

# **GIG HARBOR CITY COUNCIL MEETING**



**September 23, 1996**

**7:00 P.M., CITY HALL COUNCIL CHAMBERS**



**AGENDA FOR GIG HARBOR CITY COUNCIL MEETING**  
**September 23, 1996 - 7:00 p.m.**

**PUBLIC COMMENT/DISCUSSION:**

**CALL TO ORDER:**

**APPROVAL OF MINUTES:**

**CORRESPONDENCE / PROCLAMATIONS:**

1. PCFPD #5 - Life Vest Awareness Sign.
2. Safe Streets Campaign.
3. Gig Harbor Peninsula Historical Society - Fr. Gary Weisenberger.

**OLD BUSINESS:**

1. Second Reading - Check Handling Fee Ordinance.

**NEW BUSINESS:**

1. Gig Harbor North - Annexation.
2. Wollochet Harbor Sewer District - Contract.
3. Sewer Extension Request - Westside Square.
4. Appeal of Hearing Examiner Decision - Robert Philpot Fuel Dock.
5. Resolution - Public Health & Safety.
6. Liquor License Renewal - Hy Iy Hee Hee.

**MAYOR'S REPORT: GHKP-FM / CERT**

**COUNCIL COMMENTS:**

**STAFF REPORTS:**

GHPD - Chief Mitch Barker.

**ANNOUNCEMENTS OF OTHER MEETINGS:**

**APPROVAL OF BILLS:**

**EXECUTIVE SESSION: Potential litigation.**

**ADJOURN:**



**REGULAR GIG HARBOR CITY COUNCIL MEETING OF SEPTEMBER 9, 1996**

**PRESENT:** Councilmembers Ekberg, Owel, Platt, Picinich, Markovich and Mayor Wilbert.

**PUBLIC COMMENT / DISCUSSION:**

Walt Smith - 11302 Burnham Drive. Mr. Smith asked Council to consider a Resolution that had been drafted that would address the Westside Business Owner's concerns prior to the Boundary Review Board hearing scheduled for tomorrow. He explained that the Resolution would authorize a planning committee for the Westside Annexation Area consisting of a balance of residents and business owners. He asked that language be included in the Resolution to state that the process would be completed by the end of 1997.

Lois Eyrse - President of the Chamber of Commerce. Ms. Eyrse said she wanted to clarify that the proposed committee was intended to meet and make recommendations for changes in the Comprehensive Plan. She added that the business owners wanted a continued voice in the annexation process.

Paul Cyr - 55th St. Ct. NW - Mr. Cyr said he had been asked by the business owners to try to reach a consensus before the Boundary Review Board hearing. He thanked Ray Gilmore, Mark Hoppen, and Tom Enlow for meeting with their group to develop this Resolution. He asked that their hope would be for the Resolution to be acted upon this evening to show direction and set the tone for a community effort. He apologized for the lateness of the proposal.

Councilmember Picinich said he was impressed with the balance proposed for this committee and asked that this Resolution be added to the agenda as a new business item. Mayor Wilbert announced that the Resolution would be considered as number seven under new business, and asked Walt Smith to draft the language that they would like included regarding and ending date for the committee.

**CALL TO ORDER:** 7:22 p.m.

**APPROVAL OF MINUTES:**

**MOTION:** Move approval of the minutes of the August 26, 1996 meeting as presented.  
Platt/Picinich - three voting in favor. Councilmembers Ekberg and Markovich abstained.

**CORRESPONDENCE / PROCLAMATIONS:**

1. Proclamation - Constitution Week. Mayor Wilbert introduced Lynne and Lloyd Sutherland, read the proclamation and then presented it to the Sutherlands.

**OLD BUSINESS:**

1. Second Reading - Bicycle Helmet Ordinance. Tom Enlow introduced this ordinance that

would require bicycle helmets to be worn in city limits, and provide consistent bicycle helmet laws throughout most of Pierce County. He added it was supported by the Police Chief, Tacoma Wheelmans Club and local bicycle shops. Councilmember Ekberg suggested that a sign be posted in addition to the "Bicycle Friendly Community" letting people know there is a helmet ordinance.

**MOTION:** Move to adopt Ordinance No. 737.  
Picinich/Ekberg - unanimously approved.

2. McPherson Outside Utility Request. Mark Hoppen explained that this agenda item had been tabled twice, and subsequently, the request had been reviewed by both Planning and Public Works staff. He said the Planning Department's review indicated that the proposal was not consistent with the proposed land use because the Gig Harbor Comprehensive Plan specifically prohibits several uses on "prominent parcels," such as gas stations/food marts. He added that a listing of the minimum recommended conditions of approval was attached to the contract as Exhibit B. He added that Public Works review assessed that project was inconsistent with city transportation standards with respect to the proposed access to Olympic Drive and read the three pertinent conditions. He added that these recommended conditions for approval were included in Exhibit B.

Councilmember Platt asked if there was a way that this project could be constructed as to comply with the Comp Plan. Steve Osguthorpe explained that if, and only if the project were approved with two driveways, the plan could be modified to comply with the Comprehensive Plan. He said that the applicant had been in contact with Mr. Gilmore discussing modifying the plan and added that he himself had worked on a sketch that showed an alternative to the site plan that would meet requirements of the Comp Plan, but that it would still not meet the requirements of the Public Works Standards for driveway separation.

**MOTION:** Move to deny this application as it does not meet the Comprehensive Plan or the Public Works Standards.  
Ekberg/Platt - Mayor Wilbert polled the Councilmembers individually as the vote was unclear. The poll was as follows:  
Ekberg - aye; Owel - aye; Platt - aye; Picinich - aye; and Markovich - aye.  
The motion to deny this request for sewer extension was unanimous.

Carol Morris, legal counsel, requested that Councilmembers discuss the criteria for which the decision for denial came about.

Councilmember Picinich said that the fact that the driveways do not meet city standards, because there needs to be at least 150' from the nearest intersection and 75' from the nearest driveway and still retain maximum width. Councilmember Platt stated that the service level does not improve with the second driveway proposed for Olympic Drive, drivers have less alternative access options with either one or two driveways, and the City of Gig Harbor has

less exposure for claims if the city conforms with its own standards with respect to driveway separation on Olympic Drive, especially in light of concerns relative to safety of turning movements and to potential conflicting traffic movements. Councilmember Picinich added that compliance with the Comp Plan preserves the visual quality of prominent parcels and view termination points by prohibiting uses such as parking lots, gas stations and convenience stores.

Councilmember Markovich said that he hoped that there would be a renewed application that further meets the purpose and intent of the Comp Plan. He added that he did not see it as a problem use on that corner, but it is obviously something specifically indicated as not appropriate for a prominent corner. He said that what was needed was a method to show how it could meet the intent of the Comp Plan. He added that the plan submitted does not meet that intent. He said that if the zoning, setbacks and design could be addressed properly, a plan could be approved.

Ron McPherson - 2416 SW Loridae, Portland. Mr. McPerson, owner and proponent of this project, said they had several meetings with staff since the item was tabled and he was flabbergasted at the approach taken this evening. He said they had come to several solutions except one, the driveway. He added that he could show that it is not good judgement to eliminate one driveway. He said they were willing to comply with everything with on Exhibit B except item 3, eliminating the north driveway to Olympic Drive. Councilmember Picinich stated that item number 3 was specifically stated as a reason for denial of the project.

Mr. McPherson went on to say that they had complied with everything that Pierce County had required of them and had received a variance for that driveway. He said that six traffic engineers had reviewed the plan and had determined that the driveway was safe. He said that if they close the driveway, it will triple the number of cars that will use the driveway exiting from the QFC parking lot. Councilmember Markovich said he had reviewed this issue and that there were different points of view. He added that the City has standards previously adopted, and that in light of staff's recommendation, it would be difficult to avoid these standards.

3. Resolution - Jerisich Dock Extension - Funding from IAC. Wes Hill introduced this resolution that adds two sections that had been omitted from the previous Resolution No. 469 authorizing application for funding for the Jerisich Dock Extension. He explained that the IAC requested that the language in these two sections be included to confirm that the City has adopted the project site plan, owns the property, and that there are no encumbrances that would prevent use of the completed facility. He added that this additional language would allow the project to proceed to the next funding-decision step.

**MOTION:** Move to approve Resolution No. 476.  
Markovich/Ekberg - unanimously approved.

**NEW BUSINESS:**

1. Bugay Utility Extension Capacity Agreement - First Addendum. Mark Hoppen explained that this addendum to the Utility Extension Capacity Agreement for Newpark Terrace would allow a more cost-effective route for sewer connection to the Long Acres pump station, while assuring the city of the availability of the pro-rata share of the development's share of the gravity sewer connection and wet well upgrade for the pump station. Carol Morris suggested language changes in the contract to provided consistency.

**MOTION:** Move to approve the First Addendum to the Utility Agreement with corrections noted by legal counsel.  
Markovich/Picinich - unanimously approved.

2. Gig Harbor Financial Center - Sewer Extension Request. Mark Hoppen introduced this request for 19 ERUs for a 40,000 square foot office complex on Point Fosdick Drive. He added that the project is in compliance with the Public Works Standards but would need to be approved under the exception criteria with respect to land use standards. Steve Osguthorpe said that the project meets the exception criteria admirably and meets the intent of the Comp Plan and the zoning code requirements. Carol Morris suggested corrections to Section 15 of the agreement, clarifying the improvements required for construction improvements under an LID. Mr. Hoppen introduced Evelyn Hogan, the project owner, and Bezee Zenchuck, project architect, who presented the project and answered questions.

**MOTION:** Move to approve the Sewer Extension Request for the Gig Harbor Financial Center with corrections suggested by legal counsel and including the approval criteria as listed.  
Picinich/Markovich - unanimously approved.

Mayor Wilbert called a brief, five minute recess to the Council Meeting at 8:16 p.m. The meeting returned to session at 8:21 p.m.

