

GIG HARBOR CITY COUNCIL MEETING OF DECEMBER 10, 2007

PRESENT: Councilmembers Ekberg, Young, Franich, Dick, Conan, Payne, Kadzik and Mayor Hunter.

CALL TO ORDER: 6:00 p.m.

PLEDGE OF ALLEGIANCE:

CONSENT AGENDA:

1. Approval of the Minutes of City Council Meeting of November 26, 2007
2. Receive and File: a) BB16 Workstudy Session Nov. 19, 2007; b) Building and Fire Safety Department Monthly Report.
3. Committee Reports: a) Legislative Affairs Committee Minutes 10/8/07
4. Dept. of Natural Resources Grant Agreement – Eddon Boat Bulkhead Removal.
5. 56th and Olympic Improvement Project – Change Order No. 2.
6. Cultural Resources Assessment Onshore Outfall Replacement – Consultant Services Contract.
7. Wastewater Treatment Plant Centrifuge Procurement.
8. Uptown Gig Harbor Right-of-Way Easement Agreements.
9. Resolution - Surplus Equipment.
10. Aeration Basin Walkway – Contract Authorization.
11. Westside Park Cultural Resources Assessment – Consultant Services Contract.
12. Escrow Agreement for Retainage – 45th St. Ct. Pedestrian Improvements.
13. Liquor License Application for Added Privilege – Tides Tavern.
14. Approval of Payment of Bills for Dec. 10, 2007:
Checks #56071 through #56197 in the amount of \$1,473,476.02.
15. Approval of Payment of Payroll for November:
Checks #4921 through #4948 and direct deposits in the amount of \$313,807.46.

MOTION: Move to adopt the Consent Agenda as Presented.
Franich / Ekberg – unanimously approved.

OLD BUSINESS:

1. Lease of Tidelands with Peter Stanley. Carol Morris, City Attorney, explained that Council asked staff to research information to determine the amount of rent for this piece of tidelands, which has been provided from a survey done by the Department of Natural Resources. She then suggested two changes to the lease. The first is to add that each time that the lease is renewed Council will be allowed to renegotiate the terms. The second change is to add the amount of the rent and then forward the final lease to Peter Stanley for approval.

James Morton, Attorney – 3402 Cabrini Lane NW. Mr. Morton said that this is the 32nd Anniversary of Dylan Enterprises, Inc. who leases and owns the Tides Tavern. Improvements to the dock resulted in a 5x8 portion that extends onto the city tidelands.

He explained that the Department of Natural Resources has experienced difficulty in assessing tidelands and developed a statute to calculate the cost. The small space of city tideland would amount to \$.40 a square foot, or \$14 per year. They have already signed a lease with DNR for the remainder of the tidelands.

MOTION: Move to approve the lease with the suggested changes by the City Attorney to Section 3.4 and to insert an annual rate of \$14.00 per year.
Ekberg / Conan - unanimously approved.

2. Public Hearing and Second Reading of Ordinance – 2007 Comprehensive Plan Amendments. Tom Dolan, Planning Director, presented the background on three Comprehensive Plan Amendments. He described minor amendments to the document to correct internal inconsistencies within the comp plan. He offered to answer questions.

The Mayor opened the public hearing on these three ordinances at 6:09 p.m. No one came forward to speak and the hearing was closed.

MOTION: Move to approve Ordinance No. 1118 adopting the 2007 Comprehensive Plan Amendments.
Young / Payne – unanimously approved.

3. Second Reading of Three Ordinances – Rate Increase for Water, Sewer, and Stormwater. David Rodenbach presented these three ordinances to increase utility rates. He explained that this is the third in a series of rate increases for water and sewer based on a rate study done in 2003. He explained that 25% increase to storm water rates is not based on a rate study, but is needed to meet the increasing NPDES Phase II requirements for the Wastewater Treatment Plant.

Councilmember Franich asked if a study would be done to determine the dollar amount needed to meet future stormwater needs. Mr. Rodenbach responded that he didn't anticipate hiring a consultant to perform a study, as the stormwater Capital Improvement Project and NPDES requirements determine the needs. Councilmember Franich said he understands that we need incremental rate increases, but he would like to explore using General Fund money pay for some of these services.

