

GIG HARBOR CITY COUNCIL MEETING OF OCTOBER 23, 2006

PRESENT: Councilmembers Ekberg, Young, Franich, Conan, Dick, Kadzik and Mayor Hunter. Councilmember Payne arrived later in the meeting.

CALL TO ORDER: 7:03 p.m.

PLEDGE OF ALLEGIANCE:

CONSENT AGENDA:

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

1. Approval of the Minutes of City Council Meeting of October 9, 2006.
2. Liquor License Renewals: Maritime Mart; Marketplace Grille; Finholm's Market; GH Shell.
3. Approval of Payment of Bills for October 23, 2006:
Checks #51734 through #51860 in the amount of \$424,940.72.

MOTION: Move to approve the Consent Agenda as presented.
Franich / Conan – unanimously approved.

OLD BUSINESS:

1. Second Reading of Ordinance – Interlocal Agreement with Pierce County to Expand the Hospital Benefit Zone. David Rodenbach, Finance Director, presented this ordinance that expands the Hospital Benefit Zone to include some areas of Unincorporated Pierce County up to 144th, and also approves an Interlocal Agreement with Pierce County to include these areas. He asked for two separate motions.

Mayor Hunter opened the public hearing at 7:02 p.m. No one came forward to speak and the public hearing closed.

MOTION: Move to adopt Ordinance No. 1057 as presented.
Young / Dick – unanimously approved.

MOTION: Move to approve the attached Interlocal Agreement with Pierce County.
Young / Conan – unanimously approved.

NEW BUSINESS:

Mayor Hunter asked for an amendment to the agenda to move agenda item number three, Resolution for Harbor Hill Development Application, to the end of New Business.

MOTION: Move to amendment to the agenda to move agenda item number three, Resolution for Harbor Hill Development Application, to the end of New Business.

Ekberg / Franich – unanimously approved.

1. Resolution No. 688 - Setting the Public Hearing for the Milton Avenue Street Vacation Request – Drolshagen. John Vodopich, Community Development Director, explained that the resolution sets a public hearing date of November 27, 2006 for a street vacation request received from Jeffrey Drolshagen for a portion of Milton Avenue.

Councilmember Dick voiced concern that there is an existing, open road on the site being asked to be vacated. He said that because the road has been open, the non-user statute does not apply to the site and it would not be appropriate to follow this process. Therefore, it isn't appropriate to hold a public hearing.

Councilmember Young said that staff has indicated that area in question is surplus to the city's needs, and he would suggest that Mr. Drolshagen bring the request back through the normal street vacation process rather than using the non-user statutes.

Councilmember Franich asked for clarification on the width of the easement and whether or not this is excess. Councilmember Dick made the following motion.

MOTION: Move to refer this to staff to see if there is an issue to be considered by Council and to see if there is property that is needed for city use.
Dick / Franich – unanimously approved.

2. Public Hearing – Resolution No. 689 Accepting the Shafer Annexation Petition (ANX 06-1302). John Vodopich explained that on August 14th, Council accepted the Notice of Intention presented by Mr. Shafer to annex one parcel along Soundview Drive. On August 23rd, the petition was certified by the Assessor-Treasurer as being legally sufficient, and so this resolution would accept the annexation petition and refer it to the Boundary Review Board.

Mayor Hunter opened the public hearing at 7:11 p.m.

Lita Shoemaker – 6119 Soundview Drive. Ms. Shoemaker explained that she is the daughter of the applicant, Mark Shafer. She said that he is doubling his square footage and adding 2-1/2 baths to the existing residence. The annexation would allow him to hook up to city sewer rather than adding a new drain-field and septic system, as well as the benefit of working with the city on permits for the remodel.

There were no further public comments and the hearing closed at 7:13 p.m. Clerk Towslee asked that Council renumber the Resolution to 688 as the last agenda item was postponed.

MOTION: Move to adopt Resolution No. 688 as presented.
Young / Conan – unanimously approved.

