

## GIG HARBOR CITY COUNCIL MEETING OF JULY 28, 2003

**PRESENT:** Councilmembers Ekberg, Young, Franich, Dick, Picinich, Ruffo and Mayor Wilbert. Councilmember Owel was absent.

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

### **PLEDGE OF ALLEGIANCE**

### **PUBLIC HEARINGS:**

1. Final Assessment Roll LID 99-1. Mayor Wilbert called the public hearing to order at 7:02 p.m. David Rodenbach, Finance Director, began the final assessment hearing on LID 99-1 by introducing Cynthia Weed of Prestin, Gates and Ellis. Ms. Weed, acting as the City's bond counsel, provided background information on LID 99-1. She explained that LID 99-1 was formed in accordance with very detailed statutory processes required when property owners are assessed for all or part of the costs of a special benefited improvement, in this case, Borgen Boulevard. In 1999, when the formation process began, a specific number of properties, generally business properties, were determined to receive a special benefit from these improvements and, therefore, would be responsible for a portion of the costs. In the same year, a hearing was held to form a local improvement district and identify the properties that were determined to benefit from these improvements. Following the formation process, city staff began the improvement process, using in part interim financing in the form of a short-term bond anticipation note from Key Bank. The note was subsequently renewed and extended and, as is routinely done, once the improvements were completed, the total costs were determined. A final assessment roll was then developed and allocated against the benefited properties using the same benefit assessment and methodology as was used by Macaulay and Associates at the start of the project. Notices of a public hearing on this matter were mailed to property owners and published in the local newspaper.

Ms. Weed reminded Council that the purpose of this public hearing is to take comments from the assessed property owners. She further stated that property owners with formal objections must submit their objections in writing, and that, to date, only one letter had been received. The letter, from Dale Pinney of SHDP Associates, raised three questions. The first question pertained to an incorrect legal description that has since been corrected. The second question referred to the lack of assessments on certain parcels belonging to other property owners. Ms. Weed contacted Mr. Macaulay for an explanation of why these parcels were not assessed, and passed this information on to Mr. Pinney.

Councilmember Picinich stated that he also has questions as to why some properties identified on Attachment A show no assessments, specifically, Map Nos. 1, 2, 3, 20, 26, 27, 28 and 29. Ms. Weed explained that, based on Mr. Macaulay's report, these properties were not assessed for a variety of reasons. Assessments are derived from looking at each parcel in terms of whether the improvement will increase the value of the property, taking into account existing zoning, the cost to connect to utility services, topography issues, wetland issues, distance and access from the street, and the ability and cost to develop the property. Consideration is then given to whether or not these factors outweigh the benefit.

The third question raised by SHDP Associates, Ms. Weed continued, had to do with an agreement between some of the property owners to reallocate the assessments if that would be

allowed. Ms. Weed explained that in order to reallocate, the property owners would have to go through considerable work to bring the agreement up to date, have all signatures notarized, and attach legal descriptions. According to Ms. Weed, the property owners indicated they do not want to go through the extra expense of having the agreement re-executed at this time, but she stated that if they do decide to reallocate in the future, they may legally do so through a re-allocation process or by private agreement.

Ms. Weed went on to say that at the conclusion of the public hearing and second reading of the ordinance, Council must decide whether to approve the final assessment roll or return it to be reassessed in which case the process will begin again. State law is very precise with regard to assessment roll procedures. Once the assessment roll ordinance is adopted, she said, it will proceed to the pre-payment phase where property owners can pay their assessment in full without penalty within thirty days of publication of notice. If they chose not to pay in full, assessed property owners may pay in ten equal annual installments. The amount remaining following the pre-payment period will be financed by the City through special assessment bonds expected to be sold following expiration of the pre-payment period. Property owners who chose to pay in installments will pay at a rate of ½ percent higher than the cost of the bond.

Mayor Wilbert thanked Ms. Weed for her presentation. Mr. Rodenbach added that the original study performed by Macaulay and Associates was \$60,000; the cost of a new study could reach approximately \$100,000, resulting in delay and additional interest costs for the property owners.

