

# **Gig Harbor City Council Meeting**

**October 28, 2002  
7:00 p.m.**



**AGENDA FOR  
GIG HARBOR CITY COUNCIL MEETING  
October 28, 2002 - 7:00 p.m.**

**CALL TO ORDER:**

**PLEDGE OF ALLEGIANCE**

**SPECIAL PRESENTATION:** Brian Sonntag, State Auditor – Letter of Commendation.

**PUBLIC HEARING:**

1. 2002 Budget Amendment – Purchase of the Skansie Property.
2. 2003 Revenue Sources.
3. Comprehensive Transportation Plan – *(To be postponed to a later date.)*

**CONSENT AGENDA:**

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

1. Approval of the Minutes of City Council Meeting of October 14, 2002.
2. Correspondence/Proclamations:
  - a) Letter from George & Lavonne Hoivik
  - b) Traffic Impact Fee Program
  - c) Letter regarding GH Peninsula Communities Plan
  - d) Choral Festival
  - e) Proclamation – Disabled Veterans Month
3. Easement Agreement – Huber Homes, Estates at Gig Harbor.
4. Approval of Payment of Bills for October 28, 2002.  
Checks #38179 through #38336 in the amount of \$270,948.04. Checks #38019 and 38089 voided from 10/14/02 Council meeting.

**OLD BUSINESS:**

1. Second Reading of Ordinance – 2002 Budget Amendment.
2. Second Reading of Ordinance – Comprehensive Transportation Plan *(postponed)*.

**NEW BUSINESS:**

1. Renewal of an Interlocal Agreement for Fire Inspection Services.
2. First Reading of Ordinance – 2002 Property Tax Levy Ordinance.
3. First Reading of Ordinance – Providing for the Issuance and Sale of a Limited Tax General Obligation Bond for Financing the Acquisition of Real Estate.
4. City Hall Bid.

**STAFF REPORTS:**

David Rodenbach, Finance Director – Quarterly Report.

**PUBLIC COMMENT:**

**COUNCIL COMMENTS / MAYOR'S REPORT:**

**ANNOUNCEMENT OF OTHER MEETINGS:**

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

**ADJOURN:**



"THE MARITIME CITY"

3510 GRANDVIEW STREET  
GIG HARBOR, WASHINGTON 98335  
(253) 851-8136 • WWW.CITYOFGIGHARBOR.NET

**TO: MAYOR WILBERT AND CITY COUNCIL**  
**FROM: DAVID RODENBACH, FINANCE DIRECTOR** DR  
**DATE: OCTOBER 18, 2002**  
**SUBJECT: PUBLIC HEARING - REVENUE SOURCES - 2003 GENERAL FUND BUDGET**

**INTRODUCTION**

Chapter 251, Laws of 1995 (RCW 84.55.120) requires a public hearing on revenue sources for the next year's general fund budget. The hearing must include considerations of possible increases in property tax revenues.

**General Fund Revenue Summary**

Revenue Source	2001	2002 Estimated Value	2003
Property Taxes	\$577,925	\$306,000	\$322,966
Sales Tax	3,069,047	3,350,000	3,417,000
Other Taxes	990,303	1,067,095	1,090,000
Licenses and Permits	426,518	393,225	388,600
Intergovernmental Revenues	118,833	99,533	72,500
Charges for Services	73,149	138,003	64,600
Fines and Forfeits	80,728	80,500	83,000
Miscellaneous Revenues	229,819	1,102,240	95,000
<b>Total Revenues</b>	<b>5,664,314</b>	<b>6,536,501</b>	<b>5,733,166</b>
Beginning Fund Balance	1,963,426	3,092,958	3,427,311

**GIG HARBOR CITY COUNCIL MEETING OF OCTOBER 14, 2002**

**PRESENT:** Councilmembers Ekberg, Franich, Owel, Dick, Picinich, and Ruffo.  
Councilmember Young acted as Mayor Pro Tem in Mayor Wilbert's absence.

**CALL TO ORDER:** 7:00 p.m.

**PLEDGE OF ALLEGIANCE**

**CONSENT AGENDA:**

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

1. Approval of the Minutes of City Council Meeting of September 23, 2002.
2. Correspondence/Proclamations:
3. Purchase and Installation Agreement – Roof and Wall Insulation.
4. Vernhardson Street Improvement Final Design – Consultant Services Contract.
5. Copier Maintenance Contract.
6. Special Occasion Liquor License: Knights of Columbus.
7. Liquor License Assumption: Fred Meyer Marketplace.
8. Liquor License Renewals: Jekyll and Hydes; JT's Original BBQ; Harborview Grocery; Wasabi Restaurant.
9. Approval of Payment of Bills for October 14, 2002.  
Checks #38001 through #38178 in the amount of \$786,178.43. Checks #37340 through #38000 were destroyed due to address change.
10. Approval of Payroll for the month of September:  
Checks 1723 through #1754 and #2101 through #2132 and direct deposit entries in the amount of \$207,173.09. Payroll checks #1755 through #2100 were destroyed due to address change.

**MOTION:** Move to approve the consent agenda as presented.  
Picinich/Ruffo – unanimously approved.

**OLD BUSINESS:** None scheduled.

**NEW BUSINESS:**

1. First Reading of Ordinance – 2002 Budget Amendment. David Rodenbach, Finance Director, explained that this amendment allowed for the purchase of the Skanskie Property. He said that the proposed transfer of \$800,000 from the general fund to the property acquisition fund represents the down payment for the property. He said the ordinance also provides for the balance to be budgeted for in the property acquisition fund as Bank of America may finance the entire 2.8 million at a more favorable rate than what the note is carrying. This will return at the next meeting for a second reading. He said that this may reflect a savings of approximately \$200,000 over the term of the note.
2. First Reading of Ordinance – Adopting the 2002 Comprehensive Transportation Plan Update. John Vodopich, Community Development Director, presented this ordinance to adopt the March, 2002 Transportation Plan Update. He said that the plan had been brought to Council on an informational presentation in March, and that the public hearing was scheduled for the next meeting of October 28<sup>th</sup>. He added that there had been no significant changes since the last presentation.

Councilmember Dick asked if there would be any way to address the need to add an alternate route to Highway 16 in this plan. John offered to explore language that could be included in the plan.

Mark Hoppen explained that the more appropriate plan of action would be to set a budget objective to do the necessary studies before placing this as an objective in the Comp Plan.

Councilmember Picinich asked about the Haven of Rest access and the Department of Transportation's plans for that area. Mark explained that if the HOV lanes are expanded due to the SR-16 project, then access to those businesses would be cut off and an alternate access would be established. He said that DOT has an historic purchase of property adjacent to the Rosedale overpass that would allow for a reasonable access to those businesses. He continued to explain that the FEIS on the corridor study recommends another alternative that would be come from 96<sup>th</sup> Street, and that the best connection would be from 96<sup>th</sup> Street and at Rosedale as an alternative way to get from Burnham Drive to Rosedale.

Councilmember Ekberg asked if the funding for such connections would come from State. Mark said that he thought it would be mitigation money, but he wouldn't be surprised if the state would only be required to pay half.

Councilmember Ruffo asked for clarification on the relationship of the tables on pages 26 and 30 of the plan. John said that he would get back to him with an answer.

No one signed up to speak on the plan, and the ordinance will return for a public hearing and a second reading at the next meeting.

3. Resolution – Surplus Property. John Vodopich presented this resolution declaring several items that are no longer needed for city uses. He explained that the items would be disposed of by auction as customary. Mark Hoppen explained that under state law, items could also be sold directly to another municipality.

**MOTION:** Move to adopt Resolution 598 as presented.  
Picinich/Ruffo – unanimously approved.

4. Resolution – Fitness Equipment. Mark Hoppen explained that in the 2002 budget, a specific line objective was included to purchase training equipment for the police training room. He described one piece of lifting equipment, adding that it is only sold by one vendor, requiring the adoption of an resolution declaring sole source. He added that he had looked at several alternatives, but that this one was simple, easy to maintain, comparative in cost, and therefore the best option.

**MOTION:** Move to adopt Resolution 599 as presented.  
Picinich/Ruffo – unanimously approved.

**STAFF REPORTS:**

Gig Harbor Police Department – August Stats. No verbal report given.

John Vodopich introduced Dick Bower, Building Official – Fire Marshal, who was present in the audience. He gave an overview of Mr. Bower's prior employment and qualifications.

**PUBLIC COMMENT:** None.

**COUNCIL COMMENTS / MAYOR'S REPORT:**

Councilmember Picinich said that he had been approached by a citizen who said that the City of Gig Harbor had made quite an impression on the State Auditor due to the ten years of clean audits. He said that he wanted to express his appreciation for a job well done.

Mark Hoppen said that Brian Sonntag, Washington State Auditor, would be present at the next Council meeting to present the city with an award for the ten years with no findings, marking the city as having a record of being the cleanest in the state. Mark added that he was surprised and pleased that those responsible for auditing the city in the past ten years had attended the Civic Center Grand Opening ceremony. Councilmember Owel said that this was quite an accomplishment in this era of creative accounting.

Councilmember Picinich commented that many people were working toward presenting a mission statement to the Council for use of the Bogue Building. Mark explained that the next step would be to take the plan to the city's legal counsel to try and craft an agreement that would allow the proposed use.

Councilmember Ruffo asked about the status of the sale of the City Hall. Mark explained that Friday, October 18<sup>th</sup> was the final date for submittals, but to date, none had been received. If no bids are received, the next step would be to find a commercial broker.

**ANNOUNCEMENT OF OTHER MEETINGS:**

1. City Council Worksession – Shooting Range Regulations – 6:00 p.m. in the Community Room, Monday, October 21st.

**EXECUTIVE SESSION:** For the purpose of discussing potential litigation per RCW 42.30110(i).

**MOTION:** Move to adjourn to Executive Session at 7:31 p.m. for approximately fifteen minutes.  
Picinich/Ruffo - unanimously approved.

**MOTION:** Move to return to regular session at 7:45 p.m.  
Picinich/Ruffo - unanimously approved.

**ADJOURN:**

**MOTION:** Move to adjourn at 7:45 p.m.  
Picinich/Ruffo - unanimously approved.

Cassette recorder utilized:  
Tape 663 Side A 000 – end.

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Gretchen A. Wilbert, Mayor

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City Clerk

OCT 21 2002

CITY OF GIG HARBOR

Mayor Gretchen Wilbert &  
Members of the City Council  
City of Gig Harbor  
3510 Grandview Street  
Gig Harbor, WA 98335

October 16, 2002

Dear Mayor Wilbert & Members of the Gig Harbor City Council:

Thank you for the privilege of providing an art piece for the beautiful new Gig Harbor Civic Center. It is our hope that you, the citizens of Gig Harbor and its many visitors enjoy this bronze piece for many, many years.

It was a joy at the Grand Opening to observe a little girl making a game of jumping and dancing on the fish. It was wonderful to see people interacting with the piece and enjoying it.

We come away filled with many warm memories of the pleasant, cheerful, knowledgeable and helpful officials and city staff. Thank you once again for making this possible.

Very truly yours,

Handwritten signatures of Lavonne and George Hoivik in cursive script.

Lavonne & George Hoivik  
3402 North Union  
Tacoma, WA 98407  
253-761-3187



**Pierce County**

**Public Works and Utilities**

**JOHN O. TRENT, P.E.**  
Director

**Transportation Services**  
2401 South 35th Street, Room 150  
Tacoma, Washington 98409-7485  
(253) 798-7250 • FAX (253) 798-2740

October 16, 2002

OCT 21 2002

CITY OF GIG HARBOR

Gretchen Swayze Wilbert  
Mayor of Gig Harbor  
Gig Harbor WA 98335

Re: Traffic Impact Fee Program Workshop Series

Dear Mayor Swayze Wilbert:

In the summer of 2001, the Pierce County Council adopted Resolution 2001-43S requesting the County Executive direct the Department of Public Works and Utilities to develop a Traffic Impact Fee Program. Such a program would ensure that applicants for all new development will be responsible for paying the appropriate impact fee based on the applicant's fair share of transportation improvements. The fees recommended to the County Council will be based on specific road projects identified as needed to address current and future growth under the policies of the County's Comprehensive Plan and the requirements of the Washington Growth Management Act.

You are invited to a series of workshops regarding the proposed Traffic Impact Fee Program for the purpose of public education, review, and comment prior to the proposal being submitted to the County Council. Staff from the Department of Public Works and Utilities – Transportation Services will be present to discuss the proposed program and listen to comments. All workshop sessions will be conducted from 7:30 to 9:30 AM at the Pierce County Annex, Conference Room D, 2401 S 35<sup>th</sup> Street, Tacoma.

If you are not able to attend, we encourage you to send a representative in your place. If you have further questions, please feel free to contact me.

Very truly yours,

THOMAS G. BALLARD, P.E.  
County Engineer

TGB:drs  
Attachment

cc: file





## WORKSHOP SERIES

# Traffic Impact Fees

A Traffic Impact Fee program is being considered that will allocate funds for road improvements in areas affected by new construction.

Before the proposal is submitted to the County Council, workshops will be held. Staff will be on hand for comments and questions.

All workshop sessions will be held from 7:30 – 9:30 AM at the Pierce County Annex, Conference Room D, 2401 So. 35<sup>th</sup> St., Tacoma.

**Workshop 1 – October 29**

Why Traffic Impact Fees?  
Impact Fees – Myths and Realities  
Development of an Impact Fee Program

**Workshop 2 – November 12**

Traffic Service Area Boundaries  
Choosing Impact Fee Projects  
Developing Impact Fee Rates

**Workshop 3 – November 18**

Development Regulations & Impact Fees  
Impact Fee Application Process  
Where do we go from here?

**Workshop 4 – December 9**

Follow-up Issues and Questions



Pierce County Public Works and Utilities - Transportation Services (253)798-7250.



RECEIVED

OCT 10 2002

CITY OF GIG HARBOR

STATE OF WASHINGTON

OFFICE OF COMMUNITY DEVELOPMENT

906 Columbia St. SW • PO Box 48350 • Olympia, Washington 98504-8350 • (360) 725-2800

October 8, 2002

The Honorable Harold Moss, Chair  
Pierce County Council  
County-City Building  
930 Tacoma Avenue South  
Tacoma, Washington 98402

Dear Councilmember Moss:

Thank you for sending the Washington State Office of Community Development (OCD) the proposed amendments to your development regulations to implement the *Gig Harbor Peninsula Community Plan* (GHPCP). We recognize the investment of time, energy, and resources that this document represents. This letter summarizes our comments, concerns, and recommendations.

In general, your staff have done a good job of implementing the goals and objectives of the GHPCP. We especially like the following:

- Implementing your plan with area specific development regulations allows your plan to immediately begin working when the plan comes into effect on December 1, 2002.
- Your Reserve-Five zone acts as a good system for reserving future urban land outside Gig Harbor's urban growth area (UGA). Your requirement for clustering, and restriction on maximum lot size to 12,500 square feet is to be commended. These regulations should ensure that urban densities can be accommodated in the future.
- Your plan for the City of Gig Harbor to conduct design review for development within Gig Harbor's UGA is a good one. This is a good example of county/city cooperation and places responsibility with the city to ensure that new development meets the design expectations of Gig Harbor residents.
- Your goal for ecological preservation appears to be well implemented using your Rural Sensitive Reserve (RSR) zone and a strong tree retention policy. The RSR zone protects those properties designated as open space on the Pierce County open space/greenbelt map. Low densities and limits on impervious surface should protect the functions and values of the lands in this zone. You have provided wide buffers for shorelines that may be adjusted based on best available science. Your tree retention policy provides a superior level of protection for existing vegetation and adds extra protection for native species. The RSR zone also supports your goal to protect the natural, forested and pastoral character of rural lands outside the UGA.



The Honorable Harold Moss  
October 8, 2002  
Page 2


- Instituting a Essential Public Facility/Rural Airport overlay is important to the protection of the functions and safety of the Tacoma Narrows Airport. RCW 36.70.547 requires counties and cities to discourage the siting of incompatible uses adjacent to airports.

We have very few concerns regarding the implementation of the GHPCP. We have a suggestion for you to consider as you review these development regulations or during your 2004 update process:

- The GHPCP states a desire to accommodate market demands for more intensive use of lands within the UGA. However, Gig Harbor's zoning of an average density of four dwelling units per acre is still considered a minimum according to Central Puget Sound Growth Management Hearings Board decisions. Your regulations for moderate density single family (MSF) and single family (SF) designations allow maximum densities and require minimum lot sizes. Minimum densities and maximum lot sizes may help you reach more urban characteristics. Gig Harbor's single family, urban neighborhood, and activity center zones all allow less than four dwellings units per acre. The first three goals of the Growth Management Act are to encourage urban development that makes efficient use of resources, does not support sprawl, and can support a multi-modal transportation system. Few of these things are possible at low densities. Usually, neighborhood and activity centers are areas of greater density which can support transit and make efficient use of public services. We encourage you to revisit these zones with the City of Gig Harbor during the 2004 update process.

