

# **Gig Harbor City Council Meeting**

**June 14, 2010  
5:30 p.m.**



**AMENDED AGENDA FOR**  
**GIG HARBOR CITY COUNCIL MEETING**  
**Monday, June 14, 2010 – 5:30 p.m.**

**CALL TO ORDER:**

**PLEDGE OF ALLEGIANCE:**

**CONSENT AGENDA:**

1. Approval of the Minutes of City Council Meeting of May 24, 2010.
2. Liquor License Action: a) Special Occasion – Harbor History Museum; b) Renewals: The Keeping Room; Hunan Garden Restaurant; Kinza Teriyaki; and Spiro's Bella Notte Pizza & Pasta.
3. Eddon Boat Dust Collection System Engineering Contract.
4. ~~Lift Station #12 / Canterwood Blvd Structural Analysis and Odor Monitoring.~~
5. Resolution - Green House Gas Emissions Reduction Policy.
6. Hotel/Motel Public Relations Consultant Contract.
7. 2010 Pavement Markings – Pierce County Interlocal Maintenance Agreement.
8. Resolution - Setting the Public Hearing Date Woodworth Avenue Street Vacation.
9. Approval of Payment of Bills for June 14, 2010: Checks #63767 through #63924 in the amount of \$2,424,242.53.
10. Approval of Payroll for the month of May: Checks #5691 through #5702 and direct deposits in the amount of \$307,633.52.

**PRESENTATIONS:**

1. Building Official of the Year – Dick Bower.
2. Representative Jan Angel – Legislative Update.
3. Pierce County Library 2030 – Ms. Neel Parik, Director of the Library System.

**OLD BUSINESS:**

1. Second Reading of Ordinance No. 1190 – LTGO Bond.

**NEW BUSINESS:**

1. Public Hearing and First Reading of Ordinance – 2010 Park Plan Update.
2. Public Hearing and First Reading of Ordinance – Portal Signs.

**STAFF REPORT:**

**PUBLIC COMMENT:**

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

**ANNOUNCEMENT OF OTHER MEETINGS:**

1. Operations Committee Thu. Jun 17th CANCELLED.
2. Finance / Safety Committee – Mon. Jun 21st at 3:30 p.m. **Early start time.**
3. Council Workstudy Session – Mon. Jun 21<sup>st</sup> at 5:30 p.m.
4. GH North Traffic Options Committee – Wed. Jun 30<sup>th</sup> at 9:00 a.m.
5. Civic Center Closed for Independence Day – Mon. Jul 5th.
6. Elected Officials Appreciation Event – Milgard Family HOPE Center Tues. July 6th at 4:30 p.m.

**ADJOURN:**

**MINUTES OF GIG HARBOR CITY COUNCIL MEETING – MAY 24, 2010**

**PRESENT:** Councilmembers Ekberg, Young, Conan, Malich, Payne, Kadzik and Mayor Hunter. Councilmember Franich joined the meeting at 5:10 p.m.

**CALL TO ORDER:** 5:00 p.m. (Early start time)

**PLEDGE OF ALLEGIANCE:**

**EXECUTIVE SESSION:** For the purpose of discussing property acquisition per RCW 42.30.110(c); guild negotiations per RCW 42.30.140(4)(a); and pending litigation per RCW 42.30.110(i).

**MOTION:** Move to adjourn to Executive Session at 5:01 p.m. for approximately 40 minutes with possible extensions to discuss discussing property acquisition per RCW 42.30.110(c); guild negotiations per RCW 42.30.140(4)(a); and pending litigation per RCW 42.30.110(i).

**Conan / Malich** – unanimously approved.

City Attorney Angela Belbeck returned to the chambers at 5:43 p.m. and announced a fifteen minute extension to the Executive Session.

**MOTION:** Move to return to regular session at 6:02 p.m.

**Kadzik / Payne** - unanimously approved.

**CONSENT AGENDA:**

1. Approval of the Minutes of City Council Meeting of May 10, 2010
2. Receive and File: a) Pierce Transit Amendment to Code and Bylaws; b) Operations & Public Projects Committee Meeting Minutes of March 25, 2010 c) Council Workstudy Session Minutes May 17, 2010.
3. Correspondence / Proclamations: a) Building Code Effectiveness Grade; b) Outstanding Wastewater Treatment Plant Award.
4. Street Name – Shaw Lane.
5. WWTP Clarifier No. 2 – Contract Amendment/Cosmopolitan Engineering Group.
6. WSDOT Turnback Agreement.
7. Liquor License Renewals: Target Store; Puerto Vallarta Restaurant; Round Table Pizza; Julep Nail Parlor.
8. Settlement Agreement – Lisa Clark.
9. Settlement Agreement – David Morris.
10. Boys & Girls Club Agreement.
11. Resolution – Authorizing Interlocal Agreement with Pierce County Amending Affordable Housing Policies of the Countywide Planning Policies.
12. Police Guild Agreement.
13. Approval of Payment of Bills for May 24, 2010: Checks #63666 through #63766 in the amount of \$897,227.80.

Mayor Hunter announced that Consent Agenda Item number 12, Police Guild Agreement, was being moved to New Business.

**MOTION:** Move to adopt the Consent Agenda as amended.  
**Ekberg / Malich** - unanimously approved.

City Administrator Rob Karlinsey introduced Mark Starnes, President/CPO and Carrie Prudente-Holden, Director of Operations of the Boys and Girls Club. Mr. Starnes thanked the city for its support and announced the upcoming July 6th event to thank government officials and donors.

**PRESENTATIONS:**

1. GHPD Awards Presentation. Chief Mike Davis gave an overview of Detective Mike Cabacungan's skills and accomplishments, then presented him with the Office of the Year Award. Detective Cabacungan recognized his wife, Olivia and children Claire and Ann who were sitting in the audience.

Chief Davis then explained that this is the second time Marline McClane has been awarded the Staff Support Person of the Year Award. He praised Ms. McClane's dedication to the department.

2. Pierce Transit Update. Lind Simonsen, Community Relations Coordinator, presented an update on Pierce Transit's plans for the future in response to public input and current economic shortfalls.

**OLD BUSINESS:** None scheduled.

**NEW BUSINESS:**

1. Police Guild Agreement. Rob Karlinsey recommended adopting the proposed agreement with the addition of language clarifying Article 22 – Training.

**MOTION:** Move to authorize the Mayor to sign the Police Guild Collective Bargaining Agreement subject to clarification of Article 22 - Training by Memorandum of Understanding to the Mayor's approval.  
**Conan / Payne** - unanimously approved.

2. AWC Risk Pool Consultant Report. Rob Karlinsey introduced Jack Collins, representative from Association of Washington Cities Risk Pool, whose task was to analyze the city's claims history and make recommendations to reduce risk.

Mr. Collins explained that Gig Harbor is the first of six cities to be part of a pilot program of expanded member services. He said that throughout the day he met with staff members and members of the development community. He commented that he believes the city is in great shape as far as claims history and ahead of the curve in risk



management. He made four recommendations for the future: 1) form an employee Safety Committee to investigate claims and accidents and to report back to the Council; 2) adopt an accident prevention policy; 3) develop a written policy for management of claims; and 4) develop a method to foster two-way communication with the development community. Mr. Collins also recommended that the city utilize mediation methods in appropriate areas. He finalized by sharing that the City of Gig Harbor is a first class operation; the employees treat each other with respect and people enjoy working here. He said that Council and Staff should be proud.

Councilmember Franich explained that the city's Finance / Safety Committee meets to discuss more than just safety concerns. He asked why the Risk Management Pool felt it necessary to meet with members of the development community. Mr. Collins responded that it was to obtain a better understanding of the city's claims' history. He explained that his recommendation is to better communicate council's philosophy.

Councilmembers Payne and Young voiced appreciation for the recommendation saying this would be a good way to improve the process and to possibly avoid litigation.

Councilmember Ekberg said he appreciated the comment on the professionalism of our staff.

3. Civic Center Debt Reserve – Capital Project Allocation. Rob Karlinsey reported that at the May 17th workstudy session Council discussed the possible allocation of a portion of the Civic Center Debt Reserve Fund for capital projects. He explained that due to timing concerns, Council would need to take action tonight if they wish to overlay 38th rather than doing a chip seal. He presented the a proposed list of capital projects:

- 38th Avenue Overlay, from 56th Street south to the City Limits: \$375,000
- Pt. Fosdick Sidewalk gap on the west side of the road, from the Library to Briarwood: \$275,000
- Sehmel Drive Northbound Right Turn Lane at SR16: \$125,000
- Wagner Way/Wollochet Drive intersection

He noted that if the Civic Center Debt Reserve Fund paid for the total of these projects, the balance would be reduced to \$2,596,756.

Councilmember Ekberg voiced surprise at this recommendation before Council tonight and said that that there are several steps needed to develop a plan before making any decisions. He added that this is an appropriate discussion for budget time.

Councilmember Young clarified that the he initially brought forward only the suggestion to use the Debt Reserve Fund for the 38th Street project to discuss a longer lasting interim solution. He said that the numbers indicate that the Civic Center won't be paid off in ten years unless we add significantly to the reserves, and that the reserve fund is well above normal standards. This is why he is suggesting using a portion of the fund

for this one project; the others can be considered after establishing a debt reserve policy.