MOTION: Move to adopt Ordinance No. 1119 adjusting the water rates.
Ekberg / Young – unanimously approved.

MOTION: Move to adopt Ordinance No. 1120 adjusting the sewer rates.
Ekberg / Dick – unanimously approved.

MOTION: Move to adopt Ordinance No. 1121 adjusting the stormwater rates.
Ekberg / Dick – unanimously approved.

NEW BUSINESS:

1. Resolution - Declaring Surplus City Real Property. David Brereton, Community Development Director, presented this resolution to surplus property on Soundview Drive which appraised for approximately \$50,000. He said that the process would involve advertising the sale of the property and accepting sealed bids.

After further discussion, Councilmember Franich made the following amendment to the resolution.

MOTION: Move to adopt Resolution No. 734 with an amendment to add a section that directs the proceeds from the sale to be placed in the Street Capital Fund.
Franich / Dick – unanimously approved.

2. Public Hearing - Burnham / Borgen / Highway 16 Preferred Alternatives. Rob Karlinsey, City Administrator, gave a brief overview of the process to narrow the choice of preferred alternatives. He explained that quite a bit of public outreach had been done to obtain input during the process. He introduced David Skinner from HDR Engineering.

Mr. Skinner said that the next step in the process is to determine which alternative or alternatives to carry forward in the environmental documentation process. He stressed that any environmental studies should be consistent with the National Environmental Policy Act so as to not rule out the opportunity for Federal Funding and to address the involvement by the Corp of Engineers if there are salmon bearing streams that might be impacted. He briefly described the NEPA process. He then explained the challenges of filing a Supplemental EIS, and said that the Environmental Assessment or Documented Categorical Exclusion processes are more streamlined for transportation projects of this type. He said that the choice of environmental process will be based on which alternatives will be carried forward.

Mr. Skinner then gave a brief summary of each of the alternatives. He explained that the pros and cons of each alternative have been discussed at public meetings on several occasions. He said that when consideration each alternative they looked at the advantages and disadvantages of traffic patterns, environmental impacts, safety concerns, constructability, phasing, and interaction with interim improvements. Each performance characteristic was given a score which was then divided by construction costs to come up with a value index. He said that this value index is reflected in the matrix provided to Council.

Mayor Hunter opened the public hearing at 6:36 p.m.

John Sharp – 11412 66th Ave NW. Mr. Sharp spoke in favor of the Split Diamond Concept because from what he has read and studies, it offers the best long-term solution. He said that along with this alternative there are current flaws that need to be

addressed. He stressed that Harbor Hill Drive needs to be four lanes and described the problem with turning into businesses along this roadway and drivers making u-turns at the entrance of Costco.

David Morris – 6018 106th Ave. NW. Mr. Morris said he and his family have been business owners on Highway 16 since the 1950's. He said that most of the attention has been directed to the impacts on the development on the east side of the freeway. He said that the business community on the west side was promised access when they sold right of way to the state to construct the current split diamond interchange. In addition, the County has relied on that commitment for zoning upgrades to commercial, industrial and retail on the west side of the highway. He explained that there would be a couple hundred acres dramatically impacted by the availability of direct access to the Burnham Interchange. The Split Diamond Alternative would benefit the businesses on the east side of Highway 16 but it would be devastating to the business community on the west side resulting in a huge economic impact. He asked that access to this area be preserved for both the business community that has been there for over fifty years, as well as the residents.

Walt Smith – representing property at 11302 Burnham Drive. Mr. Smith said that he is in favor of the Split Point Urban Exchange because he feels the shortest distance between points is a straight line. When people are confused it causes accidents. He explained that it was hard when the roundabouts were built, but people are using them adequately now. He said that the confusion with the Split Diamond and eliminating accesses at Borgen Boulevard doesn't make sense. He explained that he worked with Pope & Talbot, Mayor McCarty and Mike Wilson to bring sewer and water to help plan for this area which he believes will be the next to be developed. He urged Council to consider this.