Congratulations to you and your staff for the good work your plan embodies. If you have any questions or concerns about these comments or any other growth management issues, please call me at (360) 725-3064 or Ike Nwankwo at (360) 725-3056. We extend our continued support to Pierce County in achieving the goals of growth management.

Sincerely,



Anne Fritzel  
Growth Management Planner  
Growth Management Services

AF:lw

cc: The Honorable John Landenberg, Pierce County Executive  
The Honorable Gretchen Wilbert, Mayor, City of Gig Harbor  
Chuck Kleeberg, Director, Department of Planning and Land Services, Pierce County  
Mike Kruger, Associate Planner, Department of Planning and Land Services, Pierce County  
John Vodopich, Planning Director, City of Gig Harbor  
Mark Hoppen, City Administrator, City of Gig Harbor  
Ike Nwankwo, Technical and Financial Assistance Manager, Office of Community Development

# **CHORAL FESTIVAL**

Presented by the Peninsula School District

Featuring Combined Choirs From

**8 Elementary Schools**

**4 Middle Schools**

**2 High Schools**

with Guest Conductor

**Judy Herrington**

**Monday, October 28, 2002 – 7:00 PM**

**Peninsula High School Gymnasium**

**COMPLIMENTARY**

**Towslee, Molly**

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**From:** Cantu, Sal [SCantu@ESD.WA.GOV]  
**Sent:** Tuesday, October 22, 2002 3:41 PM  
**To:** Towslee, Molly  
**Subject:** Proclamation Request

OCTOBER 22 2002

To Office of the Mayor, Proclamation Dept.

Dear Mayor.

I am writing you to gain support for a **Proclamation** recognizing November 2002 as the 25<sup>th</sup> Anniversary of the Disabled Veteran Outreach Program" (D.V.O.P), in Washington State and Across the USA in 2002. The proclamation would recognize the DVOP contributions in helping veterans to secure education, training and jobs after the Vietnam- Era, and after the Desert Storm military down-sizing, and today.

**One of the statements made by then, Secretary of Labor Ray Marshall**, after President Carter's swearing-in ceremony in **January, 1977** was " President Carter has put among his highest priorities the plight of thousands of Vietnam-Era veterans who have borne the brunt of our involvement in a regrettable war and continued to bear a disproportionate share of the nation's economic distress" in which he proposed new initiatives to help Disabled and Vietnam-Era veterans to pick up the pieces of their shattered lives and return to work. One of his most successful initiatives was the hiring of 2000 Disabled Vietnam-Era Veterans and placing them in 100 Major cities across the country. As. D.V.O.P. The program has helped thousands of Disabled and Vietnam-Era veterans to return to work, which has saved employers, the government and taxpayers millions of dollars by bringing unemployed veterans back into the labor market.

The D.V.O.P program has continued to change over the past 25 years. The focus is still the Disabled veteran, the D.V.O.P has enhanced its level of professionalism due to the training received at the National Veterans Training Institute (N.V.T.I.) in order to ensure that the veteran is receiving the service and support that they are entitled to. They work with the V.A.: securing veteran benefits, they serve as leaders in the community, setting up seminars, and job fairs to secure jobs for veterans. Not to mention, they are promoting transition assistance programs (T.A.P.), working with homeless, formerly and presently incarcerated, recently separated, and minority veterans. Set up events like the "Year of the Veteran" that was supported by Governors, Mayors, and Veteran Organizations across the country. That is why, The D.V.O.P 25<sup>th</sup> Anniversary in November 2002, during the last veteran event of the year is very important, we have an opportunity to make something out of this event. We know that you are very busy, but we do need your support to make this a successful event for our veterans. Thank you for your support.

For questions or information please contact me at. -(253)-593-7361 or- [scantu@esd.wa.gov](mailto:scantu@esd.wa.gov)

**P.S. Please find Governors Proclamation (May be used as a sample)**

Sal Cantu National Coordinator, 25<sup>th</sup> Anniversary of DVOP  
WorkSource Pierce  
1305 Tacoma Ave South, Ste. 201  
Tacoma WA. 98402-1903

10/22/2002

# PROCLAMATION OF THE MAYOR OF THE CITY OF GIG HARBOR

*WHEREAS*, President Carter, having put among his highest priorities the plight of hundreds of thousands of unemployed Vietnam-era and Disabled Veterans across the country, implemented the hiring of 2000 Disabled Vietnam-Era Veterans in a program called the Disabled Veterans Outreach Program (DVOP) in one hundred major cities across the country, as one of his initiatives to bring Disabled and Vietnam-era Veterans back into the mainstream of the labor market; and

*WHEREAS*, the DVOP has continued to change over the past twenty-five years with the focus on the Disabled Veterans, and was instrumental in helping to place thousands of veterans in jobs after the Desert Storm military downsizing; and

*WHEREAS*, 2002 marks the 25<sup>th</sup> Anniversary of the DVOP program which has touched the lives of hundreds of thousands of veterans across the country, and has become an intricate part of the community by working with other veteran service providers to secure veteran benefits, training, and employment, and saving taxpayers millions of dollars each year, thus making a difference in improving the quality of life for veterans, their families, and the community; and

*WHEREAS*, the State of Washington and the Employment Security Department are committed to provide quality employment assistance to Disabled and all eligible veterans;

*NOW, THEREFORE*, I, Gretchen A. Wilbert, Mayor of the City of Gig Harbor do hereby proclaim November 2002, as

***DISABLED VETERAN OUTREACH MONTH***

In Witness Whereof, I have hereunto set my hand and caused the Seal of the City of Gig Harbor to be affixed this 28<sup>th</sup> day of October, 2002.

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

\_\_\_\_\_  
Date



"THE MARITIME CITY"

COMMUNITY DEVELOPMENT DEPARTMENT  
3510 GRANDVIEW STREET  
GIG HARBOR, WASHINGTON 98335  
(253) 851-6170 • WWW.CITYOFGIGHARBOR.NET

**TO: MAYOR WILBERT AND CITY COUNCIL MEMBERS**  
**FROM: JOHN P. VODOPICH, AICP**  
**COMMUNITY DEVELOPMENT DIRECTOR**  
**RE: HUBER HOMES, ESTATES AT GIG HARBOR**  
**- EASEMENT AGREEMENT**  
**DATE: OCTOBER 28, 2002**

#### **INTRODUCTION/BACKGROUND**

As part of the Estates at Gig Harbor, a private development project, new gravity sewer mains and storm drain lines are to be installed on private property. In order for the city to have access and the ability to maintain these City utilities, easements have been granted for utility crossings and access for maintenance purposes. The easements shall be 15 feet wide exactly 7.5 feet from the centerline of the proposed pipes (see attached exhibits).

The city's standard easement agreement has been drafted and approved by Carol Morris, City Attorney.

City Council approval of the easement agreement is being requested.

#### **FISCAL CONSIDERATIONS**

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

#### **RECOMMENDATION**

Staff recommends that City Council approve this agreement.

**AFTER RECORDING, RETURN TO:**

**The City of Gig Harbor  
Attn: City Clerk  
3105 Judson Street  
Gig Harbor, WA 98335**

**Document Title: EASEMENT AGREEMENT**

**Grantor: Huber Homes, LLC**

**Grantee: City of Gig Harbor**

**Legal Description: LOTS 2 & 3, PIERCE COUNTY SHORT PLAT NO. 77-188  
LOTS 1-4, PIERCE COUNTY SHORT PLAT NO. 77-886  
LOTS 1-4, PIERCE COUNTY SHORT PLAT NO. 77-894  
LOTS 1-4, PIERCE COUNTY SHORT PLAT NO. 78-903  
TRACT 4, PIERCE COUNTY LARGE LOT NUMBER 1636  
AND W. 330 FT, SW ¼, NW ¼, SEC. 7, T21N, R2E, W.M.**

The complete legal description may be found on page \_\_\_ of the document.

**Property Tax Parcel No's.: 02-21-07-2-010, 02-21-07-6-002, 02-21-07-6-003, 02-21-07-6-004,  
02-21-07-6-005, 02-21-07-6-006, 02-21-07-6-007, 02-21-07-6-008,  
02-21-07-06-009, 02-21-07-6-010, 02-21-07-6-011, 02-21-07-6-012,  
02-21-07-6-013, 02-21-07-6-014, 02-21-07-6-015, 02-21-07-2-044**

**Reference No. of Documents Assigned or Released: \_\_\_\_\_**



## EASEMENT AGREEMENT

THIS INSTRUMENT, executed this date by and between the City of Gig Harbor, a Washington municipal corporation (the "City" herein), and Huber Homes, LLC [a/an \_\_\_\_\_ organized under the laws of the State of Washington], as the owners of the within-described property (the "Owners" herein):

### WITNESSETH:

WHEREAS, Owners own a fee simple and/or have a substantial beneficial interest in the following real property legally described as follows (the "Property" herein):

### SEE EXHIBIT 'A'

WHEREAS, the City desires an easement for the purpose of monitoring, inspecting, maintaining, operating, improving, repairing, constructing, and reconstructing a STORM DRAINAGE AND SANITARY SEWER SYSTEM;

NOW, THEREFORE, the parties hereto agree as follows:

In consideration of one dollar (\$1.00), receipt of which is hereby acknowledged, Owners hereby convey and warrant to the City, a perpetual, nonexclusive easement, under, over, through and across the Property, for the purposes of monitoring, inspecting, maintaining, operating, improving, repairing, constructing, and reconstructing a STORM DRAINAGE AND SANITARY SEWER SYSTEM; which easement (the "Easement" herein) is legally described as follows:

### SEE EXHIBIT 'B'

This Easement is subject to and conditioned upon the following terms and covenants, which both parties promise to faithfully and fully observe and perform:

1. **Responsibility to Repair Damage.** The City shall, upon completion of any work within the Property covered by the easement, restore the surface of the Easement, and any improvements on the Property not owned by the City, disturbed, damaged or destroyed during execution of the work, as nearly as practicable to the condition they were in immediately before commencement of the work or entry by the City. However, the City shall not be required to restore any such improvements installed and/or constructed on the Easement by the Owners subsequent to execution of this Easement Agreement, and as otherwise provided in paragraph "2" below.

2. **Limitations on Owners.** The Owners shall retain the right to use the surface of the Easement. However, the Owners shall not directly or indirectly have the right to:

- A. Erect or install, or cause to be erected or installed, any buildings, structures, pavement, or facilities within the Easement; or
- B. Plant, or cause to be planted, any additional trees, shrubs, or vegetation with deep root patterns which may cause damage to or interfere with the drainage system located within the Easement; or
- C. Develop, landscape, or beautify, or cause to be developed, landscaped, or beautified, the Easement area in any way that would unreasonably increase the costs to the City of restoring the Easement or restoring any Owner-caused or Owner authorized improvements therein; or
- D. Grant any additional or subsequent easement inconsistent with the rights of the City as granted herein. The City shall make the final determination whether any proposed subsequent easement is inconsistent with the City's Easement.

3. **Notice of Entry.** The Owners, their successors and assigns, shall allow access to the Easement by the City, without the City having to give prior notice of its intent to access the Easement.

4. **Indemnification, Hold Harmless.** The Owners hereby release, covenant not to bring suit and agree 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 attorneys' fees, awards or liabilities to any person arising out of or in connection with this Easement, except for injuries or damages caused by the sole negligence of the City.

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

The provisions of this section shall survive the termination of this Easement.

5. **Dispute Resolution and Attorneys Fees.** If any dispute arises between the Owners and the City under any of the provisions of this Easement which cannot be resolved by agreement of the parties, jurisdiction of any resulting litigation shall be filed in Pierce County Superior Court, Pierce County, Washington. This Easement shall be governed by and construed in accordance with the laws of the State of Washington. The prevailing party of any such litigation shall be entitled to recover its reasonable attorneys' fees and costs, including any expert witness fees.

6. **Waiver.** No waiver by either party of any term or condition of this Easement shall be deemed or construed to constitute a waiver of any other term or condition or of any subsequent breach, whether of the same or a different provision of this Easement.

7. **Merger.** This Easement contains all of the agreements of the Parties with respect to any matter covered or mentioned in this Easement and no prior agreements shall be effective for any purpose.

8. **Severability.** If any of the provisions contained in this Easement are held illegal, invalid or unenforceable, the remaining provisions shall remain in full force and effect.

9. **Easement Binding on Successors and Assigns.** This instrument shall be recorded in the records of the Pierce County Auditor at the expense of the Owners and shall inure to the benefit of and be binding upon the Owners, its legal representatives, assigns, heirs and all owners of an after-acquired interest in the Property, and their successors and assigns.


Dated this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

CITY OF GIG HARBOR

By: \_\_\_\_\_

Its \_\_\_\_\_

OWNERS:

  
Print Name: Huber Homes L.L.C.

Print Name: \_\_\_\_\_

APPROVED AS TO FORM:

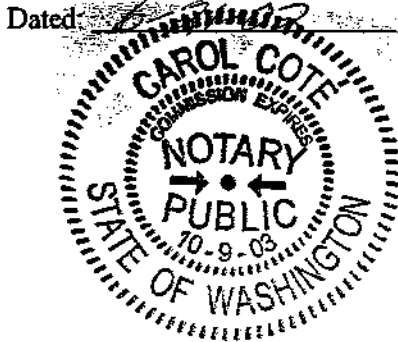
\_\_\_\_\_  
City Attorney

ATTEST:

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

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF )

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



Carol Cotte  
NOTARY PUBLIC, State of Washington,  
residing at: GIG HARBOR  
My Commission expires: 10-9-03

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

Dated: \_\_\_\_\_

NOTARY PUBLIC, State of Washington,  
residing at: \_\_\_\_\_  
My Commission expires: \_\_\_\_\_

**EXHIBIT A**

LOTS 2 AND 3 OF SHORT PLAT NUMBER 77-188, LOTS 1 THRU 4, INCLUSIVE, OF SHORT PLAT 77-886, LOTS 1 THRU 4, INCLUSIVE, OF SHORT PLAT 77-894 AND LOTS 1 THRU 4, INCLUSIVE, OF SHORT PLAT 78-903.

LOT 4, PIERCE COUNTY LARGE LOT NUMBER 1636, ACCORDING TO THE MAP THEREOF RECORDED IN VOLUME 17 OF SURVEYS AT PAGE 30, RECORDS OF PIERCE COUNTY AUDITOR, BEING A PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 7, TOWNSHIP 21 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN.

THE WEST 330 FEET OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 7, TOWNSHIP 21 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN.

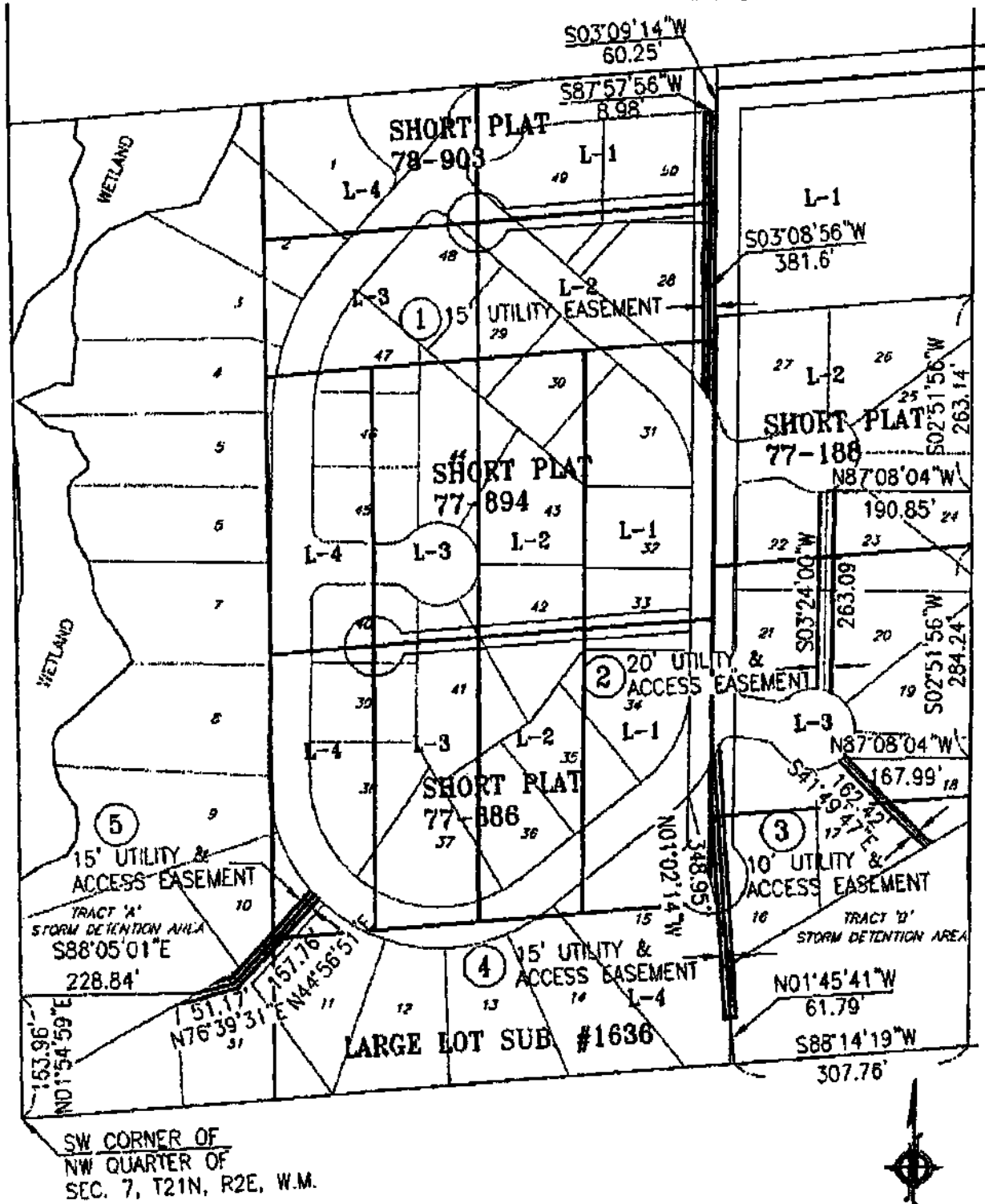
## EXHIBIT B

1. A STRIP OF LAND 15 FEET IN WIDTH LYING 7.50 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:  
COMMENCING AT THE NORTHEAST CORNER OF LOT 1 OF SHORT PLAT 78-903;  
THENCE SOUTH  $03^{\circ}09'14''$  WEST ALONG THE EASTERLY LINE OF SAID LOT 1 A DISTANCE OF 60.25 FEET;  
THENCE SOUTH  $87^{\circ}57'56''$  WEST A DISTANCE OF 8.98 FEET TO THE **TRUE POINT OF BEGINNING**;  
THENCE SOUTH  $03^{\circ}08'56''$  WEST A DISTANCE OF 381.6 FEET TO THE END OF SAID CENTERLINE.
  