3. First Reading - Check Handling Fee Ordinance. Tom Enlow explained that this ordinance was being introduced due to the increase of checks being returned by banks for insufficient funds. He added that the processing and collecting these checks requires a considerable amount of staff time and this would help to reimburse the city for the costs incurred. This will return for a second reading at the next council meeting.
4. Renewal of Copier Maintenance Contract. Mark Hoppen explained that because of the high volume of copies, the copier maintenance contract on the downstairs machine had expired and the new contract reflected this higher usage.

**MOTION:** Move to authorize the Mayor to sign the maintenance service contract.  
Ekberg/Markovich - unanimously approved.

5. Special Occasion Liquor License - St. Nicholas Fall Harvest Festival. No action taken.



6. Liquor License Assumption - Harvester Restaurant. No action taken.
7. Resolution - Westside Sub-Area Planning Program. Mayor Wilbert asked Walt Smith if the language had been prepared to be added to the Resolution regarding a time limit. Mr. Smith asked that a new Item 5 be added under Section 1 to read "This process will be completed by December 31, 1997."

**MOTION:** Move to adopt Resolution No. 477 with addition of Item 5 to Section 1.  
Picinich/Ekberg - unanimously approved.

**MAYOR'S REPORT:** Adopt-a-Road. Mayor Wilbert talked about the stretch of road on Burnham Drive from the Wastewater Treatment Plant to the Mexican Restaurant. She added that she had suggested a program to City Hall staff to spend a little time after work on the second Friday of each month picking up litter along that stretch of road, in an Adopt-a-Road program. She added that her goal for the coming year was to clean up Gig Harbor Bay, and this was one way to begin.

**COUNCIL COMMENTS:**

**STAFF REPORT:** None.

**ANNOUNCEMENT OF OTHER MEETINGS:**

City Council Worksession to discuss the Comprehensive Parks Plan - September 16th, 6:00 p.m. at City Hall.

**APPROVAL OF BILLS:**

**MOTION:** Move approval of checks #16472 through #16524 in the amount of \$72,504.30.  
Owel/Ekberg - unanimously approved.

**APPROVAL OF PAYROLL:**

**MOTION:** Move approval of checks #13004 through #13140 in the amount of \$204,007.56.  
Owel/Ekberg - unanimously approved.

**ADJOURN:**

**MOTION:** Move to adjourn at 8:32 p.m.  
Picinich/Platt - unanimously approved.

Cassette recorder utilized.  
Tape 438 - Side B 113 - end.  
Tape 439 - Both sides.

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Mayor

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City Administrator

PIERCE COUNTY FIRE  
PROTECTION DISTRICT NO. 5

6711 Kimball Dr. • Gig Harbor, WA 98335  
Phone 851-3111 • Fax 851-9606

RECEIVED

SEP 12 1996

CITY OF GIG HARBOR

September 11, 1996

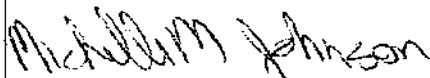
Mayor Gretchen Wilbert  
City of Gig Harbor  
3105 Judson Street  
Gig Harbor, WA 98335

Dear Mayor Wilbert:

I wanted to take a moment to thank you and the City of Gig Harbor for helping Pierce County Fire District #5 in its goal of preventing the loss of life. Your assistance in posting a life vest awareness sign is one more reminder for people to be safe while on the water. The sign will tell people wearing their life vest that they are doing the right thing and give others a reminder to put on their vest. The sign, placed at Jerisich Park dock, will be visible to all individuals as they prepare to board their boats and as they leave the area.

I thank you for making an in-VEST-ment in safety and look forward to working with you again.

Sincerely,



Michelle M. Johnson  
Prevention Specialist

cc: Chief Larry Claiborne

Safe Streets Campaign  
1501 Pacific Avenue, Suite 305  
Tacoma, Washington 98402-4420  
(206) 272-6824

RECEIVED

SEP 16 1996

CITY OF GIG HARBOR

**S A F E S T**

PRISCILLA LISICICH, Ph.D.  
Director

September 6, 1996

Honorable Gretchen Wilbert  
Mayor of Gig Harbor  
3105 Judson St.  
Gig Harbor, WA 98335


Dear Mayor Wilbert:

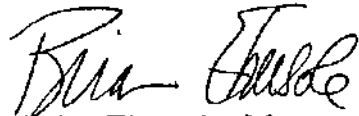
The Safe Streets Campaign has served as a successful resource to individuals, families, communities and organizations for the past seven years to reduce and prevent illegal drug trafficking, gang activity and associated violence. Safe Streets has built a strong foundation of citizen involvement in partnership with law enforcement and other key municipal and county services to organize 1100 blocks and to close down over 600 drug dealing locations.

This nationally recognized model has been built through a consistent financial commitment of the City of Tacoma, Pierce County, Tacoma School District #10 and United Way. We invite you to become a member of the Safe Streets Consortium to continue to build a strong citizen mobilization effort for public safety.


We invite you to sit down with us to discuss how your community can become a consortium member, thereby enhancing your opportunity to expand your public safety effort.

Sincerely yours,

  
John Shields, Sheriff  
Pierce County

  
Brian Ebersole, Mayor  
City of Tacoma

  
Dennis Flannigan  
Pierce County Council

  
Debbie Winkill  
Tacoma School Board

*St. Nicholas Catholic Parish  
P.O. Box 220  
Gig Harbor, Washington 98335-0220  
September 12, 1996*

RECEIVED  
SEP 16 1996  
CITY OF GIG HARBOR

*Mayor Gretchen Wilbert  
Gig Harbor City Hall  
3105 Judson Street  
Gig Harbor, Washington 98335*

Dear Mayor Wilbert,

As you know, the Gig Harbor Peninsula Historical Society operates its museum in the basement of the Old St. Nicholas Catholic Church. Our landlord-tenant relationship over the years has been superb. I have always felt that the residents of Gig Harbor deserve to have their rich and colorful history preserved and displayed in a place that is easily accessible and appropriately spacious. Furthermore, the countless visitors to Gig Harbor are naturally interested in the past of our beautiful city and are drawn to the museum.

Last week, I was compelled to make a difficult decision affecting the museum and Historical Society. I had no choice but to formally notify the Historical Society that I could only extend their current lease of the Old Church basement through August 1, 1997, although a 5-year extension was requested. My reason for so informing the Society is bittersweet. St. Nicholas is experiencing unprecedented growth of its ministerial outreach programs, not only to parishioners but to the greater community. We have virtually outgrown all of our current meeting and training space. There is rarely an evening that we are not conducting training, meetings, or ministerial services of some sort. As a pastor, I am gratified that we are able to offer so much and I must strive to accommodate all of these parish programs. Yet, in doing so, I must now reclaim the parish space that is currently used by the Historical Society. Sadly, this places great pressure on the Society to locate a suitable location in less than a year. Needless to say, this is no easy task!

Mayor Wilbert, I ask you to consider helping the Historical Society in its search for a new home. The museum rightfully belongs to the community of Gig Harbor. Possibly, with your assistance, this museum will not disappear into the past but will be secure for the future. Please feel free to contact me if you wish, at 851-8850.

Yours in Christ,



Father Gary Weisenberger, Pastor





*City of Gig Harbor. The "Maritime City."*

3105 JUDSON STREET  
GIG HARBOR, WASHINGTON 98335  
(206) 851-8136

**TO: MAYOR WILBERT AND CITY COUNCIL**  
**FROM: TOM ENLOW**  
**DATE: SEPTEMBER 18, 1996**  
**SUBJECT: CHECK-HANDLING FEE ORDINANCE & RESOLUTION**

### **BACKGROUND**

We are experiencing an increasing number of checks being returned by banks for insufficient funds. Processing and collecting these checks requires a considerable amount of staff time. The check-handling fee established in this ordinance is intended to reimburse the City for costs incurred.

Following the ordinance is a resolution setting the fee at \$20.

### **RECOMMENDATION**

Staff recommends adoption of the ordinance and resolution.

ORDINANCE NO. \_\_\_\_

**AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, PROVIDING FOR AND ESTABLISHING A CHECK-HANDLING FEE TO BE COLLECTED FOR ALL CHECKS OR DRAFTS PAYABLE TO THE CITY WHICH ARE DISHONORED BY NONACCEPTANCE OR NONPAYMENT BY THE DRAWING BANK OR INSTITUTION; AUTHORIZING AND DIRECTING THE FINANCE DIRECTOR TO COLLECT THE CHECK-HANDLING FEE; AND AMENDING THE GIG HARBOR MUNICIPAL CODE TO ADD A NEW SECTION 3.48.020.**

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WHEREAS, the City of Gig Harbor has experienced an increased incidence of checks or drafts presented in payment of obligations due and owing to the City of Gig Harbor being dishonored by nonacceptance or nonpayment by the drawing bank or institution; and

WHEREAS, the processing of such dishonored checks or drafts represents an additional cost to the City of Gig Harbor; and

WHEREAS, the City of Gig Harbor has the authority, by law, to collect a reasonable check handling fee for checks dishonored by nonacceptance or nonpayment; now therefore,

**THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, DO ORDAIN AS FOLLOWS:**

Section 1. a new Section 3.48.020 is hereby added to the Gig Harbor Municipal Code, Chapter 3.48, Miscellaneous Fees, to read as follows:

**3.48.020 Check-handling fee.**

Whenever a check or draft presented to the City is dishonored by nonacceptance or nonpayment by the drawing bank or institution, the maker will be charged a check-handling fee. Any license or application paid for with such check or draft is invalid, any obligation paid with such check or draft is still outstanding, and any penalties, interest or fees specified in the Gig Harbor Municipal Code, ordinances or resolutions will continue to accrue, until the City receives funds for the amount of the check or draft plus the check-handling fee.

The Finance Director of the City of Gig Harbor, or his/her designee, is hereby authorized and directed to assess said check-handling charge in addition to, and as a part of, the payment or obligation due or made to the City of Gig Harbor for which the dishonored check or draft was issued.

Section 2. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to other persons or circumstances shall not be affected.