Terry Lee – 7112 108th Street NW. County Councilmember Lee said that he has been part of the conversation to develop these alternatives for quite some time and that he can see the benefits of each. He continued to explain that he likes a lot of the Split Diamond concept, but he absolutely doesn't like the loss of the on/off ramp westbound on SR16. He said he tries to resist meddling in city issues, but the decision Council makes in respect to the alternatives to the Burnham Interchange is going to greatly affect a large constituent base that he represents. He said if you eliminate the on/off ramp, you will be forcing the folks in the North Rosedale area onto the Wollochet Interchange which is beyond capacity already. He asked that whatever alternative Council chooses, that they consider not closing the on/off ramp westbound at SR-16.

Bud Wagner – 4204 27th Ave. NW. Mr. Wagner, Vice President of Marketing and Communications for Franciscan Health Systems. He said they have been working since 2003 to build St. Anthony Hospital and collaborated with the city and other community leaders to find short and long-term solutions to traffic problems at Gig Harbor North. He said that they believe that the SPUI would provide excellent access to the hospital and Gig Harbor North over the long-term. He said if the Split Diamond is chosen, then they want to make sure that funding is included for improvements along Burnham Boulevard

to widen the roadway, add shoulders and turn lanes to accommodate emergency vehicles. He also recommended exploring the feasibility of an emergency only slip lane off Highway 16 onto Canterwood Boulevard. He echoed the sentiments regarding any interim improvements contribute towards the “big fix.” He said that there have been many productive meetings with the Mayor, City Administrator and Staff on how future mitigation efforts fit into the bigger project; they look forward to continued conversations.

John Chadwell – Olympic Property Group, 4423 Pt. Fosdick Drive Suite 302. Mr. Chadwell said that first and foremost, we have to remember that we are trying to find the long-term solution. He said that in reading the Level II Screening Assessment, it is clear that there is only one alternative that works. The Split Diamond’s performance is 125% better than the second-best alternative and 150% better by value than the second-best alternative. If you dig deeper, the Split Diamond is modeled 100% for environmental impacts, costs and etcetera. The other alternatives require significant transportation improvements in order to work. He suggested that if Council moves forward with more than just the Split Diamond Concept, that the additional improvements needed to make the alternative work be included. He noted that Gig Harbor already has a working Split Diamond Interchange at 36th, 24th and Highway 16. He agreed comments that Council makes the best value choice for the citizens and property owners.

Scott Jung – no address given. Mr. Jung, a business owner on Burnham and PenMet Parks Commissioner, said he prefers the Split Diamond Alternative. He said that understands the reason for closing the existing off ramp is due to the accelerator lane, and asked about the possibility of eliminating the on ramp at the first interchange if you could leave the other two it would enable the current access on and off SR16. He also asked if provisions are being made for the Cushman Trail access to the new Homestead Park. He mentioned Highway 302 and 144th which aren’t being considered in this and the impact on the future growth to Canterwood and Peacock Hill. A through lane off to the side so that you wouldn’t have to go through the light at Purdy to get across the bridge would be another alternative. More alternatives are better, which is why he favors the Split Diamond Alternative.

Barb Magnuson – 5801 108th Street. Ms. Magnuson said she lives in the area east of Burnham, west of Highway 16. She asked if the Fire Department had been included in discussion as they access the freeway at the interchange. She voiced concern with the Split Diamond Alternative that emergency vehicles would be cut off from Purdy.

Rob Karlinsey responded that staff met with various stakeholders including law enforcement, the fire district, Pierce Transit, and others. The fire district said that they prefer the SPUI over the Split Diamond. If the city does choose the Split Diamond Alternative, they would like additional interchange options such as an interchange at 144th.

Mayor Hunter closed the public hearing at 6:57 p.m.

Councilmember Dick asked for clarification on planned improvements along Burnham Drive and access issues along Harbor Hill Drive if the Split Diamond Alternative is chosen.

David Skinner responded that the improvements to Burnham Drive between the new roundabout and the existing were not included because they are already listed in the city's Six-Year Capital Improvement Program. He responded that yes, improvements on Burnham would be necessary. Regarding the concerns about Harbor Hill, the capacity on a single lane roadway depends upon the number of entrances and how you control access. This could be addressed with two-way turn lanes or dedicated right and/or left turn pockets. He continued to explain that they do not anticipate widening Harbor Hill Drive, stressing that the intersections control capacity.