2. A STRIP OF LAND 20 FEET IN WIDTH LYING 10.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:  
COMMENCING AT THE NORTHEAST CORNER OF LOT 2 OF SHORT PLAT 77-188;  
THENCE SOUTH  $02^{\circ}51'56''$  WEST ALONG THE EASTERLY LINE OF SAID LOT 2 A DISTANCE OF 263.14 FEET;  
THENCE NORTH  $87^{\circ}08'04''$  WEST A DISTANCE OF 190.85 FEET TO THE **TRUE POINT OF BEGINNING**;  
THENCE SOUTH  $03^{\circ}24'00''$  WEST A DISTANCE OF 263.09 FEET TO THE END OF SAID CENTERLINE.
  
3. A STRIP OF LAND 10 FEET IN WIDTH LYING 5.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:  
COMMENCING AT THE NORTHEAST CORNER OF LOT 3 OF SHORT PLAT 77-188;  
THENCE SOUTH  $02^{\circ}51'56''$  WEST ALONG THE EASTERLY LINE OF SAID LOT 3 A DISTANCE OF 284.24 FEET;  
THENCE NORTH  $87^{\circ}08'04''$  WEST A DISTANCE OF 167.99 FEET TO THE **TRUE POINT OF BEGINNING**;  
THENCE SOUTH  $41^{\circ}49'47''$  EAST A DISTANCE OF 162.42 FEET TO THE END OF SAID CENTERLINE.
  
4. A STRIP OF LAND 15 FEET IN WIDTH LYING 7.50 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:  
COMMENCING AT THE SOUTHEAST CORNER OF LOT 4 OF LARGE LOT SUBDIVISION NUMBER 1636; THENCE SOUTH  $88^{\circ}14'19''$  WEST ALONG THE SOUTHERLY LINE OF SAID LOT 4 A DISTANCE OF 307.76 FEET;  
THENCE NORTH  $01^{\circ}45'41''$  WEST A DISTANCE OF 61.79 FEET TO THE **TRUE POINT OF BEGINNING**;  
THENCE NORTH  $01^{\circ}02'14''$  WEST A DISTANCE OF 348.95 FEET TO THE END OF SAID CENTERLINE.

**EXHIBIT B**  
(CONTINUED)

5. A STRIP OF LAND 15 FEET IN WIDTH LYING 7.50 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:  
COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF SECTION 7, TOWNSHIP 21 NORTH, RANGE 2 EAST, W.M.;  
THENCE NORTH  $01^{\circ}54'59''$  EAST ALONG THE WESTERLY LINE OF SAID NORTHWEST QUARTER A DISTANCE OF 163.96 FEET;  
THENCE SOUTH  $88^{\circ}05'01''$  EAST A DISTANCE OF 228.84 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE NORTH  $76^{\circ}39'31''$  EAST A DISTANCE OF 51.17 FEET;  
THENCE NORTH  $44^{\circ}56'51''$  EAST A DISTANCE OF 157.76 FEET TO THE END OF SAID CENTERLINE.

EXHIBIT C  
ACCESS & UTILITY EASEMENTS







"THE MARITIME CITY"

POLICE DEPARTMENT  
3510 GRANDVIEW STREET  
GIG HARBOR, WASHINGTON 98335  
(253) 851-2236 • WWW.CITYOFGIGHARBOR.NET

**TO: MAYOR WILBERT AND CITY COUNCIL**  
**FROM: MITCH BARKER**  
**SUBJECT: SHORT TERM USE AGREEMENT WITH BREMERTON MOTOR**  
**SPORTS PARK**  
**DATE: OCTOBER 11, 2002**

#### **INFORMATION/BACKGROUND**

The police department requires all line officers to attend in-service training in an Emergency Vehicle Operator's Course (EVOC) on a regular basis. In order to conduct this training, we require a large paved area where it is safe to operate vehicles at high rates of speed. The Bremerton Motor Sports Park rents a portion of the Bremerton Airport to police agencies for this purpose. In order to use the space, we must enter into a short-term use agreement with the Bremerton Motor Sports Park.

Our legal counsel has reviewed the attached Short Term Use Agreement between the City and the Bremerton Motor Sports Park.

#### **FISCAL IMPACTS**

There is a use fee of \$250.00 per day to use the Bremerton facility. We will use the space for one day. This training was anticipated and funded within the 2002 budget.

#### **RECOMMENDATION**

I recommend that Council authorize the Mayor to execute the attached Short Term Use Agreement that will allow the police department to perform EVOC training scheduled for November, 2002

# Bremerton Motorsports Park

P.O. Box 5046 • Bremerton, WA 98312 • Message/Fax (360) 478-4067  
bremmpark@tscnet.com

To Gig Harbor P.D. 253/851-2339

Fax cover: Attn. Det Ray John

Mail back the signed contract for our signature with the insurance certificate to complete our paperwork. If there is anything we can do to make your event more successful please let us know.

Thank you.

Bruce Fields

BMP  
Sec/Tres  
360-478-9882 hm  
360-405-8108 pgr

**Bremerton Motorsports Park  
SHORT TERM USE AGREEMENT  
2002**

IT IS HEREBY understood that this Use Agreement made this 14th day of October, 2002, by and between Bremerton Motorsports Park, a Washington Not for Profit corp., hereinafter referred to as "BMP", and City of Gig Harbor, a Washington municipal corporation, whose address is 3510 Grandview St. Gig Harbor WA 98335, hereinafter referred to as "User".

WHEREAS, the City is required to train its police personnel in emergency vehicle safety techniques, and

WHEREAS, BMP controls property that it is willing to make available to the City on November 12, 2002 for purposes of emergency vehicle safety training, under the terms of this Short Term Use Agreement.

NOW, THEREFORE, BMP and the City, for an in consideration of the mutual agreements, covenants and promises set forth herein, agree as follows:

**SECTION 1. USE:** BMP hereby agrees to permit the User to utilize INACTIVE RUNWAY 16/34 at the Port of Bremerton's, Bremerton National Airport facility AKA "Bremerton Raceway" for the purpose of holding the User's Emergency Vehicle Operators Course, and for no other use. BMP understands that the User will be the sole occupant of the property on November 12, 2002 for this purpose. User shall be responsible for correction of any and all property damage which would occur as a result of User's activity on Nov. 12, 2002. User acknowledges that they have viewed the facilities and accept them in their current condition as appropriate for their intended use with no further modifications by BMP. The User agrees to assume full responsibility for the conduct of all User persons involved in the User's Emergency Vehicle Operator's Course use of the premises. Should the pavement of the use area require any markings related to User's activity, User agrees to use marking material that is not of a permanent nature, i.e. chalk.

**SECTION 2. TERM:** The term of this agreement shall be Nov. 12, 2002, a term of one (1) day.

**SECTION 3. ASSIGNMENT:** This agreement is not assignable or transferable in any fashion.

**SECTION 4. RENT:** The User agrees to pay BMP five (5) days in advance, a minimum of \$250.00 per day of use. A late fee of one percent (1%) per month, minimum \$3.00 will be assessed on all accounts not paid in advance.

**SECTION 5. RISK OF LOSS:** The User assumes all risks, including but not limited to, loss of or damage to equipment or property of the User or of the User participants in the Emergency Vehicle Operator's Course, or equipment or property used or stored on the premises under the terms of this agreement.

**SECTION 6. SECURITY:** Security of User's or invitees' property shall be the sole responsibility of the User. User shall prevent any user participants in the Emergency Vehicle Operator's Course from

traversing or accessing any and all parts of the Port of Bremerton, Bremerton National Airport facility, except those areas open to the public and that area designated herein for User's purpose, and specified ingress and egress thereto.

**SECTION 7. INSURANCE:** The User shall secure comprehensive general liability insurance (Form CG-001) for property damage and bodily injury at the premises in an amount of not less than \$1 million per occurrence and \$2 million aggregate. In addition, User shall keep and maintain in full force and effect during the term of this agreement fire and extended coverage insurance on all fixed improvements located or situated on or in the Premises to the full insurable value thereof. Proceeds from such insurance shall be used to restore the Premises. User shall provide the BMP with a certificate of insurance, naming BMP, Bremerton Raceway and the Port of Bremerton as an additional insureds (CG 2010 [form B]) and the premises, Bremerton Raceway, and Bremerton National Airport shall be listed as a covered site on all coverage. No occupancy or use permitted under the terms of this agreement shall commence until such evidence of insurance is presented to and approved by BMP.

**SECTION 8. INDEMNIFICATION:** The User shall release, indemnify, defend and hold BMP, its officers, officials, employees and representatives harmless from and against all losses and claims, demands, payments, suits, action, recoveries and judgments of every nature and description brought or recovered against BMP arising out of the actions of the User, its officers, officials or employees while conducting the Emergency Vehicle Operator's Course upon Port property, and for any expense incurred by BMP in connection therewith, including reasonable attorneys fees and costs attributable thereto.

In those situations in which a court of competent jurisdiction finds that BMP and the User are concurrently negligent, the indemnification contained in this agreement shall only be effective to the extent of the User's negligence. Furthermore, the indemnification contained in this agreement shall only be effective for the losses, claims, demands, payments, suits, action, recoveries and judgments arising out of the Emergency Vehicle Operator's Course conducted on Nov. 12, 2002.

**SECTION 9. COMPLIANCE WITH LAWS AND REGULATIONS:** Users of the Bremerton National Airport facility under the terms of this agreement are subject to the rules and regulations of the Federal Aviation Administration, its agents, and/or inspectors, and all applicable Port, state, county, or federal laws, including but not limited to, those laws related to the use, handling, and disposal of oil and petroleum products. The use of the premises provided herein shall at all times be subject to suspension or cancellation for emergency air traffic situations or requirements at the sole discretion of the Port of Bremerton.

**SECTION 10. CANCELLATION:** This agreement is subject to immediate termination with or without cause by BMP. No written notice is required. If BMP exercises this cancellation provision after it has collected the rent from the User, BMP shall refund the rent within twenty (20) days after cancellation.

Signed this \_\_\_\_\_ day of \_\_\_\_\_

USER:

Bremerton Motorsports Park

By: \_\_\_\_\_  
Mayor Gretchen Wilbert

By: \_\_\_\_\_  
Chairman Ken Mahan

ATTEST:

By: \_\_\_\_\_  
City Clerk

The City of Gig Harbor  
3510 Grandview Street  
Gig Harbor WA 98335  
253/851-8136

253/851-2399 fax



"THE MARITIME CITY"

3510 GRANDVIEW STREET  
GIG HARBOR, WASHINGTON 98335  
(253) 851-8136 • WWW.CITYOFGIGHARBOR.NET

**TO: MAYOR WILBERT AND CITY COUNCIL**  
**FROM: DAVID RODENBACH, FINANCE DIRECTOR** DR  
**SUBJECT: SECOND READING OF AN ORDINANCE AMENDING THE 2002 BUDGET**  
**DATE: OCTOBER 22, 2002**

#### **BACKGROUND**

The city recently approved the purchase of the Skansie property for \$2,880,000. This purchase was not contemplated in the 2002 budget.

#### **FISCAL CONSIDERATIONS**

The purchase of the Skansie Property will require a budget increase of \$800,000 to provide authority for a transfer from the General Fund, Non-Departmental section to the Property Acquisition Fund (Fund 109). Also, the Property Acquisition Fund will require a budget amendment to account for the \$2,880,000 purchase to be accounted for in that fund.

#### **RECOMMENDATION**

We recommend that Council approve an Ordinance amending the 2002 budget after a second reading.

ORDINANCE NO. \_\_\_\_

**AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO THE CITY'S 2002 BUDGET, AMENDING THE 2002 BUDGET FOR THE PURPOSE OF TRANSFERRING FUNDS FROM THE GENERAL GOVERNMENT FUND TO THE PROPERTY ACQUISITION FUND FOR THE PURCHASE OF PROPERTY TO BE DEDICATED AS A PARK.**

---

**WHEREAS**, the City's 2002 budget has more than adequate funds in the General Governmental Non-Departmental account; and

**WHEREAS**, the City's adopted Park, Recreation and Open Space Plan identified the property located at 3207 Harborview Drive (the "Skansie Property") as a desirable future acquisition; and

**WHEREAS**, the owners of the Skansie Property approached the City regarding sale and negotiated a tentative Purchase and Sale Agreement with City staff; and

**WHEREAS**, on September 27, 2002, the Gig Harbor City Council signed a Purchase and Sale Agreement with the owners of the Skansie Property to purchase the Property for \$2,880,000; and

**WHEREAS**, the City Council considered this Ordinance to transfer funds from the General Fund to the Property Acquisition Fund on October 14, 2002, and held a public hearing on this Ordinance on October 28, 2002;

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

Section 1. The City Council's purchase of the Skansie Property requires a transfer of the annual appropriations from the General Fund to the Property Acquisition Fund as shown below:

<u>Fund/Dept.</u>	<u>Original Appropriations</u>	<u>Amendment</u>	<u>Amended Appropriations</u>
001-General Government			
01 - Non-Departmental	\$1,697,500	\$ 800,000	\$2,497,500
<del>109-Property Acquisition Fund</del>	<del>\$1,482,931</del>	<del>\$1,920,498</del>	<del>\$3,403,429</del>
109-Property Acquisition Fund	\$1,482,931	<u>\$2,880,000</u>	<u>\$4,362,931</u>

Section 2. The Gig Harbor City Council finds that it is in the best interests of the City to decrease the General Government fund and to increase the Property Acquisition Fund as shown above, and directs the Finance Director to make the necessary transfer.

Section 3. This ordinance shall be in force and take effect five(5) days after its publication of a summary according to law.

**PASSED** by a vote of one more than the majority of all members of the City Council, as required by RCW 35A.33.120, and approved by the Mayor at a regular meeting of the council held on this \_\_\_ day of \_\_\_\_\_, 2002.

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

ATTEST:

\_\_\_\_\_  
Molly Towslee, City Clerk

Filed with City Clerk:  
Passed by the City Council:  
Date published:  
Date effective:





"THE MARITIME CITY"

COMMUNITY DEVELOPMENT DEPARTMENT  
3510 GRANDVIEW STREET  
GIG HARBOR, WASHINGTON 98335  
(253) 851-6170 • WWW.CITYOFGIGHARBOR.NET

**TO: MAYOR WILBERT AND CITY COUNCIL**  
**FROM: JOHN P. VODOPICH, AICP**  
**COMMUNITY DEVELOPMENT DIRECTOR**  
**SUBJECT: RENEWAL OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY**  
**AND PIERCE COUNTY FIRE DISTRICT #5 FOR FIRE INSPECTION**  
**SERVICES**  
**DATE: OCTOBER 28, 2002**

#### **BACKGROUND**

In December of 2000, the City and Pierce County Fire District #5 entered into an interlocal agreement for the purposes of conducting annual fire safety inspections within the City. This interlocal was subsequently renewed for a one-year period in November 2001. The current interlocal agreement expires on December 31, 2002.

