

## GIG HARBOR CITY COUNCIL MEETING OF JUNE 11, 2001

**PRESENT:** Councilmembers Ekberg, Young, Pasin, Owel, Dick, Picinich and Ruffo and Mayor Wilbert.

**CALL TO ORDER:** 7:05 p.m.

### **SWEARING IN CEREMONY:**

Gig Harbor Police Chief, Mitch Barker, introduced the city's newest police officer, Vince Garcia, who just completed the 530<sup>th</sup> session of the Law Enforcement Academy. Chief Barker reported on Vince's achievements while attending the Academy, and then introduced Vince and his wife, Audra. Mayor Wilbert performed the ceremony.

### **PUBLIC HEARING:** Amendments to Chapter 18.04 - SEPA.

Patricia Iolavera, Senior Planner, presented this amendment to the Environmental Review Chapter of the Gig Harbor Municipal Code. She explained that this amendment clears up confusing language in the chapter, with no other substantial change. Carol Morris, City Attorney, explained that the changes were the result of a recent lawsuit that had been filed prematurely. The Mayor opened the public hearing at 7:13 p.m.

No one came forward to comment during the public hearing. The hearing was closed at 7:14 p.m.

### **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 Meetings of May 29, 2001.
2. Correspondence / Proclamations:
  - a) Letter to Holly D'Annunzio
  - b) GH Maritime Pier Committee
3. Strider Construction Escrow Agreement - Pump Station 3A Retainage.
4. Transportation Planning Services - Consultant Services Contract.
5. Liquor License Renewals: Harbor Humidor; Puerto Vallarta; Round Table Pizza.
6. Approval of Payment of Bills for June 11, 2001.  
Checks #33011 through #33141 in the amount of \$620,766.78.
7. Approval of Payroll for the Month of May:  
Checks #753 through #807 in the amount of \$180,627.42.

Councilmember Pasin asked for a correction to the minutes of the May 29<sup>th</sup> meeting, as there was an incomplete sentence in the Staff Report given by David Skinner.

**MOTION:** Move to approve the Consent Agenda, with corrections to the minutes as discussed.  
Picinich/Ekberg - unanimously approved.

**OLD BUSINESS:**

1. Second Reading of Ordinance - Providing for the Issuance and Sale of Limited Tax General Obligation Bonds. David Rodenbach, Finance Director, announced that he was pleased to announce that finalization of the bonds was near, and explained that it would require two separate motions; one to pass the ordinance and the other to approve the purchase agreement for the bonds. He introduced Dave Trageser, Banc of America Securities, and Cynthia Weed, Preston Gates and Ellis, the city's Bond Counsel.

Mr. Trageser distributed a summary pricing report, and explained that subject to Council's approval, \$7,825,000,000 in LTGO bonds would be marketed. He gave an overview of the terms of the agreement and for the sale and re-payment of the bonds. He then introduced Cynthia Weed, Bond Counsel. Ms. Weed gave a brief introduction of the ordinance authorizing the city to purchase the bond contract and offered to answer questions.

**MOTION:** Move to adopt Ordinance No. 885.  
Ruffo/Dick - unanimously approved.

**MOTION:** Move to authorize the Bond Purchase Agreement.  
Ruffo/Picinich - unanimously approved.

2. Land Use Hearing Examiner Proposals - Temporary Hearing Examiner Services.

**MOTION:** Move to table this agenda item.  
Dick/Ruffo - unanimously approved.

3. Value Estimate - City Hall and Bogue Building. Mark Hoppen, City Administrator, presented the information that had been requested by Council in regards to the values of the Thurston Building (City Hall) and the Bogue Building (Planning and Building Department.) He explained that the Thurston Building was valued at approximately \$1.265 million dollars and the Bogue Building was valued at \$303,000. He added that both he and the Finance Director recommended that the assets created from the sale of the buildings be used for the eventual retirement of the bonds purchased for the construction of the new Gig Harbor Civic Center.

Councilmember Pasin gave comparison information on the value of similar property in the area. Councilmember Ekberg commented that it would be prudent to take the proceeds from the sale of the buildings and invest it for the long-term to offset any unforeseen occurrences and to pay off the Civic Center sooner than anticipated. Mr. Hoppen requested a simple motion to act as a policy direction that this will return later as a potential offering of the property for sale, and that the proceeds from the sale are to be put in a reserve line to reduce or eliminate the cost of the bonds. Councilmember Ruffo recommended adding that approximately six-months previous to the expected marketing of the facilities, that the city obtain an appraisal to determine the current value.

Councilmember Young recommended exploring the option of keeping the Bogue Building for community use. Mr. Hoppen explained that it would be unreasonable to expect the citizens of

Gig Harbor to subsidize the public use of the building for the benefit of the entire Peninsula. He added that by stating now that the buildings are to be sold, interested organizations could allow time for fund-raising in order to purchase the building. He recommended that the proceeds from the sale should work toward retiring Gig Harbor taxpayer indebtedness on the Civic Center.