Councilmember Payne agreed on the need for policies and procedures before deciding which projects are candidates for the reserve fund. He explained about the discussion at the workstudy session on the current low bidding climate and how other projects might benefit. Staff took that discussion and developed this list of recommended projects. He voiced hesitance at authorizing money without policy and procedures in place; he then asked for clarification on the 38th project.

City Engineer Steve Misiurak explained that the current chip seal on 38th has lasted over ten years because it's a low-volume street. He said the average is eight years. He then discussed the plan to repair structural deficiencies and the new method of chip seal which will add even more to the life of the project. He added that the project is scheduled to begin in July at a cost of \$125,000.

Councilmember Malich asked if the road width is legal. Mr. Misiurak responded that it is; but any modifications would trigger several other requirements.

Mayor Hunter voiced a safety concern that a smooth overlay would encourage higher speeds. Councilmember Conan asked about the lifespan of doing an overlay. Mr. Misiurak said an overlay lasts 15-20 years.

Councilmember Payne commented on the issue of pedestrian safety and asked if future bioswale sidewalks would disturb these roadway improvements. Mr. Misiurak said you would need to adjust certain profiles of the roadway and ideally you want a long-range cross-section plan for consistency. He further explained that a complete rebuild of the roadway is a two-year process.

Rob Karlinsey asked Mr. Misiurak to comment on potential funding sources. Mr. Misiurak said that there will be a TIB call for projects this year but he doesn't anticipate a very large "pot" of money. Councilmember Young added that we wouldn't be eligible for SAFETEA-LU Funds for improvements to 38th Street.

Councilmember Malich asked about the formation of an LID with Pierce County. Mr. Misiurak said Pierce County has been approached in the past on other improvement projects; they are reluctant to provide anything other than verbal support.

Councilmember Young said he doesn't believe the city will qualify for any funding programs in the near future. Because the 38th Street improvements have been postponed for several years he thought using the debt reserve fund may be a way to make the road safer.

Councilmember Ekberg said he appreciated the discussion but until a decision can be made on the Debt Reserve Fund he is in favor of going forward with the budgeted chip seal.

Councilmember Franich mentioned two issues: 1) the philosophy of maintaining the debt reserve fund to pay off the Civic Center; and 2) if Council decides to spend a portion of the debt reserve fund there is a need for a comprehensive look at all the capital projects. He disagreed with the recommendation to split the money into three funds if Council is acting responsibly.

Councilmember Young explained that in this economic climate, it isn't realistic to think we will be able to add enough to the debt reserve to meet the payoff goal and so he proposed ideas for the fund. He said the information he provided was in response to a request regarding best practices in other jurisdictions.

Mayor Hunter commented that we are fortunate to have these reserve funds because we don't know the future of the economy. Councilmember Payne suggested that the Finance Committee take on the task of developing a policy to bring back for full council consideration.

**STAFF REPORT:**

1. Harborview Dr. / Stinson Ave. Water Main Construction Schedule. Rob Karlinsey praised the public outreach for this project. Senior Planner Jeff Langhelm described the public input that helped to develop the proposed plan. He summarized the recommended work hours and sequencing by zone.

Mr. Langhelm responded to questions from Councilmember Franich regarding detours, maintaining gravel roads, local access and the location of old asbestos concrete water lines.

Councilmember Ekberg made a suggestion to combine work on the morning and evening zones in order to cut down on the completion time. Mr. Langhelm said it he would see if it could be added as an alternate.

Councilmember Young voiced concern for night work in close proximity of the Maritime Inn. Mr. Langhelm said that they are going to do their best to mitigate noise.

Rob Karlinsey discussed a bid alternate to double the crew. Steve Misiurak suggested an early finish monetary incentive as well. Jeff Langhelm said a 24-hour schedule may require additional construction inspectors. There was further discussion on the tourism season and how to schedule paving in order to minimize impacts.

Staff was directed to explore the cost of using two crews and use their best judgment on whether to include this as a bid alternate.

**PUBLIC COMMENT:**

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

Rob Karlinsey said that the agenda looks light for August and recommended that both meetings during that month be cancelled.

Councilmember Malich recognized the Gig Harbor Police Department for their response to the recent incident out at Kopachuck. He then asked if the Outfall Project will block access to marinas. Mr. Karlinsey responded that there would be brief blockages. He offered to address the Gig Harbor Yacht Club and so Councilmember Malich said he would add this to the June Yacht Club meeting agenda.

Councilmember Young announced that Puget Sound Regional Council passed the *Vision 2040* and *Transportation 2040* plans. He said neither plan has much effect on Gig Harbor, but asked Council to take a look at the plans and get any comments back to him. He said that he will be forwarding more information as it becomes available.

**ANNOUNCEMENT OF OTHER MEETINGS:**

1. Civic Center Closed for Memorial Day – Mon. May 31st.
2. Planning / Building Committee – Mon. Jun 7 at 5:15 p.m.
3. Operations Committee – Thu. Jun 17 at 3:00 p.m.
4. Finance Committee – Mon. Jun 21st at 4:30 p.m.
5. Council Workstudy Session – Mon. Jun 21<sup>st</sup> at 5:30 p.m.

**ADJOURN:**

**MOTION:** Move to adjourn at 8:07 p.m.  
**Franich / Payne** – unanimously approved.

CD recorder utilized: Tracks 1002 – 1032

---

Charles L. Hunter, Mayor

---

Molly Towslee, City Clerk

WASHINGTON STATE LIQUOR CONTROL BOARD-License Services  
3000 Pacific Ave SE - P O Box 43075  
Olympia WA 98504-3075

TO: MAYOR OF GIG HARBOR

May 28, 2010

SPECIAL OCCASION # 093924

HARBOR HISTORY MUSEUM  
4121 HARBORVIEW DR  
GIG HARBOR WA 98335

DATE: AUGUST 7, 2010

TIME: NOON TO 6 PM

PLACE: HARBOR HISTORY MUSEUM, 4121 HARBORVIEW DR, GIG HARBOR

CONTACT: JENNIFER KILMER

253-858-6722

SPECIAL OCCASION LICENSES

- \*  License to sell beer on a specified date for consumption at specific place.
- \*  License to sell wine on a specific date for consumption at a specific place.
- \*  Beer/Wine in unopened bottle or package in limited quantity for off premises consumption.
- \*  Spirituous liquor by the individual glass for consumption at a specific place.

If return of this notice is not received in this office within 20 days from the above date, we will assume you have no objection to the issuance of the license. If additional time is required please advise.

1. Do you approve of applicant? YES\_\_\_ NO\_\_\_
2. Do you approve of location? YES\_\_\_ NO\_\_\_
3. If you disapprove and the Board contemplates issuing a license, do you want a hearing before final action is taken? YES\_\_\_ NO\_\_\_

<u>OPTIONAL CHECK LIST</u>	<u>EXPLANATION</u>	YES___	NO___
LAW ENFORCEMENT	_____	YES___	NO___
HEALTH & SANITATION	_____	YES___	NO___
FIRE, BUILDING, ZONING	_____	YES___	NO___
OTHER:	_____	YES___	NO___

If you have indicated disapproval of the applicant, location or both, please submit a statement of all facts upon which such objections are based.

\_\_\_\_\_  
DATE SIGNATURE OF MAYOR, CITY MANAGER, COUNTY COMMISSIONERS OR DESIGNEE

C091080-2

WASHINGTON STATE LIQUOR CONTROL BOARD

DATE: 06/06/2010

LICENSED ESTABLISHMENTS IN INCORPORATED AREAS CITY OF GIG HARBOR  
(BY ZIP CODE) FOR EXPIRATION DATE OF 20100930

LICENSEE	BUSINESS NAME AND ADDRESS	LICENSE NUMBER	PRIVILEGES
1. THE CAPTAIN'S MATE, INC.	THE KEEPING ROOM, CANDLES & WINE 7811 PIONEER WAY GIG HARBOR WA 98335 0000	086515	BEER/WINE SPECIALTY SHOP
2. PANDA INC.	HUMAN GARDEN RESTAURANT 5500 OLYMPIC DR GIG HARBOR WA 98335 0000	076567	SPIRITS/BR/MN REST SERVICE BAR
3. JU, SUN MOO	KINZA TERITAKI 6820 KIMBALL DR A-1 GIG HARBOR WA 98335 0000	077031	BEER/WINE REST - BEER/WINE
4. SPIRO'S BELLA NOTTE', INC.	SPIRO'S BELLA NOTTE' PIZZA & PASTA 3108 HARBOVIEW DR GIG HARBOR WA 98335 0000	363055	SPIRITS/BR/MN REST LOUNGE + OFF-PREMISES SALE WINE



**Subject:** Installation Plans authorization for Dust Collection System at Eddon Boat

**Dept. Origin:** Administration

**Prepared by:** Lita Dawn Stanton  
Special Projects *LDS*

**Proposed Council Action:** Approve and authorize the Mayor to execute the agreement with LNS Engineers to finalize installation plans in an amount not to exceed \$4,000.00.