The City's cost of this inspection program is considered to be a public service in the best interests of its citizenry with the cost being borne through general funding. The program has been working well and it is appropriate to renew the interlocal agreement for 2003.

This interlocal agreement has been reviewed and approved by the City Attorney.

#### **FISCAL IMPACT**

The anticipated cost of the 2003 inspection program to the City is estimated to be \$94,662.00, an increase of less than 2% from 2002. This anticipated cost has been incorporated into the proposed 2003 budget.

#### **RECOMMENDATION**

I would recommend that the City Council move approval of the renewal of the interlocal agreement with Pierce County Fire District #5 for fire inspection services for 2003 and further authorize the Mayor's signature on said agreement.

**INTERLOCAL AGREEMENT  
FOR FIRE INSPECTION SERVICES  
BETWEEN THE CITY OF GIG HARBOR  
AND PIERCE COUNTY FIRE DISTRICT NO. 5**

THIS AGREEMENT is made and entered into by and between the City of Gig Harbor, Washington, a Washington municipal corporation (hereinafter the "City"), and Pierce County Fire Protection District No. 5, a Washington municipal corporation (hereinafter the "District").

**WITNESSETH:**

WHEREAS, the City has been annexed to the District, and the District provides fire protection to the City, pursuant to chapter 52.04 RCW; and

WHEREAS, the City and the District have the authority to contract for the provision of fire inspection services, pursuant to chapter 39.34 RCW and RCW 52.12.031(3); and

WHEREAS, in the District's performance of such Fire Inspection Services, the District is required to use the Uniform Fire Code, as adopted by the City of Gig Harbor (pursuant to RCW 52.12.031(6)) and Gig Harbor Municipal Code Section 15.12.015; and

WHEREAS, both the City and the District have the authority to perform fire inspections, pursuant to UFC Sec. 103.3.1.1; and

WHEREAS, the District acknowledges that nothing in this Interlocal Agreement or Title 52 RCW grants code enforcement authority to the District (see, RCW 52.12.031(6)); and

WHEREAS, the City desires to contract with the District for the provision of fire inspection services within the City, for the purpose of ascertaining and causing to be corrected any conditions which would reasonably tend to cause fire or contribute to its spread, or any

violation of the purpose or provisions of the Uniform Fire Code, as adopted by the City, and of any other law or standard affecting fire safety; and

WHEREAS, the District desires to provide such fire inspection services for the consideration described herein;

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Purpose. The purpose of this Interlocal Agreement is to describe the terms and conditions under which the parties will cooperate in fire inspection services within the City of Gig Harbor.

Section 2. Services to be provided by District. The District agrees to provide the following services within the City of Gig Harbor:

**A. Inspections.**

1. **Schedule.** Qualified District personnel will inspect buildings and structures in the City, in accordance with the inspection schedule attached hereto as Exhibit A, provided that all buildings except single family, up to four-plex in size with adjacent garage or other accessory structure shall be inspected at least once annually.
2. **Inspection Notices.** The District shall be responsible for issuance of inspection notices to property owners and occupants.
3. **Property Owner's Refusal to Allow Inspection.** The District shall notify the City of any response it receives from a property owner/occupant refusing to permit the necessary inspection. The District shall take no action to attempt an inspection without permission of the City, if it receives any refusal from a property owner/occupant for a building/structure inspection.
4. **Correction Notices.** If the District discovers the presence of any condition which would reasonably tend to cause fire or contribute to its spread, or any violation of the purpose or provisions of the Uniform Fire Code, as adopted by the City, or of any other law or standard affecting fire safety, the District shall issue a Correction Notice. Such Correction Notice shall be provided to the property owner in writing within seven (7) days after the inspection. If any condition exists, which in the opinion of the District

inspector, warrants immediate action to protect the public health and safety, the Emergency Correction Notice shall be provided to the property owner within 24 hours of the inspection. The District agrees to provide the City with copies of all Correction Notices within five (5) days after the Correction Notice is issued to the property owner, and to notify the City Fire Marshal within 24 hours of any inspection warranting an emergency Correction Notice.

5. Noncompliance with Correction Notice. In the event that a property owner/~~occupant~~ does not comply with a Correction Notice within thirty (30) days, the District will schedule a re-inspection. If after re-inspection, compliance is still not ~~attained~~ achieved, the District shall notify the City Fire Marshal in writing of such noncompliance. In the event the District issues an Emergency Correction Notice, and a re-inspection reveals that compliance still has not been achieved, the District shall notify the City Fire Marshal in writing within 24 hours of the re-inspection. After such notification by the District, the City shall be responsible for taking any further action to enforce the City's code.

6. The City will provide the District a copy of all preliminary and final utility and street improvement plans, subdivision plans, site plans and building plans of all new construction (except single family homes up to and including four unit dwellings) for review and comment by the District at least one week, (five working days) prior to the date required for comments. The District will forward comments to the City within one week or five working days after receipt of such plans. (~~five working days~~).

Section 3. Annual Reports. The District shall provide the City with quarterly reports of all its activities under this Agreement within 5 working days of the end of each quarter.

This ~~annual~~ report shall include the following information:

- A. Name and position of inspector(s).
- B. Identification of all properties inspected.
- C. Identification of all Correction Notices issued;
- D. Identification of all Emergency Correction Notices issued; ~~and~~
- E. Identification of disposition of all situations for which Correction Notices or Emergency Correction Notices were issues; and
- F. Listing of all District expenditures relating to such inspections

Section 4. Financial Consideration(s). The City has estimated that the provision of the fire inspection services by the District within the City limits will save the City approximately \$29,900 in annual wages and benefits. The District has estimated that the fire inspection services described above will cost the District a total of ~~\$152,175.00~~ 151,490.00. Therefore, the City agrees to make payment to the District as set forth below in order to supplement the inspection program. ~~as set forth below to make payment to the District to supplement the program.~~

Section 5. Payment. The City agrees to pay an amount equivalent to the inspection fees of \$47.00 per occupancy for inspections actually performed by the District and one-half (1/2) of ~~District's~~ the remaining District's actual costs relating to those inspections within the City, of fire inspection services, for the year 20023. The District shall invoice the City for this amount quarterly, and the City shall pay the invoice within 30 days after receipt thereof, unless the City disputes any amount on such invoice. If the City objects to all or any portion of any invoice, it shall so notify the District of the same within fifteen (15) days from the date of receipt and shall pay that portion of the invoice not in dispute, and the parties shall immediately make every effort to settle the disputed portion.

Section 6. Term.

A. **Expiration.** This Interlocal Agreement shall expire on December 31, 20023.

B. **Extension of Interlocal Agreement.** Prior to December 31, 20023 the parties will review and analyze the performance, cost effectiveness and efficiency of the District's provision of fire inspection services within the City, and the parties may agree to extend this Interlocal Agreement for one or more years, under the same or different terms and conditions. This contract may be modified by either party with agreement of the other party during an annual review prior to the expiration of the term.

C. **Termination.** The parties may terminate this Interlocal Agreement for any reason, by providing the other party six (6) months prior written notice. In the event of termination, the City shall make the payment described in Section 5 for all fire inspection services satisfactorily performed by the District prior to the effective date of termination, as described in a final invoice provided to the City.

Section 7. Relationship of Parties. In contracting for the services described in this Interlocal Agreement, the District and City are deemed for all purposes to be acting within their governmental capacities. (RCW 52.12.031(3).) No agent, employee, representative, officer or

official of the District shall be or shall be deemed to be the employee, agent, representative, official or officer of the City. None of the benefits the City provides to its employees, including, but not limited to, compensation, insurance and unemployment insurance are available from the City to the employees, agents, representatives, officers or officials of the District. The District will be solely and entirely responsible for its acts and for the acts of its agents, employees, representatives, officials and officers during the performance of this Agreement.

Section 8. Discrimination. In the hiring of employees for the performance of work under this Interlocal Agreement or any subcontract hereunder, the District, or any person acting on behalf of the District, shall not, by reason of race, religion, color, sex, national origin or the presence of any sensory, mental or physical disability, discriminate against any person who is qualified and available to perform the work to which the employment relates.

Section 9. Indemnification. The District shall defend, indemnify and hold the City, its officers, officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits, including all legal costs and attorneys' fees, arising out of or in connection with the performance of this Agreement, except for injuries or damages caused by the sole negligence of the City. In the event of liability for negligence for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the District and the City, its officers, officials, employees, agents and volunteers, the District's liability hereunder shall only be to the extent of the District's negligence.

It is further specifically and expressly understood that the indemnification provided herein constitutes the District's waiver of immunity under Industrial Insurance, Title 51 RCW, or any other applicable insurance available to District employees, including, but not limited to LEOFF, chapter 41.26 RCW or PERS, chapter 41.40 RCW, solely for the purposes of this indemnification. The parties further acknowledge that they have mutually negotiated this waiver. The District's waiver of immunity under the provisions of this section does not include, or extend to, any claims by the District's employees made directly against the District.

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

Section 10. Insurance.

A. The District shall procure and maintain for the duration of this Interlocal Agreement, insurance against claims for injuries to persons or damages to property which may arise from or

in connection with the District's provision of fire inspection services, including the work of the District's employees, agents, officials and officers.

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

1. Business auto coverage for any auto no less than \$1,000,000 each accident limit, and
2. Commercial General Liability insurance no less than \$500,000 per occurrence with a \$500,000 aggregate.

C. The District is responsible for the payment of any deductible or self-insured retention that is required by any of the District's insurance policies.

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

E. It is the intent of this Interlocal Agreement for the District's insurance to be considered primary in the event of a loss, damage or suit. The City's own comprehensive general liability policy will be considered excess coverage with respect to the City. Additionally, the District's commercial general liability policy must provide cross-liability coverage as could be achieved under a standard ISO separation of insured's clause.

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

Section 11. Ownership and Use of Records. Original documents, inspection reports, correction notices, emergency correction notices and other reports developed under this Interlocal Agreement shall belong to and become the property of the District. The City shall have the right to inspect the District's records at all reasonable times, after providing the District with at least five (5) days advance notice. Copies of the documents shall be timely provided to the City as provided in this Interlocal Agreement, or if such documents are not specifically

mentioned in this Interlocal Agreement, at the City's cost for such copies. City agrees to provide similar access to existing historical records on all existing occupancies to show previous agreements or violations, and otherwise assist District in performing the inspection services.

Section 12. District's Agreement to Provide Services Consistent with Law. The District agrees to comply with all federal, state and local codes and ordinances that are now effective or become applicable to the performance of the fire inspection services described in this Interlocal Agreement. The District acknowledges that it is required by law to use the Uniform Fire Code, as adopted by the City of Gig Harbor (chapter 15.12 GHMC), pursuant to RCW 52.12.013(6).

Section 13. Inspections Performed at District's Own Risk. The District shall take all precautions necessary and shall be responsible for the safety of its employees, agents, officers and officials in the performance of the work described in this Interlocal Agreement, and shall utilize all protection necessary for that purpose. All inspections shall be performed at the District's own risk.

Section 14. Non-Waiver of Breach. The failure of either party to insist upon strict performance of any of the covenants and agreements contained herein, or to exercise any option herein conferred in one or more instances, shall not be construed to be a waiver or relinquishment of said covenants, agreements or options, and the same shall be and remain in full force and effect.

Section 15. Venue and Attorneys' Fees. Jurisdiction of any litigation brought by either party to enforce the terms of this Interlocal Agreement shall be in Pierce County Superior Court, Pierce County Washington. This Interlocal Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The non-prevailing party in any action brought to enforce this Interlocal Agreement shall pay the other party's expenses and reasonable attorneys' and expert witness fees.

Section 16. Written Notice. All communications regarding this Interlocal Agreement shall be sent to the parties at the addresses listed on the signature page of the agreement, unless notified in writing to the contrary. Unless otherwise specified, any written notice hereunder shall become effective upon the date of mailing by registered or certified mail, and shall be deemed sufficiently given if sent to the addresses listed on the signature page.

Section 17. Assignment and Modification. Any assignment of this Interlocal Agreement by the District without the written consent of the City shall be void. If the City shall give its



consent to any assignment, this section shall continue in full force and effect and no further assignment shall be made without the City's consent. No waiver, alteration or modification of any of the provisions of this Interlocal Agreement shall be binding unless in writing and signed by a duly authorized representative of the City and the District.

Section 18. Entire Agreement. The written provisions and terms of this Interlocal Agreement, together with any Exhibits attached hereto, shall supersede all prior verbal statements of any officer, official or employee of the City, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner whatsoever, this Interlocal Agreement or the Agreement documents. The entire agreement between the parties with respect to the subject matter hereunder is contained in this Interlocal Agreement and any Exhibits attached hereto.

Section 19. Severability. If any section, sentence, clause or phrase of this Interlocal Agreement is held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Interlocal Agreement.

Section 20. Effective Date. This Interlocal Agreement shall not be effective until signed by the duly authorized representative of the governing body of the parties and all of the following events occur:

- A. Filing of the Interlocal Agreement with the Pierce County Auditor; and
- B. Filing of the Interlocal Agreement with the Gig Harbor City Clerk.
- C. Filing of the Interlocal Agreement with the District Secretary.

IN WITNESS WHEREOF, the parties have executed this Interlocal Agreement on the date below written:

**THE CITY OF GIG HARBOR**

**PIERCE COUNTY FIRE PROTECTION DISTRICT NO. 5**

By \_\_\_\_\_  
Gretchen A. Wilbert  
Its Mayor

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

Notice shall be sent to:

The City of Gig Harbor  
~~3105 Judson~~ 3510 Grandview Street  
Gig Harbor, Washington 98335

Pierce County Fire District No. 5  
10222 Bujacich Rd. NW  
Gig Harbor, WA 98332-8540

Attn: Mark Hoppen, City Administrator

Attn: Fire Chief

ATTEST:

\_\_\_\_\_  
Molly Towslee  
City Clerk

\_\_\_\_\_  
District Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Carol A. Morris  
City Attorney

\_\_\_\_\_  
Fire District Attorney

## EXHIBIT "A"

The following is a list and frequency of inspections to be completed by the District:

<b>Building Occupancy Type:</b>	<b>Frequency:</b>
Churches	Annual
Private Schools	Annual
Daycare	Annual
Gas Stations	Annual
Grocery Stores	Annual
Retirement Homes	Annual
Apartments	Annual
Public Schools	Annual
Paint Stores & Shooting Range	Annual
Restaurants	Annual
Retail Stores	Annual
Offices	Annual
<b>Other Duties:</b>	
1. Observe School Fire Drills (Daycare, Private & Public Schools)	Annual
2. Inspect Christmas Trees (Within Assembly & Office Buildings)	Annual
<del>3. Conduct Fire Flow Hydro Tests</del>	

This list is not an all-inclusive list. This list is intended to provide a guide to show the type of inspections. It is not intended to provide an all-inclusive list of all of the buildings and structures required to be inspected by the Uniform Fire Code as adopted by the City of Gig Harbor.

Section 2. of this agreement states: ..."all buildings except single family, up to fourplex in size with adjacent garage or other accessory structures shall be inspected at least once annually."

**Exhibit B**

**Cost of Inspection Program - 2003**

**Personnel**

(Adjusted Annually)

**Prevention Chief**

Salary and Benefits 24,087.00  
(Based on .25 FTE – Supervision and Plan Review)

**Secretarial Support Position**

Salary and Benefits 32,671.00  
(Based on .75 FTE in Prevention Bureau)

**Subtotal \$56,758.00**

**Prevention Specialist assigned to Code Enforcement**

Salary and Benefits (1FTE) 86,232.00  
Uniforms (Annual Maintenance) 500.00

Office Space & Equipment 2,400.00  
(Shared Office Space)

Staff Vehicle 3,600.00  
(Based on \$300 per month allocation)

Annual Continued Training 2,000.00

**Subtotal \$ 94,732.00**

**Total Program Costs \$151,490.00**

**Formula for Payment**

City of Gig Harbor will pay equivalency of fees that would have been collected plus 50% of remaining costs.

**City of Gig Harbor**

805 Occupancies @ 47.00 per occupancy = \$37,835.00

50% of costs minus income from fees = \$56,827.00

**Total City Costs \$ 94,662.00**

**Fire District**

50% of costs minus income from fees = \$56,828.00



"THE MARITIME CITY"

3510 GRANDVIEW STREET  
GIG HARBOR, WASHINGTON 98335  
(253) 851-8136 • WWW.CITYOFGIGHARBOR.NET

**TO: MAYOR WILBERT AND CITY COUNCIL**  
**FROM: DAVID RODENBACH, FINANCE DIRECTOR** DR  
**DATE: OCTOBER 18, 2002**  
**SUBJECT: FIRST READING - 2002 PROPERTY TAX LEVY ORDINANCE**

#### **INTRODUCTION**

This is the first reading of an ordinance setting the 2002 property tax levy for collection in 2003.

#### **POLICY CONSIDERATIONS**

The 2003 preliminary budget uses a 1% property tax increase over the current levy. The 2002 levy is approximately \$64,677 over the 2001 levy.

