

REGULAR GIG HARBOR CITY COUNCIL MEETING OF JULY 27, 1998

PRESENT: Councilmembers Ekberg, Young, Owel, Dick, Picinich, and Mayor Wilbert.
Councilmembers Platt and Markovich were absent.

CALL TO ORDER: 7:05 p.m.

APPROVAL OF MINUTES:

MOTION: Move approval of the minutes of July 13, 1998 meeting as presented.
Picinich/Owel – unanimously approved.

CORRESPONDENCE/PROCLAMATIONS: Mayor Wilbert gave a brief overview of several pieces of correspondence she had received.

OLD BUSINESS:

1. **Second Reading of Ordinance – Indemnification.** Carol Morris, Legal Counsel, explained that the correction had been made to the language requested at the last meeting and recommended approval of the ordinance.

MOTION: Move to adopt Ordinance No. 798.
Picinich/Owel – unanimously approved.

2. **Settlement Agreement – Canterwood.** Mark Hoppen, City Administrator, explained that this agreement was a result of the claim against the city arising from the emergency sewer moratorium imposed last year. He added that the settlement also served to clarify the business relationship between the city and Canterwood for future sewer applications.

MOTION: Move to authorize the Mayor to sign the Settlement Agreement.
Dick/Ekberg – unanimously approved.

MOTION: Move to authorize the Mayor to sign the Amendment to Utility Extension Capacity Agreement.
Picinich/Owel – unanimously approved.

MOTION: Move to authorize the Mayor to sign the Amendment to Amendment to Utility Extension and Capacity Agreement.
Picinich/Owel – unanimously approved.

NEW BUSINESS:

1. **Payroll System Upgrade.** Dave Rodenbach, Finance Director, explained that Council had approved upgrade of the payroll processing software, and that EDEN Systems Inc. produces the only payroll software application compatible with the city's current accounting system. Councilmember Dick asked about the possibility of banding together with other cities for joint purchasing to obtain lower pricing. Dave explained that because cities are at different levels of software, it may be difficult, but that he would attempt to find out if it would be a possibility. He answered other questions regarding the system and recommended approval of the resolution declaring sole source and to approve the Software License and Agreement.

MOTION: Move to approve Resolution No. 523.
Owel/Young – unanimously approved.

MOTION: Move to authorize the Mayor to sign the Software License and Use Agreement with Eden Systems.
Owel/Young – unanimously approved.

2. **First Reading of Ordinance – Consent Agenda.** Mark Hoppen introduced this ordinance to adopt a consent agenda to handle routine items which are not controversial in nature and do not need further discussion. He explained what items would be included on the consent agenda and added that the information would still be included in the packet, and that any council member could remove an item from the consent agenda and place it on the regular agenda at the beginning of the meeting. This will return for a second reading.
3. **First Reading of Ordinance – Amending GHMC Criminal Code Section.** Mitch Barker, Chief of Police, explained that over the years, the criminal code section of the Municipal Code had become outdated. He added that changes have been made when immediate needs have been identified, but a complete review and update of the criminal section of the code was needed to bring it current and to adopt sections of the State RCWs. Councilmember Dick asked for a copy of the ordinance that would show where items had been added and deleted to the section. This will return for a second reading at the next meeting.
4. **EIS for Comp Plan Update – Consultant Services Agreement, Beckwith & Associates.** Ray Gilmore, Planning Director, presented this agreement to prepare the draft and final environmental impact statement for the Comprehensive Plan update. He said that he did not anticipate an update to the comp plans again for another five to seven year period. He added that the impact statement was a very important element of the comp plan update and that it had been budgeted for. Councilmember Dick asked about the possibility of updating the comp plans in-house in the future as opposed to contracting with outside consulting firms. He voiced concerns that the comp plans direct the future of the city and these were being developed by outside consultants. Mark Hoppen explained that the consultants develop the comp plans for the city by gathering information from the public

as well as assessing change and technical conditions. He added that the consultants possess the expertise to develop these plans, as well as computer models that are costly. He offered to do a cost benefit analysis to determine the consequences of preparing these updates in-house.

MOTION: Move to authorize the Mayor to execute a contract with Beckwith Consulting to prepare draft and final environmental impact statements for the comprehensive plan update, in an amount not to exceed \$19,215.00.
Ekberg/Young – unanimously approved.

5. TIB Grant Agreement – 38th Avenue Sidewalk Improvements (Phase II). Wes Hill, Public Works Director, presented this grant approval for design and construction of a sidewalk on the east side of 38th Avenue from 56th Street to 47th Street Court. Mayor Wilbert and Councilmembers thanked Wes for his hard work in obtaining these grant funds to complete the sidewalk project.

MOTION: Move to authorize the execution of the Project Agreement for Design and Construction Project with the Transportation Improvement Board for the 38th Avenue Phase II sidewalk improvement project.
Young/Owel – unanimously approved.

6. Comprehensive Plan Update – Water. Wes Hill addressed all three comprehensive plan updates for water, sewer, and stormwater. He explained that all three updates had been budgeted in the 1998 year, and gave an overview of the amounts of the contracts and recommended approval.

MOTION: Move to approve execution of the Consultant Services Contract with Gray & Osborne, Inc., in an amount not to exceed thirty-two thousand, nine-hundred two dollars and forty cents (\$32,902.40).
Young/Ekberg – unanimously approved.

7. Comprehensive Plan Update – Sewer. This issue was discussed in the previous agenda item.

MOTION: Move to approve execution of the Consultant Services Contract with Gray & Osborne, Inc., in an amount not to exceed forty-two thousand two-hundred thirty-two dollars (\$42,232.00).
Young/Ekberg – unanimously approved.

8. Comprehensive Plan Update – Stormwater. This issue was discussed in the previous agenda item.

MOTION: Move to approve execution of the Consultant Services Contract with Gray & Osborne, Inc., in an amount not to exceed forty-five thousand dollars (\$45,000.00).

Young/Ekberg – four Councilmembers voted in favor. Councilmember Dick voted against.

9. Wilkinson Property Acquisition. Mark Hoppen explained that the Wilkinson property fits broadly into the city's Parks Comprehensive Plan. He gave an overview of the potential of the property to tie into the trail that will run from the Narrow Bridge to Purdy, and explained that the property has an historical element. He described some of the amenities that could be developed on the property as a park and open area. He explained that the attached ordinance outlined the condemnation action, in which the city would pay the property owner fair market value. This will return at the next meeting for a second reading.

10. Liquor License Application – Harbor Rock Café. No action taken.

PUBLIC COMMENT: None.

COUNCIL COMMENTS:

Councilmember Ekberg said that he had been approached by a Councilmember from the City of Lakewood relative to the effort to annex Ft. Lewis and McChord populations. He explained that this was an effort to gain additional revenues to handle the problem areas around the bases, and within the City of Lakewood, that are draining resources. He added that there is information on both sides of the issue and that because the City of Gig Harbor had been approached by the City of Lakewood for assistance, information should be gathered, reviewed, and action should be taken to either support or not support their action.

Mayor Wilbert explained that this issue was discussed at the Pierce County Regional Council last week and said that she would support the effort if Lakewood could guarantee that the funds obtained through the annexation of population would be utilized to mitigate the crime and problems in those areas.

Councilmember Young voiced his concerns and asked that a resolution be presented at a meeting in the near future for consideration.

Mark Hoppen gave an overview of Lakewood's attempt to include the area in question as urban or to be included in their UGA for annexation purposed. He said that the Federal Government was supportive of these efforts to annex these urban areas, as long as the process is not disputed.

Councilmember Owel talked about the efforts of the two army bases to upgrade their facilities and asked what position they had taken. Mark asked Bob Dick to speak to this privatization issue.

Councilmember Dick voiced several concerns and said that Lakewood should be allowed impact fees from the federal government, but changing UGAs and annexing were inappropriate.

Mayor Wilbert announced that there would be a meeting at the City of Lakewood City Hall on August 5, 6:00 p.m. to further discuss this issue. Mark Hoppen said he would attend this meeting and contact other surrounding cities to prepare a packet of information for Council's review.

STAFF REPORT:

1. Wes Hill, Public Works Director – Esteb Sewer Connection. Mr. Hill explained that at the last council meeting, Michael Esteb had spoken of his efforts to obtain sewer connection for his new residence on Franklin Avenue, and that Council had requested that Wes come back with the details involved with the connection. Wes explained that he had met with Mr. Esteb twice since the council meeting to explain the options available. He then gave an overview of the process to date and what options that Mr. Esteb could utilize.
2. Dave Rodenbach, Finance Director – Quarterly Report. Mr. Rodenbach explained that General Fund revenues are at 61% mostly due to permits; tax receipts are slightly ahead of pace; and sales tax are on target. He added that water and sewer revenues are slightly behind the 50% expected, and that all departments are at 50% pace of expenditures except parks, due to the dock project. Cash reserves look adequate in all funds.

ANNOUNCEMENT OF OTHER MEETINGS:

1. Special City Council Meeting – August 3, 1998, 7:00 p.m. at City Hall.

APPROVAL OF BILLS:

MOTION: Move approval of checks #20595 through # 20675 in the amount of \$88,542.74.
Young/Ekberg - unanimously approved.

EXECUTIVE SESSION: None required.

ADJOURN:

MOTION: Move to adjourn at 8:25 p.m.
Owel/Picinich - unanimously approved.

Cassette recorder utilized.
Tape 501 Side B 000 – end.

Tape 502 Side A 000 – end.
Tape 502 Side B 000 – 271.

Gretchen A. Walbert
Mayor

Mally M. Dowd
City Clerk

SPECIAL GIG HARBOR CITY COUNCIL MEETING OF AUGUST 3, 1998

PRESENT: Councilmembers Ekberg, Young, Platt, Dick, Picinich, and Mayor Wilbert. Councilmembers Owel and Markovich were absent.

The Mayor asked the audience to stand and recite the Pledge of Allegiance.

CALL TO ORDER: 7:04 p.m.

NEW BUSINESS:

1. **Rosedale Street Improvement Project – Bid Award.** Wes Hill, Public Works Director, explained that all four bids received for the Rosedale Street Improvement Project exceeded the engineer's estimate and the amount budgeted for the project. He said that he reviewed the bids with the Department of Transportation TransAid representative, and with other agencies, and they concurred that the engineer's estimate closely reflects the amount anticipated for a project with these specifications. He explained that the bids were high due to the time of year and because the contractors had other projects to bid on and complete. He recommended rejecting all four bids for the project and to repackage the project into two phases. The first phase would provide for construction of all underground utilities and could be completed this year. The second phase to complete the storm drainage and completion of the project could be put to bid early next year for completion in the spring. He stated that the bid price may be more favorable during the early part of the year. He added that the ISTEA federal funding for a portion of the project would still be available next year.

Councilmember Picinich said that he would prefer to begin the first phase of the project immediately because people had been preparing for construction. Councilmember Dick voiced concerns with the separate trenching phases. Wes explained the two projects and the need to do the stormdrain trenching with the second phase of the project.

Councilmember Ekberg suggested on waiting until the first of the year to complete the project in one phase as originally planned, rather than disrupting traffic twice. After discussion the following motion was made.

MOTION: Move we reject all bids with the understanding that the project be separated into two packages.
Picinich/Dick –

Councilmember Platt agreed that two periods of traffic disruption wasn't in the best interest of the citizens. He added that it would be better to put the construction off until the first of the year rather than to pay for the extra patching and other costs that may

come with the two-phase construction. Councilmember Young agreed and added that the project, rather than costing more, could cost less. He suggested performing the construction as one project.

AMENDED MOTION: Move to remove the language in the last motion separating the project into two packages.
Young/Ekberg – four in favor. Councilmember Picinich voted against.


RESTATED MOTION: Move to reject all bids.
Picinich/Dick – unanimously approved.

PUBLIC COMMENT: None.

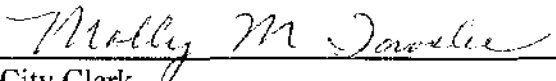
ADJOURN:

MOTION: Move to adjourn at 7:35 p.m.
Platt/Young - unanimously approved.

Cassette recorder utilized.
Tape 502 Side B – 272 - end.
Tape 503 Side A – 000 -273.



Mayor



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF AUGUST 10, 1998

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

CALL TO ORDER: 7:04 p.m.

EXECUTIVE SESSION: Mayor Wilbert announced the need for executive session for the purpose of discussing enforcement action per RCW 42.30.110, (i), and potential litigation per RCW 42.30.110, (i).

MOTION: Move we adjourn into executive session at 7:05 for approximately 30 minutes.
Picinich/Ekberg – unanimously approved.

MOTION: Move to return to regular session at 7:30 p.m.
Dick/Owel – unanimously approved.

APPROVAL OF MINUTES: Minutes of 7/27/98 and Special Meeting of 8/3/98.

MOTION: Move approval of the minutes of July 27, 1998 meeting as presented.
Picinich/Owel – five voted in favor. Councilmembers Platt and Markovich abstained.

MOTION: Move approval of the minutes of August 3, 1998 meeting as presented.
Picinich/Ekberg – five voted in favor. Councilmembers Owel and Markovich abstained.

CORRESPONDENCE/PROCLAMATIONS:

1. The Gig Harbor Waterfront Retail & Restaurant Association. No report given.
2. Reappointment of Bruce Gair to the Planning Commission. Mayor Wilbert announced that Mr. Gair had been reappointed.

OLD BUSINESS:

1. Second Reading of Ordinance – Consent Agenda. Mark Hoppen introduced this ordinance to adopt a consent agenda to handle routine items which are not controversial in nature and do not need further discussion.

MOTION: Move approval of Ordinance No. 799.
Markovich/Picinich – unanimously approved.

2. Second Reading of Ordinance – Wilkinson Property. Carol Morris, Legal Counsel, explained that this was the second reading of a condemnation ordinance. She added that by passing this ordinance, the city would approve the filing of a lawsuit in Superior Court to condemn the property for the purpose of a park acquisition.

David Rodman – 14009 106th Ave Ct. NW. Mr. Rodman explained that he was the nephew of the owner of the property, Darrel Rodman. He said that although he felt it was wrong for the city to have the power to take a person's property, he was in favor of what the city wanted to do with the property. He added that he felt that the city would do a good job of taking care of the property.

Jack Bujacich – 3607 Ross Avenue. Mr. Bujacich voiced his opposition to having his tax dollars used for this purchase. He said that the city could not show the need for another park. He talked about his concerns about the walking trail being isolated and unsafe.

DeeDee Carlson – 8202 86th Ave NW. Ms. Carlson explained she was speaking for her mother, with whom she agreed. She said that they thought it was unconstitutional to take property from an owner. She added that her mother was a friend of Helen Wilkinson, and that she knew of Mrs. Wilkinson's wishes to have the property be left to her nephew.

Joanne Wood – 14578 Sydney Road, Port Orchard. Ms. Wood explained that she was a childhood friend of Darrel Rodman. She explained that when she read of the condemnation in the paper, she was furious. She added that she did not believe that government had the right to take a person's property for any reason. She added that in the area there are many parks already existing that are not being taken care of. She also said that she liked the idea that Darrel wanted to put in an auditorium on the property.

Roger Mosiman – 9617 Harmony Lane. Mr. Mosiman said he was sick and tired of paying for parks for others to use. He added that the previous owner of the property did not want to sell and the new owner says no, so the city should let the property owner do what he wants with his land.

Bob Backstein. Mr. Backstein explained that he was an attorney representing Darrel Rodman. Mr. Backstein said that condemnation of this property does not fit the moral standards for public use. He added that Mr. Rodman want to keep the property and develop a portion, leaving the house, barn and a part of the holly field as is. He added that he hoped that the city would continue in good faith negotiations for the property, without condemnation efforts, in an attempt to keep the existing amenities and allowing the owner to have reasonable use. He said that if a condemnation action was filed, they would oppose it, then they would argue over the price.

There were no further public comments. Mayor Wilbert asked for Council's comments.

Councilmember Platt said that he was opposed to this condemnation effort from the beginning, and asked if there wasn't a more appropriate piece of property for a park.

Councilmember Markovich agreed with Councilmember Platt and said that he was against the condemnation action.

Councilmember Young expressed support for the effort and explained that the acquisition of the property was in line with the Growth Management Act's requirement for preservation of open space. He added that an urban community with open spaces is a more viable community.

Councilmember Ekberg agreed with Councilmember Young and added that although he didn't like the condemnation method, this property has been part of the city's Parks Plan for some time. He described the multiplicity of uses for this property, and said that once a piece of property of this type has been developed as something else, it can't be brought back for a park. He said that the property fits nicely into the city's overall plan, and the effort to preserve the land will be looked upon by the residents in the future as very far reaching.

Councilmember Owel said that she concurred with Councilman Ekberg and said that the property would be an asset to the city as a park. She said that it is a legitimate function of the city to see to those requirements of its citizens as they arise. She added that she didn't like the condemnation action, but acknowledged that condemnation is a legitimate action of government. She said that twenty years from now, if the park was not acquired, people would say that the government was neglectful in not pursuing that option to acquire open space properties.

Councilmember Dick was supportive of the action, adding that it was a good idea to preserve what open space is still available as the population of the city grows. He spoke of the uniqueness of the property and its historical nature. He continued by saying that the condemnation effort was only a method of making sure that a property owner gets fair market value for their property.

Councilmember Markovich disagreed about the uniqueness of the property, and said that he didn't know how the property had been included in the Parks Plan two years ago. He added that if the property was developed, the wetlands would have to be preserved, and would always remain there.

Councilmember Picinich said that there was value in the property, and that it was a beautiful piece of property that he would like to see preserved. He suggested that the city attempt to continue to negotiate with the property owner.

Councilmember Young pointed out that condemnation was the best way to benefit the property owner in regards to taxes. He suggested proceeding with the condemnation and to continue negotiations with Mr. Rodman.

MOTION: Move to approved Ordinance No. 800.
Young/Owel - a roll call vote was taken with the following results:

Ekberg – yes; Young – yes; Platt – no; Owel – yes; Dick – yes; Picinich – yes; Markovich – no. The motion carried with a vote of five to two.

3. Second Reading of Ordinance – Amending GHMC Criminal Code Section. Mitch Barker, Chief of Police, explained that at the last meeting, a request was made to supply a copy of the ordinance showing items that had been added and deleted. He said that due to time constraints, this had been given to Councilmembers, but without enough time for thorough consideration. He recommended that in order to allow Councilmembers to review the document, the ordinance should come back for a third reading.

MOTION: Move to bring this back for a third reading at the next meeting.
Dick/Owel – unanimously approved.

NEW BUSINESS:

1. Agreement – Lions Club. Mark Hoppen, City Administrator, presented this agreement with the Lions Club to support the development of the Finholm View Climb and provide for indemnification and insurance per the requirements of the right-of-way use ordinance.

MOTION: Move to authorize the Mayor sign the agreement as presented.
Markovich/Picinich – six voted in favor. Councilmember Owel abstained as she is a member of the Lions Club.

2. City Hall Painting – Contract Award. Wes Hill, Public Works Director, explained that all bids for painting City Hall had come in 26% higher than budgeted. It was determined that the Public Works crew could do the work on weekends and evenings and complete the project under budget. Wes rescinded his recommendation to award the contract to the lowest bidder and recommended pursuing having the work done internally. No motion was necessary.

3. Purchase Authorization – Handheld Meter Reading Devices. Wes Hill presented this recommendation to purchase handheld data collector and software for reading water meters. He described the devices and how they operate and answered Council’s questions.

MOTION: Move to authorize the purchase of the Sensus handheld data collector and software from Western Utilities Supply Company in the amount of eleven-thousand five-hundred seventy-three dollars and four cents (\$11,573.04).
Ekberg/Young – unanimously approved.

4. Liquor License Renewals – Baskets to Go; Bartell Drug; The Gig Harbor Yacht Club. No action taken.

PUBLIC COMMENT: None.

COUNCIL COMMENTS:

Councilmember Dick said that the County had approached the city regarding merging the District and Municipal Courts. He asked Mr. Hoppen to prepare a report showing the advantages and disadvantages to the consolidation. Carol Morris, Legal Counsel, reminded Councilmember Dick that as an employee of the County, his participation in this process may be viewed as improper. He acknowledged this concern.

Mayor Wilbert said that this may be an opportune time to reconsider the consolidation issue, and asked if Council would like to hold a worksession on the issue.

Councilmember Markovich agreed that it was a good idea to consider. Councilmember Young said that he would like a proposal to review, and added that a worksession wasn't necessary at this time.

Councilmember Dick then asked for a spread sheet outlining the contracts and agreements with consultants and in-house staff on similar work. He said that it would help him to understand the process before the next budgetary process.

STAFF REPORT:

Mitch Barker, Chief of Police – GHPD. Chief Barker presented the statistics for the month of July and other recent incidents and offered to answer questions.

ANNOUNCEMENT OF OTHER MEETINGS: None.

APPROVAL OF PAYROLL:

MOTION: Move approval of payroll checks #16075 through #16233 in the amount of \$265,157.26.
Young/Ekberg - unanimously approved.

ADJOURN:

MOTION: Move to adjourn at 8:45 p.m.
Platt/Picinich - unanimously approved.

Cassette recorder utilized:
Tape 503 Side A 273 - end.
Tape 503 Side B 000 - end.
Tape 504 Side A 000 - 404

Fletcher Albright
Mayor

Molly M. Javala
City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF AUGUST 24, 1998

PRESENT: Councilmembers Ekberg, Young, Owel, Dick, Picinich, Markovich and Mayor Wilbert.

CALL TO ORDER: 7:04 p.m.

SPECIAL PRESENTATION: Update on Plans for the new Tacoma Art Museum.

Mayor Wilbert introduced Connie Bacon, Port Commissioner and Member of the Board of Trustees for the Tacoma Art Museum. Ms. Bacon gave an overview of the efforts to build a new Art Museum utilizing public and private funds. She explained that the County was going to issue a challenge in an attempt to raise \$300,000 from the surrounding cities and towns, and asked for the City of Gig Harbor to consider participation. She introduced John Lantz, another member of the Board of Trustee from the Museum. Mr. Lantz gave a brief overview of the education efforts of the museum reaching all ages. This presentation will be followed up by a written proposal.

CONSENT AGENDA:

1. Approval of the Minutes of the August 24, 1998 City Council meeting.
2. Correspondence / Proclamations – Informational.
3. Approval of Payment of Bills for 8/10/98:
Checks # 20676 through #20767 in the amount of \$81,039.70.
4. Approval of Payment of Bills for 8/24/98:
Checks # 20768 through #20876 in the amount of \$68,638.61.

The bills were not available for review, and were deferred to the next meeting.

MOTION: Move to remove items 3 and 4 from the consent agenda and defer approval of payment of bills for 8/10/98 through 8/24/98 until the next Council Meeting.
Picinich/Markovich – unanimously approved.

MOTION: Move to approve the remaining items on the consent agenda.
Young/Ekberg – unanimously approved.

OLD BUSINESS:

1. Third Reading and Reintroduction of Ordinance – Amending GHMC Criminal Code Section. Carol Morris reintroduced this ordinance to adopt the state criminal code. She answered questions and explained that Council had the option to adopt this at this reading per ordinance 1.08.020 (B).

MOTION: Move to adopt Ordinance No. 801.
Picinich/Owel – unanimously approved.

NEW BUSINESS:

1. Legal Service Agreement. Mark Hoppen, City Administrator, presented this contract to continue legal services with Carol Morris, who is resigning from Ogden Murphy & Wallace effective August 31, 1998. He recommended continued employment of Ms. Morris through a separate contract that nearly mirrors the contract with Ogden Murphy & Wallace.

Councilmember Dick recommended tabling this item until later in the meeting to be able to discuss the contract during Executive Session. Carol Morris explained that the terms of the contract could not be discussed during Executive Session, only her performance. She and Mr. Hoppen answered Councilmembers' questions on coordination of representation, and assured Council that they would not have to pay two retainers for the month of September. After discussion on corrections to the language in the contract, the following motion was made.

MOTION: Move to approve the attached legal services agreement contract between the City of Gig Harbor and Carol Morris with the changes on page 1, paragraph 2, Term, to fill in date of September 1, 1998; page 2, paragraph B, Section 5 is deleted; page 3, number 4(A) Compensation, to read "services commencing September 1, 1998"; page 4(D) Reimbursable Costs, last line, to read "Section 3(A)(2)."
Ekberg/Young – unanimously approved.

2. Street Pavement Marking – Contract Award. Wes Hill, Public Works Director, presented this recommendation to award the contract to apply pavement markings to the city's arterial streets to the lowest bidder.

MOTION: Move to the contract to Apply-a-Line, Inc., in the amount of sixteen-thousand one-hundred thirty-seven dollars and twenty-five cents (\$16,137.25).
Picinich/Owel – unanimously approved.

PUBLIC COMMENT:

Jack Bujacich – 3607 Ross Avenue. Mr. Bujacich asked questions about the Consent Agenda. Mr. Hoppen explained that what is on the agenda is listed, Council is given the background information on the items, and that any Councilmember could remove an item before approving the agenda.

COUNCIL COMMENTS:

Councilmember Young explained that he attended the Pierce County meeting, and that the Lakewood Annexation/UGA issue had passed by a narrow margin, even though he had voted against the measure. He added that they had also approved overlapping UGAs for the City of Fircrest and University Place.

Mayor Wilbert invited Councilmembers to the reception for the Mayor of Takuma, Japan, to be held on September 9th, at Murphy's Landing beginning at 6:00 p.m.

STAFF REPORT:

Public Works Department. Wes Hill said he was pleased to announce that the Skateboard Park had been ranked number 10 on a list of approximately 78 projects. He said that funding was not absolutely assured, but it was looked promising.

EXECUTIVE SESSION: Mark Hoppen explained that there was no need to adjourn to Executive Session.

ADJOURN:

MOTION: Move to adjourn at 8:11 p.m.
Ekberg/Picinich - unanimously approved.

Cassette recorder utilized:
Tape 504 Side B 000 – end.
Tape 505 Side A 000 – end.
Tape 505 Side B 000 – 104.

Gretchen A. Wilbert
Mayor

Molly M. Jovelle
City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF SEPTEMBER 14, 1998

PRESENT: Councilmembers Ekberg, Young, Platt, Dick, Picinich, and Mayor Wilbert.
Councilmembers Owel and Markovich were absent.

CALL TO ORDER: 7:01 p.m.

CONSENT AGENDA:

1. Approval of the Minutes of the August 24, 1998 City Council meeting.
2. Correspondence / Proclamations – Informational.
Proclamation – Fire Prevention Week.
Proclamation – Youth Voting Awareness Week.
Proclamation – Constitution Week.
3. Approval of Payment of Bills for 8/10/98:
Checks # 20676 through #20767 in the amount of \$81,039.70.
4. Approval of Payment of Bills for 8/24/98:
Checks #20768 through #20877 in the amount of \$68,638.61.
5. Approval of Payment of Bills for 9/14/98:
Checks #20878 through #20988 in the amount of \$180,019.10.
6. Approval of August Payroll checks.
Checks #16234 through #16401 in the amount of \$274,174.97.
7. Liquor License Application – Maritime Chandlery.
8. Liquor License Renewal – Hy-Iu-Hee-Hee.

MOTION: Move to remove item 2 from the consent agenda.
Councilmember Picinich.

MOTION: Move to approve the remaining items on the consent agenda.
Ekberg/Dick – unanimously approved.

OLD BUSINESS: None scheduled.

NEW BUSINESS:

1. First Reading of Ordinance – Proposed Revisions to Title 16, GHMC – Subdivisions. Ray Gilmore, Planning Director, explained that during the last update of the city’s subdivision code, a section on “certificates” was omitted. He added that this ordinance would reinstate this section. This ordinance will return for a second reading at the next meeting.
2. Re-appointment of Design Review Board Members. Mayor Wilbert explained that the term for the current members of the Design Review Board had expired. She recommended re-appointment of the current board, with staggered terms. She also recommended an amendment to the code would extend the current term of two years to four.

MOTION: Move we re-appoint the five members of the Design Review Board as recommended.
Ekberg/Platt – unanimously approved.

3. Correspondence. Mayor Wilbert gave an overview of several pieces of correspondence in which Councilmembers may be interested.

PUBLIC COMMENT: None.

COUNCIL COMMENTS:

Councilmember Dick said that he had attended the reception for the Mayor of Takuma, Japan and his entourage of 29 people. He explained the interest in our community and beginning a Sister City relationship with Gig Harbor. He added that he had a very nice time and thanked the staff members, and Councilmember Picinich for doing such a wonderful job.

Mayor Wilbert said that she and Mark Hoppen had attended the open house for the new Healthcomm facility on Burnham Drive. She talked about the varied presentations, and said she welcomed the addition of this new business to Gig Harbor.

STAFF REPORT:

Mark Hoppen explained that the interview process to hire a replacement for Tom Enlow, for the position of Information Systems Specialist, had been completed. He added that ten additional hours were to be added to the position for a total of 30 hours per week, and asked Council to respond if this addition of hours was a problem. He said an offer of employment would be made to a highly qualified applicant this week.


EXECUTIVE SESSION:

Mark Hoppen explained that there was no need to adjourn to Executive Session.

ADJOURN:

MOTION: Move to adjourn at 7:25 p.m.
Young/Ekberg- unanimously approved.

Cassette recorder utilized:
Tape 505 Side B 105 – end.



Mayor



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF SEPTEMBER 28, 1998

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

CALL TO ORDER: 7:01 p.m.

CONSENT AGENDA:

1. Approval of the Minutes of the September 14, 1998 City Council meeting.
2. Correspondence / Proclamations – Informational.
3. Approval of Payment of Bills for 9/28/98.
Checks # 20989 through #21066 in the amount of \$92,080.27.
4. Liquor License Application – Harbor Humidor.