3. Public Hearing – 2007 General Fund Budget Revenue Sources and First Reading of Ordinance - 2006 Property Tax Levy. David Rodenbach, Finance Director, explained that this is the annual public hearing on revenue sources for the General Fund. He said that the estimated revenues include the 1% increased 2007 Tax Levy, and gave an overview of taxes and revenue sources. He then presented the background information on the 2006 Property Tax Levy, explaining that the increase in the total assessed valuation is due to the 1% increase, new construction, and annexed property.

Councilmember Young said that he didn't see the dollar per thousand increase listed for the regular levy. Mr. Rodenbach said that this ordinance was copied from last year's sent from the Department of Revenue. He said that the dollar per thousand was set by the Assessor's Office when they receive the final assessments. This ordinance is based in estimated assessments.

Councilmember Dick further explained that the levy rate is statutorily determined from the dollar amount that the city requests and the city's priorities.

Mayor Hunter opened the public hearing at 7:15 p.m. No one came forward to speak.

Councilmember Franich recommended not enacting the 1% Tax Levy increase as a nice gesture to the citizens. He said that the 2006 Tax Revenues are up by \$300,000 and 2007 are projected to increase another \$300 - \$400,000. He said that he will be making a motion at the next meeting to forego the increase this year.

Councilmember Conan agreed, and said that this has been discussed over the past few years. It is such a small amount that it may be a good gesture to forego the increase for one year. It is more the principal, and he would be in favor of tightening the city's budget by this amount.

Councilmember Dick expressed concern that when we began dealing with the hospital to try and solve the traffic growth on city streets caused by development in the County, we found a huge backlog of road projects that need to be done just to keep the status quo. He continued to explain that the reason that the law permits the limited growth of property tax dollars is because the expenses of doing projects go up more than the limit allowed on the taxes. He said that it shouldn't be suggested that we don't need the property tax increase when there is a backlog of millions of dollars of unfunded road projects. He recognized that the city relies heavily on sales tax, but the property tax is designed to help pay the bills. If you don't increase the amount of taxes brought in, the problems caused by development won't be addressed. He said that the limitations keep property taxes from increasing as fast as inflation of public works projects, and because property values are increasing, right-of-way purchases are also increasing. The city needs the growth in taxes in order to be able to keep the status quo.

Mayor Hunter agreed that the city is struggling on road projects.

Councilmember Franich said that he agrees that every dollar that can be put toward road improvements is money well spent. He said he also believes that property taxes have been going up astronomically. Even though it is a small amount, it is a show of good faith, and \$15,000 isn't going to put any road project in jeopardy. He said that he hopes that during the budget process, Council keeps in mind how important the road projects are.

Mayor Hunter closed the public hearing at 7:22 p.m. and said that the ordinance will return at the next meeting for a second reading.

4. First Reading of Ordinance – Relating to Annexation and Zoning – McCormick Ridge LLC (ANX 04-04). John Vodopich said that City Council accepted the McCormick Ridge Annexation and referred it to the Boundary Review Board, which has deemed it approved. The next step is the adoption of a formal ordinance annexing the property and establishing zoning. There was no further discussion and the Mayor said that the ordinance will return for a second reading at the next meeting.

5. First Reading of Ordinance – Changing the Meeting Time of the Regular City Council Meetings. John Vodopich explained that at the last meeting, Council directed staff to prepare an ordinance to consider changing the regular meeting time of the City Council from 7:00 p.m. to 6:00 p.m. The City Attorney crafted an ordinance for discussion.

Councilmember Franich said that he asked for this to weigh the pros and cons of changing the time. He said that his only concern is the ability for public participation; however, he doesn't think it will be a problem because people only come for specific issues. He added that it will benefit some of the people who come to the meetings that have to wait through the meeting in order to speak under public comment. Changing the starting time will help. He said that it is an idea that can be tried, and if it doesn't work out, we can go back.

Mayor Hunter asked if anyone from the public wished to speak on the issue. No one came forward.

Councilmember Ekberg said that he agreed with Councilmember Franich, and that it is worth a try. He added that other commissions and committees of the city meet at various earlier times, and citizens who have technical people that need to come and speak on an issue, as well as staff, would be better served by an earlier meeting time.