#### **FINANCIAL**

Property taxes are approximately 6% of 2003 General Fund revenue budget and 81% of the Street Fund operating budget.

#### **RECOMMENDATION**

Staff recommends adoption of the ordinance upon second reading.

**CITY OF GIG HARBOR**

**ORDINANCE NO. \_\_\_\_**

**AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, LEVYING THE GENERAL PROPERTY TAXES FOR THE CITY OF GIG HARBOR FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2003.**

**WHEREAS**, the City Council of the City of Gig Harbor attests that the City population is 6,540; and

**WHEREAS**, the City Council of the City of Gig Harbor have properly given notice of the public hearing held October 28, 2002 to consider the City's General Fund revenue sources for the 2003 calendar year, pursuant to RCW 84.55.120; and

**WHEREAS**, the City Council of the City of Gig Harbor has considered the city's anticipated financial requirements for 2003, and the amounts necessary and available to be raised by ad valorem taxes on real and personal property,

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

**Section 1.** The ad valorem tax general levies required to raise estimated revenues for the City of Gig Harbor for the ensuing year commencing January 1, 2003, shall be levied upon the value of real and personal property which has been set at an assessed valuation of \$858,227,346. Taxes levied upon this value shall be:

The 2002 property tax for collection in 2003 is \$1,291,864 which is an increase of \$64,677 and 1% over the 2001 levy, in addition to that resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property.

**Section 2.** This ordinance shall be certified by the city clerk to the clerk of the board of county council and taxes hereby levied shall be collected and paid to the Finance Director of the City of Gig Harbor at the time and in a manner provided by the laws of the state of Washington for the collection of taxes.

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

**PASSED** by the City Council of the City of Gig Harbor, Washington, and approved by its Mayor at a regular meeting of the council held on this 12th day of November, 2002.

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

ATTEST:

\_\_\_\_\_  
Molly Towslee  
City Clerk

Filed with city clerk:  
Passed by the city council:  
Date published:  
Date effective:



"THE MARITIME CITY"

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GIG HARBOR, WASHINGTON 98335  
(253) 851-8136 • WWW.CITYOFGIGHARBOR.NET

**TO: MAYOR WILBERT AND CITY COUNCIL**  
**FROM: DAVID RODENBACH, FINANCE DIRECTOR** *DR*  
**DATE: OCTOBER 24, 2002**  
**SUBJECT: FIRST READING OF ORDINANCE - PROVIDING FOR THE ISSUANCE AND SALE OF A LIMITED TAX GENERAL OBLIGATION (LTGO) BOND FOR THE PURPOSE OF FINANCING THE ACQUISITION OF REAL ESTATE**

#### **BACKGROUND**

This is the first reading of an ordinance providing for the issuance and sale of a limited tax general obligation bond in the amount of \$2,080,000. Bank of America has offered to purchase a bond from the City to provide financing for the purchase of the Skansie Property.

#### **FISCAL CONSIDERATIONS**

This is a bond with a 10-year maturity and has a fixed interest rate of 3.63%. Semi annual payments under the terms of the bond will be \$118,000. Total payments over the life of the contract are \$2,480,674, resulting in a savings of \$142,000. Annual cash flow savings in years 2 through 9 amount to \$26,000.

The City's remaining LTGO debt capacity, based upon 2002 assessed valuation is approximately \$2,000,000.

#### **RECOMMENDATION**

Staff recommends adoption of the ordinance after a second reading.



CITY OF GIG HARBOR, WASHINGTON

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, AUTHORIZING A LIMITED TAX GENERAL OBLIGATION BOND IN THE PRINCIPAL SUM OF \$2,080,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION OF REAL ESTATE FOR CITY USE; PROVIDING THE TERMS OF THE BOND; AND PROVIDING FOR THE SALE OF THE BOND.

WHEREAS, the City Council (the "Council") of the City of Gig Harbor, Washington (the "City"), has deemed it in the best interest of the City and its citizens that the City acquire certain real estate for City use (the "Project"); and

WHEREAS, the City has received an offer from Bank of America, N.A., Seattle, Washington, to purchase a bond to provide permanent financing for the Project, and the City has determined that it is in the best interest of the City to sell the bond to the Bank;

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

Section 1.     Definitions. As used in this ordinance, the following words shall have the following meanings, unless a different meaning clearly appears from the context:

*Act* means Chapter 39.50 RCW.

*Bank* means Bank of America, N.A., or its corporate successor.

*Bond* means the City of Gig Harbor, Washington, Limited Tax General Obligation Bond, 2002 in the principal amount of \$2,080,000, issued pursuant to this ordinance.

*Bond Fund* means the City's "Limited Tax General Obligation Bond Redemption Fund," as described in Section 5 of this ordinance..

*Bond Register* means the registration books showing the name, address and tax identification number of each registered owner of the Bond, maintained pursuant to Section 149(a) of the Code.

*Bond Registrar* means the Treasurer who will register and authenticate the Bond, maintain the Bond Register, effect transfer of ownership of the Bond and pay principal of and interest on the Bond.

*City* means the City of Gig Harbor, Washington, a municipal corporation duly organized and existing under the laws of the State of Washington.

*Code* means the federal Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations thereunder.

*Council* means the duly constituted City Council as the general legislative authority of the City.

*Government Obligations* means those obligations now or hereafter defined as such in chapter 39.53 RCW.

*Private Person* means any natural person engaged in a trade or business or any trust, estate, partnership, association, company or corporation.

*Private Person Use* means the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the

Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a *de minimis* fee to cover custodial expenses.

**Project** means the acquisition of real estate, situated at 3207 Harborview Drive, Gig Harbor, WA 98335, for City use.

**Treasurer** means the Finance Director of the City or any successor to the functions of such Treasurer.

**Section 2. Authorization of the Bond.** The City hereby authorizes the issuance and sale of the Bond in the aggregate principal amount of \$2,080,000 to provide permanent financing for the acquisition of real estate for City use (the "Project") and to pay costs of issuance of the Bond. The Bond shall be a limited tax general obligation of the City; shall be designated the "City of Gig Harbor, Washington, Limited Tax General Obligation Bond, 2002"; shall be dated the date of its delivery to the Bank; shall be fully registered; shall be in the denomination of \$2,080,000; and shall bear interest from its date at the rate of 3.63% per annum calculated on the basis of a 360-day year with 30-day months. Principal and interest on the Bond shall be payable in semiannual installments of \$117,973.01 (including principal and interest) beginning on December 1, 2002 and on each June 1 and December 1 thereafter, with final payments of principal and interest nevertheless payable at maturity on December 1, 2012. Payments shall be applied first to interest and then to principal.

Section 3. Registration and Transfer. The Treasurer shall act as transfer agent, paying agent and registrar for the Bond (collectively, the "Bond Registrar"). Both principal of and interest on the Bond shall be payable in lawful money of the United States of America by check or warrant drawn on the Bond Registrar and mailed to the registered owner of the Bond on each interest and principal payment date. Upon payment of the final principal and interest installment on the Bond, the registered owner shall present and surrender the Bond at the Treasurer's office.

The Bond Register shall be maintained by the Bond Registrar, and shall contain the name and mailing address of the registered owner of the Bond or nominee of such registered owner.

The Bond may be transferred only on the Bond Register maintained by the Bond Registrar for that purpose upon the surrender thereof by the registered owner or nominee or his/her duly authorized agent and only if endorsed in the manner provided thereon and thereupon a new fully registered Bond of like principal amount, maturity and interest rate shall be issued to the transferee in exchange therefor. Such exchange or transfer shall be without cost to the owner or transferee.

Section 4. Prepayment. The City may prepay all or a portion of the principal amount owing on the Bond at any time without notice to the Bank. However, such prepayment may be subject to a prepayment penalty as described in the offer of the Bank attached to this ordinance as Exhibit A.

Section 5. Bond Fund and Provision for Tax Levy Payments. There has previously been established a fund of the City known as the "Limited Tax General Obligation Bond Fund" (the "Bond Fund") which is used to pay debt service on all outstanding limited tax general obligation bonds of the City, including the Bond.

The City hereby irrevocably covenants for as long as any of the Bond is outstanding and unpaid, that each year it will include in its budget and levy an *ad valorem* tax, within and as a part of the tax millage levy permitted to cities without a vote of the people, upon all the property within the City subject to taxation in an amount which will be sufficient, together with all other funds of the City which may legally be used and which the City may apply for such purposes, to pay the principal of and interest on the Bond as the same shall become due. All of such taxes and any of such other money so applied by the City Council shall be paid into the Bond Fund. None of the money in the Bond Fund shall be used for any other purpose than the payment of the principal of and interest on the Bond. Money in the Bond Fund not needed to pay the interest or principal next coming due may temporarily be deposited in such institutions or invested in such obligations as may be lawful for the investment of City money. Any interests or profit from the investment of such money shall be deposited in the Bond Fund.

The City hereby irrevocably pledges that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the Bond will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Bond. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of the taxes and for the prompt payment of the principal of and interest on the Bond as the same shall become due.

Section 6. Tax Covenants; Special Designation.

(a) The City covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exemption from federal income taxation of the interest on the Bond and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exemption from

federal income taxation of the interest on the Bond. Without limiting the generality of the foregoing, the City covenants that it will not take any action or fail to take any action with respect to the investment of the proceeds of the Bond or other funds that would result in constituting the Bond an "arbitrage bond" within the meaning of such term as used in Section 148 of the Code.

(b) *Private Person Use Limitation for the Bonds.* The City covenants that for as long as the Bond is outstanding, it will not permit:

(i) More than 10% of the Net Proceeds of the Bond to be used for any Private Person Use; and

(ii) More than 10% of the principal or interest payments on the Bond (and any bonds issued to refund such Bond) in a year to be (under the terms of this resolution of any underlying arrangement) directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Person Use.

The City further covenants that, if:

(iii) More than five percent of the Net Proceeds of the Bond is to be used for any Private Person Use; and

(iv) More than five percent of the principal or interest payments on the Bond in a year (or any bonds issued to refund the Bond) is (under the terms of this resolution or any underlying arrangement) directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Person Use,

then, (1) any Private Person Use payments described in subsection (iv) hereof that is in excess of the five percent limitations described in such subsections (iii) or (iv) will be for a Private Person Use that is related to the state or local government, and (2) any Private Person Use will not exceed the amount of Net Proceeds of the Bonds used for the state or local governmental use portion of the project to which the Private Person Use of such portion of the projects relates. The City further covenants that it will comply with any limitations on the use of the projects by other than state and local governmental users that are necessary, in the opinion of its bond counsel, to preserve the tax exemption of the interest on the Bond.

(c) *Designation under Section 265(b)(3).* The City hereby designates the Bond as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code for banks, thrift institutions and other financial institutions.

Section 7. Lost or Stolen Bond. In case the Bond shall be lost, stolen or destroyed, the Bond Registrar may deliver a new Bond of like amount, date, maturity, interest rate, tenor, and effect to the registered owner upon the owner paying the expenses and charges of the City in connection therewith and upon filing with the Bond Registrar evidence satisfactory to the Bond Registrar that such Bond was actually lost, stolen or destroyed and of the ownership thereof, and upon furnishing the City with indemnity satisfactory to both.

Section 8. Form of the Bond. The Bond shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. 1

\$2,080,000

STATE OF WASHINGTON  
CITY OF GIG HARBOR  
LIMITED TAX GENERAL OBLIGATION BOND, 2002

Registered Owner: Bank of America, N.A.

Interest Rate: 3.63%

Maturity Date: December 1, 2012

Principal Amount: Two Million Eighty Thousand and No/100 Dollars

The City of Gig Harbor, Washington, for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount set forth above, unless redeemed prior thereto as provided herein, together with interest on such Principal Amount from the date hereof or the most recent date to which interest has been paid or duly provided for at the Interest Rate set forth above calculated on the basis of a 360-day year with 30-day months. Principal and interest on the Bond shall be payable in semiannual installments (including principal and interest) of \$117,973.01 beginning on December 1, 2002 and on each June 1 and December 1 thereafter, with final payments of principal and interest nevertheless payable on the Maturity Date. Payments shall be applied first to interest and then to principal.

Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest and principal shall be paid by mailing a check or warrant (on the date such interest is due) to the registered owner or assigns at the address shown on the Bond Register. The final principal installment shall be paid to the registered owner hereof upon presentation and surrender of this bond at the office of the Finance Director of the City.

This bond is issued pursuant to Ordinance No. \_\_\_\_\_ of the City, passed November 12, 2002 (the "Bond Ordinance"), to provide permanent financing for the acquisition of real estate for City use.

The City may prepay all or a portion of the outstanding principal amount of this bond without notice to the Registered Owner. However, such prepayment may be subject to a prepayment penalty as described in the offer of the Bank attached to the Bond Ordinance as Exhibit A.



This bond has been designated as a "qualified tax-exempt obligation" for banks, thrift institutions and other financial institutions.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

The City hereby irrevocably covenants and agrees with the owner of this bond that it will include in its annual budget and levy taxes annually, within and as a part of the tax levy permitted to cities without a vote of the electorate, upon all the property subject to taxation in amounts sufficient, together with all other money legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

It is hereby certified and declared that this bond is issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and ordinances of the City, that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed, and that this bond does not exceed any constitutional or statutory limitations.

IN WITNESS WHEREOF, the City of Gig Harbor, Washington, has caused this bond to be signed on behalf of the City with the manual signature of the Mayor, to be attested by the manual signature of the Clerk of the City, as of this \_\_\_ day of November, 2002.

CITY OF GIG HARBOR, WASHINGTON

By \_\_\_\_\_  
Mayor

ATTEST:

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

CERTIFICATE OF AUTHENTICATION

Date of Authentication: November \_\_, 2002

This bond is the Limited Tax General Obligation Bond, 2002 of the City dated November \_\_, 2002 described in the within-mentioned Bond Ordinance.

FINANCE DIRECTOR of the City, as Bond Registrar

By \_\_\_\_\_

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE

[Empty rectangular box for Social Security or Taxpayer Identification Number]

(Please print or typewrite name and address, including zip code of Transferee)

the within bond and all rights thereunder and does hereby irrevocably constitute and appoint \_\_\_\_\_ of \_\_\_\_\_, or its successor, as Agent to transfer said bond on the books kept by the Bond Register for registration thereof, with full power of substitution in the premises.

DATED: \_\_\_\_\_, \_\_\_\_\_.

SIGNATURE GUARANTEED:

\_\_\_\_\_  
Signature(s) must be guaranteed pursuant to law.

NOTE: The signature of this Assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Section 9.     Application of Proceeds of Bond. At the time of delivery of the Bond, the proceeds of the Bond shall be deposited into the City's \_\_\_\_\_ fund and used to pay the costs of the Project and to pay costs of issuing the Bond.

Section 10.   Execution and Authentication of the Bond. The Bond shall be signed on behalf of the City by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk.

Only such Bond as shall bear thereon a Certificate of Authentication in the form recited above, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this ordinance.

In case either of the officers who shall have executed the Bond shall cease to be an officer or officers of the City before the Bond shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bond may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. The Bond may also be signed and attested on behalf of the City by such persons as at the actual date of execution of the Bond shall be the proper officers of the City although at the original date of the Bond any such person shall not have been such officer of the City.

Section 11.   Sale of the Bond. The Bond shall be sold to the Bank pursuant to the terms of this ordinance and its offer which is attached hereto as Exhibit A and incorporated by this reference. The City shall pay the loan fee of \$750 to the Bank on the date of issuance of the

Bond, and shall pay or reimburse the bank for its reasonable legal expenses incurred with regard to purchase of the Bond.

The proper officials of the City are hereby authorized and directed to do all things necessary for the prompt execution and delivery of the Bond and the items required to be delivered to the Bank and for the proper use and application of the proceeds of sale thereof.

Section 12. Severability. If any provision in this ordinance is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bond.

Section 13. General Authorization; Ratification of Prior Acts. The Treasurer and other appropriate officers of the City are authorized to take any actions and to execute documents as in their judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this ordinance. All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified.

Section 14. Effective Date. This ordinance shall take effect five days after its passage and publication in the manner provided by law.

PASSED by the City Council at a regular open public meeting on November 12, 2002.

CITY OF GIG HARBOR, WASHINGTON

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MAYOR

ATTEST:

---

CITY CLERK

First Reading:       October 28, 2002  
Date Adopted:       November 12, 2002  
Date of Publication: November \_\_, 2002  
Effective Date:      November \_\_, 2002

✓

CERTIFICATE

I, the undersigned, City Clerk of the City of Gig Harbor, Washington (the "City") and keep of the records of the City Council (the "Council"), DO HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance No. \_\_\_\_\_ of the Council (the "Ordinance"), duly passed at a regular meeting thereof held on the 12th day of November, 2002.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of November, 2002.