MOTION: Move to approve items one through four on the consent agenda.
Owel/Picinich – unanimously approved.

OLD BUSINESS:

1. Second Reading of Ordinance – Proposed Revisions to Title 16, GHMC – Subdivisions. Ray Gilmore, Planning Director, introduced this second reading of an ordinance reinstating the section on certificates for city officials and recommended approval.

MOTION: Move to adopt Ordinance No. 802.
Picinich/Ekberg – unanimously approved.

NEW BUSINESS:

1. First Reading of Ordinance – Amendment to Chapter 18.04 and Section 19.05.009 Establishing Time Limits on the Preparation of Environmental Impact Statements. Ray Gilmore explained that to comply with the regulatory reform act of 1995, an amendment was needed to the code establishing time limits for the preparation and issuance of environmental impact statements. He added that staff was recommending a one-year limit from the date of the receipt of a completed application to issue a final EIS, with an time extension if necessary.

Councilmember Dick asked about the one-year time limit. Carol Morris, Legal Counsel, explained that the purpose of the limitation was to keep the city on track to meet the deadline for when the EIS had to be processed. She explained that if additional time was required, and the applicant was not opposed to the extension, it could be granted.

This ordinance will return for a second reading at the next Council Meeting.

2. Municipal Facilities Needs Analysis – Contract Award. Mark Hoppen, City Administrator, explained that the Police Chief, a group of citizens, and Councilmembers, had been working over the course of the year on a plan for future use of the Henderson Bay Property. He said that their recommendation was to hire a consultant to help develop their ideas. He added that there are two proposals and recommended a contract award to Beckwith Consulting Group.

Councilmember Platt asked if there was sufficient resources in-house to complete the needs analysis. Mr. Hoppen explained that staff did not have the expertise nor the time to complete the work. Councilmember Ekberg said that because millions of dollars the citizen's money would be spent over a 20 - 30 year span in planning for the future, that professional expertise is needed.

MOTION: Move to approve the consultant services contract with Beckwith Consulting Group in the amount of \$10,000.
Ekberg/Young – unanimously approved.

3. Kimball Place Professional Business Park Easement. Wes Hill, Public Works Director, explained that two professional office buildings on Kimball Drive were required to dedicate an easement for future construction and maintenance of a signal located opposite an entrance to the Park and Ride. He added that this easement satisfies this requirement and recommended approval.

MOTION: Move we accept the easement prepared by Staff and Legal Counsel.
Dick/Picinich – unanimously approved.

COUNCIL COMMENTS:

Councilmember Dick said that he had received a letter from Mayor Wilbert and Dave Rodenbach, Finance Director, in response to his request for information on professional services. He added that his goal was to more clearly understand what was required during the budgeting process. He asked that this information be shared with other council members.

Councilmember Ekberg said that he had the opportunity to see the Municipal Court in action, albeit for a short time, as he was subpoenaed for jury duty.

STAFF REPORT:

1. Chief Mitch Barker, GHPD – Monthly Stats. Chief Barker explained that he had nothing to add to the August report and offered to answer any questions. Mayor Wilbert told him she had received complaints about the continued speeding on Peacock Hill.
2. Carol Morris, Legal Counsel. Ms. Morris introduced Jeff Teraday from Ogden Murphy & Wallace. She explained that he would be accompanying her to council meetings.

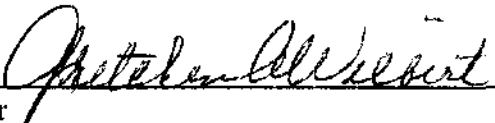
PUBLIC COMMENT:

Philip Penagos and Jim Iseman. Mr. Penagos explained that he and his father were representing the Hy-Iu-Hee-Hee Tavern at 4309 Burnham Drive, and were before Council to talk about two things: gambling taxes and amusement taxes. He passed out information to Councilmembers, which he used to clarify his presentation. Mr. Iseman gave background on how their establishment was charged for gambling taxes on pull-tabs. He added that other cities around the state had a much lower taxing rate than Gig Harbor's and asked for consideration. Mr. Penagos spoke about the amusement tax structure of \$200 per device, a per year charge, plus a \$10 per device per month charge, plus 2% of gross revenues. He explained that there are months that they don't even bring in \$30 on these machines, which make the city's tax an over-100% tax. He noted that most other jurisdictions are at 2% gross only, while others, have no tax at all. They thanked Councilmember for their time.

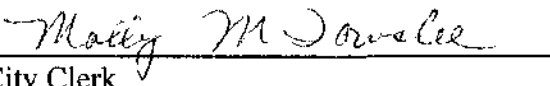
ADJOURN:

MOTION: Move to adjourn at 7:26 p.m.
Platt/Picinich - unanimously approved.

Cassette recorder utilized:
Tape 506 Side A 000 – 358.



Mayor



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF OCTOBER 12, 1998

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

CALL TO ORDER: 7:01 p.m.

CONSENT AGENDA:

1. Approval of the Minutes of the September 28, 1998 City Council meeting.
2. Correspondence / Proclamations – Informational.
None submitted.
3. Approval of Payment of Bills for 10/12/98:
Checks #21067 through #21164 in the amount of \$94,572.06.
4. Approval of Payroll for September.
Checks # 16402 through #16551 in the amount of \$273,286.74.
5. Special Occasion Liquor License – Knights of Columbus.
6. Liquor License Application – Pinocchio Seafood & Chowder House.
7. Liquor License Renewals – Olympic Village BP.

MOTION: Move to approve the consent agenda.
Markovich/Picinich – unanimously approved.

OLD BUSINESS:

1. Second Reading of Ordinance – Amendment to Chapter 18.04 and Section 19.05.009 Establishing Time Limits on the Preparation of Environmental Impact Statements. Ray Gilmore, Planning Director, introduced this second reading of an ordinance adopting time limits for the preparation and issuance of environmental impact statements.

MOTION: Move to adopt Ordinance No. 803.
Owel/Markovich – unanimously approved.

NEW BUSINESS:

1. Sellers Street Improvement Project – Bid Award. Wes Hill, Public Works Director, explained that two contractors responded with a bid to perform the Sellers Street Improvements. He added that both bids were over the engineer’s estimate, but that a change order reducing the structural pavement would reduce the overall cost of the construction. He recommended award of the contract to Woodworth & Company.

MOTION: Move to approve award of the contract for the Sellers Street Improvement Project to Woodworth & Company, Inc., as the lowest responsible respondent, in the amount of forty-three thousand nine hundred forty dollars and no cents (\$43,940).
Markovich/Picinich – unanimously approved.

2. First Reading of Ordinance – Amending Title 19 of the GHMC – Administration of Development Regulation. Ray Gilmore presented this ordinance amending the portion of the code governing permit process administration. He gave an overview of the proposed changes and explained that eliminating the SEPA posting requirements had reduced the burden upon staff, and due to that fact, he felt comfortable with leaving language in the ordinance regarding posting requirement for public hearings on Type III and Type IV project permit applications. Carol Morris, Legal Counsel, explained that the ordinance had been drafted over a year ago, and since that time regulatory reform had occurred, requiring changes that would be incorporated before the second reading of the ordinance.

3. Contract for Pro-Tem Hearing Examiner Services. Ray Gilmore explained that as a result of a potential conflict of interest with the current Hearing Examiner and a pending appeal, it was necessary to retain Pro-Tem Hearing Examiner Services. He gave an overview of qualifications, and recommended retaining the services of Judith Bendor for all the hearing examiner proceedings related to the Gig Harbor North Retail appeal.

MOTION: Move to approve the contract for pro-tem Hearing Examiner with Judith Bendor for the same amount that McConnell Burke performed the service.
Picinich/Owel – unanimously approved.

4. Juror Services Contract. Mark Hoppen presented this renewal of a contract with Superior Court to provide pre-qualified jurors. He explained that there was a slight increase in fees over last year and recommended approval.

MOTION: Move approval of the juror services contract for 1999.
Markovich/Ekberg – unanimously approved.

5. First Amendment to Sanitary Sewer Easement – Gig Harbor Corporate Center. Mark Hoppen explained that a due to an issue relating to the city’s sewer easement on the property, an amendment to the language in the original easement agreement was being

proposed. He explained that the amendment would further define the easement and reassure the lender on the project, which would allow the property to close.

MOTION: Move to approve the First Amendment to Sanitary Sewer Easement as presented.
Markovich/Picinich – unanimously approved.

6. Resolution – Adopting an Investment Policy. Dave Rodenbach, Finance Director, explained that the current investment policy from the 1980s is outdated. He said that the proposed resolution was modeled after successful policies in other jurisdictions and had been placed before the Washington Municipal Treasurer’s Association and certified by them to contain pertinent elements. Councilmember Dick asked if this policy provides direction to the County Treasurer for investment of funds from collections to be paid to the city. Dave said there was no provision for any instruction of this type to the County, but that he would inquire what instructions would be required.

MOTION: Move to adopt Resolution No. 524.
Markovich/Picinich – unanimously approved.

PUBLIC COMMENT/DISCUSSION:

Tom Morfee, representing PNA. Mr. Morfee apologized for being late to the meeting and explained that he wished to speak on the ordinance amending the administration of development regulations. He said that in his experience, posting of property was the number one way jurisdictions communicate with the community, and that he was concerned with the language abolishing posting requirements. He suggested modifying the section making it mandatory to publish notice and post property for Class III and Class IV projects, as the community relies on this form of noticing. Councilmember Ekberg explained to Mr. Morfee that if he had been present during discussion of this agenda item, he would be aware that this had been discussed, and that adjustments would be made to the ordinance before the next reading to allow the language for posting requirements to remain.

COUNCIL COMMENTS: None.

STAFF REPORTS:

1. GHPD – September Stats. No verbal report was given.
2. Dave Rodenbach, Finance Director – Gambling Tax and Amusement Device Fees. Mr. Rodenbach explained that at the last council meeting he had been asked to look at the city’s gambling tax and amusement device license fees. He gave an overview of the gambling tax structure and said that he felt that it doesn’t appear to be excessive. He recommend no change to the gambling tax. He continued with the amusement license fees, adding that the city has one of the highest rates in the area. He said that there is not much revenue from these fees and that the amusement provisions are hard to enforce.

Councilmember Ekberg asked if there was a way to modify the amusement license structure. Mr. Rodenbach said it could be structured in any way that Council recommended. Councilmember Young recommended eliminating the fee altogether. Councilmember Markovich agreed and made the following motion.

MOTION: Move that we prepare this item for action and bring it back at the next meeting.
Markovich/Picinich – unanimously approved.

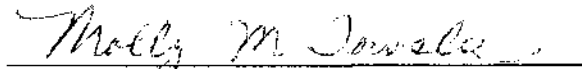
ADJOURN:

MOTION: Move to adjourn at 7:40 p.m.
Platt/Picinich - unanimously approved.

Cassette recorder utilized:
Tape 506 Side A 359 - end.
Tape 506 Side B 000 – end.
Tape 507 Side A 000 – 035.



Mayor



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF OCTOBER 26, 1998

PRESENT: Councilmembers Ekberg, Young, Owel, Dick, Picinich, Markovich and Mayor Wilbert. Councilmember Platt was absent.

CALL TO ORDER: 7:02 p.m.

PUBLIC HEARING:

Revenue Sources – 1999 General Fund Budget. Mayor Wilbert opened the public hearing at 7:03 p.m. Dave Rodenbach, Finance Director, gave an overview of the revenue sources for the projected 1999 General Fund Budget. He reported no expected increases in property taxes, but other revenues are expected to increase.

There were no public comments, and the public hearing was closed at 7:05 p.m.

CONSENT AGENDA:

1. Approval of the Minutes of the October 12, 1998 City Council meeting.
2. Correspondence/Proclamations - Informational
DNR – Thank you note.
3. Approval of Payment of Bills for 10/26/98:
Checks #21165 through #21264 in the amount of \$109,248.40.
4. Special Occasion Liquor License – St. Nicholas Church.

MOTION: Move to approve the consent agenda.
Young/Dick – unanimously approved.

OLD BUSINESS:

1. Fairway Estates Annexation – Resolution - Call for Public Hearing. Ray Gilmore, Planning Director, presented a certified petition for the Fairway Estates Annexation. He recommended setting a public hearing date of November 23rd.

MOTION: Move to adopt Resolution No. 525, setting the public hearing date of November 23 for the Fairway Estates Annexation.
Ekberg/Young – unanimously approved.

NEW BUSINESS:

1. Hearing Examiner Contract – McConnell Burke. Mark Hoppen presented the renewal of Hearing Examiner contract with Ron McConnell, which reflects a 1.5% increase.

MOTION: Move to accept contract with the hearing examiner, Ron McConnell, with the increase of 1.5%.
Picinich/Young – unanimously approved.

2. First Reading of Ordinance – Repeal of GHMC Chapter 5.04 Amusement Devices. Dave Rodenbach presented an ordinance for repeal of the amusement fee provision of the Gig Harbor Municipal Code. He explained that the best way to eliminate the amusement fee provision is to eliminate the entire Chapter 5.04, which refers to amusement devices. This ordinance will return for a second reading.

3. Sellers Street Improvement Project – Change Order # 1. Mark Hoppen presented the change order, which consists of reducing the road width by two feet, decreasing the pavement section, and eliminating survey-related work. This will reduce the contract amount by \$7,462.

MOTION: Move to authorize adoption of Change Order # 1, to the Sellers Street Improvement Project, (CSP No. 98-08).
Dick/Markovich – unanimously approved.

4. Jerisich Park Dock Project Closure – Change Order # 1. Mark Hoppen presented the change order, which reflects all costs and credit, as negotiated and agreed with the Contractor for contract closure.

MOTION: Move to adopt change order No. 1 to the Jerisich Park Dock Improvement Project.
Picinich/Owel – unanimously approved.

5. 38th Avenue Right-of-Way Dedication. Mark Hoppen presented this dedication, which facilitates the new bowling alley project. The City has received 50% appraised value for Parcel D, as a condition to the approved vacation. No hard evidence of environmental degradation was found and nothing was identified to justify additional investigation. Carol Morris, City Attorney pointed out that only the partners of the limited partnership have signed the agreement, and indicated that the spouses of the partners would also need to sign the agreement.

MOTION: Move to approve adoption of the Right-of-Way dedication agreement, with proviso that the spouses of the principals of the partnership sign as well.
Markovich/Picinich – unanimously approved.

6. First Reading of Ordinance – Levying General Property Taxes for 1999. Dave Rodenbach presented this ordinance setting the 1999 property tax levy. He explained that the assessed valuation is estimated to be up 43% over 1998. Tax revenues are projected to increase 6 % over 1998. This will return at the next meeting for a second reading.

7. Closed Record Appeal – appeal of Hearing Examiner’s decision by Harbor Condo Marina Association (SDP 97-03: Ross Shoreline Management Permit). Mayor Wilbert recused herself from the hearing, and turned the gavel over to Mayor pro-tem, Marilyn Owel. Council members were polled as to ex-parte contacts or appearance of fairness issues. Ekberg, Young, Dick, Picinich and Markovich all responded negatively. Councilmember Owel had discussion with one of the parties of record, Denise Schmidt, who was told she could not be making comments to the Councilmember, nor could the Councilmember respond to her. Councilmember Owel then asked if any member of the audience would like to challenge any council member on appearance-of-fairness or conflict-of-interest grounds. There was no response from the audience.

MOTION: Move to forego argument on the closed record appeal.
Markovich/Picinich - Two in favor, Young, Ekberg, Dick against.
Motion failed.

Staff report was given by Ray Gilmore. The original hearing date of September 10, 1997, was continued indefinitely. He explained that there was a lack of timely notice given to the appellants, due to the fact that there was not a definite hearing date set at the time of the continuation. Staff recommended that the Council remand the application to the Hearing Examiner for an open record hearing in December, rather than sending it back to the State Shoreline Hearing Board, which could delay the decision.

MOTION: Move to forego argument on the closed record appeal.
Markovich/Picinich - four in favor, Young against. Motion passed.

MOTION: Move to remand the application to the Hearing Examiner for an open record hearing, which will be held December 16, 1998, 5:00 p.m. at Gig Harbor City Hall.
Picinich/Markovich - unanimously approved.

PUBLIC COMMENT/DISCUSSION:

Mayor Wilbert announced that she received a request by Jan Scheoenike of Tacoma Community College. She is the Public Awareness Coordinator for the Peninsula Basic Education Program (formerly Adult Literacy Program). She would like to make a 15 minute presentation to the Council regarding her program. She has requested the fourth Monday in January (January 25). The Council requested that the presentation begin at 6:45 p.m.

COUNCIL COMMENTS: None.

STAFF REPORTS:

1. Dave Rodenbach, Finance Director presented the Third Quarter Financial Report. He reported that revenues will be close to expectations. All departments within General Funds are within 75% of budget, except Non-Departmental. All funds look like they will be well within their expenditure limits. Cash balances are adequate in all funds.


2. Carol Morris, City Attorney requested to make a presentation which should have been under new business. It is an issue which needed to be presented immediately, or the opportunity for revenue would be lost. The Hotel/Motel Tax must be re-enacted by the City before January 1, 1999, or the revenue from the tax will be lost to Pierce County. The only action requested of the Council was a proposal to the Lodging Tax Advisory Committee, which must be acted on within 45 days. Jeff Taraday of Ogden, Murphy, Wallace, presented a draft Ordinance which would be forwarded to the Lodging Tax Advisory Committee, in which there is a choice of 4, 5, 6 or 7 percent hotel/motel tax.

MOTION: Move to send draft ordinance to the Advisory Committee for their consideration and advice as to appropriate tax to levy, so as not to overburden the hotel industry.
Dick/Picinich – unanimously approved.

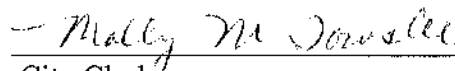
ADJOURN:

MOTION: Move to adjourn at 8:04 p.m.
Ekberg/Markovich - unanimously approved.

Cassette recorder utilized:
Tape 507 Side A 036 - end.
Tape 507 Side B 000 - 346



Mayor



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF NOVEMBER 9, 1998

PRESENT: Councilmembers Ekberg, Young, Owel, Dick, Picinich and Mayor Wilbert.
Councilmembers Platt and Markovich were absent.

CALL TO ORDER: 7:04 p.m.

PUBLIC HEARING:

1999 Proposed Budget. Mayor Wilbert opened the public hearing at 7:04 p.m. Dave Rodenbach, Finance Director, presented the 1999 preliminary budget, which represents an 8% increase over 1998. Total budgeted expenditures of \$16,375,036 represent a 3% increase over 1998 and budgeted ending fund balance of \$2,340,464, is a 68% increase over 1998.

There were no public comments, and the public hearing was closed at 7:06 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 the October 26, 1998 City Council meeting.
2. Correspondence / Proclamations – Informational.
Tacoma Art Museum – Invitation.
3. Approval of Payment of Bills for 11/09/98:
Checks #21266 through #21362 in the amount of \$47,906.44. (# 21265 void)
4. Approval of Payroll for October.
Checks #16552 through #16700 in the amount of \$255,342.18.
5. Liquor License Application (Amended) – Pinocchio's L.L.C.
6. Liquor License Renewals – J.T.'s Original Louisiana Bar-B-Que;
Bayview Grocery and Deli; Uddenberg's Thriftway #277.
7. Jerisich Park Dock Improvement Project – Contract Closure.

MOTION: Move to approve the consent agenda.
Picinich/Young – unanimously approved.

OLD BUSINESS:

1. Second Reading of Ordinance – Repeal of GHMC Chapter 5.04 Amusement Devices.
Mark Hoppen, City Administrator explained that the Council approved a motion to repeal the amusement fee provision of the Gig Harbor Municipal Code. The first reading of the ordinance was given at the October 26th council meeting.

MOTION: Move to approve Ordinance No. 804 relating to the regulation of amusement

devices and the repealing of Chapter 5.04
Ekberg/Picinich – unanimously approved.

2. Second Reading of Ordinance – Levying General Property Taxes for 1999. Dave Rodenbach presented the second reading of the 1999 property tax levy. The amount of \$981,109 represents an increase in tax revenues of 6% over 1998.

MOTION: Move to adopt Ordinance No. 805, levying general property taxes for 1999.
Owel/Ekberg – unanimously approved.

3. Second Reading of Ordinance – Amending Title 19 of the GHMC – Administration of Development Regulation. Ray Gilmore, Planning Director presented the second reading of an ordinance which amends Title 19 of the Gig Harbor Municipal Code, which governs permit processing administration of land use development applications. Since the adoption of Title 19, several amendments were made to the State Regulatory Reform Act. Additionally, several errors within the ordinance were discovered and needed to be corrected. Also there is a provision to make the pre-application conference optional for the developer.

MOTION: Move to adopt Ordinance No. 806, with the revision of an optional pre-application conference, and posting notices, which were retained per Council request at the first reading.
Picinich/Young – unanimously approved.

NEW BUSINESS:

1. Peninsula School District's Proposal for the City to Adopt a School Impact Fee. Mark Hoppen introduced information that RCW 82.02.050 through 82.02.090, adopted in 1990, allows cities to adopt ordinances imposing impact fees on new development for various items, including school facilities. In 1994, the City Attorney was asked to provide a draft school impact fee ordinance, which was forwarded to Peninsula School District. The reply from the School District raised a number of issues. Carol Morris, City Attorney, addressed the issue of an indemnification and hold harmless agreement by the School District for the adoption and implementation of an impact fee program. There is no precedent as to what to expect in the way of litigation at this point.

Councilmember Picinich expressed concern about the amount of time spent by City employees to collect revenue for the School District. He sees a need for a way to collect fees for services rendered by City employees.

Clark Davis, 300 Pt. Fosdick Place. Mr. Davis is acting as legal representative for the Peninsula School District. He has two children in District schools, and is a long time and active supporter of the District. He explained that with rapid development within the School District boundaries, schools are not being constructed to keep up with the influx of students. School Impact Fees can only go to capital expenditures, such as new buildings – not maintenance – and are a tool to help offset some of this need. The

District has some opportunity to collect fees through SEPA at this time, but it is limited, and not as adequate a mechanism as an impact fee ordinance. The District is not in the position to offer an indemnity and hold harmless agreement on an ordinance which would be drawn up by the City. He stated this is a joint effort between the City and the School District and he feels if the two entities join together to write a good ordinance, no meritorious lawsuit would be filed. The District hopes that the City will work together with them to draft an ordinance that will benefit all the children living in the City.

Mark Mitrovich, 13407 55th Ave. N.W. Dr. Mitrovich is Superintendent of Peninsula School District. He stated there is about an \$8.00 cost associated with collecting a flat fee with the County. He stated that no lawsuit has been filed regarding the impact fee collections. He said the School District cannot take in more children without the wherewithall to deal with the population issue. He said there is no way that the risk management pool for the District will allow them to indemnify the City in this instance and that additional insurance would be necessary if the District was to indemnify.

Jack Darragh, 3620 40th St. Ct. N.W. Mr. Darragh is a member of the Peninsula School District Board, and a resident of Gig Harbor. He stated that education is the number one concern of taxpayers nationwide, regardless of political lines or parochial interests. He read a list of 21 state communities who have impact fees in effect. He suggested that the City check with them to see if they have had problems.

Marcia E. Harris, Post Office Box 269, Wauna. Assistant Superintendent of Peninsula School District. Ms. Harris stated that she feels both sides should go back to the table and that there is middle ground to be found on this issue. She does not believe that the burden of collecting the fees would fall onto the City. She has experience dealing with the impact fees, and stated that a satisfactory agreement can be reached.

Betty Ringlee, 11313 67th Ave. N.W. Ms. Ringlee is a member of Peninsula School District Board. She has been actively participating in the discussions with City staff and District staff, and is an advocate for impact fees. She is a paid Pierce County Council member, and has been in many discussions for many years to create impact fees for both parks and schools. The public expects elected officials to secure every means possible to fund the schools. She stated her surprise at the length of time it has taken to get to this point and asked for help in expediting this important matter.

Councilmember Owel reiterated that the need for impact fees is not the issue, but the indemnity agreement should be considered again. Several councilmembers requested to be included in further discussions between the District and the City. Councilmembers Young, Ekberg and Dick were appointed by the Mayor to serve with Carol Morris and Mark Hoppen on a committee to meet with the School District to look at other agreements and options and try to negotiate an agreement for impact fees. It was stressed by the Mayor and Council that this needs to be done as soon as possible, because of the length of time it has taken to get this far.

2. First Reading of Ordinance – 1999 Budget. Dave Rodenbach presented the 1999 budget, which represents an increase of 8% over 1998. Capital projects expenditures account for 41% of the total, while salaries and benefits make up 20%. This ordinance will return at the next meeting for a second reading.
3. Request for Consideration to Annex (10% petition) - Norwegian Woods Subdivision. Ray Gilmore presented a petition from two property owners within Norwegian Woods Subdivision for annexation into the City. He suggested that two parcels in the northwest corner be included in this annexation. He passed out a draft resolution reflecting this change. Ray requested that no action be taken on the resolution until he receives the new legal description from the County for the entire area. After review of the R.C.W., it was decided that no action would be taken this evening, and Ray will present the required paperwork to the Council after receiving the legal description from the County.
4. Purchase of System Server. Mark Hoppen introduced Kay Truitt, Information Systems Specialist for the City, who requested additional funds to meet objective #11 of the 1998 Budget. This request is for an additional \$1,654.09 to purchase the file server from Dell.

MOTION: Move to approve the additional expenditure, for the total amount of \$7,654.09 with Dell Computer.
 Dick/Owel. Unanimously approved.

5. Application for Chamber of Commerce Membership. Mark Hoppen requested that the City become a full member in the Gig Harbor/Peninsula Chamber of Commerce. He said this would entitle staff and elected officials to full participation and exchange of information with a major segment of the business community. Councilmembers had some questions regarding the appropriateness of this membership, and what the legal ramifications may be.

MOTION: Move to table this request to get more information regarding the concerns that were discussed.
 Ekberg/Dick. Three in favor, Young, Picinich against.
 Motion passed.

PUBLIC COMMENT/DISCUSSION: None.

COUNCIL COMMENTS: None.

STAFF REPORTS: None submitted.


ANNOUNCEMENT OF OTHER MEETINGS:

1. Budget work session – Court, Administration, Finance, Planning, Police – 6:30 p.m., November 16, 1998, at City Hall.
2. Budget work session – Parks, Streets, Water, Sewer, Storm – 6:30 p.m., November 17, 1998, at City Hall.

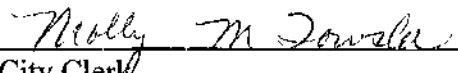
ADJOURN:

MOTION: Move to adjourn at 8:55 p.m.
Ekberg/Owel - unanimously approved.

Cassette recorder utilized:
Tape 507 Side B 347 - end.
Tape 508 Entire Tape.
Tape 509 Side A All.
Tape 509 Side B 000 - 053.



Mayor



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF NOVEMBER 23, 1998

PRESENT: Councilmembers Ekberg, Platt, Owel, Dick, Picinich, Markovich and Mayor Wilbert. Councilmember Young was absent.

CALL TO ORDER: 7:06 p.m.

PUBLIC HEARINGS:

1. Second public hearing on the 1999 Proposed Budget. Mayor Wilbert opened the public hearing at 7:06 p.m. Dave Rodenbach, Finance Director, presented the 1999 preliminary budget. He noted that the Property Acquisition Fund was changed to \$1,875,000, to reflect the transfer from the General Fund. The total budget was increased to \$19,225,501. This reflects an 8% increase over the 1998 budget.

Marie Sullivan, 3302 Harborview Drive. As the Director of the Chamber of Commerce requested \$1,000 to help supplement the Small Business Assistance Center.

There were no other public comments, and the public hearing was closed at 7:11 p.m.

2. Fairway Estates Annexation. Mayor Wilbert opened the public hearing at 7:11 p.m. Ray Gilmore, Planning Director, presented the petition of homeowners in Fairway Estates and a worksheet of fiscal impacts to the City.

Dave Johnson, 2725 39th Street N.W. As a homeowner in Fairway Estates fully supports becoming a full-fledged member of Gig Harbor.

Jim Pasin, 2710 39th Street N.W. As a homeowner in Fairway Estates thanked the City staff for doing the necessary paperwork to go forward with this annexation.

Zelodius Crockrell, 2709 37th Street N.W. As a homeowner, she is in 100% support of the annexation.

Gary R. Pingrey, 2809 39th Street N.W. Was president of homeowners association when the annexation process started several years ago. He supports wholeheartedly annexation into the City.

James Petrulli, 2720 37th Street N.W. Has been a resident of Fairway Estates for 11 years. He fully supports the annexation, however he would like to see the greenbelt between his property and Pt. Fosdick retained, or planted.

Mayor Wilbert asked if the homeowners association was still in effect in Fairway Estates and if they support the covenants put forth on the subdivision. The answer was affirmative.

Alfred Gunn, 3720 26th Avenue Ct. N.W. He is secretary of the homeowners association and stated that the covenants are being maintained. In response to Mayor Wilbert's question regarding failing drainfields, he stated that none have failed recently, and homeowners have been advised how to avoid such a failure. There are no vacant lots in the subdivision.

The public hearing was closed at 7:29 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 the November 9, 1998 City Council meeting.
2. Correspondence / Proclamations – Informational.
Proclamation -- A Salute to Peter Stanley and His Tides Tavern Crew on Their 25th Anniversary
3. Approval of Payment of Bills for 11/23/98:
Checks #21364 through #21452 in the amount of \$136,389.68.

MOTION: Move to approve the consent agenda, including the Tides proclamation. Ekberg/Owel – unanimously approved.