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

APPROVED:

\_\_\_\_\_  
MAYOR, GRETCHEN A. WILBERT

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
CITY ADMINISTRATOR, MARK HOPPEN

APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY:

BY \_\_\_\_\_

FILED WITH THE CITY CLERK: 9/3/96  
PASSED BY THE CITY COUNCIL:  
PUBLISHED:  
EFFECTIVE DATE:  
ORDINANCE NO. \_\_\_\_

**CITY OF GIG HARBOR  
RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY OF GIG HARBOR, WASHINGTON,  
WHICH ESTABLISHES A CHECK-HANDLING FEE**

**WHEREAS**, the City of Gig Harbor desires to establish such fees by Resolution.

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

The check-handling fee authorized by Gig Harbor Municipal Code 3.48.020 is set at \$20.00.

APPROVED:

\_\_\_\_\_  
Gretchen A. Wilbert, Mayor

ATTEST:

\_\_\_\_\_  
Mark E. Hoppen, City Administrator  
City Clerk

Filed with City Clerk: 9/3/96  
Passed by City Council:  
Date Published:  
Date Effective:



*City of Gig Harbor. The "Maritime City."*

3105 JUDSON STREET  
GIG HARBOR, WASHINGTON 98335  
(206) 851-8136

**TO: MAYOR WILBERT AND CITY COUNCIL**  
**FROM: MARK HOPPEN, CITY ADMINISTRATOR**  
**DATE: SEPTEMBER 23, 1996**  
**SUBJ.: RESOLUTION - Gig Harbor North Annexation (ANX 91-04)**

### **Summary**

The proposed annexation has been considered by the City Council at two public hearings, one in December of 1995 and the second in January of 1996. The proposal consists of the annexation of approximately 795 acres to the city of Gig Harbor. A breakdown of the proposed land use zones is as follows:

Low Density Residential	50.9%
Medium-High Density Residential	16.6%
Retail-Commercial	9.5%
Business/Employment	21.8%
Parks/Public	1.2%

The annexation proposal is subject to the ratification of an annexation agreement between the city and the three major land owners of the annexation area. The agreement addresses needed public facility improvements for the annexation area. Included with the annexation agreement are separate agreements relating to transportation and to parks: 1) an agreement with Pierce County for design and construction of the East/West Road; 2) an easement dedication agreement with Pope Resources and Logan International Corporation; and 3) a right-of-first-refusal agreement for 20 acres of park space identified immediately west of the Woodridge subdivision.

*Copies of all agreements, signed by respective parties to each agreement, are in your packet.*

### **Preannexation Zoning Agreement**

The City has negotiated with the Gig Harbor North principals in developing an annexation agreement to address needed public facility improvements for the annexation area. Specifically, the agreement addresses water transmission mains and storage tanks, road construction improvements, parks and trails, conveyance of infrastructure, utility connection charges and general administrative provisions. The agreement specifies responsibilities for both parties respective to future funding commitments and project implementation. The agreement is supplemental to the proposed zoning for the area and, in addition to the agreement itself, includes the following exhibits:

1. Exhibit "A" - Legal description for Pope Resources property.

2. Exhibit "B" - Legal description for Logan International Corporation property.
3. Exhibit "C" - Legal description for Tucci and Son's property.
4. Exhibit "D" - Interlocal Agreement between the City of Gig Harbor and Pierce County on the Swede Hill Corridor Transportation Facility.
5. Exhibit "E" - Agreement for dedication of right-of-way.
6. Exhibit "F (1)" - Peacock Connection
7. Exhibit "F(2)" - Peacock Connection "Access Easement".
8. Exhibit "G" - Gig Harbor North, Proposed Land Use.
9. Exhibit "H" - Right of First Refusal Agreement.
10. Exhibit "I" - Park Dedication.
11. Exhibit "J" - PCD Zoning Designations.
12. Exhibit "K" - Gig Harbor North Generalized Land Use Map.

### **Financial Analysis of the Annexation (Revenue/Costs)**

An estimate of revenue and expenditures is included in the attached report to the Pierce County Boundary Review Board (PCBRB).

Because of the limited amount of retail uses in the area, there is negligible sales tax revenue in this area. This would likely increase significantly as commercial development occurs in the proposed commercial districts east of the Swede Hill Interchange and within the mixed-use area along the Burnham Drive corridor. It is anticipated that there will be an increase in permit related activity within the year with new development in the proposed commercial areas, and, additionally, an increase in minor land development activities associated with existing residential development. The extent of "near-term" proposed development activity is speculation at this point in time, but the most likely scenario is the development of a commercial center east of the Swede Hill interchange consisting of a major food store and department store "anchors".

Financial impacts to city services (police, planning, public works, administration) are detailed in the attached report to the PCBRB. The short-term scenario indicates a lag-time between service delivery and receipt of tax revenues. Also, this scenario suggests an overburden of existing delivery systems, particularly in such areas as planning and public works project review, building inspection and administrative functions. In the long-term and in the aggregate, as development occurs and the demand for city services increases, additional tax revenue will serve to offset increased costs, particularly in development scenarios which contain higher value, revenue-producing, non-residential uses.

### **Recommendation**

A resolution for the adoption of the annexation is presented to Council for its approval. Upon final approval by the Pierce County Boundary Review Board, an ordinance adopting the annexation will be presented to the Council. It is anticipated that this will occur in November or December.

## ANNEXATION WORKSHEET

ANNEXATION NAME

GIG HARBOR NORTH (Using existing development only.)

REQUIRED DATA	Source	CURRENT	1997	1998	1999	2000	2001	2002
PROPERTY VALUATION	Actual	23,371,810	24,072,964	24,795,153	25,539,008	26,305,178	27,094,333	27,907,163
POPULATION	Actual	504	518	535	551	567	584	602
HOUSEHOLDS	2.4 pph	210	216	223	229	236	243	251
MILES OF STREET	Actual	2.70	2.78	2.86	2.95	3.04	3.13	3.22
CUMULATIVE GROWTH (REVENUES)	3% per year	100.00%	103.00%	106.09%	109.27%	112.55%	115.93%	119.41%
CUMULATIVE INFLATION (EXPENDITURES)	3% per year	100.00%	103.00%	106.09%	109.27%	112.55%	115.93%	119.41%

ESTIMATED REVENUE	Basis	Rate						
GENERAL PROPERTY TAXES	\$1000 valuation	\$1.6000			40,862	42,088	43,351	44,651
DIVERTED ROAD TAXES	\$1000 valuation	\$1.6000	19,258	39,672				
STATE SHARED TAXES	Per capita	\$60.00		32,082	33,044	34,035	35,056	36,108
SALES TAX	Estimate	\$10.000	10,300	10,609	10,927	11,255	11,593	11,941
REAL ESTATE EXCISE TAX	Per capita	\$26.81	13,917	14,335	14,765	15,208	15,664	16,134
STORM DRAIN FEE	Households	\$43.20	9,344	9,624	9,913	10,211	10,517	10,832
UTILITY TAXES	Households	\$120.00	26,735	28,363	30,090	31,923	33,867	35,929
<b>TOTAL</b>			<b>79,555</b>	<b>134,685</b>	<b>139,602</b>	<b>144,720</b>	<b>150,048</b>	<b>155,596</b>

ESTIMATED ADDITIONAL EXPENDITURES								
POLICE - OVERTIME (5 HRS/CAPITA, 33/MR)	Hours per capita	165	88,224	93,597	99,297	105,345	111,760	118,566
STREET MAINTENANCE	Mile of streets	\$20,000	57,289	60,777	64,479	68,406	72,571	76,991
EAST WEST ROAD	Actual		600,000					
STORM DRAINAGE MAINTENANCE	Households	\$65	14,060	14,481	14,916	15,363	15,824	16,299
<b>TOTAL</b>			<b>759,573</b>	<b>168,856</b>	<b>178,692</b>	<b>189,113</b>	<b>200,156</b>	<b>211,856</b>

<b>EST REVENUE OVER EST EXPENSES</b>			<b>(680,018)</b>	<b>(34,171)</b>	<b>(39,090)</b>	<b>(44,393)</b>	<b>(50,108)</b>	<b>(56,260)</b>
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# Report to the Pierce County Boundary Review Board

## NOTICE OF INTENTION

City of Gig Harbor

Proposed Annexation: ANX 91-04

Gig Harbor North

### SECTION I: BACKGROUND/MAPS

1. Proposed Annexation: As established pursuant to RCW 35A.14.120, The City of Gig Harbor proposes to annex approximately 795 acres of property located lying north of the current City boundary, between Peacock Hill Avenue and SR-16/Burnham Drive NW. The majority of the annexation area is not developed.

Under the direct petition method for a code city, a minimum of sixty percent of the owners of the assessed valuation within the annexation area must petition for the annexation. Petitioners have submitted a sufficient petition, bearing the signatures of 63.4% of the property owners of the subject area, with a total assessed valuation of \$23,371,810 in order to obtain City services (sanitary sewer, water, police and administrative) for the area. Annexation would also result in a higher per capita ratio for police services, a faster response time for police emergency and improved access to municipal services.

2. Resolution: Pursuant to Resolution No. \_\_\_\_\_, dated September 10, 1996, the City of Gig Harbor has approved the proposed notice of intention to annex and a pre-annexation zoning plan, which is submitted to the Pierce County Boundary Review Board for its consideration. If accepted by the Pierce County Boundary Review Board, an ordinance adopting the annexation will be passed by the Gig Harbor City Council.
3. Compliance with the State Environmental Policy Act: In accordance with RCW 43.21C.222, annexations to cities or towns are exempt from SEPA compliance. The annexation was the subject of a 1992 draft environmental impact statement (DEIS) and 1993 final environmental impact statement (FEIS) for the Gig Harbor North Annexation.
4. Legal Description: A copy of the legal description is attached as Exhibit "A".
5. Maps  
The following maps are submitted:

- A. Pierce County Assessor's Parcel Map (2 sets)
- B. City/Annexation Boundary
- C. Water Purveyor/District
- D. County Zoning Map
- E. City of Gig Harbor Comprehensive Plan Map

**SECTION II: FACTORS STATED IN RCW 36.93.170**

1. Overview

A. Population and Territory

The total acreage proposed for annexation is 795 acres. There are approximately 154 single family residences and 72 mobile homes within the subject territory. Using U.S. Census data of 2.4 dwellings persons per household (pph) unit for single family dwellings and 1.86 pph for each mobile home yields a current estimated population of 504.