Laurie Bingham Miller – 16934 SE 47<sup>th</sup>, Bellevue, WA. Ms. Miller and her brothers are owners of one the assessed parcels. She stated that she was not notified of tonight's final assessment hearing and asked that the issue be postponed to allow her time to prepare a response. Ms. Miller indicated that their parcel is distinct from the others as they are small individual owners with 20 acres of undevelopable property. Further, she expressed disappointment that their plan to join up with SHDP Associates to develop their property will not go forward. Ms. Miller stated that the property is not even worth the proposed \$60,000 assessment. She asked for a chance to launch a formal objection and to be granted a more advantageous payment schedule due to the different nature of their property. Ms. Miller also asked for an opportunity to discuss possible zoning changes for the property with Council. Mayor Wilbert thanked Ms. Miller for her comments and advised her to submit her objections in writing as required. Councilmember Young asked Ms. Miller for clarification on the correct mailing address for the property. Ms. Bingham stated that the official mailing address had recently been changed to the North Hollywood address for tax assessment purposes, but that Gig Harbor has always had her Bellevue mailing address on file as well. Councilmember Dick asked Ms. Bingham if the notice was received by her brother at the North Hollywood address and she stated it was not. Councilmember Picinich inquired as to the current zoning of property. Ms. Bingham said that the current zoning is low-residential (R-1) and is surrounded by commercial zoning. She stated that the zoning should be at least high-density residential or a combined use with commercial property nearby. Mr. Rodenbach clarified for Council that the property in question is identified on "Attachment A" as "Map No. 16". He also asserted that the notice was, in fact, sent certified mail to the North Hollywood address on July 8, 2003 which met the fifteen day statutory requirement.

There were no further comments. The Mayor closed the public hearing on this item at 7:24 p.m. and opened the public hearing on the next item.

2. Proposed Amendments to GHMC Chapter 17.72.030(F) – Parking Standards and 17.04.640 – Public Parking. Steven Osguthorpe, Planning / Building Manager, introduced two

proposed text amendments to the city's parking standards. The proposed amendments come from two applicants: one from Mr. Buttorff and one from Chapel Hill Presbyterian Church. The changes proposed by Mr. Buttorff include deletion of Section 17.04.640(F) which defines "public parking". Mr. Osguthorpe asserted that the only part of the zoning code that uses this definition is Section 17.72.070. This section was adopted in 1996 and provides special parking provisions for the downtown buildings built prior to the adoption of our current parking standards and without adequate on-site parking. The provision allows for on-street parking that might be reasonably available within 200 feet of the site to be used as public parking. Therefore, the definition in Section 17.04.640(F) negates 17.72.070, is not used in any other part of zoning code, and should be deleted

Mr. Osguthorpe explained that the amendment proposed by Chapel Hill Presbyterian Church pertains to Section 17.72.030 which includes parking provisions for houses of religious worship, among others. The current parking requirement is for one off-street parking space for every four possible seats as determined by the Uniform Building Code. The amendment proposes to modify that section and create a separate section for houses of religious worship. Mr. Osguthorpe described how staff did a recent site investigation during a typical Sunday service, finding that excessive parking would be required if the current parking provision were applied to all areas of the public assembly. Further, it was noted that many church attendees parked in the Century Tel parking lot likely because it is more convenient, while many parking spaces remained available in church lot. Mr. Osguthorpe continued by saying that, in the past, this provision was applied only to the main assembly area, and has since been advised by counsel that the section should be applied literally to include all assembly areas including classrooms, etcetera. He asserted that applying the provision literally in this case would mean that the current forested area near the lot would need to be cleared in order to create additional, and unnecessary, surplus parking. The proposed parking provision for houses of religious worship would call for one space per four seats in the largest assembly area. Mr. Osguthorpe added that at the public hearing before the Planning Commission on June 19, 2003, five individuals testified in favor of the proposed changes, and that this issue will be introduced as a first reading later in meeting.

Councilmember Ekberg asked if research had been done at other churches and why staff is proposing to change the provision by city ordinance rather than doing a variance for this particular case. Mr. Osguthorpe answered that the code has been applied consistently to churches in the past, such as during times of remodels, and he believes this case fails to meet site-specific hardship criteria for a variance. He presumes this provision likely creates the same problem for other churches and that they would benefit from change as well. Mr. Osguthorpe answered a few additional questions from Council, including an assertion that he was not aware of any complaints about off-site parking from area residents or businesses.