OLD BUSINESS:

1. Second Reading of Ordinance – 1999 Budget Ordinance. Dave Rodenbach presented the ordinance, with the change of Property Acquisition Fund to \$1,875,000; reflecting a total budget of \$19,225,501. There were also 4 changes in the salary schedule; a result of non-police employee guild contract negotiation.

MOTION: Move to adopt Ordinance No. 807, with the corrections in regard to the Property Acquisition Fund in the amount of \$1,875,000, and the Budget total of \$19,225,501; also corrections be adopted in regard to the salary schedule change as shown in attachment A.
Picinich/Ekberg -

AMENDED MOTION: To amend the budget to include the \$1,000 funding request for SBAC pursuant to the request by the Chamber Executive Director.
Markovich/Picinich.

Councilmembers Ekberg, Owel and Dick expressed concern with the timeliness and appropriateness of the request. The amended motion was withdrawn and the original motion was restated.

Unanimously approved.

It was requested that staff present the request for the SBAC at the next meeting for Council approval.

2. Application for Chamber of Commerce membership. Mark Hoppen, City Administrator, requested that the application issue be brought back to the table.

MOTION: To remove from the table and bring back for discussion the request for Chamber membership.
Ekberg/Owel - unanimously approved.

Councilmember Dick expressed hesitation to join membership as an entity, for the propriety of fairness. Councilmember Markovich remarked that membership does not mean you give up your ideas, and recognizes the vital work the Chamber does for the community. The staff obviously feels that we need membership to more fully participate in the Chamber. He feels strongly that the City and Chamber should work closely together. Councilmember Ekberg is not in favor of spending the taxpayers' money on membership. Councilmember Owel prefers to consider requests of individuals to become members, rather than join it as an entity. No motion was made on this subject.

3. First Reading of Ordinance - Re-enactment of the Hotel-Motel Tax. Dave Rodenbach presented an ordinance increasing the Hotel/Motel Tax to the full 7 per cent for one day only, in order to grandfather the amount, if needed in the future; then revert to 4 percent, which is the current rate. Staff recommends this action so that we may have the ability to raise the tax, although there is no legal precedent to assure the reliability of this action. If we do not raise the tax, the County could act before December 31 and do so.

Marie Sullivan. She is on the Lodging Tax Committee and is not in favor of raising the tax, even temporarily. She feels that the County is not going to consider the Lodging Tax again, saying she was told that the issue would not come before the County Council again, and that there is no reason to raise the tax.

This ordinance will return for a second reading.

NEW BUSINESS:

1. Hogan Sewer Request.
2. Roland and Roland Sewer Request. Mark Hoppen presented requests by Wayne and Sharon Hogan and by Roland and Roland Real Estate to connect to the City sewer. Carol Morris, City Attorney suggested that we add language to our Sewer Extension Agreement which would protect the City in the case of a sewer moratorium.

MOTION: To approve the sewer extension agreements with Roland and Roland and Hogan in the Purdy area, providing the dates are appropriate and the language recommended by Counsel be added.

Markovich/Owel – unanimously approved.

3. Kimball Drive Sanitary Sewer Improvements. Wes Hill, Public Works Director, recommended that sewer improvements on Kimball Drive be made because of several maintenance problems and other deficiencies. In response to an advertisement for bids, four proposals were received. Cromwell Commercial, Inc. was low bidder.

MOTION: To award the contract for construction of the Kimball Drive Sanitary Sewer Improvements to Cromwell Commercial, Inc. in accordance with their bid of \$155,417.90.

Markovich/Picinich – unanimously approved.

4. First Reading of Ordinance - Fairway Estates Annexation. The first reading of the ordinance approving the Fairway Estates Annexation was made. This ordinance will return for a second reading.

PUBLIC COMMENT/DISCUSSION:

Gig Harbor Tree Lighting – on Saturday, December 5, 1998, 6:00 p.m.
Winterfest for Birds – December 19, 1998, 11 a.m. – 3 p.m. at City Park.

COUNCIL COMMENTS: None.


STAFF REPORTS:

1. Mitch Barker, Police Chief - GHPD – October Stats. Besides presenting October statistics, he elaborated on search warrants made outside of our area, for several drug sale operations at our local high schools. When asked about the increase in auto accidents, he indicated that the majority of them were around the Pt. Fosdick/Olympic Drive area.
2. Mark Hoppen, City Administrator. He has been in contact with Peninsula School District and will be setting up a meeting between the District and the appointed councilmembers to discuss School Impact Fees after the Thanksgiving holiday.

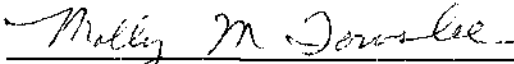
ADJOURN:

MOTION: Move to adjourn at 8:40 p.m.
Owel/Ekberg - unanimously approved.

Cassette recorder utilized:
Tape 509 Side B 054 - end.
Tape 510 Entire Tape.
Tape 511 Side A 000 – 067.



Mayor



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF DECEMBER 14, 1998

PRESENT: Councilmembers Young, Platt, Owel, Dick, Markovich and Mayor Wilbert.
Councilmembers Ekberg and Picinich arrived later in the meeting.

CALL TO ORDER: 7:01 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 the November 23, 1998, City Council meeting.
2. Correspondence / Proclamations – Informational.
 - a. Proclamation - National Drunk & Drugged Driving Prevention Month.
 - b. Letter of Resignation – Judge Marilyn Paja.
 - c. Waste Reducers Newsletter – P.C. Solid Waste Division.
 - d. Composition of the Pierce Transit Board of Commissioners.
3. Approval of Payment of Bills for 12/14/98:
Checks #21453 through #21570 in the amount of \$112,821.06.
4. Approval of Payroll checks for the month of November:
Checks #16702 through #16843 in the amount of \$261,985.45.
5. Liquor License Renewals:

Marco's Restaurant	Mimi's Pantry
The Green Turtle	

Mayor Wilbert gave a brief overview of the items listed under Item 2. Correspondence / Proclamations. Carol Morris, City Attorney, made a correction to the minutes.

MOTION: Move to approve the consent agenda with the correction to the minutes as proposed by Legal Counsel.
Owel/Dick – unanimously approved.

OLD BUSINESS:

1. Second Reading of Ordinance - Fairway Estates Annexation. Ray Gilmore, Planning Director, presented the second reading of this ordinance to annex Fairway Estates into the city. He explained that Section 3 of the ordinance would be removed from the final ordinance as the zoning had been previously established. Councilmember Platt reminded Councilmembers that this would be a very expensive annexation due to problematic utility systems. Councilmember Markovich said that if this area had been part of the Urban Growth Area during the annexation of the Westside, the neighborhood would have been included without any additional consideration.

MOTION: Move to approve Ordinance No. 808 annexing the property known as Fairway Estates.
Markovich/Picinich –

AMENDMENT TO THE MOTION: Move to amend the motion to delete Section 3 of the ordinance pertaining to the zoning, which has already been established.
Young/Owel – unanimously approved.

RESTATED MOTION: Move to approve Ordinance No. 808 annexing the property known as Fairway Estates with the correction to the Ordinance to delete Section 3.
Markovich/Picinich – Councilmembers Young, Owel, Dick, Picinich, and Markovich voted in favor. Councilmember Platt voted against. Councilmember Ekberg abstained as he arrived late.

2. Second Reading of Ordinance - Re-enactment of the Hotel-Motel Tax. Dave Rodenbach, Finance Director, presented the second reading of this ordinance increasing the Hotel/Motel Tax. He explained that the ordinance had changed from the first reading to reflect the anticipated increase by Pierce County to 7 percent, which would apply to lodging within Gig Harbor. He added that if Pierce County did not vote for the increase, the city could revisit the ordinance to lower the tax.

Councilmember Dick suggested adding a provision to the ordinance making the 7 percent increase contingent upon the adoption by Pierce County of the higher rate. Carol Morris said that she did recommend this action, as Council would still have to return to open session to document the increase for public record. Councilmember Owel asked that an effort be made to revisit the ordinance if an increase was not voted by Pierce County to help protect the fledgling hotel/motel industry in Gig Harbor.

MOTION: Move to approve Ordinance No. 809.
Markovich/Picinich – unanimously approved.

NEW BUSINESS:

1. Boating Safety Program Agreement. Mitch Barker, Chief of Police, introduced this renewal of an agreement with Pierce County to distribute a portion of vessel registration fees to municipalities with approved boating safety programs. He explained that although the participating municipalities, Bonney Lake and the City of Gig Harbor, do not agree with the equitability of the distribution, the only option is to sign the agreement to receive a share of the funding, which comes to \$8,018.25.

MOTION: Move to authorize the Mayor to sign the Boating Safety Agreement as submitted.
Ekberg/Young – unanimously approved.

2. First Reading of Ordinance – 1999 Tax Levy Ordinance. Dave Rodenbach presented this ordinance and explained that changes in tax data received from the County Assessor made it necessary to repeal Ordinance No. 805 setting the 1999 property tax levy. He added that this amendment setting the 1999 property tax levy needed to be submitted to Pierce County by December 18th, requiring it to be passed in one reading.

MOTION: Move to adopt Ordinance No. 810, and passing such in one reading pursuant to GHMC Section 1.08.020.
Markovich/Picinich – unanimously approved.

3. First Reading of Ordinance - Storm Drainage Rate Increase. Dave Rodenbach presented this ordinance increasing the monthly storm drainage fees needed to keep up with the requirements of storm drainage and to make the fund self-supporting. He added it would be back at the next regular meeting for a second reading. Wes Hill answered questions regarding the rate increase and stormwater facilities around the city. Councilmember Dick asked for a report summary of the new Department of Ecology requirements.
4. First Reading of Ordinance – Sewer Rate Increase. Dave Rodenbach presented the first reading of this ordinance increasing the monthly sewer service rate from \$26.15 for 1000 CF to \$27.45. This will return for a second reading at the next council meeting.
5. Custodial Agreement – Vining Sparks. Dave Rodenbach explained that the City’s investment policy requires investments to be placed with a third-party custodian rather than with the broker from whom the security was purchased. He presented this contract with Vining Sparks and gave an overview of the service provided.

MOTION: Move approval of the attached contract.
Markovich/Picinich – unanimously approved.

6. Supplemental Agreement No. 1 – Rosedale Improvement Project. Wes Hill, Public Works Director, explained that the contract documents needed to be revised due to revisions of Federal-aid and WSDOT requirements, and minor changes to the project before the project was to be re-bid this spring. He recommended approval of this supplemental agreement for modifications to the plans.

MOTION: Move to approve execution of the Supplemental Agreement with Gray & Osborne, Inc., in an amount not to exceed eleven-thousand, seven-hundred eighty-five dollars (\$11,785.00).
Young/Dick – unanimously approved.

8. Consultant Services Agreement – Harborview Street End View Point. Wes Hill explained that it had been an objective of the city to develop an acceptable plan for the Harborview Drive Street End view point. He recommended the firm of Reed, Reinvald, Johnson, Willows, PLC to design the project. Councilmember Markovich asked about

the perceived success for the project. Wes explained that there would be public meetings to obtain feedback from the neighbors on the conceptual design. Councilmember Ekberg said that the firm being chosen to perform the work was very sensitive to all the concerns and have the ability to take the diverse views and design something of which the city will be proud.

MOTION: Move to approve the execution of the Consultant Services Contract with Reed, Reinvald, Johnson, Willows, P.L.C., for the Harborview Drive Street End View Point project in an amount not to exceed fifteen thousand dollars (\$15,000.00).
Ekberg/Owel – unanimously approved.

9. Consultant Services Agreement – TIB Grants. Wes Hill explained that earlier this year the city retained John Tevis in assisting with preparation of TIB grant applications. Since that time, Mr. Tevis has left the firm of Skillings-Connely, and Mr. Hill recommended that the city execute a consultant services agreement with Mr. Tevis to assist in preparing upcoming grant applications.

MOTION: Move to authorize the approval of the Consultant Services Contract with John M. Tevis in an amount not to exceed three-thousand dollars (\$3,000.00).
Dick/Owel – unanimously approved.

10. Amended Six-Year Transportation Improvement Program. Wes Hill explained that several events had occurred since the adoption of the current six-year plan. He gave a brief overview of some of the changes reflected in the proposed amendment and explained that an ordinance to approve the new Six-Year Transportation Plan would return at the next meeting for a first reading.

11. Small Business Administration Center Funding Request. Mark Hoppen explained that at the last council meeting he had been asked to return with the issue of funding for the Small Business Administration Center funding. He gave an overview of the letter requesting support submitted from Marie Sullivan of the Chamber of Commerce, and added that this year's budget could handle these costs. Councilmember Platt asked Ms. Sullivan about the program.

Marie Sullivan, Executive Director of the Chamber of Commerce, described the success of a local small business adventure fostered by the SBAC program. She gave an overview of the purpose of the program. Councilmembers voiced their support of the proposal and the efforts of the Chamber.

MOTION: Move to authorize the attached contract for the Small Business Administration Center Funding.
Picinich/Owel – unanimously approved.

PUBLIC COMMENT/DISCUSSION:

Marie Sullivan, Executive Director, Gig Harbor/Peninsula Area Chamber of Commerce – Ms. Sullivan thanked Council for the allocation of the Hotel/Motel tax in the 1999 Budget. She said that the city was investing \$17,000 with the Chamber and that she looked forward to coming back with a report showing how the funds had been used. She added that she appreciated the show of confidence in promoting tourism in the area.

COUNCIL COMMENTS: None.

STAFF REPORTS: None.

EXECUTIVE SESSION: For the purpose of discussing Zoning Code Enforcement – Non compliance with Title 17 of the GHMC per RCW 42.30.110(i).

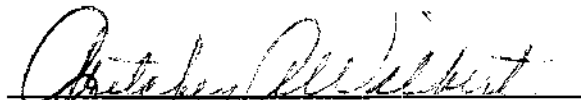
MOTION: Move to adjourn to Executive Session for approximately 30 minutes at 8:04 p.m.
Picinich/Platt – unanimously approved.

MOTION: Move to return to regular session at 8:30 p.m.
Markovich/Picinich – unanimously approved.

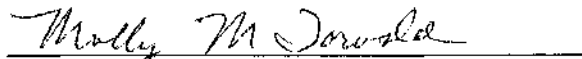
ADJOURN:

MOTION: Move to adjourn at 8:30 p.m.
Markovich/Owel - unanimously approved.

Cassette recorder utilized
Tape 511 Side A 068 - end.
Tape 511 Side B 000 – 296.



Mayor



City Clerk

SPECIAL GIG HARBOR CITY COUNCIL MEETING OF DECEMBER 21, 1998

PRESENT: Councilmembers Young, Dick, Picinich, and Markovich. Councilmember Owel acted as Mayor Pro Tem. Councilmembers Ekberg and Platt were absent.

CALL TO ORDER: 8:00 a.m.

NEW BUSINESS:

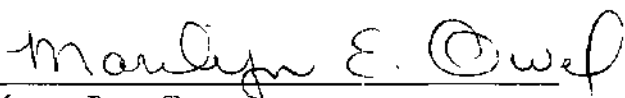
1. Purchase Authorization – Backhoe Loader. Wes Hill explained that the 1998 budget provided for purchase of a four-wheel drive backhoe-loader. He said that they had hoped that the State would complete the bidding process for this item during the year, but it had not been completed, requiring the city to advertise for bids to purchase the equipment. He gave an overview of the bid results.

MOTION: Move to authorize the purchase of the Case 580 Super L series 2 backhoe-loader from Western Power & Equipment in the amount of sixty-seven thousand four-hundred sixty-two dollars and thirty-two cents (\$67,462.32), including state sales tax.
Dick/Picinich – unanimously approved.

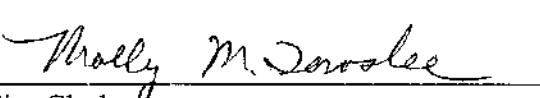
ADJOURN:

MOTION: Move to adjourn at 8:04 a.m.
Dick/Picinich - unanimously approved.

No Cassette recorder utilized



Mayor Pro Tem



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF JANUARY 11, 1999

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

CALL TO ORDER: 7:01 p.m.

Mayor Wilbert asked Matt Kirk, representing Scout Troop 282, to lead the group in the pledge of allegiance.

PUBLIC HEARING: Amended Six-Year Transportation Improvement Program.

Mayor Wilbert opened this public hearing at 7:07 p.m. Wes Hill, Public Works Director, gave an overview of the amendments to the Six-Year Transportation Improvement Program and offered to answer questions. There were no comments from the Councilmembers or audience and the public hearing was closed at 7:09 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 the December 14, 1998, City Council meeting.
2. Approval of the Minutes of the December 21, 1998, Special City Council meeting.
3. Correspondence / Proclamations - Informational.
 - a. Washington Forest Protection Association.
 - b. Letter from Matthew Kirk - Boy Scout Troop 282.
4. Approval of Payment of Bills for 12/28/98:
Checks #21571 through #21665 in the amount of \$134,180.45.
5. Approval of Payment of Bills for 1/7/99:
Checks #21669 through #21748 in the amount of \$61,964.95.
6. Approval of Payroll checks for the month of December:
Checks #17510 through #17653 in the amount of \$232,253.31.
7. Liquor License Renewals:
Hy-Iu-Hee-Hee

MOTION: Move to approve the consent agenda as presented.
Picinich/Owel - unanimously approved.

OLD BUSINESS:

1. Second Reading of Ordinance - Storm Drainage Rate Increase. Dave Rodenbach presented this ordinance increasing the monthly storm drainage fees needed to keep up with the requirements of storm drainage and to make the fund self-supporting.

MOTION: Move adoption of Ordinance No. 811.
Picinich/Young - unanimously approved.

2. Second Reading of Ordinance - Sewer Rate Increase. Dave Rodenbach presented the first reading of this ordinance increasing the monthly sewer service rate from \$26.15 for 1000 CF to \$27.45.

MOTION: Move adoption of Ordinance No. 812.
Young/Ekberg - unanimously app

NEW BUSINESS:

1. First Reading of Ordinance - Donation from the Morris Foundation. Dave Rodenbach presented this ordinance accepting the terms and conditions for a donation of \$5,000. He explained that the only term of the donation is that the funds be used for enhancement of the city park system. Councilmember Young suggested inviting members of the Morris family to attend the second reading of the ordinance to thank them.
2. Drolshagen Water Request. Councilmember Ekberg excused himself from participating in this agenda item, as Mr. Drolshagen is a client of his firm. Mark Hoppen explained that Mr. Drolshagen was requesting outside extension of city water to a lot on the corner of Randall Drive across from the city park. He gave an overview of the zoning allowances.

Councilmember Platt asked Mr. Drolshagen why he was only requesting water, and not sewer. Mr. Drolshagen explained that it was an economic concern due to the requirement to pay 150% of the utility rates if located outside city limits. He estimated it would cost him up to \$15,000 to hook up to both, whereas water would only cost \$4,000.

Mayor Wilbert talked about the Governor's Salmon Recovery Group, and encouraged Mr. Drolshagen to consider hooking up to the sewer due to the close proximity of the property to Crescent Valley Creek.

Mr. Drolshagen said that if the city were to annex his property, so that he would be paying the same rates as city dwellers, he would consider hooking up to both. Mark Hoppen explained that sewer fee is based upon the zone, and the fee he would pay to hook up to sewer would be about half of what he had anticipated. Mr. Drolshagen agreed that he and Mr. Hoppen should talk again about the cost of both sewer and water.

MOTION: Move to table this matter.
Dick/Picinich -six voted in favor. Councilmember Ekberg did not vote.

3. Purchase of Additional Property for City Shop). Mr. Hoppen presented this contract to purchase 5.4 acres of property adjacent to the city shop property. He gave an overview of

the appraisal information and added that Pierce County planned to use the purchase money to design a ball field facility located at 46th and Hunt. He spoke about the benefit to the school district, which would in turn be able to gain a more desirable piece of property. Councilmember Dick disclosed that he is an employee of Pierce County and would not be participating in the process.

MOTION: Move to approve the purchase and sale agreement as written.
Markovich/Picinich - unanimously approved.

4. Agreement for On-line Access G.I.S. System - Pierce County. Kay Truitt, Information Systems Specialist, explained that this was a standard contract that Pierce County requires from anyone accessing their network resources. Carol Morris, Legal Counsel, said she has written a memo with comments regarding the agreement and suggested that the matter be tabled. Councilmember Dick disclosed that he is an employee of Pierce County and would not be participating in the vote.

MOTION: Move to postpone this to the next council meeting to have time to review Legal Counsel's memorandum.
Owel/Ekberg -

Councilmember Markovich asked for the pros and cons of utilizing this Pierce County program. Kay explained that by utilizing Pierce County's resources, the city would save a great deal of money on development costs. Wes Hill described how the system would be utilized by the Public Works and Planning Department. Councilmember Dick also gave an overview of the capabilities of the system. Carol Morris spoke briefly about the public disclosure concerns.

Mayor Wilbert said that she had a wonderful experience with a similar system in Atlanta and recommend Councilmembers to go to Pierce County and ask for a demonstration of the GIS program.

Councilmember Owel called for the Order of the Day. Mayor Wilbert said the item was still under discussion, which was allowed as the item was postponed, not tabled.

Councilmember Picinich had further questions on the estimated costs of the system, and said he would like to see an annual cost breakdown at the next meeting.

RESTATED MOTION: Move to postpone this to the next council meeting to have time to review Legal Counsel's memorandum.
Owel/Ekberg - six voted in favor. Councilmember Dick did not vote.

5. Resolution - Amended Six-Year Transportation Improvement Program. Wes Hill gave a brief overview of some of the changes reflected in the proposed amendment and

explained that it was to be passed as a Resolution, not an ordinance. He answered Councilmember's questions regarding the TIP.

MOTION: Move to adopt Resolution No. 526.
Markovich/Picinich - unanimously approved.

6. Consultant Services Contract – Survey. Wes Hill presented this contract with the engineering firm of Skillings-Connolly, Inc. to perform the survey work to develop the Point Fosdick Drive Improvement and the Harborview Drive Street End Viewpoint projects.

MOTION: Move to execute the Consultant Services Contract with Skillings-Connolly, Inc., for survey work in the amount not to exceed twenty-three thousand seventy-eight dollars and seventy-five cents (\$23,078.75).
Young/Ekberg - unanimously approved.

7. Storm Drainage System Agreement and Restrictive Covenant - Talmo, Inc. Wes Hill presented this maintenance agreement for the future bowling alley property that would provide protection for the surrounding property owners and the city. He added that the agreement would allow the developer to build a structure over the existing storm sewer line rather than moving the line to another location.

MOTION: Move to authorize the execution of the attached Storm Drainage System Agreement and Restrictive Covenant with Talmo, Inc.
Picinich/Owel - unanimously approved.

8. Interlocal Agreements - State of Washington Dept. of General Administration, and the City of Seattle. Wes Hill explained that the state offers a program for local agencies to surplus equipment and vehicles. To utilize this service, the city needs to execute an agreement. He said that in addition, the City of Seattle allows other public agencies to "piggy-back" on their purchases, taking advantage of their bidding process. He added that these agreements need to be adopted as separate motions.

MOTION: Move to approve the Interlocal Agreement with the Department of General Administration for disposal of any surplus vehicles and/or equipment.
Young/Owel -

At this time, it was determined that Councilmember Young, as an employee of the state, would need to refrain from the vote. He withdrew his motion.

MOTION: Move to approve the Interlocal Agreement with the Department of General Administration for disposal of any surplus vehicles and/or equipment.
Picinich/Markovich - unanimously approved.

MOTION: Move to approve execution of the Interlocal Agreement with the City of Seattle for purchase of supplies, materials, equipment and services.
Owel/Picinich - unanimously approved.

PUBLIC COMMENT/DISCUSSION:

Anthony McGolvol -10321 Crescent Valley Drive. Anthony asked if the ballparks that were discussed during the purchase of property agenda item were to be open to the public. Mr. Hoppen explained that Pierce County was proposing a four-baseball field park on the corner of Hunt and 46th , and that it would be open to the public. He added that the design of the fields was to begin this year.

COUNCIL COMMENTS: None.


STAFF REPORTS:

Wes Hill, Public Works Director, reported that he was please to bring before Council a letter from the State Department of Transportation announcing that they had approved the city's round-a-bout, and that we are cleared to proceed with the design. Mayor Wilbert introduced Dave Skinner, the Project Engineer, who designed the round-a-bout.

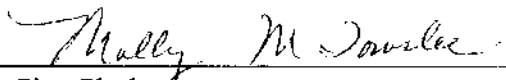
ADJOURN:

MOTION: Move to adjourn at 7:56 p.m.
Platt/Picinich - unanimously approved.

Cassette recorder utilized
Tape 512 Side A 000 - end.
Tape 512 Side B 000 - 300.



Mayor



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF JANUARY 25, 1999

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

CALL TO ORDER: 7:01 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 the January 11, 1998, City Council meeting.
2. Correspondence / Proclamations – Informational.
 - a. Thank you letter from Jim Pasin.
3. Approval of Payment of Bills for January 1999:
Checks #21749 through #21784 in the amount of \$115,548.21.
4. Approval of 1998 Payment of Bills:
Checks #21785 through #21825 in the amount of \$146,608.10.
5. Approval of last run of January 1999 Bills:
Checks #21826 through #21868 in the amount of \$24,888.21.
6. Amended Approval of Payroll checks for the month of December:
Checks #17510 through #17653 in the amount of \$267,986.76.
7. Liquor License Renewals:
 - a. Gourmet Essentials
 - b. Harbor Inn Restaurant
8. Liquor License Application:
Water to Wine

MOTION: Move to approve the consent agenda as presented.
Young/Platt - unanimously approved.

OLD BUSINESS:

1. Second Reading of Ordinance - Donation from the Morris Foundation. Mark Hoppen, City Administrator, presented the second reading of this ordinance accepting the terms and conditions for a donation of \$5,000. He explained that Dave Morris had planned on attending the meeting, but something must have come up.

MOTION: Move to adopt Ordinance No. 813 accepting a donation from the Morris Foundation.
Owel/Picinich – unanimously approved.

2. Drolshagen Water Request. Councilmember Ekberg excused himself from participating in this agenda item, as Mr. Drolshagen is a client of his firm. Mark Hoppen explained

that after the last council meeting, he had met with Mr. Drolshagen to discuss including sewer hookup in his request for city services. After consideration of the costs, Mr. Drolshagen prefers to connect only to water at this time and that his request is in line with city code. Mayor Wilbert said she would like it to be noted for the record that Mr. Drolshagen's property is adjacent to the city sewer line and that the proposed septic tank and drainfield is within 200 to 300 feet of the estuary of the major salmon rearing Crescent Creek.

MOTION: Move to approve the request for water extension outside city limits.
Picinich/Owel – unanimously approved with Councilmember Ekberg abstaining.

3. G.I.S. System Cost Breakdown. Kay Truitt, Information Systems Specialist, said that at the last council meeting she had been requested to prepare a cost breakdown of the proposed contract with Pierce County and other associated costs for the system. She explained the breakdown and answered questions. This item will return to Council when Legal Counsel negotiates a revised, tentative contract with Pierce County.

NEW BUSINESS:

1. Contract Approval – City of Gig Harbor Municipal Judge. Mayor Wilbert explained that Judge Marilyn Paja had submitted a letter of resignation after being elected to the position of District Court Judge for Kitsap County. Fourteen persons submitted applications for the position of City of Gig Harbor Municipal Judge and out of the fourteen, five people were interviewed. She said that it was a difficult decision, and added that Michael Dunn had been selected. She introduced Mr. Dunn and recommended approval of the contract.

MOTION: Move to approve the contract for Municipal Court Judge with Michael Dunn as presented.
Young/Ekberg – unanimously approved.

2. Swearing In Ceremony – Gig Harbor Municipal Judge. Mayor Wilbert asked Mr. Dunn to come forward so she could perform the swearing in ceremony. Mr. Dunn read the oath of office, then introduced his family.
3. Official Newspaper Bid. Mark Hoppen explained that every year the city solicits bids for the "official newspaper." He added that historically, the Gateway has been the paper with which the city posts notices. He gave an overview of the types of instances where the city utilizes the newspaper. He explained that though there would be a cost increase, a request had been made to go with a daily publication to provide a more consistent service to clients, and to avoid mistakes that would require postponing action. Ray Gilmore, Planning Director, gave an overview of how the publication process affects applications and added that scheduling around a weekly paper has caused timing difficulties in the past. He added that a daily paper would allow more flexibility and gave examples where

a notice had not been published, and the ramifications that came about from the delay. He said that the applicant would pay many of the additional costs. He answered Council's questions.

Tom Taylor, Publisher for The Peninsula Gateway, voiced his concern that the city was considering changing the designation of the official newspaper. He said that the Gateway had been the official city newspaper and had been since the paper's inception. He gave an overview of the additional services provided by the Gateway. He said he was aware of three corrections that had been made in the past and said that if there were additional problems that he would like to address them.

The question of utilizing two newspapers was brought up, and Carol Morris explained that only one newspaper could be designated as the city's "official paper" according to code. Councilmembers discussed the additional cost to publish in The News Tribune and the fact that citizens historically had looked to The Gateway for local legal information.

Councilmember Young said that time is money to developers and a daily paper would be the easiest way to address making the permit process easier and to address complaints that projects are being "rammed" through with the shorter notice period. After continued discussion regarding the increase in costs, the following motion was made.

MOTION: Move to award the official newspaper status to the low bidder and current bid holder, The Peninsula Gateway.
Ekberg/Picinich – six in favor. Councilmember Young voting against.

4. Olson Brothers Chevrolet – Waiver Request. Mark Hoppen presented this request from Olson Brothers Chevrolet to waive the accrued penalty consequent to enforcement action and gave an overview of the circumstances surrounding the issue. Carol Morris explained that they had since come into compliance, and it would be difficult to proceed with enforcement action.