**For Agenda of:** June 14, 2010

**Exhibits:** Consultants Contract and Exhibits

	Initial & Date
<b>Concurred by Mayor:</b>	<u>CLH June 8/10</u>
<b>Approved by City Administrator:</b>	<u>RBK</u>
<b>Approved as to form by City Atty:</b>	<u>ok per email</u>
<b>Approved by Finance Director:</b>	<u>btfnrk</u>
<b>Approved by Department Head:</b>	_____

Expenditure	Amount	Appropriation
Required <b>\$4,000</b>	Budgeted <b>\$4,000</b>	Required <b>-0-</b>

**INFORMATION / BACKGROUND**

In 2006, the State approved the City's \$1 million grant request to restore the Eddon Boat Building for public access. As part of the work, a Dust Collection System is required so that the public can view and participate in boatbuilding events and activities. \$19,800 was budgeted in the 2006 Heritage Grant for the purchase and installation of this equipment. LNS Engineering will provide code review, layouts, drawings for permit submittals and coordination for the final installation of the dust collection system. This work is covered by the Heritage Grant.

**FISCAL CONSIDERATION**

The Dust Collection System was a line item in the Heritage Grant request and will be reimbursed at 100%.

**BOARD OR COMMITTEE RECOMMENDATION**

n/a

**RECOMMENDATION / MOTION**

**Move to:** Authorize the Mayor on behalf of Council to approve the contract with LNS Engineers, Inc., not to exceed \$4,000.00.

**CONSULTANT SERVICES CONTRACT  
BETWEEN THE CITY OF GIG HARBOR AND  
LNS ENGINEERS, INC**

---

THIS AGREEMENT is made by and between the City of Gig Harbor, a Washington municipal corporation (the "City"), and LNS ENGINEERS, INC, a corporation organized under the laws of the State of WASHINGTON (the "Consultant").

**RECITALS**

WHEREAS, the City is presently engaged in the Eddon Boat Building Restoration Project and desires that the Consultant perform services necessary to provide the following consultation services; and

WHEREAS, the Consultant agrees to perform the services more specifically described in the Scope of Work including any addenda thereto as of the effective date of this Agreement, all of which are attached hereto as **Exhibit A – Scope of Work**, and are incorporated by this reference as if fully set forth herein;

NOW, THEREFORE, in consideration of the mutual promises set forth herein, it is agreed by and between the parties as follows:

**TERMS**

1. **Retention of Consultant - Scope of Work**. The City hereby retains the Consultant to provide professional services as defined in this Agreement and as necessary to accomplish the scope of work attached hereto as **Exhibit A** and incorporated herein by this reference as if set forth in full. The Consultant shall furnish all services, labor and related equipment necessary to conduct and complete the work, except as specifically noted otherwise in this Agreement.

2. **Payment**.

A. The City shall pay the Consultant an amount based on time and materials, not to exceed four thousand dollars and no cents (\$4,000.00) for the services described in Section 1 herein. This is the maximum amount to be paid under this Agreement for the work described in **Exhibit A**, and shall not be exceeded without the prior written authorization of the City in the form of a negotiated and executed supplemental agreement.

The Consultant's staff and billing rates shall be as described in **Exhibit B – Schedule of Rates and Estimated Hours**. The Consultant shall not bill for Consultant's staff not identified or listed in **Exhibit B** or bill at rates in excess of the hourly rates shown in **Exhibit B**, unless the parties agree to a modification of this Contract, pursuant to Section 18 herein.

B. The Consultant shall submit monthly invoices to the City after such services have been performed, and a final bill upon completion of all the services described in this



Agreement. The City shall pay the full amount of an invoice within forty-five (45) days of receipt. If the City objects to all or any portion of any invoice, it shall so notify the Consultant of the same within fifteen (15) days from the date of receipt and shall pay that portion of the invoice not in dispute, and the parties shall immediately make every effort to settle the disputed portion.

**3. Relationship of Parties.** The parties intend that an independent contractor-client relationship will be created by this Agreement. As the Consultant is customarily engaged in an independently established trade which encompasses the specific service provided to the City hereunder, no agent, employee, representative or subconsultant of the Consultant shall be or shall be deemed to be the employee, agent, representative or subconsultant of the City. In the performance of the work, the Consultant is an independent contractor with the ability to control and direct the performance and details of the work, the City being interested only in the results obtained under this Agreement. None of the benefits provided by the City to its employees, including, but not limited to, compensation, insurance, and unemployment insurance are available from the City to the employees, agents, representatives, or subconsultants of the Consultant. The Consultant will be solely and entirely responsible for its acts and for the acts of its agents, employees, representatives and subconsultants during the performance of this Agreement. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Consultant performs hereunder.

**4. Duration of Work.** The City and the Consultant agree that work will begin on the tasks described in **Exhibit A** immediately upon execution of this Agreement. The parties agree that the work described in **Exhibit A** shall be completed by June 25, 2010; provided however, that additional time shall be granted by the City for excusable days or extra work.

**5. Termination.** The City reserves the right to terminate this Agreement at any time upon ten (10) days written notice to the Consultant. Any such notice shall be given to the address specified above. In the event that this Agreement is terminated by the City other than for fault on the part of the Consultant, a final payment shall be made to the Consultant for all services performed. No payment shall be made for any work completed after ten (10) days following receipt by the Consultant of the notice to terminate. In the event that services of the Consultant are terminated by the City for fault on part of the Consultant, the amount to be paid shall be determined by the City with consideration given to the actual cost incurred by the Consultant in performing the work to the date of termination, the amount of work originally required which would satisfactorily complete it to date of termination, whether that work is in a form or type which is usable to the City at the time of termination, the cost of the City of employing another firm to complete the work required, and the time which may be required to do so.

**6. Non-Discrimination.** The Consultant agrees not to discriminate against any customer, employee or applicant for employment, subcontractor, supplier or materialman, because of race, color, creed, religion, national origin, marital status, sex, sexual orientation, age or handicap, except for a bona fide occupational qualification. The

Consultant understands that if it violates this provision, this Agreement may be terminated by the City and that the Consultant may be barred from performing any services for the City now or in the future.

**7. Indemnification.**

A. The Consultant agrees to hold harmless, indemnify and defend the City, its officers, agents, and employees, from and against any and all claims, losses, or liability, for injuries, sickness or death of persons, including employees of the Consultant, or damage to property, arising out of any willful misconduct or negligent act, error, or omission of the Consultant, its officers, agents, subconsultants or employees, in connection with the services required by this Agreement; provided, however, that:

1. The Consultant's obligations to indemnify, defend and hold harmless shall not extend to injuries, sickness, death or damage caused by or resulting from the sole willful misconduct or sole negligence of the City, its officers, agents or employees; and

2. The Consultant's obligations to indemnify, defend and hold harmless for injuries, sickness, death or damage caused by or resulting from the concurrent negligence or willful misconduct of the Consultant and the City, or of the Consultant and a third party other than an officer, agent, subconsultant or employee of the Consultant, shall apply only to the extent of the negligence or willful misconduct of the Consultant.

B. It is further specifically and expressly understood that the indemnification provided herein constitutes the consultant's waiver of immunity under industrial insurance, title 51 RCW, solely for the purposes of this indemnification. The parties further acknowledge that they have mutually negotiated this waiver. The consultant's waiver of immunity under the provisions of this section does not include, or extend to, any claims by the consultant's employees directly against the consultant.

C. The provisions of this section shall survive the expiration or termination of this Agreement.

**8. Insurance.**

A. The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the Consultant's own work including the work of the Consultant's agents, representatives, employees, subconsultants or subcontractors.

B. Before beginning work on the project described in this Agreement, the Consultant shall provide evidence, in the form of a Certificate of Insurance, of the following insurance coverage and limits (at a minimum):

1. Business auto coverage for any auto no less than a \$1,000,000 each accident limit, and

2. Commercial General Liability insurance no less than \$1,000,000 per occurrence with a \$2,000,000 aggregate. Coverage shall include, but is not limited to, contractual liability, products and completed operations, property damage, and employers liability, and
3. Professional Liability insurance with no less than \$1,000,000. All policies and coverages shall be on a claims made basis.

C. The Consultant is responsible for the payment of any deductible or self-insured retention that is required by any of the Consultant's insurance. If the City is required to contribute to the deductible under any of the Consultant's insurance policies, the Contractor shall reimburse the City the full amount of the deductible within 10 working days of the City's deductible payment.

D. The City of Gig Harbor shall be named as an additional insured on the Consultant's commercial general liability policy. This additional insured endorsement shall be included with evidence of insurance in the form of a Certificate of Insurance for coverage necessary in Section B. The City reserves the right to receive a certified and complete copy of all of the Consultant's insurance policies upon request.

E. Under this Agreement, the Consultant's insurance shall be considered primary in the event of a loss, damage or suit. The City's own comprehensive general liability policy will be considered excess coverage with respect to defense and indemnity of the City only and no other party. Additionally, the Consultant's commercial general liability policy must provide cross-liability coverage as could be achieved under a standard ISO separation of insured's clause.

F. The Consultant shall request from his insurer a modification of the ACORD certificate to include language that prior written notification will be given to the City of Gig Harbor at least 30 days in advance of any cancellation, suspension or material change in the Consultant's coverage.

**9. Exchange of Information.** The City warrants the accuracy of any information supplied by it to the Consultant for the purpose of completion of the work under this Agreement. The parties agree that the Consultant will notify the City of any inaccuracies in the information provided by the City as may be discovered in the process of performing the work, and that the City is entitled to rely upon any information supplied by the Consultant which results as a product of this Agreement.

**10. Ownership and Use of Work Product.** Any and all documents, drawings, reports, and other work product produced by the Consultant under this Agreement shall become the property of the City upon payment of the Consultant's fees and charges therefore. The City shall have the complete right to use and re-use such work product in any manner deemed appropriate by the City, provided, that use on any project other than that for which the work product is prepared shall be at the City's risk unless such use is agreed to by the Consultant.