Michael Kattermann – AHBL Inc., 316 Occidental Ave, Ste 320, Seattle, WA 98126.

Mr. Kattermann is a planner with AHBL, Inc. and spoke on behalf of Chapel Hill Presbyterian Church in favor of the proposed ordinance. He gave some background information on the church's desire for the text amendment to the parking code, explaining that it was triggered during their permit application process for an addition to the church facility. Mr. Kattermann reiterated that, based on the current code, the church would be required to have approximately double their current parking capacity. This amount of parking is more than what is currently needed and, furthermore, the church would still have surplus parking even under the proposed amendment. Mr. Kattermann went on to say that he looked at the parking codes of nine other cities in Western Washington and all are based on the capacity in the main sanctuary. Their parking provisions range anywhere from one space per four seats to one space per eight seats.

Mr. Katterman requested a separate section in the code for houses of religious worship, to retain the one space per four seats ratio, and to avoid additional, unnecessary parking. He reiterated that there was no opposition to the change at the Planning Commission hearing and that there have been no complaints from neighboring residents or businesses. Mr. Katterman offered to answer any questions.

Councilmember Franich asked Mr. Kattermann for an estimate of how many vehicles utilize the Century Tel parking lot and how many spaces remain available in the church parking lot during a typical Sunday. Mr. Kattermann answered that he believed about 40-50 cars utilize the Century Tel lot and approximately 200 spaces are available in the church lot.

Mayor Wilbert asked Mr. Osguthorpe to clarify the filing fee for appeal as described in the Determination of Nonsignificance. He stated that the correct filing fee should read "one hundred fifty dollars (\$150)". The Mayor also asked if the amended public parking provision pertains only to the downtown business area and not other business areas such as the Finholm Marketplace. Mr. Osguthorpe made clear that this provision pertains only to the downtown business area (DB) at this time.

Frank Carnovra – 3119 Judson Street, Gig Harbor. Mr. Carnovra spoke on behalf of the owners of a new restaurant located at 3119 Judson Street and in favor of the proposed amendment. Mr. Carnovra explained that the deletion of the public parking definition would increase available on-street parking near their business, thereby increasing the number of allowable seats in their restaurant from 14 to 27.

There were no further comments, and the Mayor closed the public hearing on this item at 7:46 p.m. and opened the public hearing on the next item.

3. Development Agreement – Olympic Property Group. John Vodopich, Community Development Director, began the public hearing by introducing a draft of the negotiated Development Agreement between the City of Gig Harbor and the Olympic Property Group (OPG). Mr. Vodopich summarized the events leading up to the development of this agreement, as it resulted from proposed amendments to the Comprehensive Plan, and stated that final action on the Development Agreement cannot take place until after the comment/appeal period expires on August 11, 2003. He added that it must be approved prior to final action on the annual Comprehensive Plan amendments.

Janice Piercy – 14001 132<sup>nd</sup> Street NW, Gig Harbor, WA. Ms. Piercey spoke in favor of the "village center" vision included in the Development Agreement and believes the proposed development will be convenient and a welcome addition to the area.

John Rose – Olympic Property Group, 19245 10<sup>th</sup> Ave NE, Poulsbo, WA, 98370. Mr. Rose offered to answer questions on the Development Agreement and complimented staff on crafting the proposed agreement on such short notice. He added that it had been a positive experience working with the staff.

Scott Schenks – SHDP, 1359 N 205<sup>th</sup> St, Shoreline, WA. Mr. Schenks stated that, as adjacent property owners, they are excited to see progress at this site and would like to participate in the planning of any future activities there. He reminded Council that SHDP submitted Comprehensive Plan amendments for the properties across the street from the OPG proposed development, which they have under contract with Logan and Bingham. These properties surround SHDP's existing commercial project and the OPG Development Agreement could

have a specific impact on these properties. Mr. Schenks expressed SHDP's concern with the existing zoning of the properties under contract, and asked that there be some sort of transitional zoning for the property designated as low-density residential, especially where it fronts onto Borgen Boulevard. He asked Council to direct staff to develop some sort of master plan for that area given the fact that Borgen Boulevard will become a major arterial road. Mr. Schenks offered to answer questions.