MOTION: Move to waive the accrued penalty, incorporating Mr. Olson's letter to Steve Osguthorpe dated January 4, 1999, explaining that the correction of the violation was not done in the allowed time due to unique circumstances and the letter of January 7, 1999 acknowledging that the circumstances had been complied with and directing Mr. Olson to direct his request to the City Council.
Owel/Picinich – unanimously approved.

5. Consultant Services Agreement – East-West Road Geotechnical Services. Wes Hill, Public Works Director, explained that DOT's approval of the round-a-bout design allowed the city to develop the final design. He presented this agreement to provide geotechnical services to design retaining walls for the project and recommend approval.

MOTION: Move to approve execution of the Consultant Services Contract with

HWA GeoSciences Inc. for geotechnical services for the East-West Road project for the not-to-exceed amount of eight-thousand five-hundred forty-seven dollars (\$8,547.00).

Young/Ekberg – unanimously approved.

6. Consultant Services Agreement – East-West Road Landscape Architecture Services. Wes Hill presented this agreement for landscape improvements that need to be coordinated with the storm drainage improvements for the detention facility at the round-a-bout and recommended approval.

MOTION: Move to approve execution of the Consultant Services Contract with Gray and Osborne, Inc. in an amount not to exceed twenty-two thousand four hundred twenty-seven dollars and fifty cents (\$22,427.50.)

Picinich/Owel – unanimously approved.

7. First Reading of Ordinance – Hotel–Motel Tax Amendment. Mark Hoppen presented this first reading of an ordinance that would limit the 7 percent hotel/motel tax to establishments with over 25 rooms, explaining that this ordinance would place the city's tax in line with Pierce County's. He answered questions and added that this will return for a second reading at the next meeting.

PUBLIC COMMENT/DISCUSSION: None.

COUNCIL COMMENTS:

Councilmember Dick asked if it would be possible to post the agenda and proposed ordinances on the city's Internet web page. Kay Truitt say that she was currently updating the web page and the agenda, as well as other information, would be made available as soon as possible.

Mayor Wilbert gave a report on a proposed small passenger ferry she had been working on. She said she was hosting an informational forum at the Harbor Inn on Friday evenings for anyone interested in sharing information. She said she would bring any information obtained to council as it was gathered.

STAFF REPORTS:

1. Chief Mitch Barker - GHPD Stats for the month of December. Chief Barker gave an overview of the December statistics and explained that the figures were still reflecting the annexations. He added that a year-end report would be coming soon.
2. Dave Rodenbach, Finance Director – Quarterly Report. Mark Hoppen gave a brief report in Mr. Rodenbach's absence. He said that the revenues, especially in the general fund, were up considerably, especially in the building permit category. He added that the city had received its audit report and for the seventh year in a row, had a positive report. He then passed out correspondence requesting Councilmembers to attend an informational hearing on Metro Parks. He explained that Metro wanted to add another

entity to the taxing area. He gave a cost breakdown of what this would entail.
Councilmember Young offered to attend the meeting.

ANNOUNCEMENT OF OTHER MEETINGS: Wes Hill reminded Councilmembers of an upcoming meeting to review concepts for the Harborview Drive Streetend View Project at 6:00 p.m. on Thursday, January 28th in the Council Chambers. Councilmembers Dick and Ekberg offered to attend.

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

MOTION: Move to adjourn to Executive Session for approximately 15 minutes at 8:30 p.m. to discuss potential litigation per RCW 42.30.110(i).
Young/Owel – unanimously approved.


MOTION: Move to return to Regular Session at 8:45 p.m.
Owel/Picinich – unanimously approved.

MOTION: Move that the city attorney be authorized to execute the stipulation and agreed judgement and decree of appropriation with the parties in the Peninsula School District Condemnation Action and for the payment of \$1,000 to the respondent McDonald.
Dick/Ekberg – seven voted in favor. Councilmember Markovich abstained.

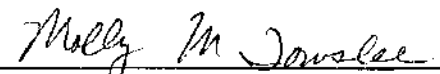
ADJOURN:

MOTION: Move to adjourn at 8:50 p.m.
Platt/Picinich - unanimously approved.

Cassette recorder utilized
Tape 513 Both Sides.
Tape 514 Side A 000 – 384.



Mayor



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF FEBRUARY 8, 1999

PRESENT: Councilmembers Young, Platt, Owel, Picinich, Markovich and Mayor Wilbert.
Councilmembers Ekberg and Dick were absent.

CALL TO ORDER: 7:06 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 the January 25, 1998, City Council meeting.
2. Approval of Payment of Bills for February 1999:
Checks #21869 through #21952 in the amount of \$90,252.14.
3. Amended Approval of Payroll checks for the month of January:
Checks #17656 through #17796 in the amount of \$287,548.74.
4. Liquor License Assumption:
Harborview Grocery Inc.

MOTION: Move to approve the consent agenda with corrections to minutes as suggested by Legal Counsel.
Picinich/Owel - unanimously approved.

OLD BUSINESS:

1. Second Reading of Ordinance – Hotel–Motel Tax Amendment. Dave Rodenbach presented the second reading of this ordinance that would limit the seven percent hotel/motel tax to establishments with over 25 rooms, placing the city's tax in line with Pierce County's.

Mary Jackson – 8212 Dorotich Street. Ms. Jackson, owner of Mary's Bed and Breakfast, spoke in favor of the reduction of Hotel/Motel tax for establishments with under 25 rooms.

MOTION: Move to adopt Ordinance No. 814.
Owel/Young – unanimously approved.

NEW BUSINESS:

1. Solid Waste Management Plan Update. Mayor Wilbert introduced Sally Sharrad, Team Planner with the Solid Waste Division of the Pierce County Public Works and Utilities Department. Ms. Sharrad gave a presentation on the draft *Tacoma-Pierce County Solid Waste Management Plan*. She explained that state law requires a coordinated effort between the County and all participating cities for their solid waste plan, and that the last update occurred approximately five years ago. She gave an overview of the

recommended changes, and requested comments from the Council before the public hearing process and formalization of the document.

2. Approval of a Job Description – Public Works Associate Engineer. Mark Hoppen, City Administrator, explained that at the beginning of the year the Council adopts any changes to the *City of Gig Harbor Job Descriptions* by motion. He explained that the only addition to the descriptions was the position of Public Works Associate Engineer.

MOTION: Move to include the Public Works Associate Engineer job description to the *City of Gig Harbor Job Descriptions*.
Markovich/Picinich – unanimously approved.

2. First Reading of Ordinance – Concurrency. Mayor Wilbert introduced the first reading of the Concurrency, Transportation and Parks Impact Fees, and Definitions ordinances, and added that Carol Morris, Legal Counsel, would speak about them all at once.

Ms. Morris explained that all three ordinances were inter-related. She said that the Definitions Ordinance provides the definitions for both the Concurrency and Impact Fees Ordinances. She explained that the Concurrency Ordinance was required by State Law, which prohibits development unless there is concurrency on the roads. She added that other types of concurrency requirement for sewer, water or parks can be adopted by choice, but that the transportation portion is required by state law. She explained that the ordinance provides a method for an applicant to advise the city of a proposed development so that preliminary concurrency could be determined, and the applicant could choose whether or not to submit an application.

Ms. Morris gave an overview of the Impact Fee Ordinance, which covers both parks and transportation. She added that this ordinance would require a developer to pay their proportionate share of impacts related to growth. She explained that the proposed ordinance would provide a uniform fee for different types of development, as opposed to an individual analysis for impacts on roads and parks. She said that there are a number of provisions that would allow the developer to ask for credit; to appeal the fee; and also includes a provision allowing the city to exempt a development for low-income housing.

She answered Council's questions and added that this would return for a public hearing at the next Council meeting. Councilmember Young requested that impact fee formulas from other cities be provided before the next meeting. The Mayor asked if anyone in the audience had comments on the three proposed ordinances.

Jim Pasin – 3208 50th St. Ct. NW – Mr. Pasin explained that he owned office space near Olympic Drive. He said that prior to the recent annexation, property owners paid fees towards the new overpass and improvements to Pt. Fosdick. He said the proposed impact fees would add an additional 10-12% to any new construction and questioned the equity. He asked if credits would be given to property owners who had contributed to road improvements in the past. He then continued with the issue that many car trips per day

are due to high school students and parents who were driving students to school, and yet there was no provision for Impact Fees for schools. He questioned why schools had been excluded.

3. First Reading of Ordinance – Transportation and Parks Impact Fees. This was discussed during the previous agenda item.
4. First Reading of Ordinance – Definitions. This was discussed during the previous agenda item.
6. TIB Grant Agreement, Point Fosdick Drive Improvements. Wes Hill, Public Works Director, explained that this agreement would allow for grant funding for design and construction of the Point Fosdick Drive Improvement Project and recommended approval.

MOTION: Move to authorize execution of the “Project Agreement for Design Proposal” with the Transportation Improvement Board for the Point Fosdick Drive Improvement Project.
Young/Platt – unanimously approved.

7. Appointment of Mayor Pro Tem for 1999. Mayor Wilbert thanked Councilmember Marilyn Owel for serving as Mayor Pro Tem during the 1998 and explained that she had asked Councilmember Markovich to act as Mayor Pro Tem for the upcoming year. Councilmember Markovich accepted the appointment.

PUBLIC COMMENT/DISCUSSION: None.

COUNCIL COMMENTS:

Mayor Wilbert gave a report on her informational gathering at the Harbor Inn Restaurant Friday evening to develop a plan to establish a water taxi ferry. She said that there were approximately 30 people who attended the meeting, with several experienced “skippers” willing to join in a Consortium to assist Rick Rohwer in this enterprise. She invited participation in the effort and said she would bring information on this issue to Council on a continuing basis.

STAFF REPORTS:

Mark Hoppen announced that copies of the *City of Gig Harbor 1999 Budget* were available, and congratulated Dave Rodenbach on the document.

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


MOTION: Move to adjourn to Executive Session for approximately 15 minutes at 8:16 p.m. to discuss potential litigation per RCW 42.30.110(i).
Young/Platt – unanimously approved.

MOTION: Move to return to Regular Session at 8:28 p.m.
Picinich/Owel – unanimously approved.

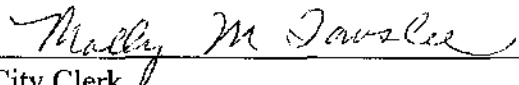
ADJOURN:

MOTION: Move to adjourn at 8:29 p.m.
Picinich/Owel - unanimously approved.

Cassette recorder utilized
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Mayor



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF FEBRUARY 22, 1999

PRESENT: Councilmembers Ekberg, Young, Platt, Owel, Dick, Picinich, and Mayor Wilbert. Councilmember Markovich was absent.

CALL TO ORDER: 7:06 p.m.

PUBLIC HEARING: Concurrency Ordinance; Transportation and Parks Impact Fees Ordinance; and Definitions Ordinance.

Mayor Wilbert opened the Public Hearing on these ordinances and asked Carol Morris, Legal Counsel, to give an introduction.

Ms. Morris explained that law requires the concurrency ordinance with regards to transportation facilities. She added that the Growth Management Act prohibits any development unless concurrency on roads is obtained and gave a brief description of the process. She described the Transportation Impact Fee Ordinance as an ordinance authorized under the Growth Management Act that allows the city to impose impact fees on new development for impacts that are reasonably related to new growth in the city. She gave an overview of the provisions and procedures of the ordinance.

Mayor Wilbert asked that people signed up to speak limit their comments to three minutes.

John Holmaas – 7524 Goodman Drive NW. Mr. Holmaas spoke to the park portion of the proposed impact fee ordinance. He explained that he is an Ad Hoc member of the Parks Open Space Committee and complimented the Council's efforts to fund parks. He explained that because the city was currently updating the Comprehensive Parks Plan, that the ordinance should be postponed for one year due to the substantial changes to the plan. He recommended that all interested parties meet to develop a good impact fee ordinance for the community.

John Rose – Olympic Property Group – PO Box 1780, Poulsbo, Washington 98370. Mr. Rose explained that he did not dispute the need for an impact fee ordinance, but voiced concerns about some of the language and asked that action be tabled while these issues were dealt with.

John Keegan – Pope Resources. Mr. Keegan said he had been asked by Pope Resources to review these ordinances. He passed out a letter with his comments outlined. He said that he thought the proposed impact fee ordinance was a good start, but because impact fees were such a complex field, there were numerous legal and social difficulties. He offered to help the city to make this a better ordinance. He highlighted the points in his letter regarding both the Impact Fee and Concurrency ordinances.

Dave Freeman, Snodgrass Freeman Associates, 18517 87th St. KPN, Vaughn. Mr. Freeman said that the traffic problems belong to the entire community and should not be corrected by new

construction. He added that this tax was grossly disproportionate and would stop all growth in Gig Harbor. He voiced concerns that it was a direct threat to his business, as well as contractors and financial institutes. He used the Kimball Drive project as a past example of poor handling of projects by the Public Works Department. He then added that it was not a realistic ordinance.

Lois Eyrse – Representing the Chamber of Commerce. Ms. Eyrse voiced concerns on the excessive nature of the fees in the impact fee ordinance and utilized examples. She encouraged the Council to table the ordinance until an Ad Hoc committee could be formed to study the impacts and ramifications on the city.

Trent Jonas – 6708 Rainier Avenue. Mr. Jonas explained that as a loan officer for Rainier Bank, his concerns were in the area of financing for commercial real estate loans. He said he was concerned about the magnitude of the proposed fees and the impacts on new construction. He said the impact fees would raise the up-front equity requirement because banks would not finance these fees. He said that these additional fees would curtail construction of owner-occupied buildings which is not in the best interest of the city.

Shirley Tomasi – 11107 Hallstrom Drive NW. Ms. Tomasi said she thought that time should be taken to develop a group of people to determine how to use tax dollars in the community, and to plan what the community would look like in 20 years.

Paul Cyr – 4102 55th St. Ct. NW. Mr. Cyr appealed to the Council and their “reasonableness.” He said that the last time there was this amount of interest in an issue was the sign code, which was solved by the help of many. He recommended setting up an Advisory Committee to develop the ordinance and to implement the impact fees.

Jim Pasin – 3206 50th St. Ct. NW. Mr. Pasin spoke of his concerns regarding the processing time and the ability to reserve the capacity for up to three years adding that most large projects could take longer. He also said he was concerned with a few statements contained in the impact fee ordinance, particularly the definition of “proportionate share.”

Robert Home -17115 7th Ave. KPN. Mr. Home explained that he was the elected representative for Gig Harbor of the Board of Directors of the Tacoma/Pierce County Association of Realtors. He said he was before Council to present the official Association position on impact fees. He said that affordable housing is one of their most important legislative issues, and that a study shows that the levy of impact fees early on in the development process can increase the cost of the home by two or three times the impact fee. He said the Association doesn’t object to the impact fees, only the timing of collection and recommended that the fees be levied at the time of sale of the building or at the final inspection of the building.

Scott Wagner – 6507 27th Ave. NW. Mr. Wagner said he had run a couple of models from current projects and gave an overview of the fees that would have been imposed if the ordinance had been in place. He added that he approved of the basic concept of the ordinance, but he had questions on what triggers the vesting of a project. He proposed that the implementation procedure and how the fee scheduled was developed be reviewed prior to approval.

Torrey Lystra – 12903 Pt. Richmond Drive. Mr. Lystra said he is an advocate for parks and congratulated the Council for their effort. He said he was concerned with where the funds were to be obtained for the development of parks and recommended that a balanced committee be formed as soon as possible to develop the ordinance.

Wade Perrow – 9119 No. Harborview. Mr. Perrow passed out a letter and said he wanted to go on record as supporting the Impact Fee Ordinance. He said that the approach needs to be fair and equitable. He spoke about his family's donation of soccer fields and how the effort came not from impact fees, but from the heart. He recommended forming a committee to review methods to handle growth rather than relying solely upon impact fees. He read his letter regarding his confusion over the inclusion of the Hunt Street Crossing at 38th project in the Impact Fees Ordinance project listing, adding that included was a letter he received from the Planning Director and Mayor stating that property located in this immediate area, which would become a major arterial, has been designated as rural. He said that this created a conflict. He said he hoped the Council would realize the benefits of impact fees, but only collect what is reasonable, applicable and realistic.

Walt Smith – PO Box 191, Gig Harbor. Mr. Smith said that the Growth Management Act is a cruel hoax on small cities, as it mandates increased densities without providing any funding mechanisms. He added that it pits the citizens against the government. He said he hadn't had a chance to do adequate research, but he checked with the City of Redmond and that the impact fees in the city of Redmond were substantially different, in some cases, three or four times lower than the ones presently proposed by the city. He used the Sign Code and Westside Business District as examples as the city working with the community to resolve issues in the past, and recommended that the ordinances be tabled for an adequate time until a committee could be formed to work out the differences.

Marie Sullivan – 3706 135th St. NW. Ms. Sullivan, Executive Director of the Chamber of Commerce, said that she echoed the concerns voiced this evening and encouraged Council to take time on the impact fees. She offered to form a task force with the Chamber, the city and interested parties to work together to make sure that when the ordinance is enacted, it is easily enforced and equitable.

Mel Wick – 5209 Pt. Fosdick Drive, Suite 103. Mr. Wick explained that he was the Chairman of the Peninsula Area Pierce County Advisory committee for the Pierce County Transportation Plan completed in 1992. He called attention to the discrepancies between Pierce County's and the city's figures on estimated costs and traffic counts for the Hunt / 38th Street crossing project. He recommended that the ordinance be revisited for whether this is really a viable project and reminded Council that in 1992 the city was opposed to this project. He offered to serve on a committee for the impact fee ordinance.

Mike Flynn – 8627 1st St. NW. Mr. Flynn introduced himself as the president-elect of the Pierce County Association of Realtors and chair of the committee for government affairs. He stated three good reasons for collecting the impact fees at the end of the process. The first is due to the

multiplying effect, which results in driving the house payment up. The second reason is the city will not participate in fees born by the homebuyer. The third reason is that impact fees are designed, in part, to reduce local taxes, however, existing homeowners will find their property values increasing due to the affect of impact fees in surrounding new construction. He asked Council to consider collecting the fees as late in the process as possible.

Tiffany Spear – 3925 So. Orchard, Tacoma. Ms. Spear said that she was representing Master Builders Association. She explained that two letters had been submitted to the Council outlining their concerns. She asked that Council postpone adopting the ordinances until a committee comprised of staff, business interest, and citizens could be formed to look at this issue and until everyone is satisfied that it is workable and realistic.

Jerry Dinndorf – 3975 So. Orchard, Tacoma. Mr. Dinndorf said he was the Director of Government Affairs for Master Builders. He also asked that Council postpone action to allow the various interested parties to work on a committee to create an ordinance that is legal and would withstand public scrutiny. He voiced concerns over such issues as the level of service being applied; whether an inventory of existing deficiencies had been done; and what areas were included in the fee calculations. He volunteered the association's participation in helping to draft the ordinance.

Scott Miller – 6602 Cromwell Beach Drive. Mr. Miller voiced concerns regarding the lack of provisions for those already contributing land and money toward street improvements; the timing of the collection of fees; accumulative fees caused by permitting regulations; and the amount of single family resident fees.

D. D. Stolp – 8010 56th St. NW. Mr. Stolp spoke in favor of parks impact fees and suggested that they be implemented sooner rather than later. He added that he has lived all over the country and has had the opportunity to see what impact fees have accomplished. He gave an example of how he revisited a former residence fifteen years later, and described how the value of the property increased over the years due to the requirements imposed at the time of development.

Tom Morfee – PNA, 3803 Harborview Drive. Mr. Morfee explained that the current citizens have born the impacts from development in the past without compensation or mitigation. He added that the Growth Management Act was adopted in 1991, allowing for the adoption of impact fees. He said that the city was already late in adopting these fees and that Council should adopt the fee schedule as soon as possible. He talked about the quiet tax revolt from members of the community who are tired of paying for the cost of development. He said that the organization does not support the formation of an Ad Hoc committee and added that this is an issue for the Planning Commission. He commented that collecting the fees late in the construction has led to a large default rate in Pierce County.

Helen Nupp – 9229 66th Ave NW. Ms. Nupp said she had lived on the Peninsula since 1968 and that is past time that Gig Harbor passed an impact fee to support transportation and parks. She also asked that a school impact fee be developed shortly. She added that taxpayers are concerned with the current level of taxes and the proposed toll on the bridge. She said it is time for the

development community to pay their fair share and urged Council to pass a reasonable and responsible impact fee and then to enforce it.

Jim Stephens – 8005 58th Ave. Mr. Stephens said a lot of his concerns had already been voiced. He added he just recently heard about the proposed ordinance and that he didn't feel that proper notification had been sent out. He requested that the ordinance be tabled until such time that the public can be properly notified.

Councilmember Ekberg asked if proper notification procedures had been followed. Mark Hoppen, City Administration, assured him that by law, it had.

Carol Morris asked to go over the information presented this evening that she felt was erroneous, as she didn't want Council or the audience to believe that there were provisions in the ordinance that are incorrect or inconsistent with the law. She addressed points listed in a letter by Mr. Keegan regarding the lack of provisions for credit; the requirement to collect all of the fees at one point in time; the broadness of the certain definitions; provision for reservation of capacity in advance; the legality of a hold-back of a percentage of the reservation fee; and the apparent confusing of the concurrency and impact fee ordinance provisions.

Mr. Miller spoke again about reference to provisions for those contributing land to road improvements. Ms. Morris offered to discuss this issue with him at a later time.

Mayor Wilbert closed the public hearing on these issues at 8:24 p.m. and asked for a short five-minute recess. The meeting resumed at 8:34.

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 the February 8, 1999, City Council meeting.
2. Correspondence / Proclamations:
 - a. Letter from Brandon Culbert regarding the ballfield project.
3. Approval of Payment of Bills for February 1999:
Checks #21953 through #22056 in the amount of \$172,514.06.
4. Liquor License Application:
Gig Harbor Gasoline

MOTION: Move to approve the consent agenda as presented.
Young/Owel - unanimously approved. Councilmember Ekberg abstained.

OLD BUSINESS:

1. Second Reading of Ordinance – Concurrency. Mark Hoppen explained that the next step would be for Council to review the concerns that had come forward in this public hearing. Councilmembers agreed that it would be best to address the comments, but to act expeditiously. Staff was asked to compile the information presented to identify the areas of concern and to bring it back at the next meeting. Mr. Hoppen added that Randy

Young, of Henderson & Young, who developed the traffic impact fee schedule under contract with KJS and Associates, would be available for the March 22nd Council meeting to give a presentation and answer questions on the rate schedule. A recommendation was made that a Council workshop could be scheduled to discuss the concerns and then a final decision could be postponed until after the March 22nd meeting and all information had been considered.

MOTION: Move to table the Concurrency and Definitions Ordinances until the 8th and table the Impact Fees Ordinance until the 22nd, which will also be a public hearing.
Young/Owel –

Councilmember Ekberg said he would like to be able to accept testimony on the Impact Fees Ordinance at the meeting of the 8th in addition to the others.

AMENDED MOTION: Move to table all three ordinances until the 8th.
Ekberg/Owel – unanimously approved.

2. Second Reading of Ordinance – Transportation and Parks Impact Fees. Discussed under the previous agenda item.
3. Second Reading of Ordinance – Definitions. Discussed previously.

NEW BUSINESS:

1. Resolution - Building Code Advisory Board / Term of Office. Ray Gilmore, Planning Director, explained that two members of the BCAB terms had expired. He requested that they be reappointed for a term of one year.

MOTION: Move to approve Resolution No. 527.
Picinich/Ekberg – unanimously approved.

2. Consultant Services Contract – Special Benefits Analysis. Dave Rodenbach, Finance Director, explained that the purpose of this analysis was to ensure that recommended LID assessments for the East-West Road project will be equal or less than the special benefit to a particular parcel, and that each assessment is fair and in proportion to the special benefit derived by that parcel and other parcels in the LID project. He added that the contract amount of \$47,400 would be included in the LID.

John Rose – Olympic Property Group. Mr. Rose spoke on behalf of the private partners in the East-West Road project. He added that representatives from Logan International, The Bingham Family Trust, and Albertson's Corporation were present. He said they understood what was being presented and why, but were concerned with the timing and mechanics of the LID sequence. He added that the second area of concern was the ability of the private partners to fund 100% of the shortfall. He called attention to the hard work and progress that had taken place between the private partners and staff.

John Keegan Mr. Keegan voiced concerns with Section E under the Scope of Work, which says that the supporting data will not be included with the report. He suggested changing this to include the data so as to determine how the consultant arrived at the results. He then spoke about the resolution to form the LID and said that it was premature to start that process because it may interfere with the pending TIB application. He added his concern that the consultant wouldn't be able to determine the boundaries in time for the notification of the property owners before the March 22nd hearing.

After discussion regarding these concerns, the timing of the completion of the road, and the risk involved with postponing the LID, the following motion was made.

MOTION: Move to approve the Consultant Services Contract for a special benefits analysis, deleting Section E in Exhibit A in the Scope of Work.
Young/Picinich – unanimously approved.

3. Resolution to Form a Local Improvement District – East/West Road. Dave Rodenbach presented this resolution declaring intent to form an LID to fund construction of the East-West Road. He added that the target date for the public hearing and first reading of the ordinance forming the LID is March 22nd.

Scott Miller – 6602 Cromwell Beach Drive. Mr. Miller cautioned that March 22nd is also the date for the public hearing on impact fees and asked if it might be “too much to tackle.”

Councilmember Dick asked about the clarity of the legal description. Mr. Rodenbach explained that it had been approved as adequate for the notification process by bond counsel and that the legals would be accurate for the actual LID ordinance.

MOTION: Move adoption of Resolution No. 528 for the Local Improvement District for the construction of the East-West Road.
Platt/Young – unanimously approved.

4. Closed Record Appeal of Hearing Examiner Decision – SDP 97-07; Ancich / Tarabochia. Mayor Wilbert opened this closed record hearing, gave an overview of the reason for the appeal and read the rules pertaining to the hearing procedures. She asked if any Councilmembers had any appearance of fairness issues or conflicts of interests to disclose.

Councilmember Picinich disclosed that he had conversations with Jake Bujacich and Nick Tarabochia in regards to the parking situation and the movement of the barge. Carol Morris recommended that Councilmember Picinich recuse himself from the hearing procedure. Councilmember left the council chambers at this time.

Councilmember Ekberg disclosed that he had also had a conversation with Jake Bujacich

when he had come to past Council meetings, and that Jake had invited him to visit his dock. He added that he had advised Jake to deal with staff. He added that he could be impartial in any decisions. Carol Morris said he could be allowed to remain.

Mayor Wilbert asked if any members of the audience had any appearance of fairness issues with any Councilmembers. There was no reply to the question.

Ray Gilmore gave a brief overview of the history of the appeal. He explained that Mr. Bob Frisbie is requesting that Council modify the Hearing Examiner's decision to provide for specific dimensions to clearly identify the distance from the exiting pilings to the sidelines and outer harbor line. The second appeal issue is to amend the two-year time provision to 30 days to bring the development. Ray then explained that there was another issue, which was not addressed in the appeal, that is a concern of staff, regarding the time limit set by the Hearing Examiner to remove a house barge moored at the facility.

Mayor Wilbert invited the appellant and applicant to speak and asked them to limit their comments to ten minutes.

Bob Frisbie – 9720 Woodworth Avenue. Mr. Frisbie said he has two issues that he has appealed. He gave an overview of the two issues, one, requiring the applicant to add the dimensions to the drawing; and second, allowing the applicant 24 months to come into compliance. He added that these applicants are informed and have consistently owned this property for generations, and that two years on top of the 17 years of non-compliance is wrong.

Mark Anderson – 4201 Steven St., Tacoma. Mr. Anderson said he was speaking on behalf of the applicants. Mr. Anderson said that in the last two years he had seen a great deal of commitment to make the process work. He added that the appellant is asking for punitive measures to be taken against the applicant for past acts, and that any punitive measures in this forum would be a violation of due process and easily challenged. He said that the applicant does not want to challenge the process, but would like to move forward and obtain the permit and develop the property in a business-like manner. He addressed Mr. Frisbie's concerns, stressing that two years is not an unreasonable time to acquire parking, and adding that they may not need the full two years. He discussed the past legal action pertaining to this piece of property and the survey map. He said to produce another set of drawings would be an unnecessary, additional cost. He talked about the improvements that will need to be made to bring the property into compliance with the Hearing Examiners recommendations and finalized by asking that the Hearing Examiner's decision be upheld.

Ray Gilmore discussed the eviction process for a house barge. The Hearing Examiner recommended removal by January 15, 1999, but due to the appeal, the eviction had been delayed. He said that it would be up to the Council to determine the date that compliance should commence. He added that the owner had refused to remove the barge, which may

result in a rather lengthy process. Carol Morris said that this was a separate issue to be considered after the Council made a decision on the appeal.

Mayor Wilbert closed the hearing at 9:59 p.m.

Councilmembers discussed the issues of the appeal and determined that the appellant had not been able to bear the burden of proof that the Hearing Examiner's recommendations were inadequate. The applicant was then encouraged to avoid procrastination in bringing the project into compliance.

MOTION: Move we affirm the Hearing Examiner decision and deny the appeal, and direct staff to bring back a resolution for Council's consideration stating the findings, facts, and conclusions supporting the decision.
Dick/Ekberg – unanimously approved.

Ray Gilmore said that it was determined that a letter from the applicant's attorney had been sent to the owner of the barge informing him that he had until February 15, 1999 to vacate due to a miscommunication of the proper date. He asked for direction from Council on when to begin civil penalty action against the property owner and against the barge owner.