Councilmember Young said that he brought up the suggestion to consider changing the meeting day, and after thinking about it further, he realized that he has no interest in altering the day.

Councilmember Dick explained that he has reservations on an earlier time due to public participation. He said that he received comments to that effect before the meeting, and personally, it is difficult to get back across the bridge, get a bite to eat, and get ready to

make it to the meeting. He said that it would constrain him and a lot of the people that come to speak. If it is a big enough issue that effect their financial interests, they may take off work to be here, but it may inhibit public comment from the well-meaning citizens who want Council to improve things. That weighs heavily for him and he is having difficulty with changing the time.

There were no further comments and the Mayor announced that this will return for a second reading at the next meeting.

6. Borgen Boulevard Roundabout Re-Striping Project – Bid Award. John Vodopich explained that staff and members of the Operations and Public Projects Committee had met to discuss appropriate signage and striping options for the roundabouts in the Borgen Boulevard Corridor. This contract award is for striping the Borgen / 51st and the Harbor Hill / Borgen Boulevard Roundabouts. He explained that the work was not anticipated in the 2006 Budget, but there is sufficient revenue in the street operating fund to cover the expense.

Mayor Hunter asked if this includes signage. Mr. Vodopich explained that the city crew would be doing the signage. He then responded that Road Runner Striping has been around for awhile, and the city has used them as a contractor before.

MOTION: Move to approve the contract with Road Runner Striping, Inc. in the amount of Eight Thousand Nine Hundred Sixty Dollars and No Cents (\$8,960.00), including retail sales tax.
Franich / Payne – unanimously approved.

7. Resolution - Council Opposition to I-933. John Vodopich explained that this resolution had been requested by Councilmember Franich. This property rights initiative would require local government entities to either wave regulations or pay property owners for perceived diminishment in value. It would also roll back regulations to 1996. This resolution crafted by the City Attorney states that the City Council's opposition to the initiative.

Carol Morris pointed out there is a procedural formality with a resolution opposing an initiative. She said that there has to be equal opportunity for the public or council to express an opposing view.

Mayor Hunter asked for any public comment. No one came forward.

Councilmember Franich said that this is an important issue to be discussed by Council. He said he understands that property owners feel that their rights have eroded over the years, but the GMA is the legislative action that started the process when they delineated the designated rural and urban designation. Then came the Critical Areas Ordinance, which severely limited property rights. He said that he doesn't believe that I-933 is the way to address the concerns. It is broadly worded and could cost the city a

lot of money in legal fees and possible restitution to property owners. He said that it could also damage zoning ordinances that help to protect the character of the city.

Councilmember Young added that if passed, this initiative would be catastrophic for Gig Harbor, and it would be complete devastation for cities created after 1996. Every land use regulation enacted after this date would have to be thrown out. No one could afford to pay damages to a property owner for not being allowed to construct to the highest use possible. He stressed that everyone should oppose this initiative.

Councilmember Dick said that he appreciated this being brought before Council. He agreed that this initiative has monumental proportions. The resolution describes serious impacts on the city, the citizens and the public in general. He said that he would like to add language to the resolution that addressed the effects on the small business community due to the adverse consequences of uncontrolled development. In Gig Harbor, most of the zoning laws that have been passed since 1996 affect the character of the town and if this initiative passes, all that would be rendered unenforceable unless you want to pay. There would be zero certainty. He said that he has two main concerns. He stressed that it is unconstitutional to enforce the laws passed since 1996 against only the willing. This would be unfair. The other concern is current tax limitations in the State of Washington. He said that no government could pay the expense that will be demanded by this initiative without ceasing doing everything else. Councilmember Dick stressed the negative effects of similar legislation that has recently passed in Oregon.

MOTION: Move to adopt Resolution No. 689.
Franich / Conan –

Councilmember Dick offered the addition of language to the resolution before passage.

AMENDMENT TO MOTION: Move to include of the following “whereas” paragraphs on page 3.