B. Population Density

With approximately 504 people living in an area of 795 acres proposed for annexation, the gross population density/acre is 0.63. This represents approximately 12.5% of the current total population of the City. Maximum potential build-out population under the current City of Gig Harbor Comprehensive Plan and under the proposed zoning for the area is approximately 626 single family units (@ 2.4pph) and 465 multifamily units (@ 1.86pph) for a total population of 2404.

C. Assessed Valuation

The assessed valuation for the entire annexation area is \$23,371,810 (1993 evaluation). With a current population of 504 people, this yields a per capita assessed valuation of \$ 46,372.

2. Land Area and Land Use

A. Present Land Use within the subject area is as follows:

<u>Land Use</u>	<u>Acres</u>	<u>% of Area</u>
Commercial/business	8.2	(1.0%)
Residential	111.9	(14.0%)
Industrial	40.8	(5.1%)

Public Roads/Right-of-Way	13.5	(1.6%)
Institution	13.1	(1.6%)
Private Recreation	45.8	(5.8%)
Undeveloped/Vacant	553.4	(69.6%)

**B. Proposed Land Use is as follows:**

Low Density Residential	404.65	(50.9%)
Medium-High Density Residential	131.97	(16.6%)
Retail-Commercial	75.5	(9.5%)
Business/Employment	173.31	(21.8%)
Public right-of-way	18.1	(2.25%)
Undeveloped/Vacant	Although not calculated, a vacancy rate of up to 25% of the area <u>could</u> be realized over the 20 year buildout period.	

**3. Comprehensive Use Plan and Zoning**

**A. Pierce County Comprehensive Plan/Development Regulations:**

The Pierce County Comprehensive Plan was substantially updated in November 1994. The annexation area is designated as Employment Based Planned Community Overlay, Medium Single Family and Activity Center. All of the Gig Harbor North principals' properties and two other ownerships are included in the Planned Community Overlay. A summary of these categories, which is based upon the Pierce County Comprehensive Plan, is as follows:

- a. Employment Based Planned Community Overlay - provides a mix of jobs, services, recreation and housing and which must meet the definition planned community per RCW 36.70A.350(1). Residential development is not the exclusive use of the EBPC designation.
- b. Activity Center - designed to meet the shopping, service, office and multifamily housing needs of those drawn by the recreational, cultural and educational attractions found in the Activity Center.
- c. Medium Single Family - permits residential development up to 6 dwelling units per acre.

**B. City of Gig Harbor Comprehensive Plan**

The City of Gig Harbor Comprehensive Plan was updated in 1994 as



part of meeting the city's obligation under the Growth Management Act. Several land use designations are established for this area and these are summarized as follows:

- a. Planned Community District (PCD)- provides a range of land uses including employment based, retail, services, residential, parks and public facilities. Approximately 465 acres of this area is PCD. The PCD designation coincides with the Pierce County Comprehensive Plan's "Employment Based Community Overlay."
- b. Mixed Use Overlay - principally along the Burnham Drive corridor, allows a mixture of uses based upon a minimum parcel development size and percent limitation of uses. Coincides with the Pierce County designations of Activity Center and medium single family (MSF).
- c. Low Density Residential - limited to single family residential at a maximum density of 4 dwelling units per acre. Coincides with the Pierce County designation of medium single family.

#### 4. Planning Data

##### A. Revenue/Expenditures

- 1) Estimated City Expenditures: The most significant expenditure would take place in the first year following annexation, with the majority of the costs associated with the City's contribution to the construction of the East-West Road. Estimated expenditures are as follows:

<u>Year</u>	<u>Expenditures(\$)</u>
1997	759,573
1998	168,856
1999	178,692
2000	189,113
2001	200,156
2002	211,856

##### Police

It is estimated that one additional full-time police officer, including related equipment and support services, would be required to serve this area. Estimated expenses would be \$88,224.

Public Works Maintenance

Roads Maintenance: \$57,829  
Storm water management: \$14,060

Planning-Building, Administration, Finance

It is estimated that no additional support staff would be required during the first year of operation. However, as the area develops, it is anticipated that additional staff would be required to maintain current levels of service.

- 2) **Estimated City Revenues:** The City will not realize any particular revenues based on ad valorem taxes for the first 18-24 months depending on the time of the annexation, although County Road taxes collected after annexation will be diverted to the City's street fund. After that time, when the County changes the tax records, there will be a change in revenue allocation based upon the assessed valuation. Estimated revenues are as follows:

<u>Year</u>	<u>Revenue(\$)</u>
1997	79,555
1998	134,685
1999	139,602
2000	144,720
2001	150,048
2002	155,596

A detailed fiscal impact worksheet prepared by the Finance Department is attached to this report.

- 3) **Estimated County Revenues Lost:** There will be no loss to the County in ad valorem taxes. The loss to the County Road tax at 2.0156/1000 would be \$46,977 per annum. The County will lose the sales tax revenue within two months after the annexation takes place. This amount is unknown at this time, but based upon the current retail/business activity in the area, sales tax revenue loss would not be significant.
- 4) **Estimated County Expenditure Reduction:** The estimated expenditure reduction to the County would be approximately \$160,000, based upon the anticipated expenditures by the City of Gig Harbor. It is assumed that the level of street

maintenance and police protection proposed by the City would exceed the County level of service.

B. Services

1) Water

The water service to the area proposed for annexation is currently being provided by the City of Gig Harbor and the Harbor Water Company. The City water system currently serves a single development east of Burnham Drive with a class B water system. The area is included in the City of Gig Harbor's Comprehensive Water System Plan Update (December 1993). Municipal water is proposed for this area. Potable water would continue to be provided by Harbor Water Company to its existing services.

2) Sewer

Portions of the area are currently served by city sewer. The portion of the annexation area located along Burnham Drive and some parcels within the annexation area have sewer service capacity agreements with the City of Gig Harbor. Sewer lines have not been constructed to all of these properties as of this date.

3) Fire Service

No change from present. Service is provided by Pierce County Fire District #5.

5. General

- A. A sewer service agreement was approved for certain properties within the annexation area in conjunction with Gig Harbor U.L.I.D. #3.
- B. Topography, Natural Boundaries, Drainage Basins and proximity to other population areas.

The topography of the subject area is variable ranging from slopes in of 15-25% on the west and east boundaries to level adjacent to Peacock Hill Avenue. Wetlands occur in the north central portion, east of SR-16 and west of Peacock Hill Avenue. The principle overstory vegetation in the area is generally characterized as mixed coniferous-deciduous in the undeveloped areas which occupy the central 60% of the area. Drainage is generally toward the south, to Gig Harbor Bay by way of Donkey Creek and a portion draining to the north to Henderson Bay, by way of McCormick Creek. The nearest population center is the City of Gig Harbor, which borders the area

on the south. Several subdivisions border the area east of Peacock Hill Avenue. The east and west boundaries of the annexation area are principally streets (minor arterials) and the north boundary consists of the planned unit development of Canterwood.

C. Estimated Growth to the Year 2010

The estimated population growth for this area over the next 20 years is an estimated increase of 1,900, for an area total of 2,404. The basis for this projection is the Puget Sound Regional Council disaggregation estimates for the Gig Harbor Peninsula based at a growth rate of 3.1% per year to the year 2000, and 2.6% per year after that to the year 2010.

D. Municipal or community services relevant to this proposal.

In conjunction with the Peninsula School, several candidate school sites were considered for the annexation area. A candidate school site consists of a 40 acre parcel suitable for schools, parks and open space. A fixed site has not been selected as of this date. Common open space areas dedicated to the city of Gig Harbor have been selected along the east portion of the annexation area, following the drainage to North Creek. These open space areas include several wetlands and will eventually be developed by the city as part of trail system which links the city's north shore with proposed east-west road.

E. Evaluation of the present services to the area and estimate of future needs and costs.

Public services currently in place are adequate to accommodate any growth within the annexation areas. As new development occurs within the area, municipal sewer would be required. The costs for new sewer would include the installation of the required sewer service lines (consistent with the City of Gig Harbor Comprehensive Sewer Plan) and the connection fees. These costs would be borne by the general population and would be financed by development at the time which it occurs.

6. Factors considered pursuant to RCW 36.93.180 (in order, as stated).

A. The proposed annexation would result in improved services to the area from the municipality. City sewer lines currently serve the southeast and south west portions of the area. This includes the Avalon Woods subdivision, the RV Campgrounds on Burnham Drive and the Burnham

Drive Office Park.

- B. The proposed annexation area is served by SR-16 (from the west), Burnham Drive and Peacock Hill Avenue, which receive "comparatively" heavy use. Canterwood Boulevard, which lies on the west perimeter of the annexation area, provides access to northern portion of the west part of the annexation area, and links to the Canterwood development and residential development south of 144th Street NW
- C. The annexation area represents a logical service area to the City of Gig Harbor. Urban level services are either currently in place or are readily available for the proposed area.
- D. The proposed boundary is a reasonable extension of the city limits and uses existing roads and parcel features as determinants of the annexation area.
- E. Not applicable. Gig Harbor is the only incorporated city on the Gig Harbor Peninsula.
- F. Not applicable. The proposal does not result in the dissolution of inactive special purpose boundaries.
- G. The boundaries so defined are aligned with the City's annexation area boundary and are considered practical and reasonable. These boundaries are based upon the property owners' and residents' intent and desire to annex.
- H. For the reasons identified in A thru D, above, the area is urban in character or is urbanizing, it is adjacent to a City which has the services available to provide urban types and intensity of uses and it is appropriate to consider this area as a part of the City of Gig Harbor due to its proximal location.
- I. The area proposed for annexation is not characterized by long-term resource or agricultural production. This area has not been identified either by Pierce County or the City of Gig Harbor as agricultural or resource lands pursuant to the Growth management Act. The category 3 wetlands identified in the area would be designed as environmentally sensitive areas, pursuant to the City Wetland Management Ordinance and one of the wetlands would become a part of the City's park system.