Nick Tarabochia – 2788 No. Harborview Drive. Mr. Tarabochia said they had instituted an eviction notice and lawful detainer to the barge owner, who has the desire to leave as soon as he can secure moorage at a different marina. He said that the hearing date on the eviction was scheduled for around March 3rd to show cause. Ray Gilmore requested a copy of the eviction notice.

A decision on this item will be delayed until the next meeting to determine the action taken at the hearing. Carol Morris said she would prepare a recommendation on this.

5. Amendment to Consultant Services Contract – HWA Geosciences Inc. Wes Hill, Public Works Director, presented this amendment to the contract to include additional geotechnical investigation of the round-a-bout site and to provide alternative solutions for constructing the fill and retaining wall.

MOTION: Move to approve execution of the Supplemental Agreement to the Consultant Services Contract executed January 25, 1999 with HWA GeoSciences, Inc. in an amount not to exceed eleven thousand eight hundred thirty-one dollars and no cents (\$11,831.00).
Young/Owel – unanimously approved.

Councilmember Picinich returned to the Council Chambers at this time.

6. Purchase Authorization – Jerisich Park Dock Decking. Wes Hill requested approval for purchase decking materials to replace deteriorated decking and handrail at the Jerisich

Dock.

MOTION: Move to authorize the purchase of the treated timber in the amount of eight thousand two hundred sixty dollars and forty-nine cents (\$8,260.49).

Young/Ekberg – unanimously approved.

7. Consultant Services Contract – Pump Station Three Replacements. Wes Hill explained that the current pump is under-sized for the design of the Wastewater Treatment Plant. He added that it had been scheduled for replacement, and it had been determined that it would be better to move it to another location. He recommended the approval of the Consultant Services Contract for engineering services with Earth Tech, Inc.

MOTION: Move to approve execution of the Consultant Services Contract with Earth Tech, Inc., in an amount not to exceed eighty-five thousand three hundred seventy-two dollars and no cents (\$85,372.00).

Young/Owel – unanimously approved.

8. Consultant Services Contract – Engineering Study / NPDES Permit. Wes Hill explained that the city's NPDES permit stipulate that the city perform an engineering study to evaluate discharge alternatives, including the extension of the outfall. He gave an overview of the process to select a firm to perform the work and recommended approval of the Consultant Services Contract with Earth Tech.

MOTION: Move to approval of the Consultant Services Contract with Earth Tech in an amount not to exceed fifty-three thousand nine hundred forty-eight dollars and no cents (\$53,948.00).

Young/Owel – unanimously approved.

PUBLIC COMMENT/DISCUSSION: None.

COUNCIL COMMENTS: None.

STAFF REPORTS:

GHPD – Statistics for the month of January. No verbal report given.

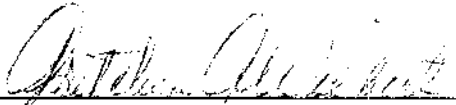
ADJOURN:

MOTION: Move to adjourn at 10:40 p.m.

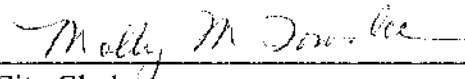
Platt/Picinich – unanimously approved.

Cassette recorder utilized
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Tape 516 Both Sides.

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Mayor



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF MARCH 8, 1999

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

CALL TO ORDER: 7:06 p.m.

PUBLIC HEARING: Concurrency Ordinance; Transportation and Parks Impact Fees Ordinance; and Definitions Ordinance.

Mayor Wilbert opened the Public Hearing on these ordinances and asked that people signed up to speak limit their comments to three minutes.

Scott Wagner – 6507 27th Ave. NW. Mr. Wagner said that after reviewing the proposed ordinances, and discussing them with City Councilmembers and staff, it appears that no one seemed to have a clear understanding of the ordinances and of the long-term effects they may have. He continued to say that he supports the parks impact fees, and that his concerns are mainly directed to the transportation impact fee and the concurrency ordinances as written. He said that unless the Council were to include the expertise and insight of the citizens who would be most affected, they will never gain the support necessary to make these ordinances successful. He said that along with his letter, he submitted a petition signed by 20 citizens supporting the formation of a task force to study these ordinances.

James Tallman – 13021 Pt. Richmond Drive. Mr. Tallman passed out his letter explaining that his main issue of concern is that the ordinances are unfair to some and beneficial to others depending on where their property is located. He used his property on the east side of Highway 16, Wollochet Drive, as an example. He said that there are several issues that he would like to see clarified before the ordinances are passed, such as exemptions and credits, identifying zones, the amount of discretion administering the ordinances, and the appeal process. He requested that a committee be formed to study the ordinances.

John Rose – Olympic Property Group, Pope Resources – PO Box 1780, Poulsbo, Washington 98370. Mr. Rose explained that three minutes wasn't enough time to enumerate all the issues in the packet of information he distributed. He added that they recognize the need for the three ordinances and support their eventual adoption, but asked that Council take time to address all the concerns that had been raised. He highlighted several of the issues in his packet, including the impact of the concurrency ordinance; paying all the impact fees up front; recognition of development agreements; and reservation of capacity when prior arrangements have been made. He asked if Council would consider incorporating the language in Exhibit '3' of his packet that would formally recognize prior agreements and commitments into which the city has entered.

Rick Gagliano – 8607 58th Ave NW. Mr. Gagliano said he hoped that Councilmembers had received the letter he submitted last Friday. He gave an overview of some of his concerns. He talked about the costs currently paid in order to develop within the city. One concern he mentioned related to timing and suggested that the ordinances be adopted with an effective date that would not affect the 1999 construction season. He also talked about the lack of definition for different types of development and the burden that would be placed upon the Public Works Department by having to administer the impact fee determinations. He added that the City of Gig Harbor is the only jurisdiction he currently deals with that does not utilize a development coordinator. This makes submitting a proposal more difficult.

James Morton – 3402 Cabrini Lane NW. Mr. Morton explained that his personal interest is the undeveloped property where the theater is located. He said that Regal Theaters has expressed an interest in expanding onto his property, but that the proposed fees would discourage this expansion. He added that the fees are prohibitive for retail development and talked about the previous contributions he has made towards traffic signals and sewer in that area.

Dale Pinney – First Western Development, 120 West Dayton Suite D-9, Tacoma. Mr. Pinney said that the fees for commercial development seemed high. He added that he had done an informal survey of other jurisdictions in Western Washington and gave examples. He also agreed with the other comments that the concurrency ordinance does not address prior agreements, or define how credits are allocated. He then asked for explanation of the discrepancy in costs between seemingly similar uses. He requested that Council step back and take a closer look at the fairness of the ordinances and that they consider cutting the fees that may prevent all future commercial growth.

Steve Luengen – 8913 No. Harborview Dr. Mr. Luengen explained that he is a business owner in the Harbor. He said that that the city will be legislating the type of projects being built through pure economics. He gave examples of different fees that would be charged on property he owns with different projects. He added that the town needs the businesses to maintain a vital community.

Walt Smith – 11302 Burnham Drive. Mr. Smith said that the concurrency ordinance and the impact fees would send the economic community into a tailspin that would have a devastating effect on the economics of not only the city but also the surrounding area. He said he has seen a lot of confusion surrounding these two ordinances and recommended workshops to allow adequate time to fully understand them.

Dave Morris – 6018 106th Ave. NW. Mr. Morris said he generally agreed with the comments that had been made previously. He explained that his concerns pertain to how these ordinances affect property located within the urban growth area. He also asked about exemptions. He said that the Growth Management Act encourages growth in close proximity to services, but this concurrency ordinance seems to run contrary and discourages growth in appropriate areas. He added concern that there seems to be a great deal of discretion in the hands of the Public Works Director.

Paul Cyr – 4102 55th St. Ct. NW. Mr. Cyr asked Council to form a group to look at this issue. He said that according to the AWC analysis of statewide fees, the parks impact fee for the City of Gig Harbor exceeds that for the City of Redmond. He added that the \$1,500 fee for single family and per unit for multi-family is exorbitant. He continued to say that no other jurisdiction utilizes a formula as intricate as the one proposed, and recommended a flat fee for square footage for all uses to avoid discriminating against commercial development. He said that SEPA has served growth management and development well in the past. He recommended forestalling action until a broad-based committee could bring back a more reasonable ordinance.

Bob Camp – 3608 East Bay Drive NW. Mr. Camp said he was speaking on behalf of the Master Builders Association. He talked about the proposed parks fee and how it will affect both new and existing construction, and the timing of collection of the fees. He also said that the \$1,500 park impact fee is too much and asked that it be lowered. He added that Gig Harbor will receive a lion's share of the park impact fee collected by Pierce County from other areas. He asked that Council make it a fair fee.

Chris Dewald – 8620 Warren Dr. NW. Mr. Dewald read the letter he passed out to Council outlining his concerns regarding the pending ordinances. He highlighted the following: the 3-year reservation period; credit for previous improvements; forming a committee to study the impacts of the ordinances; establishing zones; and the legality of the revisions made to the ordinance.

Tiffany Spear – 3925 So. Orchard, Tacoma. Ms. Spear said that she was representing Master Builders Association. She thanked staff for meeting with them and the Chamber of Commerce to go over the ordinances. She said that she seconded many of the comments and asked that action on the ordinances be postponed until further discussion, and completion of the update to the city's comprehensive plans. She added concerns that both SEPA fees and impact fees could be imposed on one project, and referred to RCW 82.02.100 and 43.21(c).065. She discussed the lack of set administration fees and the ties between the concurrency and impact fees and brought up concerns about affordable housing.

Scott Miller – 6602 Cromwell Beach Drive. Mr. Miller discussed his concern about his 20 acres on the new east-west road. He gave approximate figures on how much it would cost to participate in an LID for construction of the road, water improvements, and possibly sewer improvements. He said that he is donating land for the new road, and now faces possible impact fees on top of all the other costs. He said that all these fees could increase the lot value by 25% in that area. He then voiced concerns with the reservation terms and asked that credit be given for other agreements and contributions.

Torrey Lystra – 12903 Pt. Richmond Drive. Mr. Lystra thanked Council and asked that the city move forward on impact fees, which would be a great benefit to the community. He added that he and others are looking forward to the fees being utilized for more parks and amenities in the communities. He said that the fees are in line with other jurisdictions and asked that the transportation portion not be reduced too much.

Helen Nupp – 9229 66th Ave NW. Ms. Nupp said that the impact fees and concurrency ordinances are overdue and need to be adopted quickly. She added that the taxpayers need relief and a sharing of development impacts. She said that another bridge will bring a rush of commercial development and added that impact fees would allow better transportation amenities. She said that the rates should remain high to maintain the quality of life we all enjoy.

Marie Sullivan – 3706 135th St. NW. Ms. Sullivan, Executive Director of the Chamber of Commerce, thanked Council for allowing the Chamber to facilitate dialogue between staff and the business community. She said that the Chamber understands the complexity of the ordinances and asked for more time to consider the impacts that they may have. She added that the Chamber would like to work with the city in an expeditious way to create a workable and acceptable set of ordinances.

Don Huber – 8310 Warren Drive. Mr. Huber gave examples of how the impact fees will directly affect the price of goods and services in the city. He said that businesses currently struggle to survive. He said that this smacks of what happened with the sign code. He added that Council has been misdirected and misguided because they don't have the time to analyze this issue. He said that he had been developing for 30 years and that these ordinances will kill this town. He said he wanted to make Council angry with the people who put them in this position.

Stan Zolinsky – 3701 So. Lawrence, Tacoma. Mr. Zolinsky said that he represents Mountain Construction. He explained that his company wishes to meet the design guidelines, but the rate structure discourages them from doing so. He said that the increased costs would take away from money spent for design amenities, or that developers would build elsewhere, affecting jobs and sales tax base for the city.

Marty Paul – 6204 24th Avenue. Mr. Paul agreed with Mr. Huber's comments and explained that as an economist, he could understand the future impacts of these ordinances. He said that the elected officials and volunteers who proposed these ordinances were underqualified to understand the impact to the potential growth of the community. He added that the citizens who debated that they might get tax relief should take an economy course. He again urged Council not to make short-sited, underqualified allocations.

Dave Seiwerath – 3621 12th Avenue. Mr. Seiwerath said that the inflation on building permits in the last four years has been 70%. He said he had been a commercial developer for years, and added that huge impact fees the community gets hurt because you don't get the architectural quality due to budget constraints. He stressed that he is against impact fees. He said that after the annexation of the westside, the city now has \$300,000 to \$400,000 dollars a year more than they had before annexation, and suggested that taxes should be cut.

Ken Braaten 0 3913 38th Ave. Mr. Braaten explained that he built the hotel on Kimball Drive. He said that people who stay at the hotel complain of a lack of activities in Gig Harbor in the evening and go to Tacoma for entertainment. He said that the higher impact fees would limit growth and hurt the existing businesses. He added that he wouldn't have been able to get the

extra money to build his project if impact fees had been in place at the time on construction. He added that the higher fees will limit the small developer.

Mike Paul – (did not give address) – Mr. Paul, a local builder, said that he tries to build affordable housing here in Gig Harbor, and that the impact fees would eliminate that. He said that the higher housing costs will force the next generation to move to Tacoma to be able to afford to live.

John Hogan – 5312 Pacific Highway East, Fife. Mr. Hogan spoke on behalf of retailers. He said that retailers use 75% less water and sewer than a single family residence, but impact fees on commercial are higher. He added that in Gig Harbor, the property tax for retail is 3 times the tax than the average home in Gig Harbor, and the statement from the last meeting that the retailers are not paying their fair share is erroneous. He added that the retail sales tax supports school children.

Mayor Wilbert asked for a recess at 8:40 p.m. The meeting resumed at 8:51 p.m.

Mayor Wilbert introduced Mark Hoppen, City Administrator, who gave a brief overview of a comparison of transportation fees from other jurisdictions. The comparison included the downtown Redmond area, Olympia, Enumclaw, Tumwater and Mt. Vernon. He explained that the comparison was calculated with the proposed fee reduced 60-75% from the fees proposed by the consultant, and resulted in fees that are comparable to the other jurisdictions. He added that another change in the comparison was that he utilized the lowest rate in the category for retail / office space and applied that rate to the entire category, which resulted in a rate schedule that looks much like other comparable jurisdictions. He then compared the potential points of collection for fees. He added that a recent parks study showed that 63% of the survey participants strongly favored collection of a growth impact fee related to parks, and would approve up to \$150 a year in bonding for parks-related improvements.

Carol Morris, City Attorney, responded to issues that arose during the public hearing. She addressed such issues as consideration for payments for system improvements; postponing action until after the 1999 construction season; the perceived burden on the Public Works Department; granting exemptions; the decisions left to staff discretion; duplication of fees due to SEPA; reservation of capacity; and the legality of changes to the ordinances. Ms. Morris and staff members answered Council's questions.

The public hearing was closed at 9:29 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 the February 22, 1999, City Council meeting.
2. Correspondence / Proclamations:
3. Approval of Payment of Bills for March 8, 1999:
Checks #22057 through #22134 in the amount of \$89,868.51.

4. Approval of Payroll for the month of February:
Check #17797 through #17937 in the amount of \$273,127.84.
5. Liquor License Application Withdrawn:
Maritime Chandlery
6. Special Occasion Liquor License – Gig Harbor Navy League Council.

MOTION: Move to approve the consent agenda as presented.
Young/Ekberg - unanimously approved. Councilmember Markovich abstained.

OLD BUSINESS:

1. Second Reading of Ordinance – Concurrence. Mark Hoppen explained that Council had heard continued input from the public, read the memos and letters that had been submitted and added that it was at their discretion to act upon the ordinances.

Councilmembers agreed that they would like further time for consideration and to allow input, and were not prepared to take any action at this time. Ms. Morris was requested to prepare a resolution outlining the administration fees to bring back for consideration. A suggestion was made to schedule worksessions that are topic-specific. Mr. Hoppen was requested to come back with a summary of how other jurisdictions handle pre-payment of fees for reservation of capacity.

MOTION: Move to set up a series of public workshops that are topic specific after the March 22nd meeting.
Ekberg/Picinich – unanimously approved.

2. Second Reading of Ordinance – Transportation and Parks Impact Fees. Discussed under the previous agenda item.
3. Second Reading of Ordinance – Definitions. Discussed previously.

NEW BUSINESS:

1. Correction to Resolution to Form a Local Improvement District – East/West Road. Dave Rodenbach explained that this resolution corrects the legal description for the LID boundaries to exclude State, City and Tacoma Public Utility rights-of-way.

2. **MOTION:** Move adoption of Resolution No. 529.
Markovich/Ekberg – unanimously approved.

3. Resolution – Findings, Facts and Conclusions – SDP 97-09; Ancich/Tarabochia. Ray Gilmore presented this resolution affirming the decision of the Gig Harbor Hearing Examiner. He added that he would correct the typographical error.

MOTION: Move to adopt Resolution No. 530 as amended.
Dick/Owel - five voted in favor. Councilmembers Picinich and Markovich abstained.

4. Renewal of Contract – Pierce County Department of Emergency Management. Mark Hoppen explained that this was a renewal of an agreement with an increase to \$.62 per capita for emergency services.

MOTION: Move to approve the renewal of the contract as presented.
Picinich/Owel – six voted in favor. Councilmember Dick abstained as an employee of Pierce County.

PUBLIC COMMENT/DISCUSSION:

Marie Sullivan – Chamber of Commerce. Ms. Sullivan again thanked Council for their time and invited anyone interested in joining Mr. Hoppen, Mr. Hill, and Mr. Rodenbach from noon until three at Keller Williams to address concerns on the proposed ordinances. She continued to explain that much of her background was in public involvement for Hanford, and offered her technical services during the workshops. She recommended that Council consider bringing in an outside facilitator during these workshops.

COUNCIL COMMENTS:

Mayor Wilbert gave a brief overview of documents she had recently received and gave a report on Salmon Recovery efforts in the State. Mr. Hoppen added that the Gig Harbor area was included in both Pierce and Kitsap County's jurisdictions.

STAFF REPORTS: None scheduled.

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


MOTION: Move to adjourn to Executive Session at 9:59 p.m. for approximately 15 minutes.
Picinich/Young -- unanimously approved.

MOTION: Move to return to regular session at 10:14.
Owel/Young - unanimously approved.

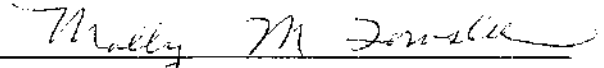
ADJOURN:

MOTION: Move to adjourn at 10:14 p.m.
Owel/Platt – unanimously approved.

Cassette recorder utilized
Tape 518 Side B 300 - end.
Tape 519 Both Sides.
Tape 520 Both Sides.
Tape 521 Side A 000 - 352.



Mayor



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF MARCH 22, 1999

PRESENT: Councilmembers Young, Owel, Dick, Picinich, Markovich and Mayor Wilbert.
Councilmembers Ekberg and Platt were absent.

CALL TO ORDER: 7:10 p.m.

PUBLIC HEARING: Forming a Local Improvement District for Construction of the East-West Road.

Mayor Wilbert opened the public hearing on this item at 7:10. Dave Rodenbach, Finance Director, introduced the ordinance and explained that language which refers to a Phase II of the project, would be deleted in any subsequent readings to avoid confusion. He introduced Cynthia Weed, Bond Counsel from Preston Gates & Ellis.

Ms. Weed described the process involved in the formation of a Local Improvement District and explained that by forming this LID, the city would make a preliminary determination of what properties would increase in value due to the construction of the road, and to determine a fair method of imposing costs of the improvements through assessments. She added that the public hearing process was to receive comments from the affected property owners and any others that may be affected by the formation of the LID. She added that this was the first of two formal hearings to decide whether to proceed with the formation of a LID, and to determine the correct boundaries for inclusion. She advised property owners that if they wished to lodge a formal objection, it should be also be filed in written form.

Wes Hill, Public Works Director, briefly described the East-West Road project. Mayor Wilbert opened the hearing to the public.

John Rose – Project Manager for Olympic Resource Management, representing Pope Resources. Mr. Rose explained that part of his testimony may be in writing and asked if the public hearing would be continued to a later date to submit this. Council assured him that the hearing would be continued. He continued to say that his organization will continue working with all parties to negotiate a mutually acceptable cost-sharing arrangement. He added that the owners have requested clarification of capacity and impact fee waiver issues relative to the pre-annexation agreement, and are awaiting a response from the city. He added that this response will affect future testimony on the LID. He then shared that the legal description that was introduced with the Resolution was different than the one he received in the mailed notice. He said that he hoped that the hearing would be continued to include the results of the special benefits study being done to determine assessments, boundaries and other funding options.

Dave Rodenbach answered Council questions regarding the discrepancy in legal descriptions and added that he would make any corrections needed.

Greg Elderkin – Pacific West Financial Group, PO Box 860, Renton, Washington. Mr. Elderkin explained that he represented Logan International, who owns approximately 200 acres in the Gig Harbor North area. He said that they are working together with the city to find equitable solutions to the funding shortfall. He said that he also felt that the public hearing should be held over until the benefits study was completed.

Scott Miller – 16924 SE 47th St. NE, Bellevue, Washington. Mr. Miller explained that his family owns approximately 20 acres along the East-West road. He asked that any mailings be sent to his office address, as he had not received the legal notice. He had two concerns, specifically being involved with the assessment for the LID, then also having to pay impact fees to develop the property. His second concern was that the hearing should be continued until information on grant money and the results of the benefits study could be obtained.

Mayor Wilbert asked if there were any further comments. No one asked to speak and the following motion was made.

MOTION: Move to recess this public hearing until April 12th.
Markovich/Picinich – unanimously approved.

Councilmember Dick asked when a preliminary report would be forthcoming from the consultant performing the benefit study. Mr. Rodenbach said that he would contact the consultant to obtain information.

Cynthia Weed said that because information may be forthcoming, staff could potentially request a further delay. She also said that additional published and mailed notice of the second hearing would be given in compliance with state law.

PUBLIC HEARING: Concurrency Ordinance; Transportation and Parks Impact Fees Ordinance; and Definitions Ordinance.

Mayor Wilbert opened the Public Hearing on these ordinances at 7:35 p.m. and introduced Wes Hill, Public Works Director, to present information. Mr. Hill explained that at Council's request, two consultants were present to address questions on the concurrency, impact fees, and definitions ordinances. He introduced Randy Young, from Henderson, Young & Associates, and Joe Savage, from KJS Associates. Mayor Wilbert explained that the consultants would wait until after public testimony was presented, and then responds to questions at that time.

John Rose – Olympic Property Group, Pope Resources – PO Box 1780, Poulsbo, Washington 98370. Mr. Rose directed three questions to the consultants. First, he asked if they had considered alternative funding sources such as increased property taxes and real estate excise taxes or if the impact fees were the only method considered. The second question was to ask why the single zone method was utilized and how it would affect the distribution of fees. His final question addressed the GMA provision for collection of fees and the requirement to show reasonable benefit to the development. He asked if there was a traffic model to show how this was considered.

Scott Miller - 16924 SE 47th St. NE, Bellevue, Washington. Mr. Miller said that his only question was if a percentage of the impact fees had been compared to the average lot price.

Walt Smith – 11302 Burnham Drive. Mr. Smith thanked Council for allowing workshops to address concerns. He then said that there is an alternative to the parks impact fees, using the Key Peninsula Park and Gig Harbor Little League parks as examples of two major facilities that have been built utilizing volunteer support. He said that the city's survey showed that people support parks, but he was unaware of any that had been voted in by the community in the last 20 years. He added that when government plans things, it is not always supported, but when volunteers are gathered, there is support. He talked about the struggle to maintain existing facilities.

Marie Sullivan - – 3706 135th St. NW. Ms. Sullivan, Executive Director of the Chamber of Commerce, thanked Council for bringing in the Consultants to answer questions. She gave Councilmembers a handout of data gathered from smaller communities regarding impact fees. She asked if transportation fees had been considered for all citizens who are users of the roads, and if a cost benefit analysis had been done on the impact fee, i.e. the impact on economic development in this particular municipality. She also asked if transportation impact fees have been applied elsewhere in the State of Washington in municipalities with a population of 8,000 or less.

Wade Perrow – 9119 North Harborview Drive. Mr. Perrow mentioned his letter on March 2nd outlining his concerns. He thanked Council for scheduling workshops to address concerns. He said he didn't think many people are against development fees, but they are concerned with the appropriateness of the fees. He referred to Appendix 'A', TIP #1, East-West Road Construction. He asked if the developer fees were to supplement monies that were being collected through the LID, from Pierce County, and the City of Gig Harbor. He said that all the fees together exceed the total amount of the project construction. He then said he was confused about the benefit of TIP #26, Hunt Street crossing because it is a substantial project. He asked what determines what puts a project on the list as it relates to level of service.

Jerry Dindorf, Master Builders Association – 3925 So. Orchard, Tacoma. Mr. Dindorf referred to the concurrency ordinance and asked what level of service would be used and how it would be applied. He also asked how existing deficiencies would be determined, what the threshold of the number of peak hour trips would be used before a traffic evaluation would be required, how large an area must be included in that traffic analysis, and what mechanism would be used to keep track of reserve capacity. In respect to the impact fee ordinance, he said they are interested in the methodology in the way Appendix 'A' and 'D' was developed. He added that he realized some of these questions were too detailed to be answered this evening and that he looked forward to the workshop to have the information provided.

Tom Morfee – PNA, 3803 Harborview Drive. Mr. Morfee said he had studied this process and read every letter submitted from the development community. He said that that the concerns are valid, and added that they would be participating throughout the process. He said that the random survey done by the city was well conceived and had interesting results. He referred to

the fact that 79% favored collecting a growth impact fee from new housing projects to pay for park improvements within residential neighborhoods. He urged that the fees be collected early in the process and cited Pierce County's significant default rate, specifically the 18% parks default rate.

Dale Pinney – First Western Development, 120 West Dayton Suite D-9, Tacoma. Mr. Pinney said he had two comments; first, their concern of the level of the rates and apparent inconsistency with other cities in western Washington; and second, how the rate schedule would be used. He talked about the trip rates that are attached to specific uses, and asked for interpretation of the retail category.

Scott Wagner – 6507 27th Ave. NW. Mr. Wagner said he had one specific question to which he had not yet received an accurate answer. He asked if SEPA required, site specific road improvements will get a credit against traffic impact fees, and if state law would preclude that from happening.

Mayor Wilbert asked if there was any further testimony from the audience. She then introduced the consultants Joe Savage and Randy Young and asked them to address the questions from the audience.

Mr. Young, Henderson, Young and Company, introduced himself and said that he and Mr. Savage would do their best to answer the questions in the order that they were presented and that another opportunity for clarification would be given. Mr. Young said that they were not present to speak as advocates or to debate the merits of impact fees, but as technicians to assure that if the community chooses to utilize impact fees, that it is done carefully, properly and legally. He explained that both he and Mr. Savage have a great deal of experience with impact fees and that they would make that experience available to the Council and the citizens. He again stressed that they were neutral providers of technical information and that it was up to the Council to decide how to pay for things they want in their community. He said that impact fees are only one way of funding these improvements.

He continued by addressing the questions that came forward during the public testimony portion of the meeting.

They were asked when they formulated the rate schedule if they had taken into account other moneys paid by the developer. Mr. Young said that new development pays a variety of fees in the form of fees, permits and taxes, and added that, yes, these other costs were taken into account in two ways. He said that Washington law states that when impact fees are charged, you have to be careful not to double-charge. He mentioned again that he and Mr. Savage were only involved with the road impact fees, and would not feel comfortable addressing the parks portion of the ordinance. He continued to say that in the road impact fee, a procedure was identified where the total cost of the project was reduced by other monies that are available, including those paid by the developer. In addition, money generated by new development as gas taxes was considered. He said all other funding sources were considered in their calculations. He referred to one very important limitation in Washington Law that states that you are required to give the developer a

credit for the money that is earmarked for the same capital project that is the basis for the impact fee. He added that many developers want credit toward the impact fees for the taxes they pay on new development, but state law only provides credit for the portion of those taxes to be used for the road project. He added that the solution for the way that the tax structure is built must come from Olympia, not individual City Councils.

Mr. Young addressed the next question on the use of a single zone system. He said that a conscious effort was made in the decision to recommend that the city not use zones, and that Gig Harbor is not a good application for use of multiple zones. He explained that roads are measured in terms of the trips that occur on them and that existing data is used to determine trip origin, destination, length and other pertinent information. He talked about “carving” the city into zones and the difficulty in assigning trips to different zones in such a small geographical area. He said that from a technical viewpoint, it doesn’t make sense to create zones and that there are also practical reasons that led them not to recommend multiple zones. He said that each zone creates a separate account, and into that account goes the money paid from that particular zone and which, presumably, is to be spent in that zone. But if that zone is small and only a few are developing within that zone, enough money may never be obtained to complete an improvement. Then if the funds are not used within six years, the money must be refunded to the developer and the city would not get mitigation of the impact fees. He added that there were also administrative fees associated with maintaining multiple zones. He said that the most important problem is that if you create zones, you have two choices about the impact fees in each of the zones. If you create a high and low zone, there is the chance that the difference would drive development towards the lower fee zone, creating unintended consequences. The alternative would be that everybody pays the same fee in different zones resulting in the question of the proportionality of the spending of funds and who is subsidizing whom.

The third question raised was whether or not the consultants have conformed to the Growth Management Act requirement to “reasonably benefit.” He explained that is a different concept of “benefits” used with impact fees than with a LID, and both are different than used for taxation. He said that there are two extremes: one is where you derive no benefit from tax dollars, and the other is similar to an LID where there is an absolute requirement that the property making the payment receive a direct and proportionate benefit. He said that the impact fees lie somewhere between those two extremes, and the benefits must be “reasonable” or “rough” in proportionality. He said that they did that with the development of impact fee calculations. The technique they use to identify the impacts created and the benefits received from the expenditures is based on trip rates. He pointed out that the *ITE Trip Generation Report* is the authoritative statement on which kinds of property generates how many trips and how much should be paid. This book is the source showing what the nature of vehicular impacts, so that the properties will benefit in the proper proportion.