11. **City's Right of Inspection.** Even though the Consultant is an independent contractor with the authority to control and direct the performance and details of the work authorized under this Agreement, the work must meet the approval of the City and shall be subject to the City's general right of inspection to secure the satisfactory completion thereof. The Consultant agrees to comply with all federal, state, and municipal laws, rules, and regulations that are now effective or become applicable within the terms of this Agreement to the Consultant's business, equipment, and personnel engaged in operations covered by this Agreement or accruing out of the performance of such operations.

12. **Records.** The Consultant shall keep all records related to this Agreement for a period of three years following completion of the work for which the Consultant is retained. The Consultant shall permit any authorized representative of the City, and any person authorized by the City for audit purposes, to inspect such records at all reasonable times during regular business hours of the Consultant. Upon request, the Consultant will provide the City with reproducible copies of any such records. The copies will be provided without cost if required to substantiate any billing of the Consultant, but the Consultant may charge the City for copies requested for any other purpose.

13. **Work Performed at the Consultant's Risk.** The Consultant shall take all precautions necessary and shall be responsible for the safety of its employees, agents, and subconsultants in the performance of the work hereunder and shall utilize all protection necessary for that purpose. All work shall be done at the Consultant's own risk, and the Consultant shall be responsible for any loss of or damage to materials, tools, or other articles used or held by the Consultant for use in connection with the work.

14. **Non-Waiver of Breach.** The failure of the City to insist upon strict performance of any of the covenants and agreements contained herein, or to exercise any option herein conferred in one or more instances shall not be construed to be a waiver or relinquishment of said covenants, agreements, or options, and the same shall be and remain in full force and effect.

15. **Resolution of Disputes and Governing Law.**

A. Should any dispute, misunderstanding, or conflict arise as to the terms and conditions contained in this Agreement, the matter shall first be referred to the City Engineer or Director of Operations and the City shall determine the term or provision's true intent or meaning. The City Engineer or Director of Operations shall also decide all questions which may arise between the parties relative to the actual services provided or to the sufficiency of the performance hereunder.

B. If any dispute arises between the City and the Consultant under any of the provisions of this Agreement which cannot be resolved by the City Engineer or Public Works Director determination in a reasonable time, or if the Consultant does not agree with the City's decision on the disputed matter, jurisdiction of any resulting litigation shall be filed in Pierce County Superior Court, Pierce County, Washington. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The

prevailing party in any such litigation shall be entitled to recover its costs, including reasonable attorney's fees, in addition to any other award.

**16. Written Notice.** All notices required to be given by either party to the other under this Agreement shall be in writing and shall be given in person or by mail to the addresses set forth below. Notice by mail shall be deemed given as of the date the same is deposited in the United States mail, postage prepaid, addressed as provided in this paragraph.

CONSULTANT:  
LNS ENGINEERS  
ATTN: Larry Storset, P.E.  
P.O. Box 2598  
Gig Harbor, WA 98335  
(253) 851-5175


City of Gig Harbor  
ATTN: Lita Dawn Stanton  
3510 Grandview Street  
Gig Harbor, WA 98335  
(253) 851-6170

**17. Subcontracting or Assignment.** The Consultant may not assign or subcontract any portion of the services to be provided under this Agreement without the express written consent of the City. Any subconsultants approved by the City at the outset of this Agreement are named on **Exhibit C** attached hereto and incorporated herein by this reference as if set forth in full.

**18. Entire Agreement.** This Agreement represents the entire integrated agreement between the City and the Consultant, superseding all prior negotiations, representations or agreements, written or oral. This Agreement may be modified, amended, or added to, only by written instrument properly signed by both parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement this 4<sup>TH</sup>  
day of JUNE, 2010.

CONSULTANT

By:   
Its: PRESIDENT

CITY OF GIG HARBOR

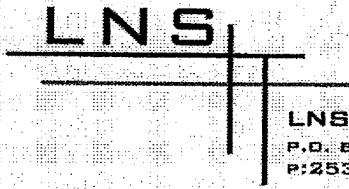
By: \_\_\_\_\_  
Mayor Charles L. Hunter

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

**LNS ENGINEERS, INC.**

P.O. BOX 2598, GIG HARBOR, WASHINGTON 98335

P: 253.851.5175 • F: 253.851.7366 • E-MAIL: LNS@LNSENGINEERS.COM

June 3, 2010

City of Gig Harbor  
3510 Grandview Street  
Gig Harbor, WA 98335

Attn: Chuck Hunter

Re: Gig Harbor BoatShop  
Mechanical Engineering Fee Proposal

We are pleased to provide the following proposal for engineering services for engineering services in support of installation of the previously purchased Grissly Dust Collector and associated ductwork as follows:

- Provide code review for the dust collector installation
- Provide dust collector layout drawing and associated ductwork to equipment pickups based on equipment layouts provided by the BoatShop Staff
- Provide drawings for permit submittal to the City of Gig Harbor
- Coordination Historical Preservation requirements of the facility for installation of new wall/roof penetrations.

The above work shall be provided on an hourly basis not to exceed \$ 4,000.00, to be billed per the following rate schedule:


Principal: \$ 135.00/hour  
CAD Drafting: \$ 65.00/hour

**Exclusions:**

- 1) Sprinkler system modification design (if necessary, to be provided by sprinkler contractor)
- 2) Electrical system modification design (if necessary, to be provided by electrical contractor)
- 3) Building modifications necessary for installation of the dust collection system

We look forward to working with you on this project.

Sincerely,  
LNS Engineers, Inc.



Larry N. Storset, P.E.  
President



**Business of the City Council  
City of Gig Harbor, WA**

**Subject:** Resolution - Greenhouse Gas Emissions Reduction Policy

**Proposed Council Action:**  
Adopt the Resolution Reducing Greenhouse Gas Emissions as provided herein.

**Dept. Origin:** Public Works  
**Prepared by:** Wayne Matthews, Engineering Technician *WM*  
**For Agenda of:** June 14, 2010  
**Exhibits:** Resolution  
Greenhouse Gas Emissions Reduction Policy  
Supporting Documents

	Initial & Date
Concurred by Mayor:	<u>SLH June 8/10</u>
Approved by City Administrator:	<u>RYK</u>
Approved as to form by City Atty:	<u>via e-mail WPM</u>
Approved by Finance Director:	N/A
Approved by Department Head:	<u>Sen 6/8/10</u>

<b>Expenditure Required</b>	\$0	<b>Amount Budgeted</b>	\$0	<b>Appropriation Required</b>	\$0
-----------------------------	-----	------------------------	-----	-------------------------------	-----

**INFORMATION/BACKGROUND**

The City often funds, in part, public works capital improvements through grants and loans. The City currently has a loan request before the Public Works Board for \$5,400,000 for the Phase 2 Design and Construction of the Wastewater Treatment Plant. The Washington State Public Works Board, which manages the Public Works Trust Fund Loan program that funds local agency infrastructure projects has recently added an eligibility requirement for all agencies submitting any loan requests to have a "Greenhouse Gas Emissions Reduction Policy" formally adopted by June 30, 2010.

The City already manages, supports, and encourages many actions that are environmentally responsible and can be considered part of a Greenhouse Gas Emissions Reduction Policy.

The following are examples of current City practices that qualify under eligible Greenhouse Emissions Reduction practices;

- Research of latest light types and costs, such as LED for street light use.
- The use of recycled copy paper.
- Recycling of paper, bottles, cans, oil, batteries, asphalt, concrete, street signs and metals.
- The installation and maintenance of bike lanes, sidewalks and crosswalks.

- Specification and installation of energy efficient blowers, motors, and other equipment for the wastewater treatment plant.
- The City vehicles including a current hybrid car as part of the City's fleet.

**FISCAL CONSIDERATION**

There will be no additional costs or additional requirements to the citizens by adopting this policy. Currently the City has a loan request before the Public Works Board for \$5,400,000 for the Phase 2 Design and Construction of the Wastewater Treatment Plant. Without a policy in place, the current loan application will be determined ineligible for further consideration.


**BOARD OR COMMITTEE RECOMMENDATION**

Staff provided a summary of the attached Policy at the May 27, 2010 Public Works Committee meeting. The Committee recommended that this policy be presented to full Council for adoption at the next City Council meeting.

**RECOMMENDATION/MOTION**

Move to approve a Resolution to adopt a Greenhouse Emissions Reduction policy as presented.



	<b>CITY OF GIG HARBOR – POLICIES AND PROCEDURES</b>	
	<b>TITLE: GREENHOUSE GAS EMISSIONS REDUCTION</b>	
<b>POLICY MANUAL SECTION &amp; NO.</b>	<b>EFFECTIVE DATE:</b> <b>REVISED DATE:</b>	<b>APPROVED:</b>

## PURPOSE

**WHEREAS**, state, regional and local governments throughout the United States are adopting emission reduction targets and programs and that this leadership is non-partisan and coming from governors, county officials, and mayors alike, and

**WHEREAS**, many local governments throughout the nation, both large and small, are reducing the production of global warming pollutants through programs that provide economic and quality of life benefits, such as reduced energy bills, green space preservation, air quality improvements, reduced traffic congestion, improved transportation choices, and economic development and job creation through energy conservation and new energy, and

**WHEREAS**, the City may lose opportunities by not having a Greenhouse Gas Emissions Reduction Policy adopted, including eligibility for certain loans to, in part, finance future Public Works capital improvement, and

## POLICY

It shall be the policy of the City of Gig Harbor to reduce greenhouse emissions.