7. Utility/Local Services

- A. Sewer: The area will ultimately be served by the City of Gig Harbor municipal waste water treatment plant through an eight inch gravity main which extends north of the city limits along Burnham Drive NW. The exact location of future sewer mains is provided in the City of Gig Harbor Comprehensive Sewer Plan for this area.
- B. Water: The area would ultimately be served by City of Gig Harbor, consistent with the City of Gig Harbor Comprehensive Water Plan Update of December 1993.
- C. Fire Protection: The area is served by Pierce County Fires District #5 (FD 5). The FD 5-1 station is located on Kimball Drive, which is approximately 2.75 miles from the center of the proposed annexation area. It is estimated that the response time is 6-8 minutes to this area. FD 5 is served by 40 full-time personnel and has a full complement of emergency equipment including medic-aid service.
- D. Schools: The area is served by the Peninsula School District (Peninsula 401). No schools are currently located within the annexation area. The closest school is Harbor Ridge Middle School in the City of Gig Harbor. Peninsula High School and Purdy Elementary are located north of the annexation area in the community of Purdy.



City of Gig Harbor. The "Maritime City."

3105 JUDSON STREET  
GIG HARBOR, WASHINGTON 98335  
(206) 851-8136

**TO: MAYOR WILBERT AND CITY COUNCIL MEMBERS**  
**FROM: MARK HOPPEN, CITY ADMINISTRATOR** *MH*  
**SUBJECT: WOLLOCHET HARBOR SEWER DISTRICT CONTRACT**  
**DATE: SEPTEMBER 18, 1996**

#### **INTRODUCTION/BACKGROUND**

The Wollochet Harbor Sewer District was previously authorized to contract for sewer with the City of Gig Harbor. Contractual details have been arduously reconciled over the ensuing months. Attached is the final agreement signed by the sewer district which meets the stated requirements for contract indicated by the City Council in the previous motion for approval.

#### **POLICY CONSIDERATIONS**

This agreement provides protections for the city, prohibitions against city financial involvement in sewer district affairs, and working mechanisms for enforcement of the agreement.

#### **FISCAL CONSIDERATIONS**

For the three year reservation of 66 ERUs of sewer capacity, the sewer district will make three payments of \$7920 each payment on November 1, 1996, on May 1, 1997, and on November 1, 1997. Unlike most city agreements, the sewer district will pay the *entire* remainder of the connection fee (at the rates in effect at the time of connection) before any connection is authorized. The current outside connection rate is \$2400 per ERU; this rate increases according to construction index adjustment each year.

#### **RECOMMENDATION**

Staff recommends approval of the contract as presented.

After recording return to:

The City of Gig Harbor  
Attn: Administrative Assistant  
3105 Judson Street  
Gig Harbor, WA 98335

**UTILITY EXTENSION AND CAPACITY AGREEMENT  
BETWEEN THE CITY OF GIG HARBOR  
AND WOLLOCHET HARBOR SEWER DISTRICT**

THIS AGREEMENT is entered into on this \_\_\_\_ day of \_\_\_\_\_, 1996, between the City of Gig Harbor, a Washington municipal corporation, hereinafter referred to as the "City", and Wollochet Harbor Sewer District, a Washington quasi-municipal corporation, hereinafter referred to as the "District".

**R E C I T A L S**

WHEREAS, the District is located approximately four miles southwest of the City, outside of the City's Urban Growth Area, and consists of sixty-six (66) lots, located on property described in Exhibit A, attached and incorporated herein by this reference; and

WHEREAS, the Department of Ecology (DOE) has, through Administrative Order (No. DE 94-WQ-S357, Exhibit B, attached hereto and incorporated herein by this reference), required the District to upgrade its primary wastewater treatment plant to provide secondary treatment to its sewage; and

WHEREAS, using a life cycle comparison of construction, operation and maintenance costs for twenty (20) years, the District's cost of a secondary treatment plant is greater than the cost of a transmission line and support facilities to send the sewage to the City's secondary wastewater treatment plant; and

WHEREAS, pursuant to GHMC 13.34.070(A) (as adopted in Ordinance 697), the City Council may allow the construction of extensions for sewer service to property outside the City's Urban Growth Area for municipal or quasi-municipal corporations, where the applicant can demonstrate that the extension is necessary to protect basic public health, safety and/or the environment; and

WHEREAS, pursuant to GHMC 13.34.070(B), the City Council may approve the construction of such extension if it finds that:



- (1) the requested service is financially supportable at rural densities and does not permit urban development;
- (2) restrictions are placed on the hours that the City will accept sewage flow from the applicants;
- (3) restrictions are placed on the amount of sewage flow provided to the applicant;
- (4) the City's NPDES permit will not be affected by the extension;
- (5) the applicant shall have responsibility for operation, maintenance and repair of its own facilities;
- (6) the extension is consistent with the goals of the City's sewer comprehensive plan and all applicable law; and
- (7) any other conditions the Council considers appropriate; and

WHEREAS, the City Council determined that the application by the District satisfied the requirements of GHMC 13.34.070 for the following reasons:

- (1) the District requested such extension and treatment pursuant to an Administrative Order of the Department of Ecology (Exhibit B hereto), which affects all sixty-six (66) lots that comprise the District's service area, and the same is necessary for the protection of the public health, safety and/or the environment;
- (2) DOE has provided a written statement that the proposed extension is consistent with the City's comprehensive sewer plan and that the additional loading from the District's projected average daily flow and loading will not affect the permitted design capacity of the City's wastewater treatment plant (Exhibit C, attached hereto and incorporated herein by this reference); and
- (3) the District will be required to pay the same rate for sewerage as other customers located outside the City limits; and
- (4) No connection will be allowed except those identified in (1) above;
- (5) Restrictions will be placed on the amount of sewage and the time during which the City will accept sewage from the District;

- (6) The District will have responsibility for operation, maintenance and repair of the sewage transmission and support facilities to the point of discharge into the City's sewage system; and
- (7) The extension is, by the terms and conditions of this Agreement, consistent with the goals of the City's sanitary sewer comprehensive plans and applicable law.

WHEREAS, both the City and the District are authorized by law to engage in the construction and/or operation of sewerage facilities, and to enter into joint agreements for their joint use and benefit to cities and sewer districts (RCW 35.67.300 and RCW 56.08.060); and

WHEREAS, the parties agreed to enter into an interlocal agreement describing the terms and conditions of construction, operation, maintenance and operation of the extension, and other terms and conditions relating to capacity and the City's provision of sewer service to the District; now, therefore,

FOR AND IN CONSIDERATION of the mutual benefits and conditions hereinafter described, the parties agree as follows:

Section 1. Authorization to Contract by District. The District warrants that the property described in Exhibit A is within the District's boundaries, that it is authorized to enter into this Agreement, and has complied with all of the provisions in Chapter 56.08 RCW for the performance of all terms and conditions of this Agreement.

Section 2. Extension Authorized by City. The City hereby authorizes the District to extend a transmission line from its property, as shown in Exhibit A, hereto, to the City's sewer facilities in the Hunt Street--Skansie Avenue Corridor and at the location designated by the City Public Works Director.

Section 3. Costs to be Paid by District.

A. The District will pay all of the costs relating to this project, including, but not limited to: engineering design, bid advertisement and award, construction, inspection, maintenance, repair and operation of the sanitary sewer transmission line, and support facilities. The City shall not be required to pay any costs, expenses or attorneys' fees for any work, equipment or materials related to this Agreement, unless provided otherwise in this Agreement.

B. Plans and Inspections. Construction of the extension will be in compliance with the City's Public Works Standards, at a minimum, and with the Department of Ecology publication, "Criteria for Sewage Works Design, 85-1," any applicable requirements of Pierce County Utilities for construction within County right-of-way, and any applicable requirements of the agency providing funding to the District.

C. Construction. The District agrees that no construction of the extension authorized by this Agreement shall take place unless and until all capacity commitment payments are made as provided in Section 5 herein. The District shall communicate with the City during the course of the construction, and report its progress.

Section 4. Sewer Capacity Commitment. The City agrees to provide sewer treatment capacity to the District for sewer service by the District for the sixty-six (66) lots that comprise the District's service area, and hereby reserves to the District the right to discharge to the City's sewerage system 16,400 gallons per day (gpd) (66 individual residential connections) on an average annual flow basis. It is understood that these capacity rights are allocated only to the District's system as herein described, and only if the District meets the acceptable parameters for domestic sanitary sewage of ph 6 to ph 9, dissolved oxygen (DO) content of one (1) milligram/liter (mg/l), and a maximum 16,400 gallons per day on an average flow basis at the point of connection into the City's sewer system. Any additional discharge into the system without the City's prior written consent is strictly prohibited. If any additions are made without the City's prior written consent, the City may take the action described in Sections 16 and 17 herein.

The District shall own, operate, maintain and repair the sanitary sewer transmission line and support facilities constructed under this Agreement. Capacity rights acquired by the District pursuant to this Agreement shall not constitute ownership by the District of any other facilities comprising the City's sewerage system.

Capacity rights include the average day discharge of 16,400 gallons of screened, aerated septic tank effluent to the City of Gig Harbor sewer system for secondary treatment and disposal by the City of Gig Harbor.

Section 5. Commitment Payment. The District agrees to pay the City Twenty Three Thousand Seven Hundred Sixty and No/100 Dollars (\$23,760.00) to reserve sewer capacity for the period of three (3) years from the execution of Council approval of the agreement by both parties to be paid in three equal payments as follows:

November 1, 1996:	\$7,920.00
May 1, 1997:	7,920.00
November 1, 1997:	7,920.00

Failure of the District to make any or all of the above payments on or before the deadlines shall constitute a breach of this Agreement, allowing the City to immediately terminate this Agreement and retain all previous payments made by the District. In the event the District has not made connection to the City's utility system at the end of the three-year period, such capacity commitment shall be released by the City and the District shall forfeit one hundred percent (100%) of this capacity commitment payment to cover the City's administrative and related expenses.