Councilmember Young admitted that the current low-density residential zoning of the Bingham property is a bit odd, but asked why an increase in the zoning to a higher density use could not be accomplished with a rezone application rather than a Comprehensive Plan amendment. Mr. Schenks responded by saying that in addition to zoning issues, he feels the time is right to develop a plan to make these properties work with the surrounding development.

Councilmember Franich agreed that the zoning seems odd and asked Mr. Schenks if he could shed any light on how this zoning came was originally determined. Mr. Schenks stated that he was not involved during the originally zoning, but in doing research, believes it was due to meeting current zoning percentage requirements.

Charles Keating – 12409 98<sup>th</sup> Ave Ct NW, Gig Harbor, WA. Mr. Keating explained that he is a member of Kitsap Regional Economic Development Council who has been very involved in telecommunications in Kitsap County and how it impacts traffic patterns. He asked Council to consider the role of telecommunications when they consider possible traffic impacts to the area as a result of the proposed Development Agreement. Mr. Keating described how telecommunication trends have had a beneficial impact on traffic patterns because technology has affected the number and times of day people make trips to commercial areas. Furthermore, because of increased technology, people are lacking beneficial social interaction and so when considering the village center concept, he encouraged Council to keep in mind that the village center will appeal to people and will facilitate interaction.

There were no further comments, and the Mayor closed the public hearing on this item at 8:06.

#### **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 July 14, 2003.
2. Acceptance of Loss Control Grant Funds – AWC RMSA.
3. Burnham Drive Sidewalk – Contract Authorization.
4. Liquor License Renewals: GH Yacht Club.
5. Liquor License Assumption: Jekyll and Hydes Pub.
6. Approval of Payment of Bills for July 28, 2003.  
Checks #40636 through #40830 in the amount of \$503,400.11.

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

#### **OLD BUSINESS:**

1. Proposed Annexation – North Donkey Creek (ANX 03-03). John Vodopich gave an overview of the proposed annexation for North Donkey Creek. He stated that the inclusion of this item at tonight's meeting is part of the statutory requirement to meet with the initiator within 60 days. Mr. Vodopich explained that In order to proceed with the intent to commence

annexation, Council would need to 1) require that the property owner(s) assume all of the existing indebtedness of the area being annexed; 2) decide whether Council will accept, reject, or geographically modify the proposed annexation (as is the case here as the legal description and map need revision to reflect a modification to the proposed area removing the Tacoma City Light parcel #02-22-31-3-068 as requested by Tacoma Power); and 3) require the simultaneous adoption of Medium-Density Residential (R-2) zoning with the Mixed Use District Overlay (MUD) applied to those properties lying east of Donkey Creek for the proposed area in substantial compliance with the Comprehensive Plan as adopted by city of Gig Harbor Ordinance No. 686. Mr. Vodophich then clarified some procedural questions for Council.

Phil Canter – 13915 52<sup>nd</sup> Ave NW, Gig Harbor, WA. Mr. Canter, the initiator of the annexation proposal, explained that the necessary modifications to the legal description could be completed by simply changing the text to read “east” of the Tacoma-Lake Cushman power line rather than “west” to define the boundary line.

**MOTION:** Move to modify the legal description included as part of the proposed annexation of North Donkey Creek and require that R-2 zoning be imposed.  
Dick / Picinich – unanimously approved.

2. Resolution – Surplus Equipment, GHPD. City Administrator Mark Hoppen presented a Declaration of Surplus Property for police department radio equipment determined to be of no value and eligible for donation.

Councilmember Dick thanked City Attorney Carol Morris and staff for researching and clarifying the actual value of the equipment as directed by Council at the July 14<sup>th</sup> Council meeting.

**MOTION:** Move to adopt Resolution No. 611  
Picinich / Ruffo - unanimously approved.

3. Second Reading of Ordinance – Annual Comprehensive Plan Amendments. John Vodophich gave an overview of the annual amendments to the Comprehensive Plan. He explained that, at this time, each item may be deliberated and voted on separately, but that no action may be taken on any amendment, specifically 03-01 and 02-01R, which is tied to the OPG Development Agreement still under consideration. On August 11, 2003, staff will return for Council’s consideration the second half of the ordinance for final adoption.

