoration work includes a trail that connects Austin Estuary Park through the Museum site to Donkey Creek Park.

This update represents a preliminary conceptual design for the project as recommended by our consultants Murray, Smith & Associates, Inc. (MSA). MSA's cost analysis confirmed that a pedestrian bridge exceeds our budget by nearly \$1 million dollars. The Washington State Department of Fish and Wildlife reviewed stream modeling analysis for replacement of the existing 30-inch pipe under North Harborview Drive and determined that a 22-foot culvert is required. Existing conditions (all utilities under the road, dewatering management, jack and bore or open cut construction) and the cost of a 22-foot culvert is beyond the City's budget. As an alternate approach the City proposed a 6-foot culvert. After multiple meetings, site visits and correspondence with F&W biologists and engineers, the City's proposal for a 6-foot culvert to replace the existing pipe under North Harborview Drive was denied. Larger diameter culverts under the road were also explored but put the project over-budget and were questionable in the eyes of WDFW.

The project description below represents a Donkey Creek / Austin Estuary Restoration and Transportation Improvement Project that meets the scope of each grant requirement. Engineering's preliminary estimating and review confirms that this approach will fall within the City's current budget for the project.

The transportation element identified in the HUD grant will provide improved circulation by moving the 3-way, multi-directional stop in front of the Museum entrance further north on Harborview Drive just beyond the Wastewater Treatment Plant entrance. This will reduce congestion and significantly improve pedestrian safety. Austin Street will be upgraded to include new sub-grade and surfacing, curb, gutters and sidewalk, and lighting. It will be reconfigured as a one-way street. North Harborview Drive will also become one-way allowing for additional angled parking with improved safety and circulation for vehicles and pedestrians.

Per input from F&W, the existing 30-inch pipe that runs under North Harborview Drive will remain in place. After crossing under the roadway (North Harborview), the underground pipe that enters the Museum site will be excavated and redirected into a 22-foot culvert within the "day-lighted" conservation easement channel. The 80-foot culvert will be buried and the surface area converted to a pocket park for public access.

Austin Estuary improvements will include a pedestrian trail from the street-face, across Austin Estuary Park, through the Museum site with a final trail connection to the new pocket park. Interpretive signage and exceptional opportunities to view returning chum salmon will be provided at the park's overlook and all along the trail system. The existing rip-rap that borders Austin Estuary at the existing outfall will be removed and replaced with soft armoring and native vegetation. A soft-landing for kayaks and hand-powered watercraft will be part of the site improvements.

The viewing area originally planned at street level on North Harborview Drive will be relocated and result in improvements to existing open space adjacent to the Museum's Midway School . This will improve and reduce viewing access from what would have become 25 feet above the creek -- to less than 10 feet above the creek. Even more significant is F&W's preliminary input indicating that our conceptual design will meet their requirements. Below are the funding sources and amounts:

Source	Administered By:	Award	Scope
Federal	United States Fish and Wildlife (USF&W)	\$800,000	Creek restoration and fish habitat
Federal	Housing and Urban Development (HUD)	\$1,461,000	Transportation improvements and pedestrian safety
State	Recreation and Conservation Office (RCO)	\$325,000	Austin Estuary Restoration
Local	City Stormwater Capital Fund - proposed 2011 Budget	\$300,000	Improvements to alleviate flooding and maintenance issues
TOTAL FUNDING		\$2,886,000	

MSA has submitted a Phase 2 scope and services that is currently under review. Once finalized, the contract will be scheduled for review and approval during your April 25th Council meeting. On April 7th the Mayor met with Harbor History Museum Board President Ruffo and Executive Director Jennifer Kilmer to review the project. They were in favor of the changes. A conceptual plan of the project will be presented during Monday's meeting.

FISCAL CONSIDERATION

Funding for this work will be in the form of reimbursement of expense through RCO, HUD and USFW.