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

CITY OF GIG HARBOR, WASHINGTON  
LIMITED TAX GENERAL OBLIGATION BOND, 2002

---

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, AUTHORIZING A LIMITED TAX GENERAL OBLIGATION BOND IN THE PRINCIPAL SUM OF \$2,080,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION OF REAL ESTATE FOR CITY USE; PROVIDING THE TERMS OF THE BOND; AND PROVIDING FOR THE SALE OF THE BOND.

PASSED ON \_\_\_\_\_, 2002

PREPARED BY:

PRESTON GATES & ELLIS LLP  
SEATTLE, WASHINGTON

**EXHIBIT A**

**Kerrin M. Gibbons**  
Senior Vice President  
Public Sector Banking

October 11, 2002

Dave Rodenbach  
Finance Director  
City of Gig Harbor  
3510 Grandview Street  
Gig Harbor, WA 98335

Dear Dave:

Bank of America ("Bank") provided a financing proposal to the City of Gig Harbor ("City") dated September 25, 2002. Since then, we have completed final credit approval for this transaction, and can close, subject to satisfactory receipt and review of all documentation. That proposal is revised as follows:

<b>Amount:</b>	\$2,080,000
<b>Term:</b>	Final maturity date 10 years from closing
<b>Interest Rate:</b>	<u>Fixed</u> : 10 years: 3.63%

Rates are an indication only and are subject to changes in market conditions. Rates can be set once closing date is known. Interest is calculated on a 30/360-day basis. See attached debt service schedule.

All other terms and conditions remain unchanged from the September 25, 2002 proposal letter.

Please give me a call if I can answer any questions. We are pleased to be able to work with the City on this financing.

Sincerely,

Kerrin M. Gibbons

cc Dave Trageser, Banc of America Securities  
Cynthia Weed, Preston, Gates & Ellis



OCT 23 2002 17:59 FR BANK OF AMERICA  
 OCT 23 2002 16:31 FR B OF A CLERK

206 358 8818 TO 96237022

P. 02/03

**LOAN AMORTIZATION SCHEDULE**

(Regular Payments)

Customer Name : CITY OF GIG HARBOR  
 Loan Amount : \$2,080,000.00  
 Interest Rate : 3.630%  
 Payment Amount : \$117,973.01  
 No of Payments : 021  
 Pay Frequency : Semi-Annually  
 Payment Type : Fixed Payment(Prin & Int)  
 Accrual Basis : 30 Day Month/360 Day Year

Date of Loan : November 19, 2002  
 Term/No Months : 120  
 1st Due Date : December 1, 2002  
 Maturity Date : December 1, 2012

**NOTICE:** This amortization schedule is not intended for use in the calculation of exact payoff amounts. It will only provide an approximation of unpaid balances as it assumes that all payments will be made exactly on the stated due dates and in the exact amount of each stated payment. It will not reflect variances caused by any actual payments being made on any dates other than the stated due dates and/or for any amounts other than the stated payment amounts. Furthermore, the calculations used to create this amortization schedule may contain minor rounding differences with the Bank's loan accounting system which may also cause variances to occur.

PAYS	DATE DUE	PAYMENT AMT	INT PORTION	PRIN PORTION	LOAN BALANCE
					Amount of Loan = \$ 2,080,000.00
1	Dec. 1, 2002	\$ 117,973.01	\$ 1,887.60	\$ 116,085.41	1,963,914.59
<b>TOTALS FOR YEAR - 2002</b>		<b>\$ 117,973.01</b>	<b>\$ 1,887.60</b>	<b>\$ 116,085.41</b>	<b>\$ 1,963,914.59</b>
2	June 1, 2003	117,973.01	35,645.05	82,327.96	1,881,586.63
3	Dec. 1, 2003	117,973.01	34,150.80	83,822.21	1,797,764.42
<b>TOTALS FOR YEAR - 2003</b>		<b>\$ 235,946.02</b>	<b>\$ 69,795.85</b>	<b>\$ 166,150.17</b>	<b>\$ 1,797,764.42</b>
4	June 1, 2004	117,973.01	32,829.42	85,343.59	1,712,420.83
5	Dec. 1, 2004	117,973.01	31,080.44	86,892.57	1,625,528.26
<b>TOTALS FOR YEAR - 2004</b>		<b>\$ 235,946.02</b>	<b>\$ 63,709.86</b>	<b>\$ 172,236.16</b>	<b>\$ 1,625,528.26</b>
6	June 1, 2005	117,973.01	29,503.34	88,469.67	1,537,058.59
7	Dec. 1, 2005	117,973.01	27,897.61	90,075.40	1,446,983.19
<b>TOTALS FOR YEAR - 2005</b>		<b>\$ 235,946.02</b>	<b>\$ 57,400.95</b>	<b>\$ 178,545.07</b>	<b>\$ 1,446,983.19</b>
8	June 1, 2006	117,973.01	26,262.74	91,710.27	1,355,272.92
9	Dec. 1, 2006	117,973.01	24,598.20	93,374.81	1,261,898.11
<b>TOTALS FOR YEAR - 2006</b>		<b>\$ 235,946.02</b>	<b>\$ 50,860.94</b>	<b>\$ 185,085.08</b>	<b>\$ 1,261,898.11</b>
10	June 1, 2007	117,973.01	22,903.45	95,069.56	1,166,828.55
11	Dec. 1, 2007	117,973.01	21,177.94	96,795.07	1,070,033.48
<b>TOTALS FOR YEAR - 2007</b>		<b>\$ 235,946.02</b>	<b>\$ 44,081.39</b>	<b>\$ 191,864.63</b>	<b>\$ 1,070,033.48</b>
12	June 1, 2008	117,973.01	19,421.11	98,551.90	971,481.58
13	Dec. 1, 2008	117,973.01	17,632.39	100,340.62	871,140.96
<b>TOTALS FOR YEAR - 2008</b>		<b>\$ 235,946.02</b>	<b>\$ 37,053.50</b>	<b>\$ 198,892.52</b>	<b>\$ 871,140.96</b>
14	June 1, 2009	117,973.01	15,811.21	102,161.80	768,979.16

OCT 23 2002 18:00 FR BANK OF AMERICA  
 OCT 23 2002 18:00 FR BANK OF AMERICA

206 358 8818 TO 96237022

P.03/03

15	Dec. 1, 2009	117,973.01	13,956.97	104,016.04	664,963.12
<b>TOTALS FOR YEAR - 2009</b>		<b>\$ 235,946.02</b>	<b>\$ 29,768.18</b>	<b>\$ 206,177.84</b>	<b>\$ 664,963.12</b>
16	June 1, 2010	117,973.01	12,069.08	105,903.93	559,059.19
17	Dec. 1, 2010	117,973.01	10,146.92	107,826.09	451,233.10
<b>TOTALS FOR YEAR - 2010</b>		<b>\$ 235,946.02</b>	<b>\$ 22,216.00</b>	<b>\$ 213,730.02</b>	<b>\$ 451,233.10</b>
18	June 1, 2011	117,973.01	8,189.88	109,783.13	341,449.97
19	Dec. 1, 2011	117,973.01	6,197.32	111,775.69	229,674.28
<b>TOTALS FOR YEAR - 2011</b>		<b>\$ 235,946.02</b>	<b>\$ 14,387.20</b>	<b>\$ 221,558.82</b>	<b>\$ 229,674.28</b>
20	June 1, 2012	117,973.01	4,168.59	113,804.42	115,869.86
21	Dec. 1, 2012	117,972.90	2,103.04	115,869.86	0.00
<b>TOTALS FOR YEAR - 2012</b>		<b>\$ 235,945.91</b>	<b>\$ 6,271.63</b>	<b>\$ 229,674.28</b>	<b>\$ 0.00</b>
<b>FINAL TOTALS</b>		<b>\$ 2,477,433.10</b>	<b>\$ 397,433.10</b>	<b>\$ 2,080,000.00</b>	<b>\$ 0.00</b>



"THE MARITIME CITY"

3510 GRANDVIEW STREET  
GIG HARBOR, WASHINGTON 98335  
(253) 851-8136 • WWW.CITYOFGIGHARBOR.NET

**TO: MAYOR WILBERT AND CITY COUNCIL**  
**FROM: MARK HOPPEN, CITY ADMINISTRATOR** *MH*  
**DATE: OCTOBER 24, 2002**  
**SUBJECT: CITY HALL BID**

**INTRODUCTION**

We've received one bid for the city hall. Due to ambiguities in the bid, we need more time to clarify the conditions.

**RECOMMENDATION**

No action by Council is required at this time.

## PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made and entered into as of this Oct. day of 16th, 2002, between Donkey Creek Holdings LLC, ("Purchaser") and the City of Gig Harbor, Washington ("Seller").

To provide for the purchase and sale of the property herein described it is agreed:

1. PURCHASE AND SALE. Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, upon the terms and conditions hereinafter set forth, those certain parcels of land, hereinafter referred to as the "Property", commonly known as 3105 Judson Street, Gig Harbor, described in Exhibit A attached hereto and incorporated herein as if set forth in full.

2. PURCHASE PRICE AND TERMS OF PAYMENT. The total purchase price for the Property is \$1,110,000.00 (~~One Million One Hundred and Ten Dollars~~ <sup>payable at Closing less the earnest money paid.</sup> The earnest money shall be Ten Thousand Dollars & no/100 (\$10,000.00) \$1,110,000.00 as per attachment "BID").

3. CONVEYANCE. Upon Closing, title to the Property shall be conveyed from Seller to Purchaser by a Statutory Warranty Deed.

4. TITLE. Seller warrants that Seller has the right to sell the Property on the terms herein. The Purchaser agrees to furnish and pay for a Purchaser's Policy of Title Insurance. Title to the Property is to be free of all encumbrances or defects, except those which the Purchaser may determine in its sole discretion are consistent with its intended use of the Property. Seller and Purchaser authorize the party hereinafter designated as Closing Agent to immediately apply for a preliminary commitment for a WITA Standard Coverage for Buyer's Policy of Title Insurance in the amount of \$1,110,000.00. Said preliminary commitment, and the policy to be issued, shall ensure fee title to the Property free and clear of all liens, encumbrances or defects, and shall contain no exceptions other than those provided for in said standard form and the encumbrances or defects identified as acceptable to the Purchaser as provided herein. Encumbrances to be discharged by Seller shall be paid from Seller's funds at Closing. If the title cannot be made insurable as set forth above prior to the Closing Date, this Agreement shall thereupon be terminated as to the Purchaser and Seller.

Closing with First American Title Company.

5. ESCROW AND CLOSING.

A. Closing Agent - Date of Closing. The sale shall be closed in an office designated by Purchaser no later than January 3, 2003, upon which date this Agreement shall terminate. The Purchaser and Seller shall deposit with the closing agent, all instruments, documents and monies necessary to complete the sale in accordance with this Agreement. Seller agrees to maintain the property and its improvements in their present condition, normal wear and tear excepted, until Purchaser is entitled to possession. In the event that this sale cannot be closed by the date provided herein due to the unavailability of either party, the

Closing Agent, or financing institution to sign any necessary document, or to deposit any necessary money, because of any interruption of available transport; strikes, fire, flood or extreme weather; governmental regulations; incapacitating illness; acts of God; or other similar occurrences; the Closing date shall be extended seven (7) days beyond cessation of such condition, but in no event more than fourteen (14) days beyond the Closing as provided herein without written agreement of the parties.

B. Expenses of Escrow. Title insurance premiums, loan fees and all other costs or expenses of escrow shall be paid as follows:

1. the full cost of securing the title insurance policy for Purchaser referred to herein shall be paid by Purchaser;
2. the cost of recording the Deed to Purchaser shall be paid by Purchaser;
3. all other expenses of escrow and recording fees shall be paid by Purchaser. Encumbrances to be discharged by Seller to provide clear title or to correct any condition noted on a hazardous materials inspection report for the Property shall not be expenses of escrow.

C. Pro-Rations. All real property taxes and utility charges against the Property shall be pro-rated as of the date of closing. Seller shall assist Purchaser in obtaining or filing whatever papers are necessary to obtain any tax exemption(s). Said prorations, if any, shall be effected on the basis of the latest available tax bills and other applicable statements and based upon a 365 day calendar year. If current year tax statements are not available at the close of escrow, the prorations will be made as above provided and shall be adjusted between Purchaser and Seller outside of escrow as soon as the filed tax bills or other information is available.

D. Closing Defined. Closing for the purpose of this Agreement, is defined as the date that all documents are executed and the sale proceeds are available for disbursement to Seller. When notified, Purchaser and Seller will deposit, without delay, in escrow with Closing Agent, all instruments and monies required to complete the transaction in accordance with this Agreement.

6. POSSESSION. Purchaser shall be entitled to possession at Closing except for that area leased to No One, as provided for in the lease executed at Closing.

7. CONDITION OF PROPERTY - SELLER'S REPRESENTATION. Purchaser offers to purchase the property in its present condition on the terms noted. Seller hereby warrants that the premises described herein and the improvements thereon do not violate the applicable building or zoning regulations, and Seller is unaware of any material defect in the premises or improvements thereon. The warranties contained in this section shall survive Closing.

**Terms Noted in Attachment "BID"**

8. DEFAULT.

A. By Seller. In the event of any default by Seller, Purchaser shall, in addition to any other remedy Purchaser may have including specific performance, be entitled to immediately cancel this Agreement and receive a refund of its earnest money deposit and interest; provided, however, Purchaser may, at its option, waive any default by Seller and proceed with the purchase of the Property.

B. By Purchaser. In the event of any default by Purchaser, prior to the close of the escrow, Seller's sole remedy shall be to terminate the escrow and Purchaser's right to purchase the Property and receive the earnest money deposited by Purchaser hereunder and interest thereon as liquidated damages.

9. ATTORNEYS' FEES. In the event any action or proceeding to compel compliance with, or for a breach of, the terms and provisions of this Agreement, the prevailing party shall be entitled to recover from the losing party all costs and expenses of such action or proceeding, including, but not limited to the reasonable attorneys fees of the prevailing party.

10. ASSIGNMENT. This Agreement may not be assigned without either party's prior written consent.

11. CASUALTY LAW. If, prior to Closing, improvements on the Property shall be destroyed or materially damaged by fire or other casualty, this Agreement, at the option of the Purchaser, shall become null and void, or the Purchaser may, at the Purchaser's option, proceed with the purchase at a reduced price which reflects the loss of the improvements, or decide to purchase the property at a reduced price which does not contemplate any lease back of the improvements to the Sellers.

12. WRITTEN NOTICE. Any written notices required by this Agreement shall be sent by mail to the following addresses:

PURCHASER:

Donkey Creek Holdings LLC  
PO Box 245  
Gig Harbor, WA 98335  
509-995-0495

SELLER:

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

14. TIME IS OF ESSENCE. Time is of the essence of this Agreement.

15. SURVIVAL. The representations made by Seller in Paragraph 5, 8, 10, 12 and 13 shall survive closing.

16. COMPLETE AGREEMENT. This Agreement supersedes any and all agreements, written or oral between the parties hereto regarding the subject Property, which are prior in time to this Agreement. Neither Purchaser or Seller shall be bound by any understanding, agreement, promise, representation or stipulation, express or implied, not specified herein.

# DONKEY CREEK HOLDINGS, LLC

---

PO Box 245  
Gig Harbor, WA 98335

(253) 851-9309  
FAX (253) 851-6475

## BID

**Donkey Creek Holdings LCC offers to purchase the Gig Harbor City Hall located at 3105 Judson Street for the amount of \$1,110,000.00 with the following provisions being incorporated.**

Donkey Creek's proposal to purchase city hall is based on the City of Gig Harbor and Donkey Creek Holding agreeing to the following items being addressed to the satisfaction of both parties

- 1) City will perform an environmental study relating to potential hazardous waste material created by former oil and fuel storage tanks on the site. The City of Gig Harbor at no cost to Donkey Creek Holdings will perform both a Phase 1 and Phase 2 Environmental audit. Any remedial items required because of the Hazardous Waste Report are the responsibility of the City of Gig Harbor.
- 2) Facility will be inspected by a licensed electrical engineer to verify building meets state of Washington electrical code requirements. Any improvements required to meet code will be the responsibility of the City of Gig Harbor.
- 3) A roofing inspection will be carried out by a licensed architect or roofing service. Should the life of the roof be less than 10 years, the city will be responsible for replacing the roof with a 25-year asphalt shingle roof. Replacement includes gutters and downspouts.
- 4) Asphalt parking and driveway areas in and around the city will be repaired and sealed to a condition acceptable to the purchaser.
- 5) The City of Gig Harbor will vest storm water detention and retention as presently installed. If improvements to the system are required the City will make them before closing takes place.
- 6) City of Gig Harbor will approve the present use of both city streets and alleys and easements for parking for the former City Hall building as conforming to parking requirements. City will need to provide at closing required off street parking to support the building parking requirements under current city codes.
- 7) Review of building for other hazardous materials (mold, asbestos and lead paint, etc.) must be carried out to the satisfaction of Donkey Creek Holdings.
- 8) A review and inspection for dry rot or moisture infiltration in foundation area will be carried out and determined to be satisfactory to the purchaser.
- 9) Heating and ventilation system will be serviced and brought up to current operating conditions acceptable to Donkey Creek Holdings and environmental requirements. City of Gig Harbor will be responsible for making these improvements before closing.
- 10) City of Gig Harbor will be responsible for providing new floor covering in existing facility.