If the approval of the Pierce County Boundary Review Board is required, and the Board does not approve the District's proposed extension to the City's sewer system, then the District shall be entitled to a full refund from the City of its capacity commitment payment.

Section 6. Extension of Commitment Period. In the event no connection has been made and the District chooses to permanently reserve sewer capacity by paying the entire connection fee for the number of equivalent residential units desired to be reserved before the expiration date set forth under Section 5 above, the District shall be responsible for paying for the sewer system's depreciation based on the following formula: District's reserved capacity divided by the total plant capacity times the annual budgeted depreciation of the sewer treatment plant facilities.

Section 7. Connection Charges. As a condition of connecting to the City sewer system, the District agrees to pay connection charges at the rate schedule applicable at the time the District requests to connect to the City's sewer system, in addition to any costs of construction. Any commitment payment that has not been forfeited shall be applied to the City's connection charge(s). The District agrees to pay the connection fee for the entire District (sixty-six (66) lots) at the time of the initial connection, which payment shall reserve capacity for the entire District.

Section 8. Service Charge. In addition to the charges for connection, the District agrees to pay for utility service rendered according to the rates for services applicable to properties outside the City limits as such rates exist (which is currently charged at 150% the rate charged to customers inside the city limits), or as such rates may hereafter be adjusted.

Section 9. District's Ownership of the Transmission Line and Support Facilities. The sanitary sewer extension and support facilities to be constructed by the District shall remain in District ownership. The District shall be responsible for operation, repair and maintenance of the sanitary sewer extension and support facilities to and including the point of connection to the City's sewer facilities. At no time shall the City have any responsibility for the sanitary sewer extension, support facilities, or any other facilities constructed by the District.

Section 10. District's Payment of City's Sewer Diffuser Extension Cost. At such time as the flow from the City's sewer treatment plant reaches 1,600,000 gallons per day, the City will take the sewer diffuser outside Gig Harbor Bay. The District agrees to pay for its proportionate share of the sewer diffuser cost, to be calculated based upon the District's projected average annual flow of 16,400 gpd.

If the cost for the extension of the City of Gig Harbor outfall will be financed by a loan and subsequently charged as debt service in the monthly service charge or by a collection of funds through monthly rates, and the District pays for their share of the new outfall in advance, the monthly service charge for the District shall not include payment for the outfall.

Section 11. Sewage Flow Restricted to Certain Hours. The City shall only accept the District's sewage at the point of connection to the City's system between the hours of 1:00 a.m. and 5:00 a.m., or such other times as the City may subsequently specify due to the City's operation and maintenance requirements. The District shall construct sufficient reserve storage and treatment capacity for a minimum storage time of two (2) days excluding line storage capacity. Such sewer service shall not exceed 16,400 gallons per day on an average annual flow basis, nor shall it cause any detriment to the City's facilities or the City's provision of sewer service to other City customers, nor shall it affect the City's wastewater treatment plant and discharge capacity. A flow meter shall be installed at the District's cost at the point of connection with the City's facilities, with the District and the City monitoring the amount of flow. The District shall also monitor the dissolved oxygen content and hydrogen ion concentration (ph) at the point of connection to the City's facilities, which shall not exceed the levels and amounts set forth in Section 4.

Section 12. Review by Boundary Review Board, Annexation. The District agrees that it will comply with all applicable laws, ordinances and/or regulations applicable to the project as the same are adopted by any agency with jurisdiction.

Section 13. Other Terms and Conditions. The District agrees to abide by and comply with other terms and conditions that the City has established as set forth below:

- A. The District agrees to allow the City access to any and all sewer collection and extension facilities for purposes of inspection; and
- B. The District will furnish to the City as-built plans and drawings in a form acceptable to the funding agency and the Public Works Director.
- C. The City shall not be responsible for costs or damages due to the District's need to provide alternative arrangements for sewage detention, treatment and disposal in the event maintenance and operations of the transmission line and support facilities, or of the City's sewage and/or treatment facilities, disrupt or otherwise preclude or prevent discharge of the District's sewage into the City's sanitary sewer system.

Section 14. Delinquent Payments. The District understands and agrees that it has the responsibility to collect all delinquent payments from the property owners in the District as described in Exhibit A, and to take all necessary enforcement action. All service to the property described in Exhibit A shall be billed to the District, and the District shall make the necessary payments as any other customer of the City.

Pursuant to RCW 35.67.310, if the terms of this Agreement are not kept or performed, or the payments made as required, the City may disconnect the sewer and for that purpose may at any time enter upon the property described in Exhibit A.

Section 15. Permits, Franchises. With regard to construction of the sewer extension and associated improvements covered by this Agreement, it shall be the District's responsibility to secure and acquire at the District's expense, all necessary permits, easements, licenses, franchises and approvals required by state, county and city governmental departments (including Pierce County Public Works Department, Pierce County Environmental Health Department, State Department of Ecology, Pierce County Boundary Review Board and City of Gig Harbor Public Works and Building Departments).

Section 16. Termination for Non-Compliance. In the event the District fails to comply with any term or condition of this Agreement, the City may take the action described in Section 5 to terminate this Agreement and retain all payments made by the District, and in addition, the City shall have the right to terminate sewer service or to disconnect the property described in Exhibit A from the City's sewer facilities. The remedies described in this paragraph shall be in addition to any other remedies available to the City under applicable law.

Section 17. Specific Enforcement. In addition to any other remedy provided by law or this Agreement, the terms of this Agreement may be specifically enforced by a court of competent jurisdiction.

Section 18. Attorneys' Fees. In any suit or action seeking to enforce any provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs, in addition to any other remedy provided by law or this Agreement.

Section 19. Assignment. The District shall not have the right to assign this Agreement or any of its rights and obligations hereunder either by operation of law or by voluntary agreement, without the written consent of the City.

Section 20. Notice. Notice to the parties shall be given at the following addresses:

The City of Gig Harbor  
City Administrator  
3105 Judson Street  
Gig Harbor, WA 98335

Wollochet Harbor Sewer District  
P. O. Box 2166  
Gig Harbor, WA 98335  
Attn: Commissioners

Each party shall advise the other in writing of the name(s) of its respective officials as listed above and provide written notice within ten (10) days of any changes.

Section 21. Effective Date. This Agreement shall be in full force and effect and binding upon the parties hereto upon execution by the parties' governing bodies. A copy of this Agreement shall be filed with the Gig Harbor City Clerk and the Pierce County Auditor's office.

Section 22. Waiver. No waiver by either party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver or any subsequent breach.

Section 23. Indemnification. The District hereby releases, covenants not to bring suit, and agrees to indemnify, defend and hold harmless the City, its officers, officials, employees, agents and representatives from any and all claims, costs, judgments, losses or suits, including attorney's fees, awards or liabilities to any person, including claims by the District's own employees to which the District might otherwise be immune under Title 51 RCW, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City. The District shall also release, covenants not to bring suit and agrees to indemnify, defend and hold harmless the City, its officers, officials, employees and agents from any damages, losses, costs, fees, penalties or liabilities of any kind arising out of the District's failure to comply or its inadequate compliance with the State Environmental Policy Act (Chapter 43.21C RCW), challenge that the action described herein is subject to Boundary Review Board review under Chapter 36.93 RCW, or any laws relating to the construction of public works, including but not limited to competitive bidding and payment of prevailing wages. Such indemnification obligations shall extend to claims which are not reduced to a suit and any claims which may be compromised prior to the culmination of any litigation or the institution of any litigation.

The City's inspection of the District's sanitary sewer transmission line and support facilities shall not be grounds to avoid any of these covenants of indemnification. It is further specifically and expressly understood that the indemnification provided herein constitutes the District's waiver of immunity under Title 51 RCW, solely for the purpose of this indemnification. This waiver has been mutually negotiated by the parties.

Section 24. No Latecomer's Agreement. The City has conditioned its approval of the construction of the sanitary sewer transmission line and support facilities described in this Agreement and the City's provision of sanitary sewer service to the property described in Exhibit A upon the District's agreement not to allow any other property owners to hook up to the extension. This Agreement is limited to the 66 lots contained within the District boundaries as described in Exhibit A. If any hook-ups are made to the extension described in this Agreement with or without the District's permission, the City shall have the right and authority to terminate the connection between the District's extension and the City's sewer facilities at the District's expense, upon thirty (30) days notice to the District. The City Council shall not execute any latecomer's agreement for the facilities described in this Agreement.

Section 25. Complete Agreement. This Agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire Agreement between the parties.

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

CITY OF GIG HARBOR

WOLLOCHET HARBOR SEWER DISTRICT

\_\_\_\_\_  
By Gretchen Wilbert  
Its Mayor

By: William Shaffer  
Its President

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney



STATE OF WASHINGTON )  
 )  
County of Pierce ) ss

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 the CITY OF GIG HARBOR, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

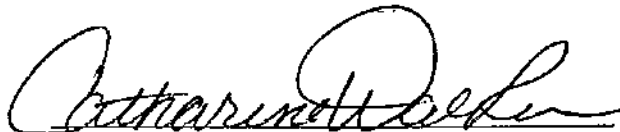
DATED this \_\_\_\_ day of \_\_\_\_\_, 1996.

\_\_\_\_\_  
(Signature)  
\_\_\_\_\_  
(Printed or typed name)  
NOTARY PUBLIC  
My appointment expires: \_\_\_\_\_

STATE OF WASHINGTON )  
 )  
County of Pierce ) ss

I certify that I know or have satisfactory evidence that WILLIAM SHAFFER is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the PRESIDENT of the Wollochet Harbor Sewer District, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 16 day of SEP, 1996.