Bill Nerin – 11221 35<sup>th</sup> Ave Ct NW, Gig Harbor, WA. Mr. Nerin expressed implied opposition to further development at Gig Harbor North/South and presented a series of questions pertaining to the Comprehensive Plan amendments for Council's consideration. He then passed out written copies of these questions to the Council and staff.

Anne Nerin – 11221 35<sup>th</sup> Ave Ct NW, Gig Harbor, WA. Mrs. Nerin is a 14-year resident of Gig Harbor and voiced her opposition to the possible addition of a Costco. She stated that while Gig Harbor North has been very well developed, she feels Costco would create further traffic congestion. She voiced concern over the ability of ambulances to maneuver through traffic should the proposed hospital be built nearby. Mrs. Nerin said she was also concerned about how additional development is not worth the increased tax dollars it would bring and implored Council to preserve the current quality of life in Gig Harbor.

Mr. Vodopich gave an overview of Comprehensive Plan amendment application #02-01 Olympic Property Group.

**MOTION:** Move to deny Comprehensive Plan amendment application #02-01 Olympic Property Group.  
Ekberg / Ruffo – five voted in favor. Councilmember Picinich voted no.

Mr. Vodopich reviewed Comprehensive Plan amendment application #02-01 SHDP Associates, LLC.

**MOTION:** Move to deny Comprehensive Plan amendment application #02-02 SHDP Associates, LLC.  
Ruffo / Ekberg – unanimously approved.

**MOTION:** Move to postpone action on Comprehensive Plan amendment application #02-01R Olympic Property Group until the August 11, 2003 Council meeting.  
Ekberg / Young – five voted in favor. Councilmember Picinich voted no.

**MOTION:** Move to deny Comprehensive Plan amendment application #02-02R SHDP Associates, LLC.  
Ekberg / Ruffo –

Mr. Vodopich reviewed Comprehensive Plan amendment application #02-02R SHDP Associated, LLC.

Councilmember Young explained that his decision to deny this application is based on his desire to preserve the existing residential buffer area to the surrounding neighborhoods like Canterwood, Woodridge, and other outlying areas. He added that this does not preclude the possibility of some minor zoning changes, however, making changes to accommodate commercial development in this case is inappropriate given the proximity to existing neighborhoods. This situation is different from planning buffers for future residential developments.

Councilmember Dick stated that this is his concern as well. He stated that some changes would be more appropriate than others in order to preserve the buffering for existing neighborhoods and in order to accommodate the existence of the surrounding commercial development. Though consideration should be given to some type of zoning changes, particularly for the Bingham property, he believes this particular application is inappropriate for approval.

**CALL FOR QUESTION:** Move to deny Comprehensive Plan amendment application #02-02R SHDP Associates, LLC.  
Ekberg / Ruffo – unanimously approved.

Mr. Vodopich explained that Comprehensive Plan amendment application #03-01 City of Gig Harbor is predicated upon approval of application #02-01R Olympic Property Group and, therefore, must be postponed until the next Council meeting on August 11, 2003.

**MOTION:** Move to postpone action on Comprehensive Plan amendment application #03-01 City of Gig Harbor until the August 11, 2003 Council meeting.  
Ekberg / Picinich –

Councilmember Franich expressed his appreciation of the time devoted by the Planning Commission in their consideration of long-term goals for Gig Harbor North. While he realizes the need for and convenience of commercial services on this side of the Narrows Bridge as well as the benefit of additional tax revenue, he feels that an appropriate amount of time should be given to the Planning Commission's vision for Gig Harbor North.

**CALL FOR QUESTION:** Move to postpone action on Comprehensive Plan amendment application #03-01 City of Gig Harbor until the August 11, 2003 Council meeting.  
Ekberg / Picinich – unanimously approved.

Mr. Vodopich gave an overview of the proposed amendments to the February 2002 City of Gig Harbor Wastewater Comprehensive Plan (System Expansion C-7 (Olympic Drive) and System Expansion C-8 (Hazen Short Plat)).

**MOTION:** Move to approve the proposed amendments to the February 2002 City of Gig Harbor Wastewater Comprehensive Plan.  
Ruffo / Picinich – unanimously approved.