## REFERENCES

City of Gig Harbor Public Works Standards, latest version.

City of Gig Harbor Commute Trip Reduction Plan, latest version.

## PROCEDURE

- Support and encourage options provided in the City's current Commute Trip Reduction Plan;
- Encourage ride-sharing, van-pooling and the use of flex-time schedules by employees;
- Manage street lighting needs by applying standards and using lamps that will assure safe and effective illumination at minimum cost and energy use;
- Promote the purchase of recycled and recyclable goods;
- Reduce the solid waste stream by recycling and other means;
- Provide safe and convenient access for pedestrians and bicyclists to, across, and along major transit priority streets.

RESOLUTION NO. \_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, ADOPTING A GREENHOUSE GAS EMISSIONS REDUCTION POLICY THAT WILL BENEFIT ITS NATURAL RESOURCES AND REDUCE THE EMISSION OF GREENHOUSE GASSES.**

---

**WHEREAS**, state, regional and local governments throughout the United States are adopting emission reduction targets and programs and that this leadership is non-partisan and coming from governors, county officials, and mayors alike, and

**WHEREAS**, many local governments throughout the nation, both large and small, are reducing the production of global warming pollutants through programs that provide economic and quality of life benefits, such as reduced energy bills, green space preservation, air quality improvements, reduced traffic congestion, improved transportation choices, and economic development and job creation through energy conservation and new energy, and

**WHEREAS**, the City may lose opportunities by not having a Greenhouse Gas Emissions Reduction Policy adopted, including eligibility for certain loans to, in part, finance future Public Works capital improvement, and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:**

Section 1. The City Council hereby adopts a Greenhouse Emissions Reduction policy attached as Exhibit 'A' and incorporated herein by this reference.

RESOLVED this 14<sup>th</sup> day of June, 2010.

APPROVED:

\_\_\_\_\_  
CHARLES L. HUNTER, MAYOR

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
CITY CLERK, MOLLY TOWSLEE

FILED WITH THE CITY CLERK: 5/19/10  
PASSED BY THE CITY COUNCIL: 00/00/00  
RESOLUTION NO.



**Subject:** Approval for Hotel/Motel 2010 Contract  
• Carol Zahorsky, a public relations contractor

**Proposed Council Action:** I recommend the Council approves the contracts as presented.

**Dept. Origin:** Administration - Marketing

Prepared by: Laureen Lund

**For Agenda of:** June 14, 2010

**Exhibits:**  
1 referenced contract

Initial & Date

**Concurred by Mayor:** CLH June 10/2010

**Approved by City Administrator:** RJK

**Approved as to form by City Atty:** \_\_\_\_\_

**Approved by Finance Director:** \_\_\_\_\_

**Approved by Department Head:** [Signature]

Expenditure		Amount		Appropriation	
Required	\$7,000.00	Budgeted	\$7,000.00	Required	0

**INFORMATION / BACKGROUND**

Carol Zahorsky has enhanced our public relations and advertising campaigns as a previous public relations contractor for the City of Gig Harbor as established in our Tourism Strategic Plan. This contract specifies a program focusing on the Harbor History Museum opening and media relations surrounding that event.

**FISCAL CONSIDERATION**

These dollars has been approved in the 2010 Marketing Budget from Lodging Tax dollars and will not exceed the amount of \$7,000.

**BOARD OR COMMITTEE RECOMMENDATION**

I recommend that the Council authorize and accept the contract for Carol Zahorsky.

**RECOMMENDATION / MOTION**

Move to:

**CONSULTANT SERVICES CONTRACT  
BETWEEN THE CITY OF GIG HARBOR AND  
Carol Zahorsky DBA Zahorsky & Associates Brand Communications**

THIS AGREEMENT is made by and between the City of Gig Harbor, a Washington municipal corporation (hereinafter the "City"), and Carol Zahorsky, a public relations contractor, whose address is: 14735 McIntosh Lane SE, Tenino WA 98589, (hereinafter the "Consultant").

**RECITALS**

WHEREAS, the City is presently engaged in the formation of a tourism public relations campaign and desires that the Consultant perform services necessary to assist in the development of the campaign by contacting travel writers to write about Gig Harbor, revise existing and to create new press materials, write press releases and related public relations services.

WHEREAS, the Consultant agrees to perform services more specifically described in Exhibit A, Scope of Service, dated June 8, 2010, which is attached hereto as Exhibit A, and is incorporated by this reference as if fully set forth herein.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, it is agreed by and between the parties as follows:

**I. Description of Work**

The Consultant shall perform all work as described in Exhibit A.

**II. Payment**

A. The City shall pay the Consultant an amount hourly rate of one hundred thirty dollars and no cents (\$130.00), not to exceed one thousand seven hundred and fifty dollars and no cents (\$1750.00) per month or seven thousand dollars even (\$7,000.00) for the duration of this agreement for the services described in Exhibit A herein. This is the maximum amount to be paid under this Agreement for the work described in Exhibit A, and shall not be exceeded without the prior written authorization of the City in the form of a negotiated and executed supplemental agreement. PROVIDED, HOWEVER, the City reserves the right to direct the Consultant's compensated services under the time frame set forth in Section IV herein before reaching the maximum amount.

B. The Consultant shall submit monthly invoices to the City after such services have been performed, as described in this Agreement. The City shall pay the full amount of an invoice within thirty (30) days of receipt. If the City objects to all or any portion of any invoice, it shall so notify the Consultant of the same within fifteen (15) days from the date of receipt and shall pay that portion of the invoice not in dispute, and the parties shall immediately make every effort to settle the disputed portion.

**III. Relationship of Parties**

The parties intend that an independent contractor-client relationship will be created by this Agreement. As the Consultant is customarily engaged in an independently established trade which encompasses the specific service provided to the City hereunder, no agent, employee, representative or sub-consultant of the Consultant shall be or shall be deemed to be the employee, agent, representative or sub-consultant of the City. In the performance of the work, the Consultant is an independent contractor with the ability to control and direct the performance and details of the work, the City being interested only in the results obtained under this Agreement. None of the benefits provided by the City to its employees, including, but not limited to, compensation, insurance, and unemployment insurance are available from the City to the employees, agents, representatives, or sub-consultants of the Consultant. The Consultant will be solely and entirely responsible for its acts and for the acts of its agents, employees, representatives and sub-consultants during the performance of this Agreement. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Consultant performs hereunder.

#### **IV. Duration of Work**

The City and the Consultant agree that the Consultant will begin work on the tasks described in Exhibit A immediately upon execution of this Agreement and be completed by October 15, 2010.

#### **V. Termination**

A. Termination of Agreement. The City may terminate this Agreement, for public convenience, the Consultant's default, the Consultant's insolvency or bankruptcy, or the Consultant's assignment for the benefit of creditors, at any time prior to completion of the work described in Exhibit A Scope of Services. Termination shall be effective immediately upon the Consultant's receipt of the City's written notice or such date stated in the City's notice, whichever is later. Such notice may be delivered to the Consultant in person or by certified mail.

B. Rights Upon Termination. In the event of termination, the City shall pay for all services satisfactorily performed by the Consultant to the effective date of termination, as described on a final invoice submitted to the City. Said amount shall not exceed the amount in Section II above. After termination, the City may take possession of all records and data within the Consultant's possession pertaining to this Agreement, which records and data may be used by the City without restriction. Upon termination, the City may take over the work and prosecute the same to completion, by contract or otherwise. Except in the situation where the Consultant has been terminated for public convenience, the Consultant shall be liable to the City for any additional costs incurred by the City in the completion of the Scope of Work referenced as Exhibit A and as modified or amended prior to termination. "Additional Costs" shall mean all reasonable costs incurred by the City beyond the maximum contract price specified in Section II (A), above.

#### **VI. Discrimination**

In the hiring of employees for the performance of work under this Agreement or any sub-contract hereunder, the Consultant, its sub-contractors, or any person acting on behalf of such Consultant or sub-consultant shall not, by reason of race, religion, color, sex, national origin, or the presence of any sensory, mental, or physical disability, discriminate against any person who is qualified and available to perform the work to which the employment relates.

#### **VII. Indemnification**

6/8/2010

ConsultantServCContractZahorsky10 (2).doc

The Consultant shall defend, indemnify and hold the City, its officers, officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits, including all legal costs and attorneys' fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City. The City's inspection or acceptance of any of the Consultant's work when completed shall not be grounds to avoid any of these covenants of indemnification.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, agents and volunteers, the Consultant's liability hereunder shall be only to the extent of the Consultant's negligence.

IT IS FURTHER SPECIFICALLY AND EXPRESSLY UNDERSTOOD THAT THE INDEMNIFICATION PROVIDED HEREIN CONSTITUTES THE CONSULTANT'S WAIVER OF IMMUNITY UNDER INDUSTRIAL INSURANCE, TITLE 51 RCW, SOLELY FOR THE PURPOSES OF THIS INDEMNIFICATION. THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE MUTUALLY NEGOTIATED THIS WAIVER.

The provisions of this section shall survive the expiration or termination of this Agreement.