# DONKEY CREEK HOLDINGS, LLC

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PO Box 245  
Gig Harbor, WA 98335

(253) 851-9309  
FAX (253) 851-6475

- 11) City of Gig Harbor will be responsible for painting the existing facility (interior only).
- 12) City's Building and Fire Marshall will complete a review of the building and identify any and all Building and fire protection issues that need to be addressed. City of Gig Harbor will be responsible for making these repairs before closing.

X



Submitted by Michael Perrow

October 16, 2002



EXECUTED on the dates hereinabove written.

**PURCHASERS:**



\_\_\_\_\_  
Michael Perrow  
Member- Donkey Creek Holdings LLC

**SELLER:**

CITY OF GIG HARBOR

\_\_\_\_\_  
Mayor Gretchen Wilbert

Attest/Authenticated:

\_\_\_\_\_  
Molly M. Towslee, City Clerk

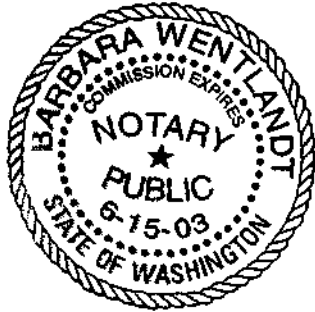
Approved as to Form:

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

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF PIERCE )

I certify that I know or have satisfactory evidence that Michael Perrow is the person who appeared before me, and said persons acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it to be their free and voluntary act as the Member of the property for the uses and purposes mentioned in the instrument.

Dated: 10-16-02



Barbara Wentlandt

Barbara Wentlandt

(print or type name)

NOTARY PUBLIC in and for the State of Washington, residing at: Gig Harbor  
My commission expires: 6-15-03

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF PIERCE )

I certify that I know or have satisfactory evidence that Gretchen A. Wilbert, the person who appeared before me, and said persons acknowledged that (he/she) signed this instrument, on oath state that (he/she) was authorized to execute the instrument and acknowledged it as the Mayor of Gig Harbor to be the free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(print or type name)  
NOTARY PUBLIC in and for the State of Washington, residing at: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

**DONKEY CREEK HOLDINGS, LLC**  
PO BOX 245  
GIG HARBOR, WA 98335

4177

98-841/1251

10-18-02  
DATE

PAY TO THE ORDER OF

*City of Gig Harbor*

\$ 10,000<sup>00</sup>

*Ten Thousand & no/100*

DOLLARS



© HARLAND 2001



**Harbor Bank**

5101 Pt. Fosdick Dr. Phone (253)853-  
Gig Harbor, WA 98335



FOR

*Ernest # old city Hall*

*Beth Penner*

MP

⑆ 125108418⑆0115011728⑆4177



'THE MARITIME CITY'

3510 GRANDVIEW STREET  
GIG HARBOR, WASHINGTON 98335  
(253) 851-8136 • WWW.CITYOFGIGHARBOR.NET

**TO: MAYOR WILBERT AND CITY COUNCIL**  
**FROM: DAVID RODENBACH, FINANCE DIRECTOR DR**  
**DATE: OCTOBER 18, 2002**  
**SUBJECT: THIRD QUARTER FINANCIAL REPORT**

The quarterly financial reports for the third quarter of 2002 are attached.

Total resources, including all revenues and beginning cash balances, are 89% of the annual budget. Total revenues, excluding cash balances, are 63% of the annual budget while total expenditures are at 57%.

General Fund revenues (excluding beginning balance) are ahead of pace at 77% of budget (as compared with 87% last year). If the one-time budgeted revenue from the sale of city hall is removed from the revenue budget, revenues through September are at 91% of budget. Sales tax receipts are at 94% of budget. At this time it appears that sales tax revenues will come in at about \$3.35 million. Private utilities taxes (5% of gross receipts for provision of telephone service, electricity, natural gas and water) will exceed the 2002-budgeted amount of \$680,000. Most of the increase in these taxes is fueled by the increase in telephone business within the city.

General Fund expenditures are 65% of budget. Non-departmental expenditures are slightly ahead of pace at 77% of budget. This is due to several large budgeted transfers to other funds. All other departments have spent less than 68% of budgeted expenditures.

Street Operating Fund revenues and expenditures through September are 79% and expenditures 49% of budget.

Water and Sewer revenues through September are at 80% and 75% of budget. Last year revenues for the same period were 64% and 72% of budget. Water and Sewer expenditures are both at 46% and 60% of budget. For the same period last year, both funds were at 61%. It appears we should be well within our expenditure budget for both the Water and Sewer Funds. Storm Sewer revenues and expenditures are at 67% and 42% of budget.

Cash balances are adequate in all funds.

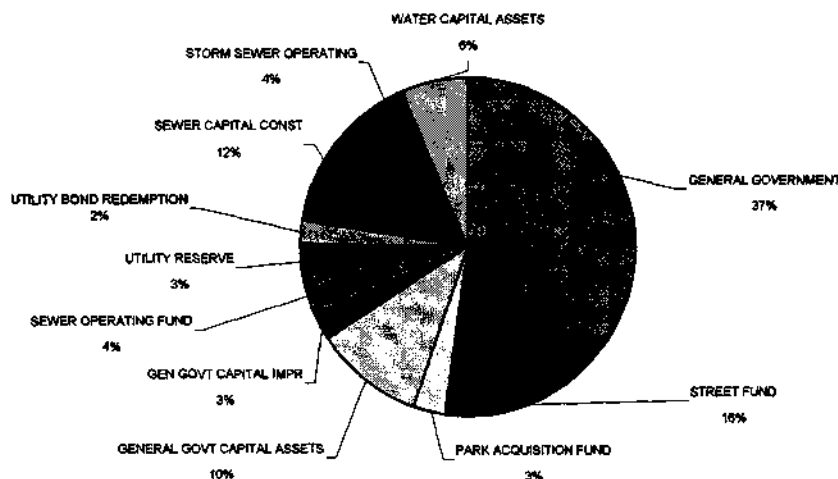
**CITY OF GIG HARBOR  
CASH AND INVESTMENTS  
YEAR TO DATE ACTIVITY  
AS OF SEPTEMBER 30, 2002**

FUND NO.	DESCRIPTION	BEGINNING BALANCE	REVENUES	EXPENDITURES	OTHER CHANGES	ENDING BALANCE
001	GENERAL GOVERNMENT	\$ 3,389,266	\$ 4,277,903	\$ 3,794,325	\$ (292,638)	\$ 3,580,206
101	STREET FUND	1,763,078	1,570,880	1,430,636	(324,520)	1,578,802
105	DRUG INVESTIGATION FUND	8,164	298	5,381		3,081
107	HOTEL-MOTEL FUND	186,190	123,265	101,132	(343)	207,981
109	PARK ACQUISITION FUND	373,567	5,094	58,541	(6,139)	313,982
203	'87 GO BONDS - SEWER CONSTR	69,868	1,021	2,287	(55)	68,547
208	91 GO BONDS & 97 LTGO BONDS	33,884	683,550	223,623	(101)	493,710
209	2000 NOTE REDEMPTION FUND					
301	GENERAL GOVT CAPITAL ASSETS	5,994,028	167,189	4,641,345	(491,410)	1,028,462
305	GENERAL GOVT CAPITAL IMPR	335,905	123,472	200,000		259,377
307	LID NO. 99-1 FUND	1,503			(1,500)	3
309	IMPACT FEE-TRUST AGENCY FUND					
401	WATER OPERATING FUND	37,796	586,831	379,667	(109,781)	135,179
402	SEWER OPERATING FUND	293,350	793,677	899,199	(65,511)	122,318
407	UTILITY RESERVE	530,080	12,711	250,000		292,790
408	UTILITY BOND REDEMPTION	203,012	517,266	407,155	(266)	312,857
410	SEWER CAPITAL CONST	1,636,888	340,773	622,580	(133,920)	1,221,161
411	STORM SEWER OPERATING FUND	303,633	297,350	254,438	29,697	376,242
420	WATER CAPITAL ASSETS	580,954	239,853	201,104	7,696	627,399
605	LIGHTHOUSE MAINTENANCE TRUST	1,728	26			1,753
631	MUNICIPAL COURT		46,696	42,998	(3,698)	
		\$ 15,742,895	\$ 9,787,856	\$ 13,514,412	\$ (1,392,489)	\$ 10,623,848

**COMPOSITION OF CASH AND INVESTMENTS  
AS OF SEPTEMBER 30, 2002**

	MATURITY	RATE	BALANCE
CASH ON HAND			\$ 300
CASH IN BANK		1.000%	234,216
RESTRICTED CASH		1.000%	1,135
LOCAL GOVERNMENT INVESTMENT POOL		1.748%	9,228,198
FEDERAL HOME LOAN BANK	01/17/06	3.000%	300,000
FEDERAL HOME LOAN BANK	01/30/06	3.750%	360,000
FEDERAL HOME LOAN BANK	08/27/07	3.000%	500,000
			<u>\$ 10,623,848</u>

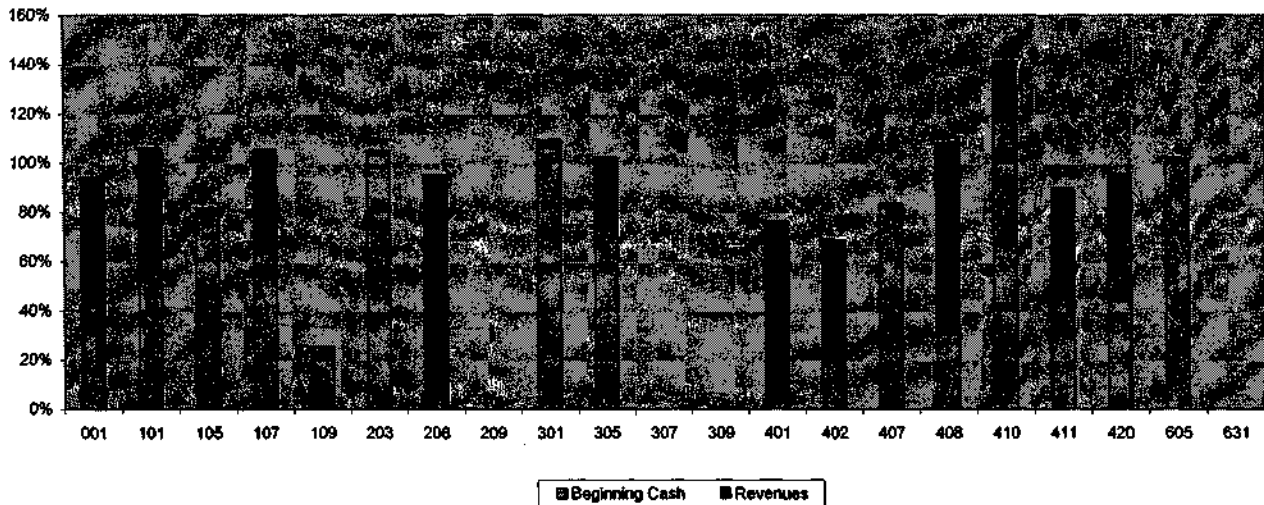
**Ending Cash Balances By Fund**



**CITY OF GIG HARBOR  
YEAR-TO-DATE RESOURCE SUMMARY  
AND COMPARISON TO BUDGET  
AS OF SEPTEMBER 30, 2002**

FUND NO.	DESCRIPTION	ESTIMATED RESOURCES	ACTUAL Y-T-D RESOURCES	BALANCE OF ESTIMATE	PERCENTAGE (ACTUAL/EST.)
001	GENERAL GOVERNMENT	\$ 8,161,075	\$ 7,667,169	\$ 493,906	93.95%
101	STREET FUND	3,149,186	3,333,958	(184,772)	105.87%
105	DRUG INVESTIGATION FUND	10,368	8,462	1,906	81.61%
107	HOTEL-MOTEL FUND	293,756	309,455	(15,699)	105.34%
109	PARK ACQUISITION FUND	1,482,931	378,661	1,104,270	25.53%
203	'87 GO BONDS - SEWER CONSTR	67,684	70,889	(3,205)	104.74%
208	91 GO BONDS & 97 LTGO BONDS	755,339	717,435	37,904	94.98%
209	2000 NOTE REDEMPTION FUND	1,261,625		1,261,625	
301	GENERAL GOVT CAPITAL ASSETS	5,634,681	6,161,217	(526,536)	109.34%
305	GENERAL GOVT CAPITAL IMPROVEMENT	449,462	459,377	(9,915)	102.21%
307	LID NO. 99-1 FUND		1,503	(1,503)	
309	IMPACT FEE-TRUST AGENCY FUND	676,800		676,800	
401	WATER OPERATING	819,176	624,627	194,549	76.25%
402	SEWER OPERATING	1,582,895	1,087,028	495,867	68.67%
407	UTILITY RESERVE	650,984	542,790	108,194	83.38%
408	UTILITY BOND REDEMPTION FUND	666,814	720,278	(53,464)	108.02%
410	SEWER CAPITAL CONSTRUCTION	1,402,851	1,977,662	(574,811)	140.97%
411	STORM SEWER OPERATING	669,497	600,984	68,513	89.77%
420	WATER CAPITAL ASSETS	859,577	820,807	38,770	95.49%
605	LIGHTHOUSE MAINTENANCE TRUST	1,721	1,753	(32)	101.88%
631	MUNICIPAL COURT		46,696	(46,696)	
		<b>\$ 28,596,422</b>	<b>\$ 25,530,751</b>	<b>\$ 3,065,671</b>	<b>89.28%</b>

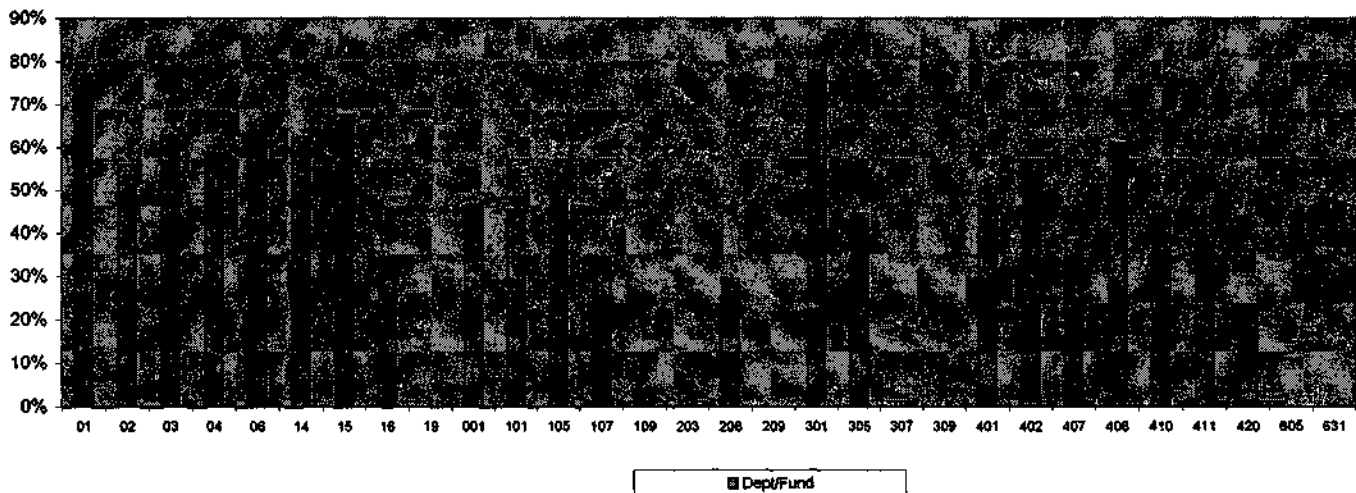
**Resources as a Percentage of Annual Budget**



**CITY OF GIG HARBOR  
YEAR-TO-DATE EXPENDITURE SUMMARY  
AND COMPARISON TO BUDGET  
FOR PERIOD ENDING SEPTEMBER 30, 2002**