The fourth question was if whether they took a percentage of the lot price into consideration in the fees, and how it would compare with lot pricing in other parts of the state. Mr. Young answered that impact fees cannot be based upon lot values due to the need to be reasonably beneficial and roughly proportional. He added that if fees were based upon lot value, they would be a tax, and as a consequence would fail. He said that comparing Gig Harbor to other areas has

little use in this decision for two reasons. First, results show that after years of research at the national level, impact fees don't fundamentally change development decisions, but they do change the price of the product. He said that what does affect impact fees is not the relative amount from one city to the next, but the specific facts of how much the roads cost and who is going to pay for them if impact fees don't. The lower the cost of the road system the less you would need to turn to impact fees and no matter how high the cost of the road system, the more money you collect from everyone else, the less you need to ask for impact fees. The other communities you have heard about tonight had to go through a unique calculation, not a market calculation of what the neighboring cities pay. He said it comes down to how much your roads cost, and who are you going to charge for those roads. He said that his answer to the question is "No, we did not take into account what percentage of lot value the impact fees are, because we feel it is not the point here." He added that they understand the people who deal with this as a part of their living, and perceive a loss of a portion of their profit margin as a vital concern, but it comes back to the issue that Council has to decide "who pays." It is not the technician's decision of how the calculation is done.

The fifth questions had to do with whether impact fees are being used in other small towns and other options. Mr. Young referred to the AWC annual survey on specific communities that charge impact fees and added that he had not checked populations, so some may be more than 8,000. He read the list for road impact fees for single-family house (parks not included) from the high fee to the low fee and said that yes, the list shows that several smaller cities use impact fees.

The next question was whether they had taken into account how road taxes would benefit all the citizens. He said he would refer this question to Mr. Savage, as it was part of the complicated modeling and traffic analysis. He continued to address whether they had done a cost/benefit analysis, or rather, what would be the impact of the impact fee. He referred to his remarks previously addressing the fact that the ultimate accounting is with City Council, which decides who pays for the public facilities.

He said there was a question about a specific road project, and added that they began this project in 1995, and have not been actively involved in it since then. He said that staff has properly updated the original model that was given them, but he couldn't answer to why a specific project was added to the list. He advised that staff would be the ones to answer this question.

He then addressed the broader question of how the six-year road list deals with levels of service. He said that it is their job as technicians to look at the list of all the road projects that the city needs and find the ones that create more capacity in the system. He said the projects that are for safety improvements or maintenance have nothing to do with level of service, and do not qualify for impact fees. Once the projects that add capacity are identified, then only a piece of the cost of these projects is eligible for impact fees. Additional funds for the road comes from other sources, and this factor also has been taken into consideration.

He said that the gentleman from Master Builders had a number of questions regarding the concurrency ordinance and stressed that although he and Mr. Savage are experts in the State of Washington on concurrency, they have not participated in the development of the city's

concurrency ordinance. He suggested that he move onto the rest of the questions on impact fees, and then if the audience would like to ask them about concurrency and what they would recommend in certain areas, they would take the questions again.

The next question on impact fees was how Appendix 'A' and Appendix 'D' was developed and it was also suggested that due to the complexity of this issue, a worksession may be in order. He said that because Appendix 'D' was about parks, they would not be well positioned to answer those questions, but added they could talk at length on the road projects. He said he would give a "short" version of how they arrived at the list in appendix 'A'. He said that they took the whole roads list and picked the ones that added capacity. They then took those projects and deducted the portion that would be paid for by somebody else, then took the remaining unfunded cost and eliminated the portion related to deficiencies. He said that this is how they derived the list that was presented in the appendix.

He then addressed the concern about the level of the rates and how they seem to be inconsistent with other jurisdictions. He said that other communities fees range anywhere from \$2,700 down to \$400, and all are inconsistent with each other. He said it not a market decision, but comes back to what the roads cost and who pays for it.

Mr. Young said that the question about retail and shopping centers would also be deferred to Mr. Savage. He said that as he understands it, they use the word "retail", but are quoting the category from the *ITE* called shopping centers. He also pointed out that the ordinance allows the developer or staff to determine whether a project is mixed use, to open it to negotiation and insure a fair and even handed application of the fees.

Mr. Young said the last question was about SEPA improvements and credit for these payments. Washington law says that the improvements made to infrastructure fall in one of two categories: either system improvements or project improvements. He explained that a system improvement benefits a large part of the community where a project improvement is beneficial only to the project itself and used the example of a subdivision, where the internal street is only beneficial to the homeowners within, whereas the main street outside the subdivision benefits the whole community. He said that impact fees are not allowed to be charged for the project improvement, but are limited to the system improvements, which makes them fundamentally different from SEPA. He explained that some local governments have stretched SEPA to cover impacts surrounding the development in an attempt to "back-door" impact fees, because there were no provisions before the Growth Management Act to make a developer pay for impacts on the system as a whole. He said that SEPA doesn't give that authority in his opinion. SEPA is supposed to be for project improvements only, and impact fees are supposed to be the mechanism to take care of the system improvements. He said that if Gig Harbor does this right and limits their SEPA improvements to the project improvements and limits impact fees to system improvements, there won't be a credit from one to the other, because they are two different requirements.

He then introduced Joe Savage, who continued to address questions. Mr. Savage explained that he would start from the bottom of the list of questions and work towards the top so he could address the last questions regarding SEPA credit.

Mr. Savage said that there is an exception which falls in the gray area of systems and project, which is that if you are required by SEPA to make an improvement to an intersection or system due to level of service or safety, and the impact to the system is only 15%, 100% of the improvement must still be constructed. He said that the project should only be charged for their proportional share of the improvement. It would be reasonable to give credit in this instance, but those are limited exceptions. He said that a project generally falls into project improvements or system improvements, so, he joked, the answer to the question of credits is “Yes, no, and maybe.”

He continued to say that Mr. Young had done a good job of addressing the rates for retail or shopping center, which can be an aggregation of mixed uses utilizing one common area or parking lot. He said that you use a trip rate or assessment that lumps all those uses together.

He addressed the relationship of the six-year Transportation Improvement Program and level of service. He said that the TIP contains a variety of improvements for maintenance, overlays, and safety issues. He said those things that are placed on the TIP to increase capacity of the system are only put there when there is an expectation that the future traffic levels are going to rise and cause congestion levels over and above the city’s level of service standards. He added that those capacity related improvements are on the TIP because a forecast has been made that within the next six to ten years, a capacity deficiency will occur. He said the reason that the Hunt Street project was on the list to relieve congestion on the two other interchanges, and for those who want to get from one side of the freeway to the other without having to interface with freeway traffic. He said that it’s not due to a capacity deficiency on the Hunt Street corridor, but the other two interchanges.

The next question he addressed was if they had considered impact fees for all citizens using the roads and how “through-trips” are considered. He said that unfortunately, the people outside the city get to use the city roads and unless you have an agreement with the jurisdiction that they came from, you cannot collect money for these trips. These trips add to the congestion and create the need for road improvements, but only indirectly are they going to contribute to the funds through gas taxes paid to the state. He said it was considered in the increase of capacity, but there is no way to collect funds.

He concluded his presentation and offered to answer any other questions. Mayor Wilbert asked if Council had any questions of the consultants.

Councilmember Dick asked if he was correct in that neither of them had dealt with the concurrency ordinance. Both answered that they had not been involved in the concurrency ordinance, and Mr. Young said he had read the ordinance and would be happy to give general answers. Councilmember Dick asked Mr. Young about the commonality of the reservation of capacity provision and how to measure capacity and knowing if it is available to reserve.

Mr. Young said that accounting for reserved capacity is not a common practice, but that doesn't mean that other jurisdictions don't track their capacity in some ways. He said that those that don't do it may make it easier on themselves and the development community, but it is more difficult on the other end, when it comes time to deliver a guaranteed level of service, as you cannot foresee impact from outside sources.

Councilmember Dick then asked how valid it is to reserve capacity if you do not control the whole system or who is causing the impacts. Mr. Savage answered that just because you can't control the outside impact, it doesn't mean you can't forecast them. The way to deal with it, as is included in the ordinance, is that every year you look at how much traffic has occurred, you update your six-year traffic forecast, the six-year transportation program, your costs and expectations of growth and update the fees. Part of the update process is to place traffic counters on roads in and out of the city and see how much growth from outside is impacting your community and how much reserve capacity has been used by external growth. He said that cities in King County have tried to control the amount of growth from the adjacent county by challenging the issuance of development permits in the county using SEPA. This results in delays to the developer, who in lieu of going through the SEPA process, will come to an agreement to the jurisdiction to pay a sudo impact fee. He said the King County and some of the cities have initiated a process where they have reciprocal impact fees through an interlocal agreement. He said that the annual report is an import part of the concurrency management system to deal with updating the traffic base and the relationship to capacities, which will give a good indication of the impact by development in the county and guide you in dealing with other jurisdictions.

Councilmember Dick asked if there were other ways to deal with reserve capacity and the impact from other jurisdictions. Mr. Young said that the approach to reserve capacity is a protective and defensive mechanism for development as it occurs and would allow the city to act in good faith.

Councilmember Young asked about speculative reservation of capacity. Mr. Young said that they have routinely advised other jurisdictions that a free market will do whatever the rules allow and to be aware of the outcome. He suggested that there are a number of strategies available to local governments. The first, which is contained the City of Gig Harbor's ordinance, is the fee structure, where earnest money at stake. The second is a quota system which decides that certain areas, certain markets or developers are entitled to a piece of the action. The third strategy, which is also included in the proposed ordinance, is term limits on rights that are issued. He said the two strategies, fees and term limits will seriously minimize monopolistic behavior. He added that King County, who has the term limits but no fees, wound up with a land office rush in a part of the county and all the capacity for 20 years of growth was consumed within the first 18 months. Mr. Savage added that not only did they reserve the capacity, but they built all those homes, which created a tremendous growth problem within that area instead of spreading it out over time.

Councilmember Young addressed the impact fee ordinance. He said that it appears that outside traffic had been excluded from the reducing the cost of fees, and assumes that 100% of trips

being generated by new construction originates within city limits. Mr. Savage explained they are only predicating on half the trips so you aren't double collecting. He said that that they are charging the trip that leaves home and charging the trip that goes to the restaurant, but they don't care where the trip from home goes to or where the trip to the restaurant comes from.

Councilmember Young then asked them to explain how they arrived at the impact fee per unit fee in the formula in appendix 'A2'. Mr. Young explained that the twelve and one-half million dollar figure represents the list of projects that have gone through the eligibility process that determines if they are a true capacity project that will serve growth and aren't funded. He continued to explained that the 27,000 trips per day are based on the traffic model. You divide the twelve and one-half million by the 27,000 trips and determine that each trip cost approximately \$450. Then gas tax contributions are taken into consideration and credited against the impact fee at a rate of \$19.48 per trip. Finally, take the total cost of \$452.37, subtract the gas tax of \$19.48, and you arrive at the final net capacity cost per trip of \$432.89. The *ITE Book* determines who generates those trips and you multiply this number by the cost per trip to arrive at your impact fee.

Councilmember Markovich asked if the consultants assisted communities in determining priority for listing projects on the six-year plan, in assuring concurrency of the projects, and then recommending a practical approach to building what is needed to reduce the level of service. He wondered why certain projects had made their way onto the city's list. Mr. Young replied that the persons who developed the six-year plan should be asked to describe how they derived at the list and if they followed the prescribed recommendations of the Growth Management Act to balance the budget of the capital facilities plan and to assure that the projects are not just a "wish list." He said that the city's plan should describe how the projects are to be funded and whether or not these projects relate to the level of service adopted by the city. Then the Council can make a decision, with and on behalf of the community. He said that Washington law requires that local capital facilities plan should be balanced with real money, and that impact fees are one method of obtaining that balance. Councilmember Markovich followed up with a question on the relative proportion that impact fees weigh against other funding methods. Mr. Young answered that - in the whole state - only a tiny piece. He added that development is paying its legal share in other ways, such as SEPA. He added that only 30 to 40% of projects are paid by impact fees in communities that have them.

Councilmember Markovich then addressed the concern that the city would be required to return impact fees to the developer that are not used within a specific period of time, and asked if this had occurred elsewhere and if so, why. Mr. Young said that he was aware of only one occurrence in the United States that this had happened. He added that these lists of projects needing to be built are sincere and legitimate. The ability of the government to get the projects designed and out to bid may take a few years, but six years is a reasonable time period. Mr. Savage added that the city should only place projects on its six-year transportation improvement plan that it knows it really need and have a chance of funding.

Mayor Wilbert asked if anyone in the audience wanted to ask any further questions.

Walt Smith stood and asked if the Hunt Street Improvement project took into consideration the improvement to the Gig Harbor interchange as well as the new 36th Street interchange. Wes Hill answered that the 36th Street interchange was not contemplated at the time of the 1993 Comprehensive Plan. Mr. Savage answered that he didn't believe that the Hunt-Wollochet interchange was considered as a full interchange at the time the plan was developed. Mr. Smith said that this needed to be taken into consideration and that there are a lot better places to spend twelve million of the city's money than on Hunt Street.

Marie Sullivan commented on the statement that the impact fees don't change the development decision and that it is only 1 to 2% of developmental price. She said that the Chamber had looked at impact fees and it is substantially more than 1 or 2% in many of the cases, which is a significant impact. She urged Council to find out how many are building in areas with high impact fees or if they are building in the county outside the city. Mr. Savage said that his personal experience with King County shows that the areas where the impact fees are the highest are by-in-large where the most homes are being built. He added that he had not seen any long-term structural changes in the market as a result of impact fees and added that he was unaware of any studies done by the U.S. Chamber of Commerce. Ms. Sullivan asked to evaluate how long the fees have been in place in those areas and find out if there is a body of data that is useful.

Mr. Young added that there is one carefully structured multi-variant, academic study of the impact of impact fees based on longitudinal analysis in areas where fees were placed for five years or longer, in five different markets. The variables in the study were the amount of the fees, population growth, interest rates for borrowing, and cost of construction supplies. He added that it was a very thorough study done by a graduate student from the University of Florida and validated by a National Growth Management expert, who was his advisor. The study documented that there was zero correlation between the amount of fees and the amount of development in any of those communities attributable to any of the variables. He added that in the five-market study, the one with the highest growth rate was also the one with the highest fee. He said that high fees do not cause growth, but they do not stop growth. He continued to say that any impact fee will be more than a tiny fee on a product at the lower end and used low-income housing as an example. He said that the law allows two legal exemptions to the impact fee system; other public agencies or low-income housing. He warned that when you exempt, Washington law says that the taxpayer pays the fee in order to implement that policy. He said that many cities on the list he read have these exemptions, and that is one of the reasons that development doesn't stop.

Scott Wagner said that he was hoping to better understand the process, but he found himself more uncomfortable than before. He said that the gentlemen who came to speak were supposed to present an unbiased case, but he felt like they were selling this process. He added that he didn't think it was right to put an extra burden on certain developers to control reservation or to request someone to go through a whole environmental impact statement to force them to give funds. He said that impact fees of 1-2% have an impact, but that fees in the 20% range would definitely have an impact on development. The impact to the city when you don't have development is that there is no new tax base, no sales tax, and no long-term income to be placed in the coffers. He then addressed zones, referring to the development in which he is currently

involved. He said the owner is going to have to pay \$500,000 in impact fees and the statement that it is too difficult to account for two zones is not a good argument. He said for that amount, the city should be able to assure the money would go to the area where the project is located. He said that using one zone is taking the easy way out. He then referred to the discussion about averages and said that the *ITE Manual* is an average and not based on Gig Harbor, and said that he wanted a better answer. He said that several projects that he had worked on used the manual and the numbers weren't specific enough and that the *ITE Manual* should be used as a basis, but it is not gospel and isn't 100% correct. He said that he had asked for a simple answer to what makes a project or a system improvement and didn't feel he got one. He said that an answer of "yes, no or maybe" isn't a valid answer. He deferred to Councilmember Picinich's comment in the paper that no one is opposed to traffic impact fees, adding that he had said all along that he supports park impact fees, but he is definitely against traffic impact fees. He said that he thinks they are a scary thing and would take more to govern and to implement than our current staff can handle. He then concluded that he hopes to be a participant and is not trying to disrupt this process to decide what is best for the city.

Mayor Wilbert asked presenters to come to the microphone to be heard better, and to limit comments to questions of the consultants and staff.

Scott Miller asked if any studies of impact fees in a decreasing economy had been done. Mr. Young responded that impact fees are designed for growth, and communities that are stable or in a decline wouldn't consider these fees. He said that there are no studies that he is aware of to answer that question. He said that common sense dictates that if an area has chosen to charge an impact fee, and if the economy declines and development stops, the community may feel it beneficial to remove the impact fees to get development started again. Impact fees are a local ordinance that can be removed.

Walt Smith referred to Appendix 'A-2' and the formula. He wanted to know how the 27,000 trips are divided into the twelve million dollars of projects. Mr. Savage explained that the 27,000 trips came from the traffic that was generated by the anticipated growth in the 1993 Comprehensive Plan. He added that those trips impact road throughout the city, plus the growth from outside the city, and anticipated commercial development.

Jim Pasin – 3208 50th St. Ct. NW. Mr. Pasin had a series of questions. He asked that because the city has a 8 to 1 population ratio outside verses inside Gig Harbor, what would be the consultant's recommendation to the Council to deal with outside users. His second question was during the six-year period, at what point does an existing situation become a deficiency and an improvement. He asked if it is legal to provide a reserve for all existing undeveloped property under this type of ordinance so that the property can have some assurance it can be developed in the future and will not lose economic value due to lack of reserve. He then asked if there were any cases where property has been devalued because of impact fees, in particular reserves, and if the owner was able to collect damages. He then talked about the rate schedule. He said it was his understanding that this was something currently developed because it has the twelve million dollars based on Schedule 'B', yet the consultant alluded to the fact that he is aware of the past schedule with his past work with the city, and therefore, were they familiar with that twelve

million dollars, or has staff used the consultant's formulas and plugged the figure in. He asked if this existing model use the 1998 or 1999 gas tax revenues or they revenues from 1993. He said that the consultant indicated that land values are not impacted by impact fees, reserves in particular. He asked for an explanation on how you would value adjacent pieces of undeveloped property where one has reserved capacity and the other has no chance of reserves. He finalized by saying that it would be possible that over a six year period, by not having more than one zone, that a project on the list could not be completed, and therefore the city would have to return the impact fees and asked for comment on this observation. He thanked the consultants for coming and showing patience with all the questions.

Mr. Young said thank you to everyone for their politeness and good humor. He apologized to those who felt that he and Mr. Savage were present in an advocate role, adding that it was not their intention. He began to address Mr. Pasin's questions.

Regarding their recommendation to address the 8 to 1 population ratio, he said that the other funds such as grants and gas taxes are paid by other taxpayers. He added that the ultimate solution is to negotiate with the neighboring jurisdictions utilizing intergovernmental arrangements. He said there is no good answer to how to get all the external users to pay their fair share of the consumption of roads.

He answered at what point a project is serving an existing deficiency rather than new growth. He said that Washington Growth Management law anticipates this and says that all development that comes in after the project is added to the list is still considered growth even before the road is built. He added that there are two provisions that allow that one, you are allowed six years to built a road to serve that growth, and two, you are allowed to charge because the law specifically allows something called a recoupment fee, which is similar to a latecomer fee. He added that the six-year plan is updated, so there is a new six-year horizon.

He then addressed the question on whether it is legal to reserve capacity for all undeveloped property. He said that he interpreted the question to mean that someone who has owned property in the city for a long time may ask for reservation or protection to their right to develop. He added that Washington law acknowledges that notion of vested rights weighed against specific benchmarks, people who "get to play by the old rules" versus those who "have to play by the new." He said that impact fees do not provide a mechanism where you can generally vest a whole group. It would be the same as exempting them, and the city would have to pay the fees on their behalf. He mentioned the fact that there are only two kinds of exemptions allowed. He said that what could be done is a delayed implementation of the fees, almost every community who has adopted the fees has done this, placing the effective date anywhere from 90 to 180 days from the adoption of the ordinance to protect those who have already begun the process. The idea is not to catch or surprise someone and deprive them of their livelihood or decreaseable profit, but to give plenty of warning that if you do development after a new date, there will be a new price tag associated.

He talked about examples of property being devalued by impact fees. He said that he was not aware of anyone collecting for damages in this case, and in fact, there were extraordinary cases in

the opposite extreme in other states. He used an example in Florida where a project was completed, and at the time of obtaining occupancy permits, the developer was told he would have to pay newly adopted impact fees. He said that the Supreme Court upheld that decision. He disagreed with the notion that fees diminish the value or property rights. He continued to say the Supreme Court and the Washington state Court says that the government has a reasonable right to regulate behavior and that if there are some changes in value, even some diminution of value, it cannot be considered a taking. He said that there is no example where someone has been able to collect for damages.

Mr. Young said that he and Mr. Savage made out the model for the calculations and used that model for the list of projects for the 1993 Capital Facilities Plan, and staff has adhered to the model using their understanding of the ground rules laid out as to which projects are growth and which are deficiencies, which are funded, which are unfunded, which are capacity and which are non-capacity. He said that Council and the public are entitled to have staff explain how they derived at the current list. He said that no, he and Mr. Savage are not party to the twelve million dollar figure.

He continued to say that the model was developed with the 1993-94 gas tax, and he did not know if staff had adapted the numbers to the 1998-99 figures.

He explained that he did not intend to imply that land value is not affected by impact fees. He said that quite to the contrary, he agrees that land values and the price of the overall development are directly affected by impact fees. What he intended to say was that the amount of development in a community is not affected by impact fees. He added that the price does go up, and the value of the piece of property with impact fees will increase, and it may be less affordable to certain people, but it will still be built, according to the study.

What happens if the twelve million-dollar list doesn't get built? That is the ultimate accountability question to this government as represented by elected officials and senior staff. He says that there is an obligation under the law to do an annual report showing the money that has been received and where the money has been spent. There is a public disclosure whether you are keeping pace with your plan. There is also the notion that if development occurs faster than you thought, you are going to get more impact fees but you're probably going to have a bigger list of roads and vice versa. You may not build the twelve million-dollar list because you might have less development, and therefore you don't need the big list. It is somewhat self-balancing. Is it technically possible that the government could collect all these fees and not build the projects? Only until the citizens see the audit reports, demand their fees to be returned and place a judgement against the city. He added that there has never been a case of this. He says he knows of no instance where a government launched into their plan and even attempted to collect the money and not build the projects.

Dale Pinney said he would like to ask the consultant their position in regards to the statement that was made that impact fees don't have any affect on the market place in regard to development, and in the same breath saying that an economy that is depressed would not install impact fees, and where impact fees are highest is where the most growth occurs. He said that impact fees are

directly related to the growth in an area. He said that the two most expensive places to develop in the U.S. are Washington and Florida, even before impact fees. He added that Gig Harbor is not Redmond, or Bellevue, and not a huge community, and you can only pay so much to go into this community. If impact fees are too high, this will directly affect developing community and market. If the fees are left where they are, Gig Harbor North will not happen. The 2.9 million dollar fee doesn't work. A great analogy was made early on with the girl scout cookies: you can sell forty boxes at \$1, but you aren't going to sell any at \$40. You can get some money and begin gathering fees, but you can't get them all on the first day. He added that the study that was completed in Florida was done by someone who had never built a center, and when you tack on these kinds of fees, nothing is going to be built.

Mr. Young said that the report was done on five markets over a ten year period and covered every developer; and it didn't matter whether or not the student built an individual project that reported a profit or loss. The student reported on profit and loss for every single development in those markets over a prolonged period of time. He added that the study shows that the market as a "whole" is not affected by impact fees. He said that he has acknowledged repeatedly that the price of individual products is affected and you have limited choices on exemptions. He said that he agreed that Washington is an expensive place to develop as compared to the rest of the world, but it is not true that Florida is expensive. The highest place markets are Boston, San Francisco, and Connecticut, and not all of them have impact fees.

John Rose said that the bane for most developers is uncertainty and that comes up in two ways. One has to do with certainty in regards of the vesting of impact fees, which the current ordinance does not allow. He asked if there are cases where vesting at the time of application takes place. His second question is how do you balance a 20 year project and how does a developer handle the impact fee issue. He asked about development agreements to give certainty to a developer.

Mr. Young said that the city government has wide latitude in deciding what the effective date is and who is covered by the effectiveness of the ordinance. He said the implementation date could be delayed to any particular date in time as a way of providing certainty to people who are in the pipeline. He said that such an ordinance states that anyone who has completed application by the effective date of the ordinance is vested. You could add this to the ordinance if it does not already exist. He then addressed the issue of the term build-out and reservation fees. He said that the way the city has their reservation fee structured is to serve as a down payment against the actual impact fee when it comes due. That leaves the developer as the risk-taker and increases their uncertainty, but gives the government certainty. This certainty could be shifted back to the developer by saying that the reservation payment will be considered as payment in full of all obligations, and when you come back in ten years or so, you don't owe any more. He said you have to be careful utilizing development agreements related to impact fees to not create the appearance of things that are not otherwise allowed under the GMA impact fee law. He used the example that you couldn't say that the rate structure issue was \$2000 for every house, but we are writing a development agreement for you that says that because you are a 20 year deal, you only owe us \$1500 a house. This would be considered a form of exemption. He addressed the last comment about uncertainty saying that one reason that some communities find impact fees

attractive, and even some developers find them relatively attractive, is because they are more certain than SEPA for a lot of circumstances.

The public hearing was closed at 9:52 p.m. Mayor Wilbert asked for a 10-minute recess. The meeting resumed at 10:10 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 the March 8, 1999, City Council meeting.
2. Correspondence / Proclamations:
3. Approval of Payment of Bills for March 8, 1999:
 Checks #22135 through #22249 in the amount of \$144,484.06.
3. Liquor License Renewals:
 Maritime Mart Fraternal Order of Eagles
 Gig Harbor Texaco Tides Tavern

MOTION: Move to approve the consent agenda as presented.
Picinich/Owel - unanimously approved.

OLD BUSINESS:

1. Concurrency Ordinance.
2. Transportation and Parks Impact Fees Ordinance.
3. Definitions Ordinance.

Council discussed when to hold worksessions to discuss these issues, and the following motion was made.

MOTION: Move to hold one workshops to discuss the Concurrency and Definitions Ordinances, and the second to discuss the Impact Fee Ordinances.
Owel/Young – unanimously approved.

The workshops were scheduled on the following dates:
Concurrency and Definitions Ordinances: April 5th – 6:00 p.m., Council Chambers
Impact Fee Ordinance: May 3rd – 6:00 p.m., Council Chambers

Marie Sullivan came forward and asked if the workshops were going to involve the public. Mayor Wilbert defined the nature of the workshops and said that she would like the Council to work with staff, taking into consideration all the input that has come forward to see if they can come up with an agreed document to bring back to the public. She added that public was welcome to sit in on the process, and could be asked to participate.

Councilmember Young suggested going through the document line by line for consensus among Council and staff. Councilmember Dick said he understood the process to include a spokesperson from various groups to synthesize comments to be included in the workshops. Councilmember Markovich said that he had anticipated it to take the same format as the sign code ordinance and that staff would facilitate the meetings, discuss the various concerns to interested parties, and bring back a refined document for consideration. He added that he has no desire to hear comments that have been previously heard, and that Council shouldn't be involved with the drafting of the document. Councilmember Young said that there were only four or five significant changes to be made, and it shouldn't be as involved as the changes to the sign code. Councilmember Markovich said that a vehicle should be developed where staff can understand what the community sees as problems and if they can't be worked out at that level, then a determination could be made on what should be done. Councilmember Picinich asked that staff take the input and have something ready for Council to review on April 5th showing the changes as redlines.

Councilmember Owel said she would review all the correspondence and listen to the recorded tapes of the meetings and develop a concordance of the comments that have been received. She added that there are fewer options with the concurrency ordinance than with the transportation impact fee. She said that she would like staff to present their version, and that she would check it against what she has been able to do on her own to make sure most of the comments and concerns had been addressed.

Mayor Wilbert agreed that she would like these workshops to be a form of study session to review changes, and said that at the last meeting she asked people to sign up who would be willing to act as citizen consultants to review the document.

Councilmember Young said that certain people have a natural spokesperson, but it would be difficult to limit who was able to contribute. Councilmember Picinich asked that the interested parties be given a draft, and meet on the 5th. Mr. Hoppen reiterated that the workshop format would consist of staff and Council meeting and analyzing the document, and that the public would attend but would not speak except as invited by the Council. Carol Morris, City Attorney, was asked to compile a list of concerns and possible changes to the document, showing the language and insertion points in the ordinance for the April 5th meeting.

NEW BUSINESS:

1. Ordinance Forming a Local Improvement District for Construction of the East-West Road – First Reading. Dave Rodenbach explained that listed in the memo accompanying the draft ordinance are the eleven proposed parcels for the preliminary LID. He gave a quick overview of the finances of the project and answered Council's questions. Councilmember Dick asked for an update from the Consultant on what properties need to be involved and if the boundaries need to be modified. Dave explained that the contract gave them 90 days to respond, and that he would continue to attempt to obtain information. He added that action could be delayed as information regarding grants is obtained.

2. Communications Maintenance Contract. Chief Mitch Barker presented this renewal of two contracts that have been in effect for a number of years to provide communications maintenance for the Police Department and Public Works for the radio systems. He said that there is an attempt to consolidate the two contracts into one, but at this time two separate motions were required for approval.