“(1) WHEREAS, I-933 pretends to authorize governments to waive adoption or enforcement of regulations subject to the initiative if they cannot pay all reduction in value of all real and personal property affected, but waiver of regulations against citizens who object and enforcement against those who do not is patently unfair and unconstitutional, and

(2) WHEREAS, the prohibition of I-933 against passing new laws or enforcing laws adopted since 1996, until after every affected property owner has been paid for any diminution in value of property would not permit adoption or enforcement of any laws (except exempt laws), because Washington tax limitations would preclude any government in Washington from collecting enough to

pay the prerequisite amounts, without ceasing virtually all existing services, and.”

Dick / Young – unanimously approved.

MOTION: To adopt Resolution No. 689 as amended.
Franich / Conan – unanimously approved.

8. Public Hearing - Resolution for Harbor Hill Development Application. Mayor Hunter announced that the purpose of this hearing is for the City Council to consider the pertinent facts, applicable law and to make a final decision on the application of the Harbor Hill LLC for a Development Agreement for the development of the residual parcels at the Costco shopping center in the Gig Harbor North Area.

Mayor Hunter asked for cooperation in the following procedure: Everyone present will be given an opportunity to be heard. The City Clerk will make a tape recording of the proceedings. Therefore, when you address the Council, begin by stating your name and address. Speak slowly and clearly. Only one person will be allowed to speak at a time.

The Appearance of Fairness Doctrine requires that this hearing be fair, in form, substance and appearance. The hearing must not only be fair, it also must appear to be fair. Mayor Hunter asked whether any member of this decision making body has engaged in communication with opponents or proponents regarding this issue outside of the public hearing process.

Councilmember Young said that the City Attorney has recommended that this hearing be continued until the next meeting.

Carol Morris recommended that the public hearing be continued until the next meeting because if Council is asked if they have had any ex parte contact, they will have to disclose them again at the next hearing. She said that one way to proceed is to ask Council if they would like to vote to continue this until the next hearing. She said that she is recommending a continuation because she received materials from the attorney for the applicant on Friday, and she would like to do a response, but did not have sufficient time to do so today. The response that she is drafting involves two legal issues raised by the letter that will assist Council in coming up with a decision on this development agreement.

MOTION: Move to continue the hearing until the next, regular Council meeting.
Young / Franich – unanimously approved.

STAFF REPORT:

1. David Rodenbach, Finance Director – Quarterly Report. Mr. Rodenbach offered to answer any questions.

PUBLIC COMMENT:

Gretchen Wilbert. Ms. Wilbert reported that she attend the Cascadia Forum in San Francisco and asked Councilmembers to review the packet of information that she had left for them. The information is about the passenger ferry coalition formed in 2003 to partner public / private entities to utilize the Puget Sound as an alternative method of transportation. She said that if Jerisich Dock is used for loading and unloading, parking and a town around bus system needs to be addressed. This is another reason to open the discussion with Pierce Transit. She added that with the aging population, it is important to get them people out of their automobiles to relieve the traffic congestion. She asked that the Cascadia Packets be returned to her via the receptionist to be shared with the County Councilmembers and State Legislature. She said she would be happy to continue to bring forth information on this transportation choice, but would also be happy to pass the experience on to someone else.

Tony Giminaro – 2415 89th St. Ct. NW. Mr. Giminaro, President of the East Harbor Estates Homeowner Association, discussed the negative effects on the local community of a proposed development. He mentioned absent greenbelts and buffers, density levels, stormwater drainage, environmental impacts, noise, traffic, and pollution.

Mayor Hunter stressed that this development is in Pierce County. Mr. Giminaro said that the city gets to comment on the project as it in the UGA. He said that they are not opposed to the project; the neighborhoods just want to be assured that the development gets serious scrutiny and adequate review, especially by Gig Harbor so that it maintains the character and nature of the local neighborhoods.

Councilmembers asked for clarification on the project. Mr. Giminaro responded that this is a 19.36 acre site with a proposed 64 home development. The homes are minimum 5,000 s.f. located up Dana Drive off Crescent Valley Drive.

Don Schultz – 89th St. Ct. NW. Mr. Schultz said that he knows the project is in Pierce County, but is concerned. He suggested going to Anthony's Restaurant and looking up at the hill. Currently there are a couple of homes, but if the development is approved, there will be homes all the way across. He said that that these hills are made of sand and these homes are on septic systems. Everything runs downhill, and when the rains start, the stormwater runoff will all end up in the harbor.