Councilmember Dick said that the advantage of the Split Diamond Alternative is the future adaptability. He asked if there is a way to adopt the Split Diamond to accommodate a more convenient westbound access.

Mr. Skinner said that there are other solutions, but the ones they explored are the fully-developed 20-year traffic needs. What could be considered is phasing the growth and what needs to be done; to look at maintaining the existing ramp for the next 5-10 years but still do something to facilitate the distribution of traffic and to allow the interchange to continue to function adequately. One or the other existing ramps might remain if other improvements are made to remove some of the traffic in the existing roundabout.

Councilmember Ekberg thanked staff and the consultants for the outreach efforts. The meetings were well attended and the comments were well thought out and diverse. He said that Council is not here to design freeway interchanges, but to look at all the information and to make a decision. He said that the report shows a clear reason to look at the Split Diamond further, however, this has far-reaching and serious impact to the community and so he would like to see the SPUI move forward for further analysis as well. That extra information on both will help Council to decide something that is so important to the community.

Councilmember Young concurred with this and asked that the impacts to the businesses and residents on the west side be addressed. He added that ironically some of the residents on the west side prefer the Split Diamond Alternative because it would discourage development. He said that he would build the SPUI tomorrow if it would work, but it won't work unless other projects that the city doesn't largely control are constructed. The advantage of the Split Diamond is that it spreads the traffic out into more of a grid.

Mayor Hunter said that he is in favor of bringing both the SPUI and the Split Diamond forward. He said that it is an economic rather than technical design issue. The Hospital Benefit Zone funding is contingent upon sales tax collected in that area, and if it becomes difficult for the businesses it will be trouble.

Councilmember Payne concurred with the suggestion to bring both alternatives forward.

Councilmember Dick said that this is clearly the biggest decision during his tenure as Councilmember. He said that it is a difficult decision to make because each option has problems and at this stage you cannot assume one of the alternatives, as is, will “fly”. He said that for him, the issue of adaptability for the future is important and that is why he has concerns with the SPUI. He also said he has serious concern with the issue of westbound access citing part of the difficulty of the lack of control over what the state does at SR302. He stressed that the Split Diamond has more opportunity and the only one that takes traffic away from the interchange and has future capability for another crossing, but has a significant weakness in access for westbound traffic.

MOTION: Move to move forward the Split Diamond and the SPUI forward for further analysis.
Ekberg / Franich – unanimously approved.

3. Master Fee Resolution. David Rodenbach, Finance Director, presented the annual master fee update. He explained that the main purpose is to keep up with the cost of living increase and adds a few new fees.

Councilmember Payne asked what the increase back in May was based upon. Mr. Rodenbach responded that the increase was long overdue as the last adjustment was several years ago. The CPI was applied to some fees; others were what it costs to provide the service. He explained that most of the work is labor intensive and so correspondingly, the CPI is a good measure to use for increases.

Councilmember Franich asked if this increase would occur annually. He said that there was a substantial increase in fees earlier, and asked whether there had been time to track whether the last increase was sufficient.

Mr. Rodenbach responded yes, he anticipates an annual increase of fees. He said that the goal isn't to be in line with neighboring jurisdictions, but to recover a portion of the cost to provide the service. A large portion of the fees funded additional staff to keep up with the growth.

Councilmember Franich said that it seems the increases should be tied to the level of activity, not just a blanket increase.

Councilmember Young commented that if the rates aren't increased gradually, inflation will erode the level of service. That is why several developers spoke in support of the last fee increase because they wanted better service.

Councilmember Ekberg added that another issue is if you do it annually, you avoid a big jump. This is a much more realistic approach to fee management and he is glad that it will be coming back each year.

Councilmember Young suggested that every five years a fee study be performed to make sure all the fees are in line.

Councilmember Franich said that this year the level of activity has generated a million dollars in permits and fees. Next year there will be 1.5 million dollars generated. When things get busy at his work they just do more, not hire more people.