MOTION: Move to authorize the Mayor to renew the contract for communications maintenance service for the Public Works Department.
Picinich/Owel – four voted in favor. Councilmember Dick abstained as an employee of Pierce County.

MOTION: Move to authorize the Mayor to renew the contract for communications maintenance service for the Police Department.
Picinich/Owel – four voted in favor. Councilmember Dick abstained as an employee of Pierce County.

3. Engineering Study – Consultant Services Contracts. Wes Hill briefly presented and recommended approval for this contract with Cosmopolitan Engineering Group for the Wastewater Outfall Studies and the 1999 NPDES Permit Water Quality Studies. He then recommended approval of a separate contract with Jones and Stokes Associates, Inc., for the Outfall Engineering Report.

MOTION: Move to authorize execution of the Consultant Services Contract with Cosmopolitan Engineering Group for the Wastewater Outfall Study and the 1999 NPDES Permit Water Quality Studies in an amount not to exceed sixty-nine thousand five-hundred seventy-five dollars and no cents (\$69,575.00).
Young/Picinich – unanimously approved.

MOTION: Move to authorize execution of the Consultant Services Contract with Jones and Stokes Associates, Inc., for the Gig Harbor Outfall Engineering Report, in an amount not to exceed twenty-five thousand one-hundred fifty-eight dollars and no cents (\$25,158.00).
Owel/Picinich – unanimously approved.

4. WWTP Process Control System – Consultant Services Contract. Wes Hill presented this request for approval for a contract with Casne Engineering, Inc. for the update of the process control system at the Wastewater Treatment Plant.

MOTION: Move to authorize execution of the Consultant Services Contract with Casne Engineering, Inc., in an amount not to exceed sixty-two thousand six hundred fourteen dollars (\$62,614.00).
Picinich/Owel – unanimously approved.

5. Wells 5 & 6 – Consultant Services Contract. Wes Hill explained that one of this years objectives was the completion of Well No. 6 and modification to the facilities for Well No. 5 and recommended approval of this contract with Gray & Osborne, Inc., for engineering services.

MOTION: Move to authorize execution of the Consultant Services Contract with Gray and Osborne, Inc., for engineering services for Wells 5 and 6 in an amount not to exceed twenty-seven thousand eighteen dollars and no cents (\$27,018.00).
Owel/Picinich – unanimously approved.

6. Rosedale Street Right-of-Way Dedication. Wes Hill in order to complete construction of the Rosedale project, a twelve-foot right-of-way is needed at the corner of Stinson and Rosedale, which has been donated by Spadoni Brothers. He recommended approval of the dedication of the right-of-way and that the level one assessment be waived.

MOTION: Move to accept the attached right-of-way dedication agreement.
Dick/Owel – unanimously approved.

PUBLIC COMMENT/DISCUSSION:

Darrell Rodman – 10511 Bliss Cochran Road, KPN. Mr. Rodman explained that he was the owner of the Wilkinson property at 4118 Rosedale Street. He said that he was present at the recommendation of Judge Tollefson because of the public use and necessity hearing that took place March 19th. The Judge recommended that Mr. Rodman continue discussion regarding the future of the property. He said it was the desire of his Aunt Helen that he retain and develop the property, and that the plan he had passed out shows that the property would be used to enhance the city, involving senior housing, a bed and breakfast facility, a park and both cultural and performance arts programs. He said this plan would not be a burden to the taxpayers. He added that in the spirit of Judge Tollefson's request, he was before Council to present his preliminary plan and requested that Council review this plan and contact him with any questions or alternative proposals by Thursday, March 26, 1999.

COUNCIL COMMENTS:

STAFF REPORTS:

Wes Hill mentioned two upcoming meetings:

Parks Committee.....3:00 p.m. Thursday, March 25th at City Hall,
Harborview Drive Street End Project - 6:00 p.m., Thursday, March 25th at City Hall.

EXECUTIVE SESSION: For the purpose of discussing property acquisition as per RCW 42.30.110 (b), personnel as per RCW 42.30.110(g), pending litigation and possible claim per 42.30.110(i).

MOTION: Move to adjourn to Executive Session at 10:48 p.m. for approximately 20 minutes.

Picinich/Owel – unanimously approved.

MOTION: Move to return to regular session at 11:08.

Picinich/Young - unanimously approved.

MOTION: Move to pay Matthew Robert O'Brien the total sum of \$219.06 for potholes damage to his car.


Picinich/Young – unanimously approved.

ADJOURN:


MOTION: Move to adjourn at 11:10 p.m.

Owel/Young – unanimously approved.

Cassette recorder utilized
Tape 522 Side A 355 – end.
Tape 522 Side B BLANK
Tape 523 Both Sides.
Tape 524 Both Sides.
Tape 525 Side A 000 – 403.



Mayor



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF APRIL 12, 1999

PRESENT: Councilmembers Ekberg, Young, Platt, Owel, and Picinich. Councilmember Dick was absent. Markovich acted as Mayor Pro Tem in Mayor Wilbert's absence.

CALL TO ORDER: 7:03 p.m.

PUBLIC HEARING: Formation of a LID for Construction of the East-West Road.

Mayor Pro Tem Markovich explained that the public hearing on this item had been continued from the last council meeting. He opened the public hearing at 7:05 and invited anyone interested to speak.

Bob Elderkin - 16610 163rd Place SE, Renton. Mr. Elderkin explained that he was representing Logan International Corporation, one of the major landholders in the Gig Harbor North project. He said that he would postpone his comments in the hopes that there would be continuation of discussion on this item as there are negotiations currently in process. He added that with a little more time, they felt an amiable solution could be reached.

Greg McCarry - PO Box 1780, Poulsbo. Mr. McCarry said he was representing Olympic Resource Management / Pope Resources in place of John Rose. Mr. McCarry said that hoped that Council would continue the hearing until after receipt of the special benefits study.

Scott Miller - 6602 Cromwell Drive. Mr. Miller said that he mirrored the comments from Mr. Elderkin and Mr. McCarry that action should be postponed until the results of the special benefits study had been obtained.

MOTION: Move to recess the public hearing on this item until the May 10th meeting. Owel/Ekberg - unanimously approved.

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 the March 22, 1999, City Council meeting.
2. Correspondence / Proclamations:
 - a) Award of Certificate for Water Distribution Manger 2 to Anthony Poling.
 - b) Roundtable Discussion on State and Local Year 2000 Issues.
 - c) Building Cities of Green.
 - d) Pierce County Library Accomplishments.
 - e) Thank you letter to Patsy Irwin for donation.
 - f) Thank you letter to Travis Leland for service project.
3. Approval of Payment of Bills for April 12,1999:

- Checks #22250 through #22374 in the amount of \$101,026.37.
4. Approval of Payroll for the month of March:
Checks # 17938 through #18075 in the amount of \$272,936.69.
 5. Liquor License Renewals:
Harvester Restaurant

MOTION: Move to approve the consent agenda as presented.
Picinich/Young - unanimously approved.

OLD BUSINESS:

1. Second Reading – Formation of a LID for Construction of the East/West Road. No report was given as this will return at the May 10th Council meeting.

NEW BUSINESS:

1. Economic Development Preparation. Mark Hoppen, City Administrator, explained that an administrative objective for the year is to create a process to determine how the city will address economic development. He said that the Economic Development Committee consisting of Councilmembers Owel and Young, has met with Mr. Dave Morris, who is representing the Chamber of Commerce, Mr. Ben Frerichs, and himself to talk about the manner in which the city might proceed. He explained that Mr. Frerichs had suggested a strategy to advance the city's economic develop interests and introduced Mr. Frerichs.

Ben Frerichs - 205 Lake Street South Suite 202, Kirkland. Mr. Frerichs explained that his firm, Huckell/Wienman Associates, Inc., was an economic consultant firm with approximately a dozen plans for a variety of different size communities. He offered to answer any questions.

Councilmember Owel said that one of the objectives of the economic development plan is to expand employment opportunities, and therefore the market for businesses already here. She said that the city has to start somewhere, and the broader objective is to maintain the economic vibrancy of this community.

Councilmember Young said that he was impressed by the wide variety of experience with other cities, both very large and very small. He said they identified a goal to increase the jobs per capita ratio, and recognized an opportunity to do this with the Gig Harbor North community.

Councilmember Owel read the administrative objective, which is to assist Councilmembers on the Mayor's Economic Development Advisory Committee to assess potential moderate to high-salaried jobs-producing businesses that would be suitable for the areas designated and zoned for professional employment, and to involve local businesses and residents in this assessment activity. Finally, to develop a strategy for attracting these businesses to Gig Harbor. She added that initial effort would be to have an economic summit with various residents, businesses, and other officials and speakers. She said that money had been budgeted for this purpose.

MOTION: Move to direct staff to develop a consultant services agreement with Mr. Frerichs to be brought back to Council for approval.
Young/Owel - unanimously approved.

2. Consultant Services Agreement – Materials Testing. Wes Hill, Public Works Director, explained that materials testing was needed for the Rosedale Street Improvement project to ensure that the project meets the requirements and procedures of the Washington State Department of Transportation. He added that WSDOT staff was unavailable to perform the necessary testing, and recommended approval of the agreement with AGRA Earth and Environmental, Inc., to perform the testing.

MOTION: Move to authorize execution of the Consultant Services Contract with AGRA Earth and Environmental, Inc., in an amount not to exceed twenty thousand dollars and no cents (\$20,000.00).
Young/Owel - unanimously approved.

3. Consultant Services Agreement – Pt. Fosdick Drive Improvement Project. Wes Hill gave a brief overview of the project, which will provide a five-lane section extending south to 44th Street. He explained that the contract before council was to complete the design, prepare the plans, specification and estimates and any other related services for construction of the project. He added that the project should begin in July.

MOTION: Move to authorize execution of the Consultant Services Contract with Skillings-Connolly, Inc., for engineering services for the Point Fosdick Drive Improvement Project, Phase 2, in an amount not to exceed fifty-six thousand five hundred ninety-five dollars and seventy-three cents (\$56,596.73.)
Owel/Picinich - unanimously approved.

4. Award of Contract – Street Pavement Marking. Wes Hill presented this contract for two separate applications of pavement markings to the city's arterial streets. He explained that two contractors responded to the call for bids, and recommended award of the contract to Stripe Rite, Inc. for paving marking in the amount of \$18,154.84.

MOTION: Move to authorize execution of the contract with Stripe Rite Inc., in an amount of eighteen thousand one hundred fifty-four dollars and eight-four cents (\$18,154.84).
Picinich/Young - unanimously approved.

5. First Reading of Ordinance – Amendments to Chapter 18.04, City Environmental Policy. Steve Osguthorpe presented this ordinance to change the current consolidation of the required 14-day SEPA of the comment period and appeal period. He added that this ordinance would provide additional due process for prospective appellants. This will

return at the next meeting for a second reading.

6. Closed Record Hearing – Appeal of Hearing Examiner Decision, SDP 97-03, Ross Dock. Mayor Pro Tem Markovich explained that this was a quasi-judicial proceeding to consider this appeal. He asked if there are any appearance of fairness issues with any Councilmembers. Councilmember Owel recused herself as the appellant was a close personal friend, and left the Council Chambers.

Mayor Pro Tem Markovich asked if any Councilmembers had an ex parte communication with the appellant or applicant. There was no response to this query so he proceeded to ask if there were any members in the audience who may have appearance of fairness issues with a member of the Council.

Mary Kay High, attorney for the applicant, clarified that the members of the Harborview Condominium Association were also appellants, in addition to Mr. and Mrs. Matlock.

No other comment came forth, and Mayor Pro Tem Markovich proceeded with the closed record hearing. He explained that no new evidence could be presented, but that both parties would have the opportunity to present their position to the Council. Steve Osguthorpe, Planning Associate, explained that this was the second time this issue had been before Council, and that it had initially been remanded back to the Hearing Examiner due to notification issues. He said that it was before Council as the final Hearing Examiner decision, with which the appellant disagrees on several points. He added that staff had included a draft resolution upholding the Hearing Examiner's decision with some changes to errors in the findings.

Stephanie Arend - 1201 Pacific Avenue Suite 2200, Tacoma. Ms. Arend explained that she was the attorney representing the appellants, Ivan and Aurora Matlock and the Harborview Condominium Homeowners Association. She gave an overview of the challenges to several of the Hearing Examiner's findings. The appellants assert that extension of the Ross Dock will preclude or limit the access to the western slips of the Harborview Condominium marina.

Mayor Pro Tem Markovich asked if either party had done a survey. Ms. Arends answered that none had been done, and added that it was the burden of proof for the applicant to prove they meet all the conditions of the permit, not the opponents. He then asked if the appellants were opposed to the status quo in respect to the vessels adversely impacting the marina. Ms. Arends responded by saying that the issue was the increased impact from the proposed float. Several issues were discussed such as the adverse impact on one private property to the benefit of another private property owner and crossing of lease lines during navigation. Ms. Arends recommended that Councilmembers review the video tape that had been made of a boater measuring the distance from his boat to a boat moored at the Ross Dock.

2. Moratorium – Commercial Stimulant Card Games. – Mark Hoppen gave a brief overview of the concern over the proliferation of mini-casino card rooms and the recent proposed moratorium on such activities at the Washington state level by Governor Locke. Councilmember Owel advised that the Gambling Commission had a web site with all the information on how easy it is to obtain these permits and also voiced her concern about parking. Councilmember Young spoke on the issue of potential revenue for the city. Councilmember Picinich inquired as to whether this would affect anyone currently. Mark Hoppen stated that this was why it was a good time to enact the moratorium because right now there were no businesses that would be directly affected. Carol Morris read the definition of social card games from state statute and noted that a change needed to be made in the title of the ordinance to add social card games.

MOTION: Move to adopt Ordinance No. 816 adopting six-month moratorium and setting a Public Hearing date of June 14, 1999 to address the issue of whether card rooms should be allowed to locate or continue to operate in this jurisdiction with modifications.
Picinich/Owel – unanimously passed.

COUNCIL COMMENTS:

STAFF REPORTS:

Quarterly Finance Report – Dave Rodenbach gave a brief overview of the financial reports for the first quarter of 1999.

ANNOUNCEMENTS OF OTHER MEEETINGS:

Council Workshop to continue discussion of the Concurrency and Definitions Ordinances: Tuesday, May 4th, 1999, 6:00 p.m. in the Council Chambers at City Hall.

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

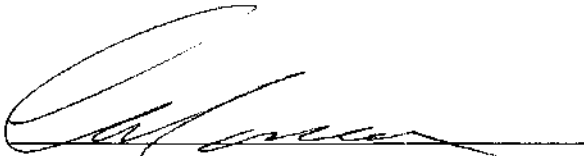
MOTION: Move to adjourn to Executive Session at 7:30 p.m. for approximately 30 minutes.
Young/Owel – unanimously approved.

MOTION: Move to return to regular session at 7:55.
Picinich/Owel - unanimously approved.

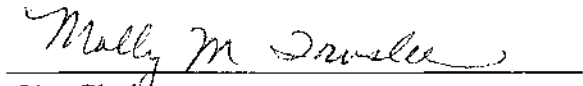
ADJOURN:

MOTION: Move to adjourn at 7:56 p.m.
Owel/Picinich – unanimously approved.

Cassette recorder utilized
Tape 527 Side B 000 – 334



Mayor Pro Tem



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF APRIL 26, 1999

PRESENT: Councilmembers Young, Owel, Ekberg, Picinich, Markovich and Mayor Wilbert.
Councilmembers Dick and Platt were absent.

CALL TO ORDER: 7:10 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 the April 12, 1999, City Council meeting.
2. Correspondence / Proclamations:
 - a) Proclamation presented to Jill and Kirsty Johnson from Harbor Heights Elementary School proclaiming April 26-30, 1999 Staff Appreciation Week
3. Approval of Payment of Bills for April 26, 1999:
Checks #22375 through #22467 (excepting #22377) in the amount of \$107,646.23.

MOTION: Move to approve the consent agenda as presented.
Young/Owel - unanimously approved.

OLD BUSINESS:

1. Second Reading of Ordinance – Amendments to Chapter 18.04.230, Establishing Separate Comment and Appeal Period under SEPA. Carol Morris explained that currently the City consolidates the required 14-day SEPA comments period with the 14-day appeal period. An additional 7 days would be allowed beyond the comment period for the filing of an appeal.

MOTION: Move to adopt Ordinance 815 amending Title 18 of the Gig Harbor Municipal Code (18.04.230(B)) to provide for the filing of an appeal of a SEPA threshold determination after the comment due date.
Markovich/Owel – unanimously approved.

NEW BUSINESS:

1. Indemnification Agreement (Talmo, Inc.). Mark Hoppen explained that this agreement is to allow a bored undercrossing within the Washington State Department of Transportation's SR-16 right-of-way for development that requires an extension of the City's water system to provide necessary fire flow.

MOTION: Move to approve an Indemnification Agreement with Talmo, Inc.
Picinich/Owel – unanimously approved.

2. Moratorium – Commercial Stimulant Card Games. – Mark Hoppen gave a brief overview of the concern over the proliferation of mini-casino card rooms and the recent proposed moratorium on such activities at the Washington state level by Governor Locke. Councilmember Owel advised that the Gambling Commission had a web site with all the information on how easy it is to obtain these permits and also voiced her concern about parking. Councilmember Young spoke on the issue of potential revenue for the city. Councilmember Picinich inquired as to whether this would affect anyone currently. Mark Hoppen stated that this was why it was a good time to enact the moratorium because right now there were no businesses that would be directly affected. Carol Morris read the definition of social card games from state statute and noted that a change needed to be made in the title of the ordinance to add social card games.

MOTION: Move to adopt Ordinance No. 816 adopting six-month moratorium and setting a Public Hearing date of June 14, 1999 to address the issue of whether card rooms should be allowed to locate or continue to operate in this jurisdiction with modifications.
Picinich/Owel – unanimously passed.

COUNCIL COMMENTS:

STAFF REPORTS:

Quarterly Finance Report – Dave Rodenbach gave a brief overview of the financial reports for the first quarter of 1999.

ANNOUNCEMENTS OF OTHER MEEETINGS:

Council Workshop to continue discussion of the Concurrency and Definitions Ordinances: Tuesday, May 4th, 1999, 6:00 p.m. in the Council Chambers at City Hall.

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


MOTION: Move to adjourn to Executive Session at 7:30 p.m. for approximately 30 minutes.
Young/Owel – unanimously approved.

MOTION: Move to return to regular session at 7:55.
Picinich/Owel - unanimously approved.

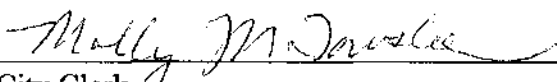
ADJOURN:

MOTION: Move to adjourn at 7:56 p.m.
Owel/Picinich – unanimously approved.

Cassette recorder utilized
Tape 527 Side B 000 – 334



Mayor



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF MAY 24, 1999

PRESENT: Councilmembers Ekberg, Young, Dick, Picinich, Markovich and Mayor Wilbert.
Councilmembers Owel and Platt were absent.

CALL TO ORDER: 7:05 p.m.

PUBLIC HEARING: Concurrency Ordinance and Definitions Ordinance.

Mayor Wilbert opened this public hearing at 7:16 p.m. Mark Hoppen, City Administrator explained that these ordinances were back for a second reading at this meeting. He said that pertinent written comments had been received from Master Builders Association and that there may be other comments at this hearing. He added that if no further major revisions were necessary, these ordinances could be passed this evening.

John Rose - Olympic Property Group - PO Box 1780, Poulsbo, WA. Mr. Rose explained that he had passed the ordinances through their attorney who had given it a "clean bill of health," and limited his comments to one request. He said that the Planning Commission was currently working on revisions to Title 17 & 19 of the Gig Harbor Municipal Code to add a development agreement section. He requested that "Development Agreements" be added to the definition section under the definition of permit activity.

Tiffany Spear - Master Builders Association - 3925 South Orchard - Ms. Spear gave out a letter that had been faxed to city hall previously. She thanked council for the workshops that had been held on these ordinances and added that most of the comments in her letter pertained to typos. She gave an overview of the comments contained in her letter and added that she had submitted alternate language for sections 19.10.003(B), (C) and (D) to help clarify that section regarding exempting development that would produce less than 15 new p.m. peak hour trips per day.

Mark Hoppen explained that the Capital Improvement List was more inclusive than the list of projects that will increase the capacity to the system, which makes it necessary to have both lists. He also recommended that Council review the comments in the letter from Master Builders and make the amendments he had highlighted in the letter.

Mayor Wilbert closed the public hearing at 7:16 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 the May 10, 1999, City Council meeting.
2. Correspondence / Proclamations:
 - a. Letter to Liz McLaughlin, Chair of the Washington State Gambling Commission.
 - b. Letter from PSRC - Request for a Federal Functional Classification Change.

- c. Letter from Deborah Hyde, PC Special Proj. Coordinator - Marine Fisheries proposal.
3. Approval of Payment of Bills for May 24,1999:
Checks #22555 through #22579 in the amount of \$118,238.18.

MOTION: Move to approve the consent agenda as presented.
Young/Ekberg - unanimously approved.

OLD BUSINESS:

1. Second Reading - Definitions Ordinance. Mr. Hoppen went through the list submitted by Master Builders recommending amendments to the ordinance. All recommended changes were made except the recommendation to eliminate reference to a CIP list and Project list, as both are pertinent. Councilmember Dick said he did not want to add "Development Agreement" to the definition section as proposed by John Rose, as he did not want to do so until the changes had been completed to Title 17 & 19 by the Planning Commission.

MOTION: Move to adopt Ordinance No. 817 incorporating seven of the eight corrections suggested by Master Builders.
Dick/Picinich - unanimously approved.

2. Second Reading - Concurrency Ordinance. Council discussed the comments by Master Builders to amend language in the concurrency ordinance and make some changes.

MOTION: Move to adopt the Concurrency Ordinance per discussion.
Dick/Picinich -

Jeff Taraday, Legal Counsel, said that some of the changes to the ordinance seem to be substantive, and would require another hearing before being adopted.

Councilmember Dick withdrew his motion and made the following motion.

MOTION: Move to table action on this item until the next meeting.
Dick/Picinich - unanimously approved.

NEW BUSINESS:

1. Strategic Juvenile Justice Plan. Mayor Wilbert introduced County Councilwoman Karen Biskey and Jane Boyajian, from Tacoma-Pierce County Commission on Children, Youth and Their Families. Councilwoman Biskey explained that the supporting documentation for their program is being taken to all the cities and towns in the county to request a collaborative plan to develop their program titled "A Call to Action: Planning for Youth in Pierce County." She gave an overview of this program to improve the juvenile law and justice situation in Pierce County by reaching out to the youth to prevent them from becoming involved in the system.

Dan Erker, Administrator of the Pierce County Juvenile Court, said he was present to enlist the city's support for the Children's Commission implementation of a strategic plan for juvenile justice for children ages 9 through 18, and as a follow-up of the 0-8 initiative that has been successful. He gave an overview of the current statistics of juveniles entering into the juvenile system and what it costs the taxpayers. He added that through a cooperative effort, they have been able to leverage over a million dollars worth of services for families in the county, but they are without a strategic planning process to address costs and services further than a year or two. He said that this Children's Commission would provide the necessary planning.

Ms. Boyajian thanked the Council for making time for the presentation and the time Mayor Wilbert had spent meeting with her to better understand the issues. She presented information on the program and asked Council to look at the strategies and goals of the organization and let them know what additions need to be made from the city's perspective.

2. Resolution - Relating to Potential Tolls. Mayor Wilbert introduced the resolution and said that she had requested that it be brought to council for consideration. Mark Hoppen explained that the resolution both makes a statement about the nature of tolls respective to the community and also if tolls are implemented, it lays down criterion measures by which the toll authority would be accountable. Councilmember Dick said that because the bridge affects the citizens of Gig Harbor and decisions that are made by Council, he felt it is appropriate to share concerns in hope that there may be some impact on the outcome.

Hank Searles - 4435 Holy Lane NW. Mr. Searles said that before Council could lend its weight to its feelings about a toll on the bridge, it would have to lend its weight to the efforts of those citizens who are fighting for a vote against a bureaucracy and an unelected civil servant who says we can't vote at all.

Kirk Kirkland - 3114 No. Alder, Tacoma. Mr. Kirkland thanked Mayor Wilbert for introducing this issue to the council and explained that this was one of the first opportunities that the citizens had been given to speak and have a council vote on such a resolution. He said that the transportation planning on this project had mostly been conducted in secret or no public testimony had been allowed during meetings. He gave an overview of what he felt were unjust decisions and urged the council to pass the resolution, which he identified as a Declaration of Independence.

Michael Murphy - 11030 56th St. NW. Mr. Murphy said he was in support of County Councilmember Karen Biskey and Representative Pat Lantz in their efforts to bring the concerns of the citizens forward. He cited RCW 47.46, which states that the public-private initiatives program shall be implemented in cooperation, consultation and with the support of the affected communities and the local jurisdictions. He said what has occurred is unfair taxation *with* representation. He asked that language be added to the resolution

to the effect that the local jurisdictions have been excluded from the process.

Carl Ritting - 3410 61st Ave. Mr. Ritting said that the impact from the tolls will weigh financially on the community and, as a retiree, will raise his taxes more than the taxes on their home. He said another matter that hasn't been addressed is the congestion on the ancillary roads due to the influx of people who will be bought to the area by the new bridge. He urged that the resolution be passed and given to the Governor.

Otis Simmons - PO Box 126, Fox Island. Mr. Simmons said the citizens have been told of the "regional" importance of this bridge, but it was being funded locally. He added that if it were of regional importance, it should be funded regionally. He said that the impact from the resolution coming from Gig Harbor will have more impact than originally thought. He said that many people would be forced to move if the tolls are put into place.

Jo Simmons - Fox Island. Ms. Simmons said that the three-dollar initial estimate is just an estimate, and that the DOT and United Infrastructure had originally said that the tolls were going to be \$6 - \$10, but after the complaints it was lowered to three dollars. She said on behalf of the citizens who may not live in city limits but consider Gig Harbor to be their town, she asked that Council pass the resolution. She added that she has talked to many about the affect of the tolls on their lives, and said that whole generations of citizens will be forced to leave if a toll-free alternative is not maintained.

Tom Morfee - Peninsula Neighborhood Association and Citizens Against Tolls - 3803 Harborview Dr. Mr. Morfee gave an overview of the process to lease the new bridge to an out-of-state company for up to fifty years. He said there are a whole array of concerns that have come out of this process such as the gerrymanded boundaries in the advisory vote. He said it is important that Council pass this resolution because the Transportation Commission is finally starting to address the concerns and there is a state law requirement for support of the local community and jurisdictions. He added that if the resolution passed, they are approaching other jurisdictions to get a series of resolutions passed, which will have more authority. He passed out suggested amendments to language in the resolution to allow for a supermajority vote and for a non-toll alternative to be presented.

Linda Griffith - 4104 68th Ave. NW. Ms. Griffith told a story about a friend who sold their home in Gig Harbor for \$140,000 and when they went to look for another in Tacoma in the same price range, it was a terrible shock. She said many people are going to be forced to move if tolls are charged, and they won't be able to find affordable housing. She asked that Council vote to adopt the resolution.

Karen Biskey - 4113 35th Ave NW. Ms. Biskey said as a resident of Gig Harbor, she asked Council to support the resolution and one of the two amendments that had been offered. She explained that she had participated in the public-private partnership effort originally, and was very disappointed in the process, and now understands the feeling of

being railroaded. She said that she believes in open government and added that this council should have been given a voice in the process long ago. She said that now is the time to speak up and show support. Many people of this community who are worried, and afraid and don't know what to do. She said that passing this resolution would show support for state regulated tolls and the non-toll alternatives.

Mayor Wilbert said she had been contacted by several members of the news media asking for her opinion. She then read the opinion that she had provided to these news people.

Councilmember Markovich said that if Council were going to pass a resolution regarding the tolls, it should be as strong as it could be made. Councilmember Ekberg agreed and said that he preferred the second amendment recommended. After discussing the two amendment options, and other changes to the resolution the following motion was made.

MOTION: Move to adopt Resolution #533 including the words "by independent toll-rate regulation" at the end of the first subparagraph of Section 3, deleting the last two subparagraphs of Section three and including the suggested amendment number two that any new proposed toll-financed construction projects must provide a non-toll alternative and be subject to a public advisory vote of the communities in the affected areas.
BD/SE -

Councilmember Young said he was uncomfortable passing a resolution of this type after an election. He added that he was opposed to new taxes or tolls, but that there was a vote and the vote was lost. He said that he was uncomfortable with lawsuits, second votes or anything that might overturn a previous election. He said that Gig Harbor was a small percentage of the whole boundary and that battle should be fought in court over the audit finding rather than over a new election or 60% supermajority.

Councilmember Picinich said that he had grown up with tolls in Gig Harbor and had to hide in the trunk when he didn't have the quarter to cross, and that he did not want to see it happen again. He added that he agreed that the resolution should be made as strong as possible and he preferred amendment number one over two, adding the supermajority language.

AMENDED MOTION: Move to substitute amendment number one for amendment number two to be included in the Resolution.
Picinich/Markovich - Dick, Picinich and Markovich voted in favor. Councilmembers Young and Ekberg voted against.

The original resolution was amended to include amendment number one language that any new proposed toll-financed construction projects must provide a non-toll alternative, and be subject to a public advisory vote of the communities in the affected areas -- the advisory vote should require a 60% majority to approve the project.

RESTATED MOTION: Move to adopt Resolution #533 to include amendment number stating that any new proposed toll-financed construction projects must provide a non-toll alternative, and be subject to a public advisory vote of the communities in the affected areas -- the advisory vote should require a 60% majority to approve the project.
Dick/Picinich - Four voted in favor. Councilmember Young voted against.