#### **VIII. Insurance**

A. The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, employees, sub-consultants or sub-contractors.

B. Before beginning work on the project described in this Agreement, the Consultant shall provide a Certificate of Insurance evidencing:

1. Automobile Liability insurance with limits no less than \$1,000,000 combined single limit per accident for bodily injury and property damage; and

2. Commercial General Liability insurance written on an occurrence basis with limits no less than \$1,000,000 combined single limit per occurrence and \$2,000,000 aggregate for personal injury, bodily injury and property damage. Coverage shall include but not be limited to: blanket contractual; products/completed operations/broad form property damage; explosion, collapse and underground (XCU) if applicable; and employer's liability; and

C. Any payment of deductible or self-insured retention shall be the sole responsibility of the Consultant. The City shall be named as an additional insured on the Commercial General Liability insurance policy, as respects work performed by or on behalf of the Consultant and a copy of the endorsement naming the City as additional insured shall be attached to the Certificate of Insurance. The City reserves the right to receive a certified copy of all the required insurance policies.

D. The Consultant's Commercial General Liability insurance shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respects to the limits of the insurer's liability. The Consultant's insurance shall

6/8/2010

ConsultantServCContractZahorsky10 (2).doc

be primary insurance as respects the City. The City shall be given thirty (30) days prior written notice by certified mail, return receipt requested, of any cancellation, suspension or material change in coverage.

### **IX. Exchange of Information**

The City warrants the accuracy of any information supplied by it to the Consultant for the purpose of completion of the work under this Agreement. The parties agree that the Consultant will notify the City of any inaccuracies in the information provided by the City as may be discovered in the process of performing the work, and that the City is entitled to rely upon any information supplied by the Consultant which results as a product of this Agreement.

### **X. Ownership and Use of Records and Documents**

Original documents, drawings, designs and reports developed under this Agreement shall belong to and become the property of the City. All written information submitted by the City to the Consultant in connection with the services performed by the Consultant under this Agreement will be safeguarded by the Consultant to at least the same extent as the Consultant safeguards like information relating to its own business. If such information is publicly available or is already in consultant's possession or known to it, or is rightfully obtained by the Consultant from third parties, the Consultant shall bear no responsibility for its disclosure, inadvertent or otherwise.

### **XI. City's Right of Inspection**

Even though the Consultant is an independent contractor with the authority to control and direct the performance and details of the work authorized under this Agreement, the work must meet the approval of the City and shall be subject to the City's general right of inspection to secure the satisfactory completion thereof. The Consultant agrees to comply with all federal, state, and municipal laws, rules, and regulations that are now effective or become applicable within the terms of this Agreement to the Consultant's business, equipment, and personnel engaged in operations covered by this Agreement or accruing out of the performance of such operations.

### **XII. Consultant to Maintain Records to Support Independent Contractor Status**

On the effective date of this Agreement (or shortly thereafter), the Consultant shall comply with all federal and state laws applicable to independent contractors including, but not limited to the maintenance of a separate set of books and records that reflect all items of income and expenses of the Consultant's business, pursuant to the Revised Code of Washington (RCW) Section 51.08.195, as required to show that the services performed by the Consultant under this Agreement shall not give rise to an employer-employee relationship between the parties which is subject to RCW Title 51, Industrial Insurance.

### **XIII. Work Performed at the Consultant's Risk**

The Consultant shall take all precautions necessary and shall be responsible for the safety of its employees, agents, and sub-consultants in the performance of the work hereunder and shall utilize all protection necessary for that purpose. All work shall be done at the Consultant's own risk, and the Consultant shall be responsible for any loss of or damage to materials, tools, or other articles used or held for use in connection with the work.



#### **XIV. Non-Waiver of Breach**

The failure of the City to insist upon strict performance of any of the covenants and agreements contained herein, or to exercise any option herein conferred in one or more instances shall not be construed to be a waiver or relinquishment of said covenants, agreements, or options, and the same shall be and remain in full force and effect.

#### **XV. Resolution of Disputes and Governing Law**

Should any dispute, misunderstanding, or conflict arise as to the terms and conditions contained in this Agreement, the matter shall first be referred to the City Administrator and the City shall determine the term or provision's true intent or meaning. The City Administrator shall also decide all questions which may arise between the parties relative to the actual services provided or the sufficiency of the performance hereunder.

If any dispute arises between the City and the Consultant under any of the provisions of this Agreement which cannot be resolved by the City Administrator's determination in a reasonable time, or if the Consultant does not agree with the City's decision on the disputed matter, jurisdiction of any resulting litigation shall be filed in Pierce County Superior Court, Pierce County, Washington. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The non-prevailing party in any action brought to enforce this Agreement shall pay the other parties' expenses and reasonable attorney's fees.

#### **XVI. Written Notice**

All communications regarding this Agreement shall be sent to the parties at the addresses listed on the signature page of the agreement, unless notified to the contrary. Any written notice hereunder shall become effective upon the date of mailing by registered or certified mail, and shall be deemed sufficiently given if sent to the addressee at the address stated in this Agreement or such other address as may be hereafter specified in writing.

City of Gig Harbor  
Attn: Rob Karlinsey  
3510 Grandview Street  
Gig Harbor, WA 98335

Carol Zahorsky  
14735 McIntosh Lane SE  
Tenino, WA 98589

#### **XVII. Assignment**

Any assignment of this Agreement by the Consultant without the written consent of the City shall be void. If the City shall give its consent to any assignment, this paragraph shall continue in full force and effect and no further assignment shall be made without the City's consent.



Any assignment of this Agreement by the Consultant without the written consent of the City shall be void. If the City shall give its consent to any assignment, this paragraph shall continue in full force and effect and no further assignment shall be made without the City's consent.

**XVIII. Modification**

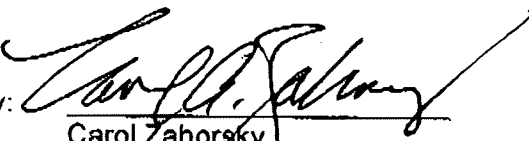
No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of the City and the Consultant.

**XIX. Entire Agreement**

The written provisions and terms of this Agreement, together with any Exhibits attached hereto, shall supersede all prior verbal statements of any officer or other representative of the City, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner whatsoever, this Agreement or the Agreement documents. The entire agreement between the parties with respect to the subject matter hereunder is contained in this Agreement and any Exhibits attached hereto, which may or may not have been executed prior to the execution of this Agreement. All of the above documents are hereby made a part of this Agreement and form the Agreement document as fully as if the same were set forth herein. Should any language in any of the Exhibits to this Agreement conflict with any language contained in this Agreement, then this Agreement shall prevail.

IN WITNESS WHEREOF, the parties have executed this Agreement on this 14<sup>th</sup> day of June, 2010.

THE CITY OF GIG HARBOR

By:   
Carol Zahorsky  
14735 McIntosh Lane SE  
Tenino, WA 98589

By: \_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Gig Harbor City Attorney

ATTEST:

\_\_\_\_\_  
Gig Harbor City Clerk

**EXHIBIT A**  
**SCOPE OF SERVICES**  
**June 8, 2010**

**Harbor History Museum Opening - Proposed Public Relations Program**

1. With client, develop a detailed communications work plan including timeline, media opportunities around the Grand Opening, build up to the opening, and ways to keep the museum in the forefront until well established in the minds of the community and regional visitors;
2. Provide consultation on Grand Opening events;
3. Meet with client to plan and strategize 3 times during the project period;
4. Draft and distribute an opening announcement press release and museum backgrounder;
5. Draft and distribute two additional releases on specific exhibit or attraction at the museum;
6. Respond to direct media queries;
7. Develop a detailed targeted media list;
8. Invite and help host media at museum opening functions;
9. Provide recaps of activities completed on behalf of the museum opening;
10. Advise and help direct late June photo shoot for publicity and other purposes;
11. Advise re b-roll footage for broadcast, You Tube.

**Pre-Opening and Post-Opening Opportunities**

1. Building up to the opening, it would be important to leverage community events, particularly those taking place at the museum, to build awareness for the museum. After opening, piggybacking on events will help keep the museum visible. A start at this list is as follows:
2. Harbor Wine and Food Festival – Aug. 7 – NOTE: Might considering pulling in demonstrations of how food was historically prepared and preserved, while showcasing foods traditional grown, harvested, gathered and caught on the peninsula.
3. Meeting Planners Fam – Sept. 17 – Laureen Lund will be hosting a familiarization tour for meeting planners a day prior to the Grand Opening. This might be a good opportunity to get a local newspaper photographer to the museum for a photo to run the day of opening with a reminder of the Grand Opening.
4. Donkey Creek Chum Festival – Oct. 16

## EXHIBIT B CHARGES FOR SERVICES

Carol Zahorsky will be paid by the City of Gig Harbor for a time period of four months and based on an hourly rate of \$130, beginning June 21, 2010 and continuing through October 15, 2010. An extension of services can be negotiated separately.

Carol Zahorsky will submit monthly invoices for processing by the City of Gig Harbor for the services performed.

Cost of doing business expenses and mileage would be included in the retainer. All associated costs for Special Events and the Grand Opening would not be covered by this retainer. Media hosting expenses would not be covered under this contract and would be the responsibility of those food and lodging establishments and/or attractions that are hosting the media.

The fee structure presented above includes all incidental expenses except postage and mailing supplies such as envelopes and letterhead which will be provided by the City of Gig Harbor, based on a per project basis and with prior arrangement with the Marketing Director and from the Marketing office postage and supply budget. No additional invoices from the Consultant will be accepted for expenses.