Councilmembers stressed that you have to adjust staff accordingly to accommodate growth.

MOTION: Move to move adopt Resolution No. 735.
Payne / Dick – six voted in favor. Councilmember Franich voted no.

4. 2008 Lobbyist Contracts – Gordon Thomas Honeywell.

Councilmember Young recused himself due to a conflict of interest. He left the chambers.

Rob Karlinsey presented these two continuations of existing lobbying contracts. He said that the federal contract has mistakenly been left out of packet, adding that the fees are the same as approved in 2007. He pointed out minor errors that will be corrected if adopted this evening. One was to reduce the annual amount on the state contract to \$24,996.00 and on the federal contract; the written dollar amount needs to match the numerical dollar amount.

Councilmember Franich asked how we know we are getting the promised services and whether they are working harder to lobby for other jurisdictions that might pay more.

Mr. Karlinsey responded that they report their activities on a monthly basis. He explained that whenever there is a conflict, they use different staff members to represent different jurisdictions. He said that we have a pretty good idea what other cities are requesting and what they have gotten, but it can be hard to measure how lobbying efforts make a difference.

Councilmember Franich stressed that he firmly believes that this enables a huge problem. Lobbyist impact on what gets done and it's a shame that government has to have lobbyists for this purpose.

MOTION: Move to authorize the Mayor to sign a consultant services contract for Washington State Services with Gordon Thomas and Honeywell in an amount not to exceed Twenty-four thousand, nine hundred and ninety-six dollars.
Ekberg / Conan – six voted in favor. Councilmember Franich voted no.

MOTION: Move to move authorize the Mayor to execute a consultant services contract for federal governmental affairs with Gordon Thomas and Honeywell Government Affairs for an amount not to exceed Seventy-five thousand dollars with minor corrections as discussed. **Ekberg / Conan** – six voted in favor. Councilmember Franich voted no.

Councilmember Young returned at this time.

STAFF REPORT:

Rob Karlinsey, City Administrator, reported that staff is working on the purchase and sale agreement for the triangle property at Donkey Creek Park and stream easement. He said that he is going to bring an extension to the contract with the Peninsula Historical Society to Council in January. He also said that a firm has been hired to do a Phase I Environmental Analysis on the property.

PUBLIC COMMENT: None.

MAYOR’S REPORT / COUNCIL COMMENTS:

Mayor Hunter presented Councilmember Dick with a plaque recognizing his years of service on the City Council.

Councilmember Dick thanked the Mayor and then gave an overview of the highlights of his tenure on the Council including the acquisition of planned and unplanned park properties and the new Civic Center. He said that one of his pet peeve was not designating more money for road improvements, but that is changing and he hopes that this trend continues. He stressed that the city needs to enforce existing rules and minimize variances, saying that he hopes Council finds ways to effectuate this goal. If things are broken, then fix them; don’t waive the rules. He finalized by saying he has enjoyed working with each Councilmember and thanked them for the opportunity which has been both fun and worthwhile.

Councilmembers took turns voicing appreciation for Councilmember Dick’s perspective, professionalism, and knowledge of the issues. They thanked him for the time he served and said he would be missed.

ANNOUNCEMENT OF OTHER MEETINGS:

1. BB16 Open House for Gig Harbor North Businesses & General Public Welcome – Nov. 27th and Dec. 6th at 6:00 p.m. in Community Rooms A & B.
2. Planning & Building Committee – Mon., Dec. 3rd at 5:00 p.m. in Planning/Building Conference Room.
3. GH North Traffic Options Committee – Wednesday, December 19th, at 9:00 a.m. in Community Rooms A & B.
4. Finance Committee – Mon. Dec 17th at 4:00 p.m.

5. Special City Council Meeting – Mon. Dec. 17th at 6:00 p.m. – Eddon Boat Sediment Cleanup Bid Award.


ADJOURN:

MOTION: Move to adjourn at 7:53 p.m.
Franich / Young – unanimously approved.

CD recorder utilized:
Disk #1 Tracks 1- 31
Disk #2 Tracks 1- 16



Charles L. Hunter, Mayor



Molly Towslee, City Clerk