Mayor Wilbert recessed the meeting for a short break at 8:53 p.m. The meeting resumed at 9:01 p.m.

3. Community Development Consortium Agreement. Mr. Hoppen presented this agreement that comes up every three years and enables the city to participate in the distribution of block grant funds.

MOTION: Move to authorize the Mayor to sign the consortium agreement for the city.
Markovich/Picinich - unanimously approved.

4. DOE Grant Agreement - Underground Storage Tank Removal. Wes Hill, Public Works Director, explained that after more stringent requirements were adopted for the ownership of underground storage tanks, two fuel tanks were decommissioned and removed in 1997 in a manner which satisfied the requirements of these regulations. He added that the Department of Ecology has offered to reimburse 50% of the city's cost for the removal and asked for authorization to execute the grant agreement with DOE to obtain this reimbursement.

MOTION: Move to authorize execution of the UST Removal Agreement between the State of Washington Dept. of Ecology and the City of Gig Harbor to recover \$3,742 of the cost of removal of two underground tanks.
Picinich/Dick - unanimously approved.

5. Resolutions for IAC Grant Applications: Westside Neighborhood Park Property and Acquisition and City Park at Crescent Creek Extension Property Acquisition. Wes Hill explained that the city had made two grant applications in anticipation of the purchase of two parks properties which had been identified in the 1996 Parks, Recreation and Open Space Plan. He gave an overview of the two properties and asked for approval of the resolutions supporting the effort to obtain IAC funding for acquisition of the properties.

MOTION: Move adopt Resolution #534 authorizing applications for funding assistance for the acquisition of property for the City Park at Crescent Creek Extension Project.
Young/Picinich - unanimously approved.

MOTION: Move adopt Resolution #535 authorizing applications for funding assistance for the acquisition of property for the Westside Neighborhood Park.
Dick/Picinich - unanimously approved.

6. Harborview Drive Ferry Landing - Property Acquisition. Mark Hoppen explained that the Blevins Family had offered to sell a triangular piece of property just past the street end and adjacent to the easement that extends into the water that would provide immediate access to the beach. He added that a site assessment is not warranted at the location due to the size and the lack of previous development. Jeff Taraday said Carol Morris had asked him to relay her concern about the waiver of the level one site review due to potential liability. Mark Hoppen explained that the cost of the assessment would be approximately \$1,500.

Scott Wagner - 6507 27th Ave. NW. Mr. Wagner voiced his concerns of vandalism to property along the beach due to the easier access to the beach and suggested that the money be better spent on a more centrally located park where the police could watch the activities.

MOTION: Move we *not* waive the Level 1 site assessment, and authorize staff to proceed with negotiations for acquisition of Parcel No. 0221081072.
Ekberg/Young - unanimously approved.

7. Consultant Services Contract - Grandview Skateboard Park. Wes Hill explained that earlier this month he received confirmation that IAC selected the Gig Harbor Skateboard Park to receive funding assistance. He recommended that Council approve the agreement with John Ortgiesen, Landscape Architect who had been heavily involved with the project from the beginning, to proceed with the design of the project.

Mayor Wilbert added that a Gig Harbor High School Student, Jake Cantrell, raised \$750 as a school project to benefit the park.

MOTION: Move to approve execution of the Consultant Services Contract with Mr. Jon Ortgiesen in an amount not to exceed fourteen thousand sixty dollars and twenty-five cents (\$14,060.25).
Young/Ekberg - unanimously approved.

8. Hold Harmless Agreement - Talmo, Inc. Wes Hill explained that the development proposal in the area of Wollochet and 38th Ave. NE and SR 16 is proposing to utilize an off-site detention system, which was previously approved by Pierce County, but is contrary to the current city public works standards. He asked for Council authorization to deviate from the city standards for the outside detention structure and the use of the detention and wetland area that was provided by the previous approval through Pierce County for the development. He also asked that council execute a hold-harmless

agreement with the developer for the use of the off-site area. He and Mark Hoppen answered council's questions about the project. Jeff Taraday could not answer the question if the agreement would run with the land and asked for additional time to review the agreement and obtain confirmation of that information.

MOTION: Move to table both these items until legal counsel has an opportunity to address these concerns.
Dick/Ekberg - unanimously approved.

PUBLIC COMMENT/DISCUSSION:

Larry Oathout - 10710 Crescent Valley Drive. Mr. Oathout gave an extensive report of his and other's efforts for the preservation of the salmon in the area. He concluded that Gig Harbor Bay is alive with salmon and asked for support of their projects. Mayor Wilbert thanked Mr. Oathout for his efforts.

Darrel Rodman - 10511 Bliss Cochran Road. Mr. Rodman thanked his friends who were concerned enough to come out this evening and talk to Council regarding the condemnation of the Wilkinson Property. He read a letter from Keith Uddenberg stating he had no recollection of a wetland existing on the property in the past and that he understood that there was other property available on Grandview Park that would satisfy the needs of the city with a central location. He said he supported the efforts of Darrel Rodman to preserve the site as proposed. Mr. Rodman continued with an overview of his efforts to carry on the wishes of his Aunt Helen and his frustration with the city's attempt to condemn the property. He asked for some communication from the city.

Sandy Bestwick - 3203 36th St. NW. Ms. Bestwick said that her family owns the adjacent property and added that she had never seen any sort of public forum about this property except to hear that it was condemned. She added that how the tolls on the bridge were taking advantage of the citizens, and that is what she feels was happening next door.

Jaunita Wilson - 3201 36th Street NW. Ms. Wilson said that her grandparents are Jean and Vern Kaupilla and thanked God that he's not here to see what was being done. She voiced her displeasure at how the city's attempt to take another's property and how unfair it was. She said that the two parks that are existing aren't used as there is never any toilet paper or the restrooms are closed, and that there is property available now that isn't being used. She said that the city shouldn't have the right to take something from somebody.

Nancy Gee 10222 Kopachuck Drive. Ms. Gee said she was here in support of Darrel Rodman and asked if Council could reconsider this issue. She added that she had talked to Helen years ago and said that she wanted Darrel to have the property.

Helen Baker - 8107 Shirley Avenue. Ms. Baker said that she didn't agree with what has been said. She said she knew Helen Wilkinson for 25 years and were very close friends. She said that Helen was very proud of her home and how it related to the town and said at one time when the

city talked to her about using her property as a park, she said no, because she didn't want people walking across her property while she was alive. She was also very much afraid of the use of the well, which is delicate and hard to maintain. She did indicate that if it were a part of the city, she would be quite proud.

Don Arnold - 7915 26th Ave. NW. Mr. Arnold said that he was fortunate enough to be a neighbor of Helen Wilkinson from 1940 to 1952. He added that he and his wife had seen Helen on a weekly basis and can remember her relating to Mayor Wilbert being at her birthday party and had asked about purchasing the property, to which she was adamant about not selling to the city. He added that he was not opposed to the property being a park, but it was sad way to take the property. He said that he worked for Vivian Wilkinson, and it was all farmland, and the wetlands must have occurred after he moved away in 1952. He asked that the city reconsider their action.

Roger Mosiman - 9617 Harmony Lane. Mr. Mosiman said that he understood that Judge Tollefson said to work with the City, and Darrel has tried to do this and hasn't heard back from the city. He said that he understood that condemnation procedures are to be used in emergency situations for the necessity of the public, and wondered how this can be considered an emergency and public necessity. He talked about how important private property ownership is in this country and asked that these rights not be taken away. He asked Council to please reconsider as many people do not believe we need another park to maintain.

Tim Ord - Tacoma. Mr. Ord said he lived on the Peninsula for the past 25 years and has been a friend of Darrel's since 1985. He said he had met Darrel's mother and Aunt Helen in 1982. He said that Darrel had told him that his Aunt was giving him this piece of property and wanted to know what to do with it. They visited the property and he noticed a large body of water. He gave an overview of the their efforts to find the source of the water. He said that Darrell doesn't want to sell the property and it was his aunt's choice to give him the property.

John Sawyer - 2016 38th St. NW. Mr. Sawyer said that this action is arbitrary and capricious. The city has enough parks and that this property had been in the family for over 100 years. He added that Helen wanted to pass it on to her family and it is not needed for public use. He said that Council should withdraw their efforts.

COUNCIL COMMENTS: None.

STAFF REPORTS:

1. Chief Mitch Barker - April Stats. Chief Barker said that he had nothing to add to the written statistics.
2. Mark Hoppen, City Administrator - City Progress Report. Mr. Hoppen said that the summary of actions of the past six years included in the packet speaks for itself.

ANNOUNCEMENTS OF OTHER MEETINGS: None.

EXECUTIVE SESSION: For the purpose of discussing property acquisition per RCW 42.30.110(b) and pending litigation per RCW 42.30.110(i). No action to be taken.

MOTION: Move to adjourn to Executive Session at 10:23 p.m. for approximately twenty minutes.
Young/Dick – unanimously approved.

MOTION: Move to return to regular session at 10:42 p.m.
Dick/Ekberg - unanimously approved.

MOTION: Move to go back into to Executive Session for an additional 10 minutes to to conclude discussion on matters of litigation.
Dick/Ekberg – unanimously approved.

MOTION: Move to return to regular session at 10:52 p.m.
Picinich/Ekberg - unanimously approved.

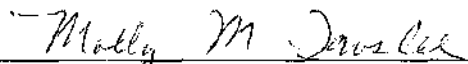
ADJOURN:

MOTION: Move to adjourn at 10:54 p.m.
Young/Dick– unanimously approved.

Cassette recorder utilized
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Mayor



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF JUNE 14, 1999

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

CALL TO ORDER: 7:00 p.m.

PUBLIC HEARING: Concurrency Ordinance and Moratorium on Card Rooms.

Mayor Wilbert opened the public hearing on the Concurrency Ordinance at 7:00 p.m.

Jim Pasin 2710 39th St. NW. Mr. Pasin said he was both representing the Chamber of Commerce and himself. He asked if the Councilmembers had received a copy of the letter from the Chamber requesting that the effective date of the Concurrency Ordinance be moved to January 1, 2000. He was assured that they had received the letter.

He then asked for clarification on several concerns he had with the ordinance such as computing the background traffic, and regional transportation plans and how they tie in with the city's plan, which staff responded to. Mr. Pasin added that his major concern was the time delay in responding to a submitted application. He said that applications need to be processed in a more timely manner. Carol Morris, Legal Counsel, explained that the application processing times are based on state law and regulatory reform. There was a great deal of discussion between Mr. Pasin, Staff and Councilmembers regarding permit application processing times.

Mayor Wilbert closed the public hearing at 7:26 p.m. and opened the public hearing on the Moratorium on Card Rooms at 7:27 p.m.

Carol Morris explained that this evening was a hearing to continue the moratorium that is already in effect and to adopt findings and conclusions to support the moratorium for another six-month period.

Robert McConnell - 4303 67th Ave NW. Mr. McConnell said he and his wife and he are opposed to gambling in any form having living in Las Vegas for awhile and seeing the futile waste of human capital. He said gambling seems to have taken root in many places in the northwest and it would be nice to have one enclave where it doesn't take place.

Janet McConnell - 4303 67th Ave NW. Ms. McConnell said she has done quite a bit of research on gambling and has worked with gambling addicts. She said that the studies that have been done say every dollar that is taken from gambling, three dollars are spent in the community solving gambling related crime, addiction, and other family problems. She summarized by giving a quote that "Gambling is a tax on the stupid," and that nothing good can come from it. She said that Gig Harbor is a darling community and that they would hate to see the elements that gambling could bring in come here.

Chuck Hunter 8829 Franklin Ave. Mr. Hunter urged Council to continue the moratorium. He said that gambling doesn't benefit anyone except the proprietors of an establishment and with the freeway so close, Gig Harbor is susceptible to a mini-casino.

There were no further comments from the public. The Mayor closed the public hearing at 7:33 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 the May 24, 1999, City Council meeting.
2. Correspondence / Proclamations:
 - a. Pierce County - Notification of Availability of Grant Funds.
3. Approval of Payment of Bills for June 14, 1999:
Checks #22680 through #22783 in the amount of \$190,917.26
4. Approval of Payroll for May, 1999:
Checks #18262 through #18356 in the amount of \$275,370.50.
5. Liquor License Renewals: Puerto Vallarta; Round Table Pizza.

MOTION: Move to approve the consent agenda as presented.
Picinich/Young - Six Councilmembers voted in favor. Councilmember Owel abstained.

OLD BUSINESS:

1. Third Reading - Concurrency Ordinance. Mark Hoppen explained that currently, the city makes determinations that are very much like concurrency determinations through resolution. The Concurrency Ordinance changes the nature of the way this is accomplished to be consistent with the Growth Management Act and provides compliance with state law. Carol Morris explained that there were three typos in the ordinance needing correction and went over the changes. Councilmember Ekberg asked for comments on the letter from the Chamber of Commerce asking to delay the effective date. Mark Hoppen explained that these determinations are already being made and there will be little difference in what is currently being done in concurrency determinations. Carol Morris added that the requirement to have a Concurrency Ordinance in place has been in effect since 1995 and to delay it further is unnecessary.

MOTION: Move to adopt Ordinance No.818 with the changes suggested by Legal Counsel.
Dick/Owel - unanimously approved.

2. Hold Harmless Agreement - Talmo, Inc. Wes Hill, Public Works Director, explained that this agreement came before Council at the last meeting for consideration. He said that the purpose of the agreement is to approve a development, which will deviate from the public works standards to allow an off-site storm water detention facility, and utilized a wetland owned also by the proponent. He added that this agreement will hold the city harmless

for any action related to use of the wetland and the off-site facilities. He gave an overview of the revisions to the document since the last meeting.

MOTION: Move that we authorize deviations from the city's public works standards for storm water facilities to allow the development of the Memory Lanes Recreation Center.
Picinich/Markovich -

Councilmember Dick recommended approving the contract before the authorization to deviate from the standards. Carol Morris agreed that the indemnification agreement should come first.

MOTION: Move to lay this motion on the table.
Dick/Ekberg - unanimously approved.

Carol Morris gave an overview of corrections needing to be made to typos in the document.

MOTION: Move to authorize the Mayor to sign the Covenant Not to Sue and Indemnification Agreement, included the suggested corrections.
Young/Picinich - unanimously approved.

MOTION: Move to take from the table the motion to approve the deviation from the city's public works standards.
Owel/Picinich - unanimously approved.

AMENDED MOTION: Move to amend the original motion to add the language "contingent upon the execution of the Covenant Not to Sue and Indemnification."
Owel/Dick - unanimously approved.

MAIN MOTION: Move to authorize the deviation from the City's Public Works standards for development of the Memory Lanes Recreation Center contingent upon the execution of the Covenant Not to Sue and Indemnification.
Picinich/Markovich - unanimously approved.

NEW BUSINESS:

1. First Reading of Ordinance - Amending GHMC 2.12.080 - Elected Officials. Mark Hoppen explained that this was a code text housekeeping item to change the election of five Councilmembers to seven members. This will return for a second reading at the next meeting.
2. Special Benefits Study - Amendment to Contract. Mark Hoppen explained that as the benefits study progressed, they discovered that the ratio of benefit inherent in the

proposed LID would be improved by the addition of water and sewer to the mix. He added that the LID would pay the cost of the additional fees due to the evaluation of water and sewer, and recommended approval of the amendment to the contract to add these items.

MOTION: Move approval of this contract amendment for the special benefits study. Young/Owel - unanimously approved.

3. Interlocal Agreement for Mutual Police Services. Lieutenant Bill Colberg explained that due to the costs imposed by the Pierce County Sheriff's Department for special services, the Chiefs from various Pierce County cities and towns found it necessary to create teams to provide services to the communities involved in the teams. He described the Emergency Response Team / Crime Response Unit with specialized officers that had been formed and told of some of the situations in which they would respond. He said that at this point, the City of Gig Harbor had used the services the most, and that manpower issues make the teams necessary.

Councilmember Dick asked about the current contract with Pierce County, and how this other agreement would work in conjunction. Carol Morris explained that the second agreement was not intended to replace the one existing with Pierce County, but to enhance, yet it has provisions that are not totally consistent with the original. She added that she had recommended an amendment to the contract so that the first agreement with Pierce County would be eliminated and incorporated it into one, or make amendments to the second interlocal to make consistent provisions in both.

Councilmember Dick voiced concerns that due to the current agreement with Pierce County for services, there would be two agreements in place, with different indemnification language and confusion on which contract the teams would be responding under.

Mark Hoppen explained that while it appeared that there could be a problem, it was desirable to sign the agreement in the interim to allow time for the amended contract that Carol Morris had distributed to the Chiefs for consideration.

MOTION: Move to authorize the Mayor to sign this interlocal agreement, to remain in effect until a new agreement can be established. This agreement should not exceed the date of the second regular Council meeting of the year 2000.
Young/Ekberg -

There was a great deal of discussion on the merits of waiting until the current contract with Pierce County could be terminated to prevent the liability of two conflicting contracts as opposed to getting a signed agreement in place to show good faith and cover the possible need for the services.

MOTION: Call for the question.

Platt/Young - unanimously approved.

RESTATED MOTION: Move to authorize the Mayor to sign this interlocal agreement, to remain in effect until a new agreement can be established. This agreement should not exceed the date of the second regular Council meeting of the year 2000.

Young/Ekberg - Councilmembers Ekberg, Young, Platt, Picinich and Markovich voted in favor. Councilmembers Dick and Owel voted against.

4. Rosedale Street Improvement Project. Wes Hill explained that successful low bids for this project to reconstruct a portion of Rosedale. He added that as a federally funded project, agency review and approval of a biological assessment was required and it was determined that the addition of two oil/water separators for stormwater runoff, the project was approved. He recommended approval of the contract to Harlow Construction Company, Inc. He said that construction should begin a the second week in July.

MOTION: Move to authorize award and execution of the contract for the Rosedale Street Improvement Project with Harlow Construction Company, Inc., as the lowest responsible bidder, for their bid proposal amount of one million two hundred thirty-seven thousand five hundred seventy dollars and twenty cents (\$1,237,570.20).
Picinich/Dick - unanimously approved.

PUBLIC COMMENT/DISCUSSION: None.

COUNCIL COMMENTS:

Councilmember Ekberg thanked Mark Hoppen and staff for the new informational sign at the entrance of the city at the top of Stinson. He suggested that the Gateway could take a photograph for their next issue. Mark Hoppen gave a description of the construction.

Councilmember Young asked when the work in the Impact Fee Ordinance would begin. Mark Hoppen said that it would be discussed at the next meeting as an issue and the worksessions could be scheduled at that time.

STAFF REPORTS:

Gig Harbor Police Department - May Stats. No verbal report was given.

ANNOUNCEMENTS OF OTHER MEETINGS:

EXECUTIVE SESSION: For the purpose of discussing property acquisition per RCW 42.30.110(b) and pending litigation per RCW 42.30.110(i). No action to be taken.

MOTION: Move to adjourn to Executive Session at 9:04 p.m. for approximately fifteen minutes.
Owel/Picinich – unanimously approved.

MOTION: Move to return to regular session at 9:16 p.m.
Picinich/Owel - unanimously approved.

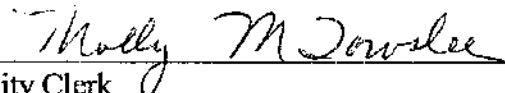
ADJOURN:

MOTION: Move to adjourn at 9:16 p.m.
Owel/Picinich – unanimously approved.

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Mayor



City Clerk

REGULAR GIG HARBOR CITY COUNCIL MEETING OF JUNE 28, 1999

PRESENT: Councilmembers Ekberg, Young, Platt, Owel, Dick, Picinich, and Mayor Wilbert. Councilmember Markovich was absent.

CALL TO ORDER: 7:01 p.m.

SPECIAL PRESENTATION: 1998 "Outstanding Wastewater Treatment Plant" award presentation.

Mayor Wilbert explained that the city was given an Outstanding Wastewater Treatment Plant award and introduced John Glynn, Department of Ecology Supervisor of Water Quality in the Northwest Region, who presented the award to Jerry Erb, Wastewater Treatment Plant Supervisor, and Wes Hill, Public Works Director.

Mr. Glenn explained that he had assumed regulation of the city's wastewater treatment facility about a year ago and that qualifying for this award shows how much effort has been put into improving the treatment process. He added that these awards are given to facilities that meet every condition in their waste discharge permit for an entire year, which is an outstanding achievement. He recognized Jerry and Wes for their extraordinary efforts and also congratulated the Councilmembers for supporting their efforts.

Wes Hill thanked Mr. Glynn and his staff for their assistance in working through some of the issues and helping them to reach their goals. He then thanked Jerry and his staff for their exemplary efforts with the new technology.

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 the June 14, 1999, City Council meeting.
2. Correspondence / Proclamations:
 Proclamation - Hire a Veteran Month.
3. Approval of Payment of Bills for June 28, 1999:
 Checks #22784 through #22883 in the amount of \$116,963.19.
4. Liquor License Renewals: Puerto Vallarta; Round Table Pizza.

MOTION: Move to approve the consent agenda as presented.
Picinich/Young - unanimously approved.

OLD BUSINESS:

1. Second Reading of Ordinance - Amending GHMC 2.12.080 - Elected Officials. Mark Hoppen presented this housekeeping ordinance to change the election of five Councilmembers to seven members.

MOTION: Move to adopt Ordinance No. 819.
Picinich/Ekberg - unanimously approved.

2. Adopt Findings and Facts for Gambling Moratorium. Carol Morris, Legal Counsel, explained that the ordinance being adopted this evening was the findings and facts and whereas clauses from the original ordinance describing the procedures that had been followed in order to adopt the moratorium. She said that by adopting this ordinance, the Council would satisfy the statute for moratoria. She added that an additional ordinance was included in the packet for a first reading that also addressed gambling. She recommended adopting this ordinance adopting the findings and facts in one reading, which would keep the moratorium in effect until the next council meeting, and would give Councilmembers two meetings in which to review the other ordinance.

MOTION: Move to adopt Ordinance No. 820.
Dick/Picinich -

After discussion regarding wording in the ordinance that may limit its provisions, the following amendment was made.

AMENDED MOTION: Move to strike the words "food and drink" wherever it appears in the ordinance.
Ekberg/Picinich - unanimously approved.

Carol Morris recommended adding language to allow this ordinance to be passed in one reading to keep the moratorium in place.

AMENDED MOTION: Move to amend the ordinance to add the language that it was adopted in one reading and by super-majority vote pursuant to Chapter 1.08 of the Gig Harbor Municipal Code.
Dick/Owel - unanimously approved.

MAIN MOTION: Move to adopt Ordinance No. 820 as amended.
Dick/Picinich - unanimously approved.

NEW BUSINESS:

1. Sellers Street Improvement Project - Contract Closure. Wes Hill explained that the Sellers Street project had been completed and asked Council's authorization to accept the project through execution of the Final Contract Voucher Certificate of Completion.

MOTION: Move we approve execution of the attached Final Contract Voucher Certificate in the amount of \$36,478.00.
Picinich/Owel - unanimously approved.

Councilmember Dick asked if a resolution accepting the project would be required to be noticed and passed at a separate time. Carol Morris said a separate motion at this time to

accept the project was adequate.

MOTION: Move that we authorize the Mayor to accept and execute final acceptance of this project.
Dick/Owel - unanimously approved.

2. Purchase Authorization - Water Main Materials. Wes Hill explained that one of the objectives of the 1999 Budget was to complete the waterline reconstruction on Judson Street and asked Council to authorize the purchase of the materials from the lowest bidder.

MOTION: Move to authorize the purchase of the water main materials from U.S. Filter for the amount of thirteen-thousand eight hundred ninety-eight dollars and sixty-three cents (\$13,898.63) including state sales tax.
Dick/Young - unanimously approved.

3. First Reading of Ordinance - Prohibition of Commercial Card Games. Mark Hoppen explained that the City of Auburn and City of Puyallup have already banned commercial stimulant card games in their jurisdictions and that this is a similar ordinance that had been passed by those cities. He explained that the only options in regards to these kinds of activities are to ban or not to ban, as there are no regulatory capacity other than that. He added that Council could choose to pass this in one reading, as the public had already been heard through the process leading to the adoption of findings and facts for the moratorium.

Linda Gair - 9301 No. Harborview Drive. Ms. Gair explained that in addition to being a resident she is a business owner in downtown Gig Harbor. She said that she is opposed to gambling entering into Gig Harbor, as it was the quickest way to trash our wonderful town. She urged Council to ban this activity.

Councilmember Picinich recommended that the ordinance be passed utilizing the procedure to pass it at its introduction. Councilmember Ekberg agreed on the issue of gambling, but said that because the moratorium was in place, he did not see the need to pass it in one reading. He said that the city had a procedure to follow that allowed for two readings of an ordinance.

Councilmember Owel said she felt it should be passed this evening as those who lag are in the position of becoming a safe haven for something that they may not want and that it is the responsible thing to do.

Councilmember Young pointed out that the cities who currently allow gambling specifically approved this activity as a tool to receive more tax dollars. He said that he had asked staff for statistics on possible tax revenue and increases in related crime that he had not received and therefore, wished to follow the city's policy of having a second reading for an ordinance to allow additional time to review this information.

Councilmember Owel spoke about the cap that had been placed on gambling taxes by the state and added that there are economic studies readily available. She said that the only favorable study she had found was commissioned by the American Gaming Association Lobby, which was totally dependent on who financed it. She said that various states had done independent studies, but that these studies have not shown that gambling has a productive influence in their state.

MOTION: Move to adopt this ordinance at its first reading.
Owel/Picinich -

Councilmember Ekberg asked to clarify that the ordinance itself was not being voted upon, only the ability to have it passed in one reading.

A roll call vote was requested by the Mayor, the results as follows:

Councilmember Ekberg - no; Councilmember Young - no;
Councilmember Platt - no; Councilmember Owel - yes; Councilmember Dick - yes; Councilmember Picinich - yes. The motion died and the ordinance will return for a second reading.

Councilmember Young said that he didn't realize that there was a notebook of information available through the City Administrator. He added that he didn't feel that the public was aware of the action being taken, and said that he would like the additional two weeks to gather information. He asked staff for real statistics on the possible tax revenues and related crime. Mark Hoppen explained that there were no substantive data that could be derived with respect to this county or even this state as far as he was able to ascertain. He added that although the tax revenues are public record, you can't accurately access the overall social cost of gambling on a jurisdiction to date and that there are national studies that have attempted to do so, which are very diverse.

Councilmember Young asked Chief Mitch Barker if he felt additional police man-hours would be associated with gambling. Chief Barker replied that he had checked with a number of Chiefs who came from jurisdictions with gambling, and none felt it caused a significant, directly related, crime impact. He stressed that these were non-tribal jurisdictions. He added that the concern that he did have is that once gambling is established, control would be lost to the Gambling Commission, who may expand what would be allowed. Mayor Wilbert talked briefly about gambling addiction and how it affects families.

Carol Morris offered to contact other cities that are currently involved in the moratorium and bring information to the next meeting. The first reading of this ordinance was closed.

4. Re-appointment of Members to the Planning Commission. Mayor Wilbert explained that terms for two members of the Planning Commission would end at the end of July. She introduced Mark Robinson, and added that he had sent a letter requesting to be appointed

to another six-year term. She thanked Mr. Robinson for his generous offer to serve. She then explained that the other member, Carol Davis, had just recently submitted a letter indicating that she felt that she could not accept the appointment for another term. Mayor Wilbert said she would be submitting a call for interested citizens to serve on the committee and would come back at a later date with a recommendation for appointment.

MOTION: Move to approve the re-appointment of Mark Robinson to the Planning Commission for another six-year term.
Platt/Young - unanimously approved.

PUBLIC COMMENT/DISCUSSION: None.

COUNCIL COMMENTS:

Councilmember Owel said that Steve Osguthorpe, Planning Associate, who was leaving for another position with Puyallup, has been an outstanding public servant. She added that he has exhibited a commitment to public service that sets a wonderful standard. She continued to say that she has been present when Steve has dealt with difficult situations and he has handled those situations without rancor and with total graciousness. She said that she appreciated his service to the community.

Councilmember Ekberg said that he had talked to quite a few of the business people on Kimball Drive which recently had the chip sealing done, and they are pleased with the results. He thanked Wes Hill.

STAFF REPORTS:

Impact Fees Ordinance - Scheduling of Public Hearings. Mark Hoppen explained that a time to bring this issue back to the public forum needed to be scheduled, and suggested the second meeting in September. It was agreed to begin on the 27th of September.

ANNOUNCEMENTS OF OTHER MEETINGS:

Finholm Viewclimb Ribbon Cutting Celebration - 12:00 noon on Saturday, July 10th. Mayor Wilbert said that the landscaping has been completed, compliments of Peninsula Gardens and the Rhododendron Society. She said that the city would assume maintenance of the area and gave an overview of the celebration plans.

EXECUTIVE SESSION: For the purpose of discussing property acquisition per RCW 42.30.110(b) and pending litigation per RCW 42.30.110(i). Action may be taken.


MOTION: Move to adjourn to Executive Session at 7:50 p.m. for approximately thirty minutes.
Picinich/Young – unanimously approved.

MOTION: Move to return to regular session at 8:20 p.m.
Ekberg/Picinich - unanimously approved.

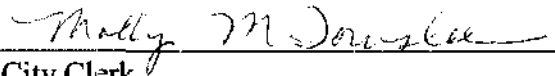
ADJOURN:

MOTION: Move to adjourn at 8:21 p.m.
Owel/Young-- unanimously approved.

Cassette recorder utilized.
Tape 534 Side A 007 - end.
Tape 534 Side B 000-331.



Mayer



City Clerk