John Vodopich explained that Jennifer Kester, Senior Planner, is working with Pierce County on this project. Ms. Kester responded that a UGA Application has been submitted and so there are maps and a plan that she will share with Council.

Mayor Hunter said that he has forwarded several letters that he has received on the project to the Planning Department.

Jon Rose – President, Olympic Property Group – 19245 10th Ave. NE, Poulsbo. Mr. Rose reported on the success of the open house event that OPG held on October 4th to

invite public input on the future of the city. He said that 180 people showed up to talk about what they would like to see in their city. Mr. Rose voiced disappointment that more Councilmembers were unable to attend. He then commented that only about 10% of the property has a plan, with 300 acres remaining. He stressed that there is one chance to develop a plan for the remaining 300 acres the right way. Mr. Rose said that given the opportunity, innovative zoning can be used to “do something cool.” He said that this couldn’t be done unless we act as partners, and not as adversaries. He offered to come back with a report of the information gathered at the open house, stressing again that this is a big opportunity. He said that we need to work hard at dialogue and innovation, which now, is challenging. If you want “great” you have to be willing to step out the proverbial box. He said that OPG has done everything that they have asked to do over the past 20 years and that they would like to take it to a new level, but can’t do it alone.

Mr. Rose then said that he is not pleased that their agenda item had been postponed. He said that we can do better by the city, by OPG, and by the 180 people that showed up at the open house. We are not going to be more interesting and dynamic by taking 10-12 weeks to work out small details. He said that he would be happy to present the report and some of the exhibits from the open house at a less stressed-out time. He said that Council should care, as they do.

Councilmember Ekberg commented that he had attended the open house and was quite impressed with the turnout. He said that there was a lot of exchanged of ideas, and he would be interested in a compilation on what transpired. Councilmember Young apologized for not being able to attend due to work.

Councilmember Payne thanked Mr. Rose. He said that OPG is doing a great job up there. He added that it may seem adversarial, but we will get through it together.

COUNCIL COMMENTS / MAYOR’S REPORT:

Councilmember Payne apologized for being late, adding that if the meeting changes to a 6:00 p.m. starting time, the commute from San Diego is going to get harder.

ANNOUNCEMENT OF OTHER MEETINGS:

1. Gig Harbor North Traffic Options Committee Meeting, October 25th at 9:00 a.m. in the Community Rooms at the Gig Harbor Civic Center.
2. Operations and Public Projects Committee Meeting, October 26th at 3:00 p.m. in the Engineering/Operations Conference Room at the Community Development Department.
3. Special Council Meeting, Gig Harbor Peninsula Historical Society Proposed Draft Agreement, October 30th at 7:00 p.m. in the Council Chambers at the Gig Harbor Civic Center.

Councilmembers recommended moving the time to 6:00 p.m. for the Special Council Meeting on October 30th. It was agreed to notice the meeting for 6:00 p.m. Councilmember Young announced that he would not be able to attend that evening.

4. Budget Worksessions: Monday, November 6th and Tuesday, November 7th at 6:00 p.m. in the Community Rooms at the Gig Harbor Civic Center.

Mr. Rodenbach was asked when a copy of the Draft 2007 Budget would be available. He responded that it would be passed out on October 30th.

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


MOTION: Move to adjourn to Executive Session for approximately 15 minutes at 8:10 p.m. in order to discuss potential litigation per RCW 42.30.110(1)(i).
Franich / Young – unanimously approved.

MOTION: Move to return to regular session at 8:21 p.m.
Franich / Conan – unanimously approved.

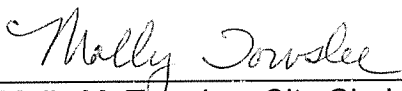
ADJOURN:

MOTION: Move to adjourn at 8:21 p.m.
Kadzik / Franich – unanimously approved.

CD recorder utilized:
Disk #1 Tracks 1 – 30



Charles L. Hunter, Mayor



Molly M. Towslee, City Clerk