Mr. Vodopich reviewed the staff recommendation for incorporation of the adopted March 2001 Park, Recreation, and Open Space Plan by reference as the park and recreation element of the City's Comprehensive Plan.

**MOTION:** Move to approve incorporation of the adopted March 2001 Park, Recreation, and Open Space Plan.  
Ruffo / Picinich – unanimously approved.

**MOTION:** Move to continue the second reading of the Annual Comprehensive Plan Amendments until the August 11, 2003 Council meeting.  
Picinich / Ruffo – unanimously approved.

4. Second Reading of Ordinance – Uddenberg Property Rezone – REZ 03-01.

Mr. Osguthorpe gave a brief overview of the Uddenberg Property Rezone ordinance. He stated that the Hearing Examiner approved the rezone and, therefore, approval of the ordinance would make the rezone effective.

**MOTION:** Move to adopt Ordinance No. 932 approving the Uddenberg Property Rezone.  
Picinich / Dick – five voted in favor. Councilmembers Ekberg and Franich voted no. The motion carried five to two.

**NEW BUSINESS:**

1. First Reading of Ordinance – Adopting the Assessment Roll for LID 99-1. Mr. Rodenbach summarized the total project costs associated with LID 99-1. There was some discussion on how assessments are determined. There will be a second reading of this ordinance at the next Council meeting.



2. First Reading of Ordinance – Proposed Amendments to GHMC Chapter 17.72.030(F) – Parking Standards and 17.04.640 – Public Parking. Mr. Osguthorpe presented the ordinance for two proposed text amendments to the Gig Harbor parking standards; one relating to church parking and the other to delete the definition of public parking in order to implement the downtown parking provisions. Mr. Vodopich answered questions from Council on how these parking provisions will be applied in the downtown area and how the number of on-street parking places used by area businesses will be tracked. Mr. Vodopich described how spreadsheets and GIS systems will be utilized to avoid parking-related conflicts and ensure complimentary uses. He added that each situation will have to be reviewed on a case by case basis. This ordinance will return for a second reading at the next Council meeting.

The Mayor called for a five minute recess at 9:07 p.m.

3. First Reading of Ordinance – Increasing Monthly Sewer Rates. Mr. Rodenbach introduced Ashley Emery of Gray & Osborne, the firm hired to conduct a water and sewer rate study on behalf of the City, who in turn introduced Tom Zerkel, the president of Gray & Osborne. Mr. Emery noted that this study has been a two-year process and that working the city staff during this time has been a pleasure. Mr. Emery then began a detailed Powerpoint presentation including a brief overview of the history behind this rate study, the final step in the process. He explained that the study was done, in part, because of certain changes including the need for debt restructuring and capital improvements. Mr. Emery outlined their Cost of Service Rate Analysis and described upcoming sewer capital improvement projects. He presented a comparison of our current sewer rates with the rates of surrounding communities, noting that our rates are significantly lower than the state average and lower than surrounding communities. Mr. Emery presented recommendations for a graduated annual increase in sewer rates and illustrated how this revenue will affect the projected sewer utility cash flows. He added that capital project costs are high in order to maintain the health of the system. Mr. Rodenbach and Mr. Hoppen answered questions from Council. This item will return at the next Council meeting for a second reading.

4. First Reading of Ordinance - Increasing Monthly Water Rates. Mr. Emery continued his rate study presentation as it related to water service rates. He outlined upcoming water capital improvement projects and compared our current water rates to those in surrounding communities. Again, our rates were shown to be right in line with the others, and the recommendation was for a more modest, graduated increase in water rates. These rate increases represent current trends and, primarily, will keep up with inflationary costs. Mr. Emery then reviewed projected water utility cash flows, again describing how capital improvement project costs will remain high for the next few years to maintain the health of system. Mr. Hoppen answered questions from Council regarding capital improvements, trendline data, and how this spreadsheet data will serve as a progressively accurate tool for future capital projects and cash-flow analysis. Mr. Hoppen added that rather than supplementing operational shortfalls with connection fees, increased rates will aid immediate needs, leaving connection fees to generate revenue for a variety of much needed capital improvement projects. Councilmember Ruffo said its obvious that creative financing will be needed to cover these many projects. This item will return at the next meeting for a second reading.