  
(Signature)  
CATHARINE WALKER  
(Printed or typed name)  
NOTARY PUBLIC  
My appointment expires: 5-9-99





*City of Gig Harbor. The "Maritime City."*

3105 JUDSON STREET  
GIG HARBOR, WASHINGTON 98335  
(206) 851-8136

**TO:** MAYOR WILBERT AND CITY COUNCIL  
**FROM:** MARK HOPPEN, CITY ADMINISTRATOR *MH*  
**SUBJECT:** SEWER EXTENSION REQUEST - WESTSIDE SQUARE  
**DATE:** SEPTEMBER 19, 1996

#### **INFORMATION/BACKGROUND**

This request provides sanitary sewer service for two existing business office buildings on two parcels which are immediately adjacent to existing city sewer service and within ULID #2 within the city's UGA. Both parcels have paid assessments as required as part of ULID #2. An 8 inch diameter sanitary sewer main is available on 56th Street NW. It is the intent of the Holmaas' to pave and landscape the site to be consistent with the Inn at Gig Harbor on the adjacent property, which is soon to be constructed.

#### **POLICY CONSIDERATION**

The standard city outside sewer extension contract binding the applicant to all city standards is sufficient for these existing buildings. The property will be bound to the C-1 zone as per the city's pre-annexation zone mapping for the area.

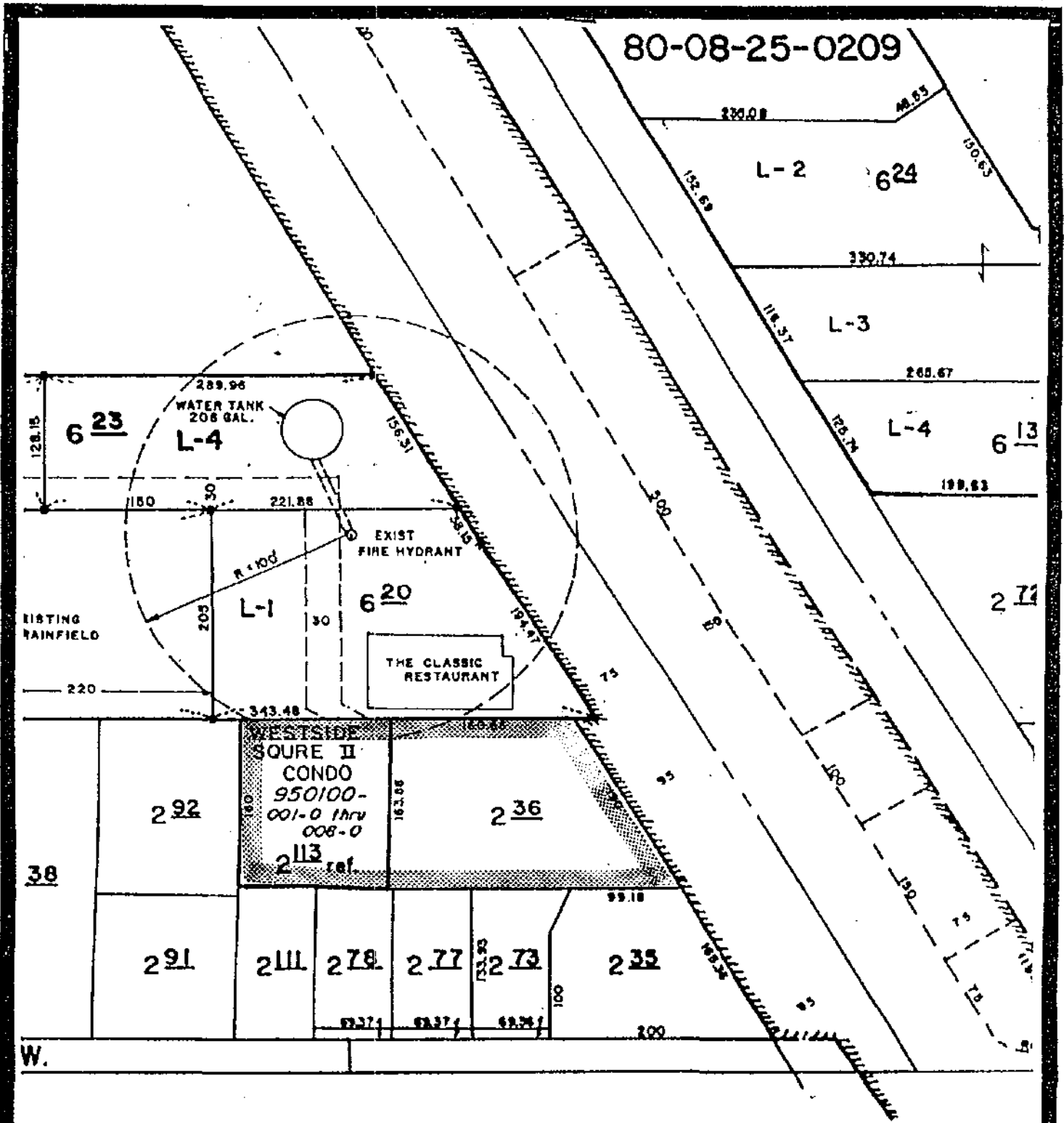
#### **FISCAL CONSIDERATIONS**

This business office buildings buildings are estimated by City Engineer's calculation to utilize 3 Equivalent Residential Units of sewage flow. The current connection rate per ERU in this area is \$1710 per ERU. The flow on the project will be checked by the city one year after the connection of each office complex within the contract period to determine whether additional flow beyond the calculation for each complex will result in additional connection fees charged.

#### **RECOMMENDATION**

Staff recommends approval of the sewer contract as presented.

# Subject Property



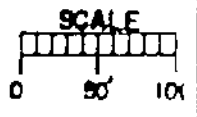
80-08-25-0209

WATER TANK  
206 GAL.  
L-4

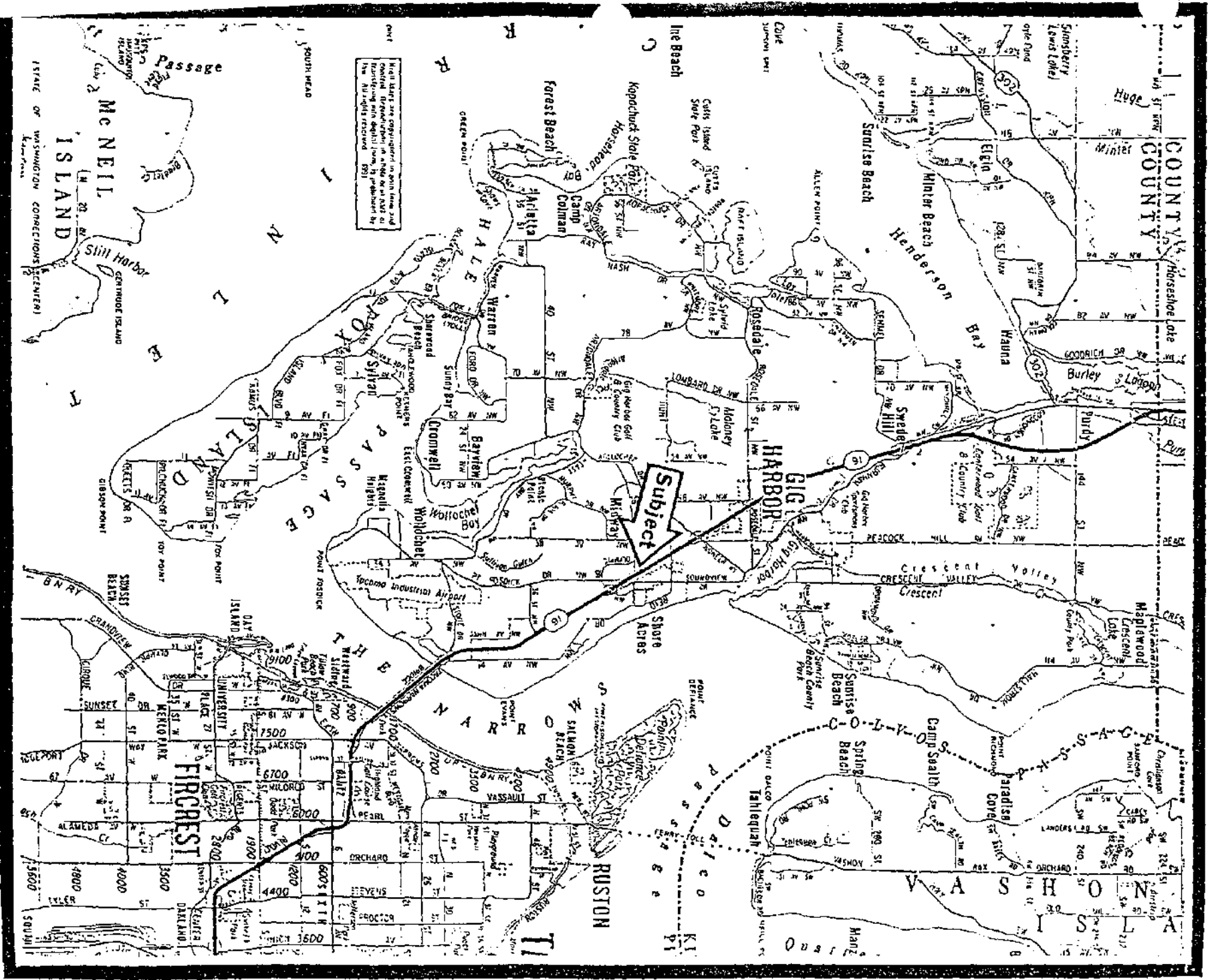
THE CLASSIC  
RESTAURANT

WESTSIDE  
SQUARE II  
CONDO  
950100-  
001-0 thru  
008-0  
2 113 ref.