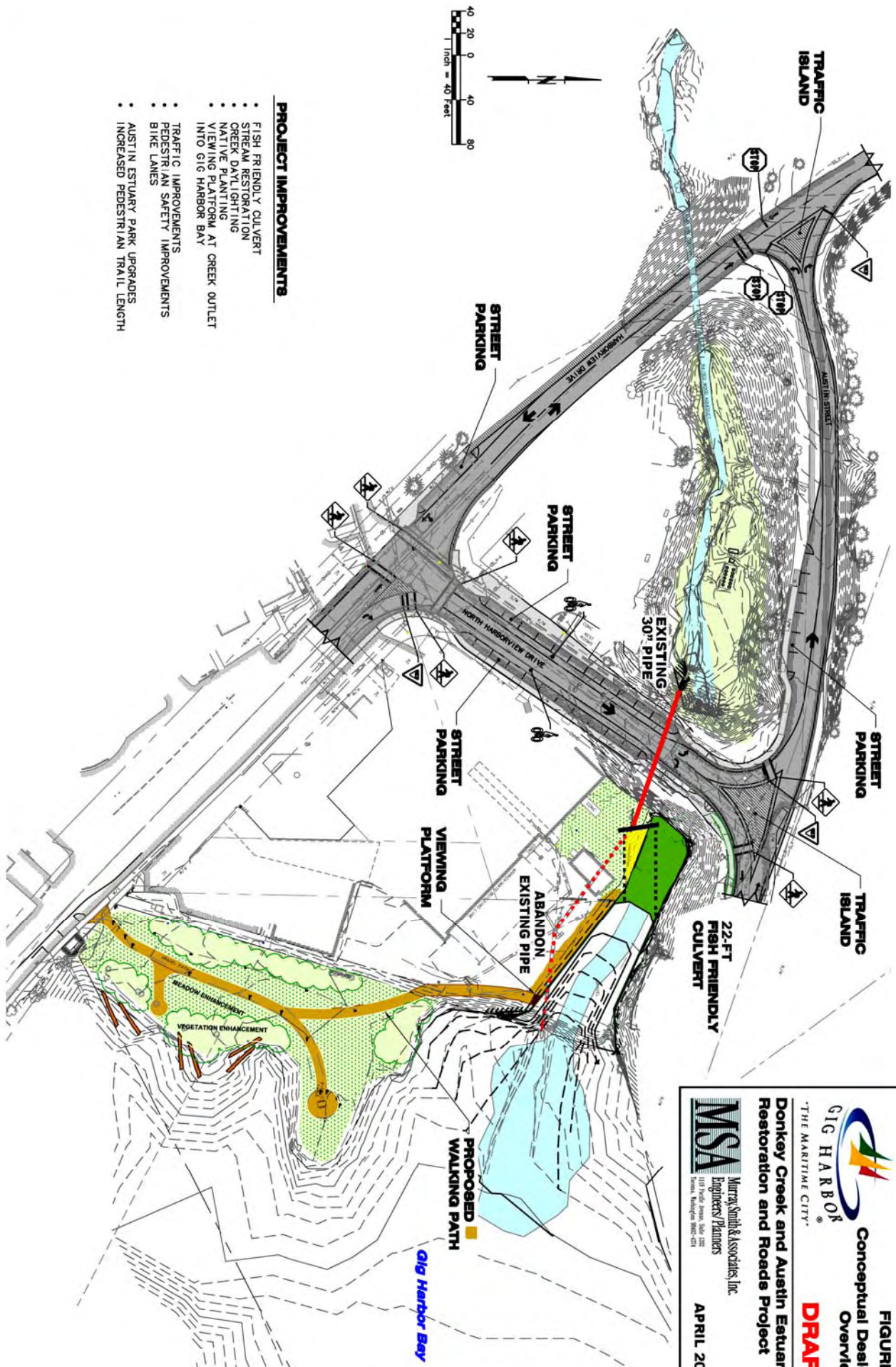
BOARD OR COMMITTEE RECOMMENDATION

n/a

RECOMMENDATION / MOTION

Move to: n/a

Source	Administered By:	Award	Scope
Federal	United States Fish and Wildlife (USF&W)	\$800,000	Creek restoration and fish habitat
Federal	Housing and Urban Development (HUD)	\$1,461,000	Transportation improvements and pedestrian safety
State	Recreation and Conservation Office (RCO)	\$325,000	Austin Estuary Restoration
Local	City Stormwater Capital Fund - proposed 2011 Budget	\$300,000	Improvements to alleviate flooding and maintenance issues
TOTAL FUNDING		\$2,886,000	



PROJECT IMPROVEMENTS

- FISH FRIENDLY CULVERT
- STREAM RESTORATION
- CREEK DAYLIGHTING
- NATIVE PLANTING
- VIEWING PLATFORM AT CREEK OUTLET INTO GIG HARBOR BAY
- TRAFFIC IMPROVEMENTS
- PEDESTRIAN SAFETY IMPROVEMENTS
- BIKE LANES
- AUSTIN ESTUARY PARK UPGRADES
- INCREASED PEDESTRIAN TRAIL LENGTH

FIGURE 1
Conceptual Design Overview
DRAFT

GIG HARBOR
 "THE MARITIME CITY"

Donkey Creek and Austin Estuary Restoration and Roads Project

MSA Murray Smith & Associates, Inc.
 Engineers/Planners
 1111 Travis Street, Suite 1000
 Austin, Texas 78702-2171

APRIL 2011