### **Harbor History Museum Opening** PR Outline – a start at the communications plan

#### *Overview*

The much anticipated opening of the Harbor History Museum will take place in September 2010.

Activities surrounding the public Grand Opening date of September 18 will help build awareness and excitement for the new museum.

#### *Goals*

- Encourage community visitation to the museum
- Encourage South Sound/Greater Puget Sound visitation to the museum and Gig Harbor
- Increase awareness for Gig Harbor's Maritime History
- Strengthen branding for Gig Harbor as "The Maritime City"

#### *Key Opportunities*

- Pre-opening events
- Opening events
- Special/revolving/temporary displays
- Special guest talks/workshops around permanent displays

*Communications strategies*

- Museum pre-opening
  - Identify opportunities to invite media to preview the museum, including a hard-hat tour, pre-opening preview, etc.
  - Draft and distribute detailed museum press release with photos 3 months out
  - Hard hat tour for media – late July
  
- Museum opening September 2010
  - Draft and distribute opening release
  - Encourage media visitation
  - Target media:
    - Broadcast
    - Regional newspapers
    - Regional lifestyle and travel magazines
    - Historic preservation magazines
    - Specifically...
      - Tom Banse, NPR
      - Dick Stein, KPLU
      - Rob Bhatt, Journey
      - David Nicandri, editor, Columbia, the magazine for the Washington State Historical Society
      - The Washington Trust for Historic Preservation, “Trust News”
      - Tim Egan, New York Times
      - Preservation Magazine



**Subject:** 2010 Pavement Markings – Pierce County Interlocal Maintenance Agreement.

**Proposed Council Action:** Authorize the Mayor or his designee to direct Pierce County to conduct pavement marking services in accordance with the existing Interlocal Agreement with Pierce County for Street and Traffic Maintenance Services in an amount not to exceed \$25,000.

**Dept. Origin:** Public Works/Operations  
**Prepared by:** *Marco Malich*  
Marco Malich  
Public Works Superintendent

**For Agenda of:** June 14, 2010

**Exhibits:** Pierce County Interlocal Agreement  
Street Inventory for Pavement Marking

Initial & Date

**Concurred by Mayor:** *CLH May 10/2010*  
**Approved by City Administrator:** *R/K*  
**Approved as to form by City Atty:** *E-mail 6-7-10*  
**Approved by Finance Director:** *[Signature]*  
**Approved by Department Head:** *[Signature]*

Expenditure Required	\$25,000	Amount Budgeted	\$35,000	Appropriation Required	\$0
----------------------	----------	-----------------	----------	------------------------	-----

**INFORMATION / BACKGROUND**

The Interlocal Maintenance Agreement between City of Gig Harbor and Pierce County provides for the paint restriping of various City roadways to be painted this summer, as identified in the attached list. Total estimate will provide striping, including labor, equipment and material, including overhead. Please note that Borgen Boulevard and the roundabouts will be painted twice and Harborview Drive and 38<sup>th</sup> Avenue will be striped at dates later in the year with the Water Main Replacement and 38<sup>th</sup> Avenue Roadway Maintenance projects.

**FISCAL CONSIDERATION**

The adopted City 2010 Street Operating Fund, Objective No. 1, allocated \$35,000 for this necessary work. This agreement with Pierce County is well below that allocation and provides City reimbursement of actual Pierce County incurred costs.

**BOARD OR COMMITTEE RECOMMENDATION**

N/A

**RECOMMENDATION / MOTION**

**Move to:** Authorize the Mayor or his designee to direct Pierce County to conduct pavement marking services in accordance with the existing Interlocal Agreement with Pierce County for Street and Traffic Maintenance Services in an amount not to exceed \$25,000.

CITY OF GIG HARBOR  
Street Inventory for 2010 Pavement Marking

STREET	FROM	TO	LENGTH (FT.)	SKIP CENTER STRIPE (FT.)	DOUBLE YELLOW CENTER STRIPE (FT.)	EDGE STRIPE (FT.)	DOTTED EXTENSION STRIPE (FT.)	GORE STRIPE (FT.)	DOTTED GORE STRIPE (FT.)	LANE STRIPE (FT.)	NO-PASS STRIPE	2-WAY LEFT TURN STRIPE (FT.)	BICYCLE LANE STRIPE (FT.)
Austin Street	North Harborview Drive	Harborview Drive	500		500								
	Pt. Fosdick Drive	38th Avenue	3,000		3,000	6,000							
Burnham Drive	North Harborview Drive	Harborview Drive	1,795	1,675	1,795	2,630							460
	Harborview Drive	SR-16/Canterwood Blvd.	7,500		7,320	14,500							
	Sehnel Drive	City Limits	5,700		5,700								
Borgen Blvd.	Burnham Drive	Peacock Hill Avenue	5,770	710	3,800	3,542		200					3,300
	Burnham Drive	City Limits	3,700		3,700	7,400							
Edwards Street	Stinson Avenue	Pioneer Way	1,400		1,400								
Grandview St	Soundview Drive	Pioneer Way			1,300	2,600		70					1,300
	Soundview Drive	Pioneer Way	650		650			50					2,450
Harborview Drive	Pioneer Way	Stinson Avenue	2,750		2,750			400	100				3,550
	Stinson Avenue	North Harborview Drive	1,900		1,900								
	North Harborview Drive	Burnham Drive	2,000		2,000	3,600							
	Soundview Drive	Street End	1,500	1,400									
Hollycroft	Soundview Drive	Reid Road	1,500	300	600	1,500					600		
	Soundview Drive	Kimball Drive	1,450		125	600		50				2,700	
Hunt Street	38th Street	46th Street	2,650		2,650	5,300							
	Soundview Drive	Pioneer Way	900		900	1,680		30					
Kimball Drive	Hunt Street	Pioneer Way	2,525					50				5,050	
	Harborview Drive	Peacock Hill Ave.	2,100		2,100								3,125
N. Harborview Drive	Peacock Hill Ave.	Vernhardsen	2,200		2,200								4,000
	46th Ave. NW	North Creek Loop	1,950		1,950								
Olympic Drive	Soundview Drive	Pt. Fosdick Drive	3,300		3,550	6,500	200	300		3,900			
	Pt. Fosdick Drive	56th Street	2,700		200	3,830		275		1,000		4,650	

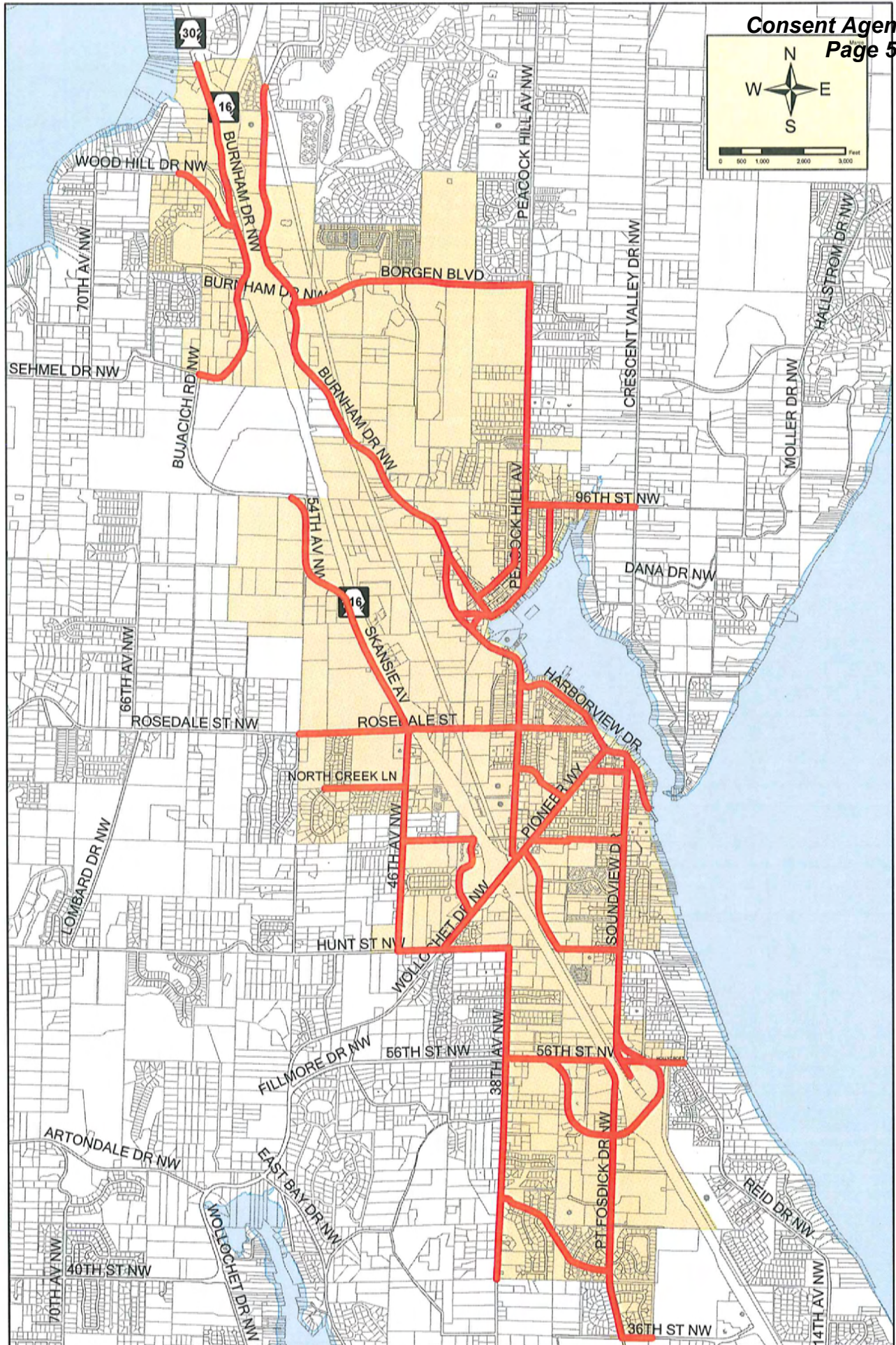
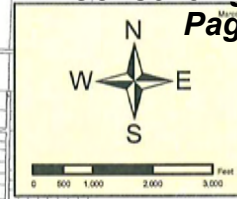
CITY OF GIG HARBOR  
Street Inventory for 2010 Pavement Marking