**W 17**                      **T 21 N**                      **R 2 E**  
 ROAD 3                      SCHOOL 401                      F.P.D. 5



# Area Map



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STATE OF WASHINGTON  
 DEPARTMENT OF CORRECTIONS  
 (SEATTLE)



**enterprises**

John W Holmaas  
Carole Jean Holmaas

July 26, 1996

Mark Hoppen  
City of Gig Harbor  
Post Office Box 145  
Gig Harbor, WA 98335

*Fax 871-8563*

Dear Mark,

Enclosed please find a package with our check for \$100. for application for sewer hookups for 4 parcels:

~~3125 56th Street NW ... Westside Square Building I ... 02 21 17 2 036~~  
2 ERU's

~~3125 56th Street NW ... Westside Square Office Condo ...~~  
950100-001-0 through 088-0  
1 ERU

1 vacant lot ... 02 21 17 2 111  
1 ERU

3 vacant lots ... 02 21 17 2 078, 2 077, 2 073  
3 ERU's

*Delete from request*  
*[Signature]*  
*9-20-96*

It is our intent to connect Westside Square I to the Gig Harbor sewer system immediately so we can pave and landscape the site to be more compatible to the "Inn at Gig Harbor" which is soon to be under construction.

We intend to connect Westside Square Office Condo as soon as we determine the use for the vacant site immediately to the south.

The vacant sites are anticipated to have a use of about 4 ERU's, based on use of Westside Square I, but their use is currently unknown. One proposal would be for retail/office use of about 13,000 square feet, plan enclosed.

I trust that this information is in adequate form for submittal and approval by the City Council. If you need any additional information please let me know.

Sincerely,

John W. Holmaas  
072605

JWH/mj

# CITY OF GIG HARBOR

3105 JUDSON STREET, GIG HARBOR, WA 98335

TREASURER'S RECEIPT

34235



*10.000 raised*

RECEIVED FROM *Bank of America*  
FOR *11 Granddave Utility*

DATE *8-12-76*

UND	DEPT.	B/SUB	ELEM	OB	DESCRIPTION	AMOUNT
		<i>341</i>	<i>100</i>		<i>Filing Fee</i>	
<b>TOTAL</b>						<i>100 -</i>

WHEN RECORDED RETURN TO:  
City of Gig Harbor  
Administrative Assistant  
3105 Judson Street  
Gig Harbor, WA 98335

UTILITY EXTENSION, CAPACITY AGREEMENT  
AND AGREEMENT WAIVING RIGHT TO PROTEST LID

THIS AGREEMENT is entered into on this \_\_\_\_ day of \_\_\_\_\_, 1996, between the City of Gig Harbor, Washington, hereinafter referred to as the "City", and John W. Holmaas and Carole Jean Holmaas, hereinafter referred to as "the Owner".

WHEREAS, the Owner is the owner of certain real property located in Pierce County which is legally described as set forth in Exhibit 'A' attached hereto and incorporated herein by this reference as though set forth in full, and

WHEREAS, the Owner's property is not currently within the City limits of the City, and

WHEREAS, the Owner desires to connect to the City water and sewer utility system, hereinafter referred to as "the utility," and is willing to allow connection only upon certain terms and conditions in accordance with Title 13 of the Gig Harbor Municipal code, as now enacted or hereinafter amended, NOW, THEREFORE,

FOR AND IN CONSIDERATION OF the mutual benefits and conditions hereinafter contained, the parties agree as follows:

1. Warranty of Title. The Owner warrants that he/she is the Owner of the property described in Exhibit 'A' and is authorized to enter into this Agreement.

2. Extension Authorized. The City hereby authorizes the Owner to extend service to Owner's property from the existing utility line on 56th Street (street or right-of-way) at the following location:

3215 56th Street NW Parcel # 02-2-17-2-036  
3123 56th Street NW 950100-001-0 through 088-0



3. Costs. Owner will pay all costs of designing, engineering and constructing the extension. All construction shall be done to City standards and according to plans approved by the City's Public Works Director. Any and all costs incurred by the City in reviewing plans and inspecting construction shall be paid for by the Owner.

4. Sewer Capacity Commitment. The City agrees to provide to the Owner sewer utility service and hereby reserves to the Owner the right to discharge to the City's sewerage system (3 ERUs) 693 gallons per day average flow. These capacity rights are allocated only to the Owner's system as herein described. Any addition to this system must first be approved by the City. Capacity rights acquired by the Owner pursuant to this agreement shall not constitute ownership by the Owner of any facilities comprising the City sewerage system. The City agrees to reserve to the Owner this capacity for a period of 12 months ending on (1 year from date of Council approval), provided this agreement is signed and payment for sewer capacity is commitment received within 45 days after City Council approval of extending sewer capacity to the Owner's property. Sewer capacity shall not be committed beyond a three year period.

5. Capacity Commitment Payment. The Owner agrees to pay the City the sum of \$ 500 to reserve the above specified time in accordance with the schedule set forth below.

Commitment period	Percent (%) of Connection Fee
One year	Five percent (5%)
Two years	Ten percent (10%)
Three years	Fifteen percent (15%)

In no event, however, shall the Owner pay the City less than five hundred dollars (\$500) for commitment for sewer reserve capacity. In the event the Owner has not made connection to the City's utility system by the date set forth above, such capacity commitment shall expire and the Owner shall forfeit one hundred percent (100%) of this capacity commitment payment to cover the City's administrative and related expenses.

In the event the Pierce County Boundary Review Board should not approve extension of the City's sewer system prior to the extension of the commitment period, the Owner shall be entitled to a full refund (without interest) from the City of the capacity agreement.

6. Extension of Commitment Period. In the event the Owner chooses to permanently reserve sewer capacity by paying the entire connection fee for the number of equivalent residential units desired to be reserved before the expiration date set forth above, the Owner shall be responsible for paying each year for the sewer utility system's depreciation based on the following formula: (Owner's reserved capacity divided by the total plant capacity times the annual budgeted depreciation of the sewer facilities.)

7. Permits - Easements. Owner shall secure and obtain, at Owner's sole cost and expense any necessary permits, easements and licenses to construct the extension, including, but not limited to,

all necessary easements, excavation permits, street use permits, or other permits required by state, county and city governmental departments including the Pierce County Public Works Department, Pierce County Environmental Health Department, State Department of Ecology, Pierce County Boundary Review Board, and City of Gig Harbor Public Works Department.

8. **Turn Over of Capital Facilities.** If the extension of utility service to Owner's property involves the construction of water or sewer main lines, pump stations, wells, and/or other city required capital facilities, the Owner agrees to turn over and dedicate such facilities to the City, at no cost, upon the completion of construction and approval and acceptance of the same by the City. As a prerequisite to such turn over and acceptance, the Owner will furnish to the City the following:

- A. As built plans or drawings in a form acceptable to the City Public Works Department;
- B. Any necessary easements, permits or licenses for the continued operation, maintenance, repair or reconstruction of such facilities by the City, in a form approved by the City Attorney;
- C. A bill of sale in a form approved by the City Attorney; and
- D. A bond or other suitable security in a form approved by the City Attorney and in an amount approved by the City Public Works Director, ensuring that the facilities will remain free from defects in workmanship and materials for a period of 2 year(s).

9. **Connection Charges.** The Owner agrees to pay the connection charges, in addition to any costs of construction as a condition of connecting to the City utility system at the rate schedules applicable at the time the Owner requests to actually connect his property to the system. Any commitment payment that has not been forfeited shall be applied to the City's connection charges. Should the Owner not initially connect 100% of the Sewer Capacity Commitment, the Capacity Commitment payment shall be credited on a pro-rated percentage basis to the connection charges as they are levied.

10. **Service Charges.** In addition to the charges for connection, the Owner agrees to pay for utility service rendered according to the rates for services applicable to properties outside the city limits as such rates exist, which is presently at 150% the rate charged to customers inside city limits, or as they may be hereafter amended or modified.

11. **Annexation.** Owner understands that annexation of the property described on Exhibit 'A' to the City will result in the following consequences:

- A. Pierce County ordinances, resolutions, rules and regulations will cease to apply to the property upon the effective date of annexation;
- B. City of Gig Harbor ordinances, resolutions, rules and regulations will begin to apply to

the property upon the effective date of annexation;

- C. Governmental services, such as police, fire and utility service, will be provided to the property by the City of Gig Harbor upon the effective date of annexation;
- D. The property may be required to assume all or any portion of the existing City of Gig Harbor indebtedness, and property tax rates and assessments applicable to the property may be different from those applicable prior to the effective date of annexation;
- E. Zoning and land use regulations applicable to the property after annexation may be different from those applicable to the property prior to annexation; and
- F. All or any portion of the property may be annexed and the property may be annexed in conjunction with, or at the same time as, other property in the vicinity.

With full knowledge and understanding of these consequences of annexation and with full knowledge and understanding of Owner's decision to forego opposition to annexation of the property to the City of Gig Harbor, Owner agrees to sign a petition for annexation to the City of the property described on Exhibit A as provided in RCW 35.14.120, as it now exists or as it may hereafter be amended, at such time as the Owner is requested by the City to do so. The Owner also agrees and appoints the Mayor of the City as Owner's attorney-in-fact to execute an annexation petition on Owner's behalf in the event that Owner shall fail or refuse to do so and agrees that such signature shall constitute full authority from the Owner for annexation as if Owner had signed the petition himself. Owner further agrees not to litigate, challenge or in any manner contest, annexation to the City. This Agreement shall be deemed to be continuing, and if Owner's property is not annexed for whatever reason, including a decision by the City not to annex, Owner agrees to sign any and all subsequent petitions for annexations. In the event that any property described on Exhibit 'A' is subdivided into smaller lots, the purchasers of each subdivided lot shall be bound by the provisions of this paragraph.

12. Land Use. The Owner agrees that any development or redevelopment of the property described on Exhibit 'A' shall meet the following conditions after execution of Agreement:

- A. The use of the property will be restricted to uses allowed in the following City zoning district at the time of development or redevelopment: C-1
- B. The development or redevelopment of the property shall comply with all requirements of the City Comprehensive Land Use Plan, Zoning Code, Building Regulations, and City Public Works Standards for similar zoned development or redevelopment in effect in the City at the time of such development or redevelopment. The intent of this section is that future annexation of the property to the City of Gig Harbor shall result in a development which does conform to City standards.