5. First Reading of Ordinance – Annexing Property Owned by the City (ANX 03-05). Mr. Vodopich presented the first reading of this ordinance on the proposed annexation of the property located at the intersection of Vernhardsen Street and Crescent Valley Drive for the purpose of satisfying the 2003 budget objective of a BMX bike park. Though not a requirement, the ordinance was also sent to Pierce County for review and comment which Mr. Vodopich

hopes to have back in time for the second reading of this ordinance. Mayor Wilbert asked Mr. Hoppen to ensure that the Masonic Temple is informed of the proposed ordinance. This ordinance will return at the next Council meeting for a second reading.

6. Development Agreement with Olympic Property Group. Mr. Vodopich presented the ordinance pertaining to the Development Agreement with Olympic Property Group as discussed at the public hearing earlier this evening. He requested direction from Council to proceed on this matter.

**MOTION:** Move to direct staff to prepare resolution for the adoption of the Development Agreement as proposed for consideration at the August 11, 2003 Council meeting.  
Ruffo / Picinich -

At Council's request, Mr. Vodopich provided clarification on the residential, office and retail requirements of the Development Agreement. Councilmember Young thanked staff and stated that he was impressed with the contract document.

**CALL FOR QUESTION:** Move to direct staff to prepare resolution for the adoption of the Development Agreement as proposed for consideration at the August 11, 2003 Council meeting.  
Ruffo / Picinich - five voted in favor. Councilmember Franich voted no.

7. Street Pavement Marking - Contract Award. Mr. Vodopich presented the annual contract for the street pavement marking contract award. He explained that it is listed on the agenda under new business because it exceeds by \$3,021.97 the budgeted amount of \$20,000, primarily due to an unanticipated increased cost for pavement markings.

**MOTION:** Move to authorize the Mayor to execute the contract with Apply-A Line for Street Pavement Markings on City Streets 2003 in an amount not to exceed \$23,021.97.  
Ruffo / Picinich - unanimously approved.

8. Resolution - Surplus Office Furniture. Mark Hoppen introduced the Declaration of Surplus Property for several pieces of old furniture stored at the Bogue Volunteer Center. The furniture has been determined to have minimal value and eligible for donation to the City of Roy. The City of Roy lost their city hall and most of its contents to a fire last year and would appreciate the donation.

**MOTION:** Move to adopt Resolution No. 612  
Picinich / Ruffo - unanimously approved.

**STAFF REPORTS:**

1. David Rodenbach, Finance Director - Quarterly Finance Report. Mr. Rodenbach gave a brief financial report noting that general fund revenues are ahead of pace and expenditures are lagging. He noted that all funds have adequate cash at this time.

**PUBLIC COMMENT:**

Mr. R.W. Menzel – 3842 Snyder Lane, Gig Harbor. Mr. Menzel has lived in the Gig Harbor community for seven years. He expressed his opposition to the location and design of the new BDR office building on Tarabochia Street. Mr. Menzel commended staff on their handling of most community development issues, but opposes the addition of new "box type" office buildings in the historic downtown area of Gig Harbor. Mr. Menzel expressed that he wants to see the beauty and history of Gig Harbor preserved.

Mr. Vodopich responded to his questions and concerns.

**COUNCIL COMMENTS / MAYOR'S REPORT:** None.

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

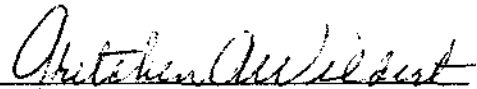
**MOTION:** Move to adjourn to Executive Session for approximately five minutes at 10:40 for the purpose of discussing pending litigation per RCW 42.30.110(1)(i).  
Picinich / Franich - unanimously approved.

**MOTION:** Move to return to regular session at 10:45 p.m.  
Picinich / Ruffo - unanimously approved.

**ADJOURN:**

**MOTION:** Move to adjourn at 10:46 p.m.  
Picinich / Ruffo – unanimously approved.

CD recorder utilized:  
Disc #1 Tracks 1 - 3  
Disc #2 Tracks 1 - 7  
Disc #3 Tracks 1 - 7

  
Gretchen Wilbert, Mayor

  
Jaci Parrish, Administrative Receptionist