**MOTION:** Move that we obtain a market value appraisal of the properties at the appropriate time to evaluate how to market the properties, and as a policy matter, look at placing the proceeds into a reserve account.  
Ruffo/

Mayor Wilbert said that she did not feel that a motion of this type was appropriate at this time. She explained that the community had been participants in raising funds for basic community services and are now looking for a place to locate these services. She added that Ruth and Dr. Bogue had donated the Bogue Building for a regional library, and that the Lions Club raised the funds to construct the building. She then asked Council to consider the income from leasing the buildings to allow for an increase in property value and selling at a later date. Councilmember Ruffo offered to withdraw his motion pending further discussion on the matter.

Councilmember Owel said that although she appreciated the point of the service organizations and the contribution they have made to the community, there is also value in knowing all the options. She asked that all options be brought back in a staff report before a decision was made.

Councilmember Ekberg again stressed that the citizens' assets would be better served if the city were not to enter into the rental business. He said that the issue was what to do with the proceeds from the sale of the properties.

**MOTION:** Move that we direct staff to proceed with an appraisal at the appropriate time prior to the vacation of the buildings to determine the appropriate market value for sale of the buildings, and any funds received will be placed in a reserve account for future use.  
Ruffo/Picinich -

**AMENDMENT TO MOTION:** That the proceeds be placed in a reserve fund specifically set up to be invested to retire the debt of the Civic Center.  
Ekberg/Owel - unanimously approved.

**AMENDED MOTION:** Move that we direct staff to proceed with beginning an appraisal at the appropriate time prior to the vacation of the buildings to determine the appropriate market value for the sale of the buildings, and that any funds received will be placed in a reserve account specifically set up to be invested to retire the debt of the Civic Center.  
Ruffo/Picinich - unanimously approved.

**NEW BUSINESS:**

1. First Reading of Ordinance - Amendments to Chapter 18.04 - SEPA. Carol Morris explained that there had been changes to the appeal section of the SEPA ordinance to reference state law and prevent premature filings of appeals and to allow the Hearing Examiner to make his own decision on the timeliness of appeals. She said that when the ordinance returns at the next reading there will be more underlining, as some formatting of the document was lost during the transfer to City Hall.

2. Resolution - Declaration of Surplus Property. David Skinner, Public Works Director, presented this resolution declaring certain equipment obsolete or surplus. He explained that any monies received from the items would be used to offset the cost for new equipment. He answered Council's questions on the method of surplus, and the usefulness of some of the items listed.

**MOTION:** Move to adopt Resolution No. 567 as presented.  
Picinich/Ekberg - unanimously approved.

3. Bid Award - Gig Harbor Civic Center. David Skinner presented the bid tabulations for the new Gig Harbor Civic Center and gave an overview of the bidding process and bid results. He explained that there were nine bidders, one of which withdrew due to errors. He said that the cost of the project was within the budgeted amount and recommended that Council award the bid to the lowest bidder, Porter Brothers. He introduced the architects, Tom Bates and Jerry Lawrence, and offered to answer questions.

Councilmember Ruffo asked the architect if he had worked with the contractor on other projects. Mr. Bates named several projects in the area, including a current remodel on an elementary school in Enumclaw. He continued to answer Councilmember's questions regarding the added alternates, potential site excavation costs and constructing schedules.

**MOTION:** Move to authorize the bid award to the lowest bidder, Porter Brothers Construction, Inc., for the basic bid, alternate bids A-2c, E-2, E-3, UP-1, and UP-2, in the total sum of six million two hundred seven thousand dollars and no cents (\$6,207,000.00).  
Dick/Ekberg - unanimously approved.

Councilmember Ekberg mentioned that it had been a pleasure to work with the staff and the architect team on this project during the past year. Councilmember Dick thanked Councilmembers Ekberg and Young for shepherding the project and keeping the Councilmembers informed of the progress.

**STAFF REPORTS:** None.

**PUBLIC COMMENTS:** None.

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

Councilmember Owel commented briefly on the correspondence from The Maritime Pier Committee that had been included in the packet.

Mayor Wilbert spoke briefly to the letter she had sent to Holly D'Annunzio regarding the Environmental Resource Center. She added that due to the amount of interest in this type of project, she would like staff to request that the landscape architect for the Borgen Park to include a plan incorporating such a facility. She then shared pictures from her visit to the Purdy Elementary School Environmental Club and publicly thanked the Evergreen Lutheran High School students for the clean up of the Finholm Viewclimb.

**ANNOUNCEMENT OF OTHER MEETINGS:** None.

**EXECUTIVE SESSION:**

**MOTION:** Move to adjourn to Executive Session at 8:06 p.m. for the purpose of discussing property acquisition per RCW 42.31.110(b), and pending litigation per RCW 42.31.110(i), for approximately 30 minutes.  
Picinich/Ruffo - unanimously approved.


**MOTION:** Move to return to regular session at 8:35 p.m.  
Picinich/Ruffo - unanimously approved.


Mayor Wilbert asked for a motion from Council to direct the landscape architects for the Borgen Park to return with an option for an Environmental Resource Center. Mark Hoppen explained that the public hearing would be the appropriate time for this recommendation and no further Council action was required.

**ADJOURN:**

**MOTION:** Move to adjourn at 8:36 p.m.  
Ekberg/Young - unanimously approved.

Cassette recorder utilized.  
Tape 618 - Side B 076 - end.  
Tape 619 - Side A 000 - 071.

  
Gretchen A. Wilbert, Mayor

  
City Clerk