FUND NO.	DESCRIPTION	ESTIMATED EXPENDITURES	ACTUAL Y-T-D EXPENDITURES	BALANCE OF ESTIMATE	PERCENTAGE (ACTUAL/EST.)
001	GENERAL GOVERNMENT				
01	NON-DEPARTMENTAL	\$ 1,697,500	\$ 1,307,308.29	\$ 390,191.71	77.01%
02	LEGISLATIVE	30,600	17,113	13,487	55.93%
03	MUNICIPAL COURT	298,550	187,229	111,321	62.71%
04	ADMINISTRATIVE/FINANCIAL	656,400	384,189	272,211	58.53%
06	POLICE	1,620,961	1,033,898	587,063	63.78%
14	COMMUNITY DEVELOPMENT	791,705	494,594	297,111	62.47%
15	PARKS AND RECREATION	503,100	340,005	163,095	67.58%
16	BUILDING	109,800	29,988	79,812	27.31%
19	ENDING FUND BALANCE	2,452,459	-	2,452,459	
001	TOTAL GENERAL FUND	8,161,075	3,794,325	4,366,750	46.49%
101	STREET FUND	3,149,186	1,430,636	1,718,550	45.43%
105	DRUG INVESTIGATION FUND	10,368	5,381	4,987	51.90%
107	HOTEL-MOTEL FUND	293,756	101,132	192,624	34.43%
109	PARK ACQUISITION FUND	1,482,931	58,541	1,424,390	3.95%
203	'87 GO BONDS - SEWER CONSTR	67,684	2,287	65,397	3.38%
208	91 GO BONDS & 97 LTGO BONDS	755,339	223,623	531,716	29.61%
209	2000 NOTE REDEMPTION FUND	1,261,625	-	1,261,625	
301	GENERAL GOVT CAPITAL ASSETS	5,634,681	4,641,345	993,336	82.37%
305	GENERAL GOVT CAPITAL IMPROVEMENT	449,462	200,000	249,462	44.50%
307	LID NO. 99-1 FUND	-	-	-	
309	IMPACT FEE-TRUST AGENCY FUND	676,800	-	676,800	
401	WATER OPERATING	819,176	379,667	439,509	46.35%
402	SEWER OPERATING	1,582,895	899,199	683,696	56.81%
407	UTILITY RESERVE	650,984	250,000	400,984	38.40%
408	UTILITY BOND REDEMPTION FUND	666,814	407,155	259,659	61.06%
410	SEWER CAPITAL CONSTRUCTION	1,402,851	622,580	780,271	44.38%
411	STORM SEWER OPERATING	669,497	254,438	415,059	38.00%
420	WATER CAPITAL ASSETS	859,577	201,104	658,473	23.40%
605	LIGHTHOUSE MAINTENANCE TRUST	1,721	-	1,721	
631	MUNICIPAL COURT	-	42,998	(42,998)	
		\$ 28,596,422	\$ 13,514,412	\$ 15,082,010	47.26%

**Expenditures as a Percentage of Annual Budget**



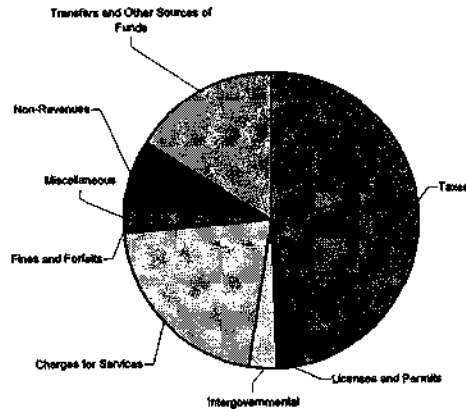
**CITY OF GIG HARBOR  
YEAR-TO-DATE REVENUE SUMMARY  
BY TYPE  
FOR PERIOD ENDING SEPTEMBER 30, 2002**

<u>TYPE OF REVENUE</u>	<u>AMOUNT</u>
Taxes	\$ 4,528,991
Licenses and Permits	310,307
Intergovernmental	311,105
Charges for Services	2,042,201
Fines and Forfeits	56,152
Miscellaneous	240,398
Non-Revenues	715,789
Transfers and Other Sources of Funds	1,582,913
Total Revenues	<u>9,787,856</u>
Beginning Cash Balance	15,742,895
Total Resources	<u>\$ 25,530,751</u>

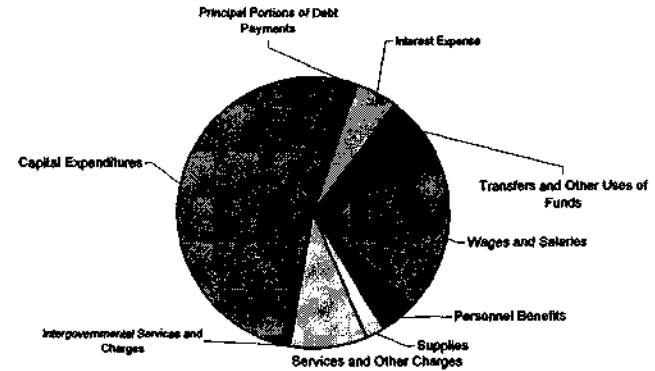
**CITY OF GIG HARBOR  
YEAR-TO-DATE EXPENDITURE SUMMARY  
BY TYPE  
FOR PERIOD ENDING SEPTEMBER 30, 2002**

<u>TYPE OF EXPENDITURE</u>	<u>AMOUNT</u>
Wages and Salaries	\$ 2,369,678
Personnel Benefits	609,338
Supplies	280,755
Services and Other Charges	1,253,497
Intergovernmental Services and Charges	139,255
Capital Expenditures	6,598,991
Principal Portions of Debt Payments	332,711
Interest Expense	707,355
Transfers and Other Uses of Funds	1,222,832
Total Expenditures	<u>13,514,412</u>
Ending Cash Balance	10,623,848
Total Uses	<u>\$ 24,138,260</u>

**Revenues by Type - All Funds**



**Expenditures by Type - All Funds**





**CITY OF GIG HARBOR  
STATEMENT OF FINANCIAL POSITION  
AS OF SEPTEMBER 30, 2002**

	SPECIAL REVENUE FUNDS										TOTAL SPECIAL REVENUE
	001 GENERAL GOVERNMENT	101 STREET	105 DRUG INVESTIGATION	107 HOTEL MOTEL	109 PARK ACQUISITION	301 GENERAL GOVT CAPITAL ASSETS	305 GENERAL GOVT CAPITAL IMP	307 LID NO. 99-1	309 IMPACT FEE TRUST FUND	605 LIGHTHOUSE MAINTENANCE	
CASH	\$ 64,953	\$ 39,079	\$ 76	\$ 5,148	\$ 7,772	\$ 25,457	\$ 6,420	\$ 0	\$ -	\$ 43	\$ 83,995
INVESTMENTS	3,515,252	1,539,723	3,005	202,833	306,210	1,003,005	252,957	3	-	1,710	3,309,445
RECEIVABLES	50,168	38,187	-	-	-	-	-	-	-	-	38,187
FIXED ASSETS	-	-	-	-	-	-	-	-	-	-	-
OTHER	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>3,630,373</b>	<b>1,616,989</b>	<b>3,081</b>	<b>207,981</b>	<b>313,982</b>	<b>1,028,462</b>	<b>259,377</b>	<b>3</b>	<b>-</b>	<b>1,753</b>	<b>3,431,627</b>
<b>LIABILITIES</b>											
CURRENT	19,126	166,715	-	-	-	2,409	-	-	-	-	169,124
LONG TERM	34,711	34,711	-	-	-	-	-	-	-	-	34,711
<b>TOTAL LIABILITIES</b>	<b>53,837</b>	<b>201,426</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,409</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>203,834</b>
<b>FUND BALANCE:</b>											
BEGINNING OF YEAR	3,092,959	1,275,319	8,164	185,847	367,428	5,500,209	335,905	3	-	1,728	7,674,603
Y-T-D REVENUES	4,277,903	1,570,880	298	123,265	5,094	167,189	123,472	0	-	26	1,990,224
Y-T-D EXPENDITURES	(3,794,325)	(1,430,636)	(5,381)	(101,132)	(58,541)	(4,641,345)	(200,000)	(0)	-	-	(6,437,034)
<b>ENDING FUND BALANCE</b>	<b>3,576,536</b>	<b>1,415,563</b>	<b>3,081</b>	<b>207,981</b>	<b>313,982</b>	<b>1,026,053</b>	<b>259,377</b>	<b>3</b>	<b>-</b>	<b>1,753</b>	<b>3,227,793</b>
<b>TOTAL LIAB. &amp; FUND BAL.</b>	<b>\$ 3,630,373</b>	<b>\$ 1,616,989</b>	<b>\$ 3,081</b>	<b>\$ 207,981</b>	<b>\$ 313,982</b>	<b>\$ 1,028,462</b>	<b>\$ 259,377</b>	<b>\$ 3</b>	<b>\$ -</b>	<b>\$ 1,753</b>	<b>\$ 3,431,627</b>

**CITY OF GIG HARBOR  
STATEMENT OF FINANCIAL POSITION  
AS OF SEPTEMBER 30, 2002**

	DEBT SERVICE			TOTAL DEBT SERVICE
	203 87 GO BONDS SEWER CONST	208 91 GO BONDS SOUNDVIEW DR	209 2000 NOTE REDEMPTION	
CASH	\$ 1,697	\$ 12,220	\$ -	\$ 13,917
INVESTMENTS	66,850	481,490	-	548,340
RECEIVABLES	1,287	-	-	1,287
FIXED ASSETS	-	-	-	-
OTHER	-	-	-	-
<b>TOTAL ASSETS</b>	<b>69,834</b>	<b>493,710</b>	<b>-</b>	<b>563,544</b>
<b>LIABILITIES</b>				
CURRENT	-	-	-	-
LONG TERM	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE:</b>				
BEGINNING OF YEAR	71,100	33,783	-	104,883
Y-T-D REVENUES	1,021	683,550	-	684,572
Y-T-D EXPENDITURES	(2,287)	(223,623)	-	(225,911)
<b>ENDING FUND BALANCE</b>	<b>69,834</b>	<b>493,710</b>	<b>-</b>	<b>563,544</b>
<b>TOTAL LIAB. &amp; FUND BAL.</b>	<b>\$ 69,834</b>	<b>\$ 493,710</b>	<b>\$ -</b>	<b>\$ 563,544</b>

**CITY OF GIG HARBOR  
STATEMENT OF FINANCIAL POSITION  
AS OF SEPTEMBER 30, 2002**

	PROPRIETARY							TOTAL PROPRIETARY
	401 WATER OPERATING	402 SEWER OPERATING	407 UTILITY RESERVE	408 89 UTILITY BOND REDEMPTION	410 SEWER CAP. CONST.	411 STORM SEWER OPERATING	420 WATER CAP. ASSETS	
CASH	\$ 3,444	\$ 3,125	\$ 2,297	\$ 8,600	\$ 30,226	\$ 9,313	\$ 15,780	\$ 72,785
INVESTMENTS	131,735	119,193	290,493	304,256	1,190,935	366,929	611,619	3,015,161
RECEIVABLES	147,969	175,766	9,195	903,158	(2,019)	47,657	.	1,281,726
FIXED ASSETS	2,075,167	8,396,254	.	.	1,233,858	684,027	793,341	13,182,647
OTHER	.	.	.	5,178	.	.	.	5,178
<b>TOTAL ASSETS</b>	<b>2,358,315</b>	<b>8,694,338</b>	<b>301,985</b>	<b>1,221,192</b>	<b>2,453,000</b>	<b>1,107,926</b>	<b>1,420,740</b>	<b>17,557,496</b>
<b>LIABILITIES</b>								
CURRENT	(109)	661,763	.	388,791	.	2	9,053	1,059,500
LONG TERM	36,156	38,357	.	1,290,313	.	21,624	.	1,386,449
<b>TOTAL LIABILITIES</b>	<b>36,047</b>	<b>700,119</b>	<b>.</b>	<b>1,679,104</b>	<b>.</b>	<b>21,626</b>	<b>9,053</b>	<b>2,445,949</b>
<b>FUND BALANCE:</b>								
BEGINNING OF YEAR	2,115,103	8,099,740	539,275	(568,023)	2,734,807	1,043,387	1,372,939	15,337,228
Y-T-D REVENUES	586,831	793,677	12,711	517,266	340,773	297,350	239,853	2,788,462
Y-T-D EXPENDITURES	(379,667)	(899,199)	(250,000)	(407,155)	(622,580)	(254,438)	(201,104)	(3,014,144)
<b>ENDING FUND BALANCE</b>	<b>2,322,268</b>	<b>7,994,219</b>	<b>301,985</b>	<b>(457,912)</b>	<b>2,453,000</b>	<b>1,086,299</b>	<b>1,411,688</b>	<b>15,111,546</b>
<b>TOTAL LIAB. &amp; FUND BAL.</b>	<b>\$ 2,358,315</b>	<b>\$ 8,694,338</b>	<b>\$ 301,985</b>	<b>\$ 1,221,192</b>	<b>\$ 2,453,000</b>	<b>\$ 1,107,926</b>	<b>\$ 1,420,740</b>	<b>\$ 17,557,496</b>

**CITY OF GIG HARBOR  
STATEMENT OF FINANCIAL POSITION  
AS OF SEPTEMBER 30, 2002**

	ACCOUNT GROUPS				TOTAL
	FIDUCIARY 631 MUNICIPAL COURT	820 GENERAL FIXED ASSET GROUP	900 GENERAL L-T DEBT GROUP	TOTAL ACCOUNT GROUPS	
CASH	\$	-	\$	-	\$ 235,650.31
INVESTMENTS	-	-	-	-	10,388,198
RECEIVABLES	-	-	-	-	1,371,367
FIXED ASSETS	-	10,702,211	-	10,702,211	23,884,858
OTHER	-	-	-	-	5,178
<b>TOTAL ASSETS</b>	-	<b>10,702,211</b>	-	<b>10,702,211</b>	<b>35,885,251</b>
<b>LIABILITIES</b>					
CURRENT	-	-	-	-	1,247,750
LONG TERM	-	-	-	-	1,455,871
<b>TOTAL LIABILITIES</b>	-	-	-	-	<b>2,703,621</b>
<b>FUND BALANCE:</b>					
BEGINNING OF YEAR	(3,698)	10,702,211	-	10,702,211	36,908,186
Y-T-D REVENUES	46,696	-	-	-	9,787,856
Y-T-D EXPENDITURES	(42,998)	-	-	-	(13,514,412)
<b>ENDING FUND BALANCE</b>	<b>(0)</b>	<b>10,702,211</b>	<b>-</b>	<b>10,702,211</b>	<b>33,181,630</b>
<b>TOTAL LIAB. &amp; FUND BAL.</b>	<b>\$ (0)</b>	<b>\$ 10,702,211</b>	<b>\$ -</b>	<b>\$ 10,702,211</b>	<b>\$ 35,885,251</b>

**CITY OF GIG HARBOR  
STATEMENT OF FINANCIAL POSITION  
BY FUND TYPE  
AS OF SEPTEMBER 30, 2002**

	GENERAL GOVERNMENT	SPECIAL REVENUE	DEBT SERVICE	TOTAL GOVERNMENTAL	PROPRIETARY	FIDUCIARY	ACCOUNT GROUPS	TOTAL ALL FUND TYPES
<b>ASSETS</b>								
CASH	\$ 64,953	\$ 83,995	\$ 13,917	\$ 162,866	\$ 72,785	\$ -	\$ -	\$ 235,650
INVESTMENTS	3,515,252	3,309,445	548,340	7,373,037	3,015,161	-	-	10,388,198
RECEIVABLES	50,168	38,187	1,287	89,642	1,281,726	-	-	1,371,367
FIXED ASSETS	-	-	-	-	13,182,647	-	10,702,211	23,884,858
OTHER	-	-	-	-	5,178	-	-	5,178
<b>TOTAL ASSETS</b>	<b>3,630,373</b>	<b>3,431,627</b>	<b>563,544</b>	<b>7,625,545</b>	<b>17,557,496</b>	<b>-</b>	<b>10,702,211</b>	<b>35,885,251</b>
<b>LIABILITIES</b>								
CURRENT	19,126	169,124	-	188,250	1,059,500	-	-	1,247,750
LONG TERM	34,711	34,711	-	69,422	1,386,449	-	-	1,455,871
<b>TOTAL LIABILITIES</b>	<b>53,837</b>	<b>203,834</b>	<b>-</b>	<b>257,671</b>	<b>2,445,949</b>	<b>-</b>	<b>-</b>	<b>2,703,621</b>
<b>FUND BALANCE:</b>								
BEGINNING OF YEAR	3,092,959	7,674,603	104,883	10,872,445	15,337,228	(3,698)	10,702,211	36,908,186
Y-T-D REVENUES	4,277,903	1,990,224	684,572	6,952,698	2,788,462	46,696	-	9,787,856
Y-T-D EXPENDITURES	(3,794,325)	(6,437,034)	(225,911)	(10,457,270)	(3,014,144)	(42,998)	-	(13,514,412)
<b>ENDING FUND BALANCE</b>	<b>3,576,536</b>	<b>3,227,793</b>	<b>563,544</b>	<b>7,367,873</b>	<b>15,111,546</b>	<b>(0)</b>	<b>10,702,211</b>	<b>33,181,630</b>
<b>TOTAL LIAB. &amp; FUND BAL.</b>	<b>\$ 3,630,373</b>	<b>\$ 3,431,627</b>	<b>\$ 563,544</b>	<b>\$ 7,625,545</b>	<b>\$ 17,557,496</b>	<b>\$ (0)</b>	<b>\$ 10,702,211</b>	<b>\$ 35,885,251</b>