STREET	FROM	TO	LENGTH (FT.)	SKIP CENTER STRIPE (FT.)	DOUBLE YELLOW CENTER STRIPE (FT.)	EDGE STRIPE (FT.)	DOTTED EXTENSION STRIPE (FT.)	GORE STRIPE (FT.)	DOTTED GORE STRIPE (FT.)	LANE STRIPE (FT.)	NO-PASS STRIPE	2-WAY LEFT TURN STRIPE (FT.)	BICYCLE LANE STRIPE (FT.)
Peacock Hill Avenue	North Harborview Drive	Ringold Street	3,500			3,000							
	Ringold Street	City Limits (112th Street)	3,600	2,700	900	9,580					1,650		
	Note **	thru RAB											
Pioneer Way	Harborview Drive	SR-16/Stinson Avenue	3,390		2,900	2,000		200		300			780
Point Fosdick Drive	56th Street	Olympic Drive	1,770		1,700	3,540		100			360		300
	Olympic Drive	Hrbr. Cntry. Ln. (44th St.)	2,170		140	1,425		350	400	850			1,200
	Hrbr. Cntry. Ln. (44th St.)	36th St. (City Limits)	2,700		2,700	5,200							
Prentice Ave.	Burnham Drive	Fennimore Street	1,500										
Rosedale Street	Harborview Drive	Stinson Avenue	1,800		1,800								1,900
	Stinson Avenue	Skansie Avenue	2,700		2,700	4,000							
	Skansie Avenue	City Limits	2,500	910	1,400	2,600		460				300	
	Burnham Drive	City Limits	3,200										
Skansie Avenue	Rosedale Street	Hunt Str. (Incl. Co. ptr.)	5,300	9,200	360	10,200					2,075		
	Rosedale Street	96th Street	6,500	3,000		13,000							
	*extend db yellow	100' south of North Creek											
Soundview Drive	Harborview Drive	Hunt Street	4,670	1,700	2,650			480				1,630	4,350
	Hunt Street	Olympic Drive	2,280		2,600			120				260	2,280
	Olympic Drive	End	950	325	275	800		250					
Stinson Avenue	Harborview Drive	Grandview Street	3,700		3,700			400					
	Grandview Street	Pioneer Way	500										500
Vernhardsen Street	Peacock Hill Avenue	North Harborview Drive	885	885		1,725							
	North Harborview Drive	City Limits	1,800		1,800	2,720	50						
Wagner Way	Wollochet Drive	72nd Street	1,950		1,950			80					
Wollochet Drive	Stinson Avenue	Hunt Street	2,725		2,950	5,300		400		400			
Woodhill Drive	Burnham Drive	City Limits	1,900		1,900								

**CITY OF GIG HARBOR  
Street Inventory for 2010 Pavement Marking**

STREET	FROM	TO	LENGTH (FT.)	SKIP CENTER STRIPE (FT.)	DOUBLE YELLOW CENTER STRIPE (FT.)	EDGE STRIPE (FT.)	DOTTED EXTENSION STRIPE (FT.)	GORE STRIPE (FT.)	DOTTED GORE STRIPE (FT.)	LANE STRIPE (FT.)	NO-PASS STRIPE (FT.)	2-WAY LEFT TURN STRIPE (FT.)	BICYCLE LANE STRIPE (FT.)
38th Avenue	Hunt Street	56th Street	2,630		2,630	5,260			60				
	56th Street	City Limits	5,300		5,300	10,600			150				
36th Street	Pt. Fosdick Drive	City Limits	540		540	1,000							
56th Street	Pt. Fosdick Drive	Olympic Drive	1,260		1,260	2,450		150					
	Olympic Drive	38th Avenue	990		380	1,980		200		1,980		1,200	
72nd Street		Skansie-end	1,630		1,630	3,200							
TOTAL (Ft.)			133,780	24,305	97,455	152,962	250	4,615	710	8,430	4,685	18,570	26,715
TOTAL (Miles)			25.3	4.6	18.5	29.0	0.0	0.9	0.1	1.6	0.9	3.5	5





**INTERLOCAL AGREEMENT BETWEEN  
PIERCE COUNTY AND THE CITY OF GIG HARBOR  
TO PROVIDE STREET AND TRAFFIC MAINTENANCE  
SERVICES**

**THIS INTERLOCAL AGREEMENT** is entered into this day by and between **PIERCE COUNTY**, a political subdivision of the State of Washington (herein referred to as "County"), and the **CITY OF GIG HARBOR**, a municipal corporation of the State of Washington (herein referred to as "City"), and is applicable to all properties located within the geographic area that constitutes the incorporated limits of the City.

WHEREAS, the City has determined that it is in the City's interest to contract with the County for certain street and traffic facility maintenance services; and

WHEREAS, the County is capable of providing certain street and traffic facility maintenance services to the City; and

WHEREAS, the parties are authorized to enter into service agreements by virtue of the Interlocal Agreement Act, Chapter 39.34 RCW;

NOW, THEREFORE, in consideration of the terms and conditions contained herein, it is mutually agreed by and between the County and the City as follows:

**SECTION 1. PURPOSE.** The purpose of this Agreement is to memorialize the Agreement reached between the City and the County for the provision of street and traffic maintenance services by the County to the City and its residents.

**SECTION 2. COUNTY AND CITY COORDINATION.** The County will provide street and traffic services on an as-needed basis and as directed by the City. Each service performed by the County will be approved by the City prior to performance of said work except in cases where work is necessary to preserve public safety or property. The services performed will be used as the basis of billing by the County.

The County will identify specific liaisons for both street and traffic maintenance services to direct the delivery of services from the County to the City. The City will identify a liaison responsible for authorizing work to be done on the City's behalf. The liaisons will also be responsible for determining a schedule for the reporting of actual work performed by the County on behalf of the City including the level of detail required for such reporting.

**SECTION 3. COUNTY RESPONSIBILITIES.**

3.1 County to Provide Certain Street Maintenance Services. The County will provide certain street maintenance services, which are included, but not limited to those services described in Exhibit "A", attached hereto and incorporated by this reference, within the incorporated area. Delivery of services will generally be consistent with the County's adopted Maintenance and Quality policies and any subsequent amendments thereto. In the event the City requests and the County agrees to provide services not identified within Exhibit "A", the County will bill the City for those services utilizing the billing criteria in Section 5 of this Agreement.

3.2 County to Provide Certain Traffic Maintenance Services. At the request and authorization from the City for each instance and function, the County will provide emergency traffic signal call-out services and signal electronic repair for



City traffic signals as described in Exhibit "A". Prior to directing the County to provide said services, City personnel will review the signal concern in the field to determine if County forces are required and to secure the safety of the location as needed. The City may also request that the County provide routine traffic signal relamping services in accordance with this Agreement.

The City shall provide an emergency back-up signal timing plan on a form provided by the County, to be used in the event an existing signal controller has to be changed out under an emergency traffic signal call-out condition. The City shall be responsible for any appropriate signal timing changes and other signal engineering support.

- 3.3 County to Provide Certain Emergency Services. Emergency services to protect public safety and/or property will be handled as the County and City liaisons deem necessary pursuant to Section 2, with the County, however, having final authority to decide such matters, unless it receives advance written instructions concerning emergency services from the City. Said instructions will constitute an act of the City for purposes of Section 7, "Indemnification and Defense".

Emergency services may include, but are not limited to, unusual weather conditions that necessitate snow and ice control, slide removal, repairing or preventing flood damage to streets and street rights-of-way. Should the County's determine that certain emergency services are necessary, the City liaison will be informed within twenty-four (24) hours of the performance of the emergency services. The City liaison shall have the authority to suspend the performance of said emergency services at any time.

The City will be responsible for disposal of any debris or material collected by the County from within the incorporated area in the performance of emergency services unless the City explicitly authorizes the cost of disposal to be included in the cost of providing the emergency service.

- 3.4 County to Furnish Personnel and Equipment. The County shall furnish all personnel and such resources and materials deemed by the County as necessary to provide the street and traffic services herein described. Prior to performing any such services for the City, the County liaison shall review the proposed work plan, resources, and materials with the City liaison.

In the event the County uses contract services to perform any of the services described herein for the City, the appropriate supervision and inspection of the contractor's work will be performed by the County.

**SECTION 4. CITY RESPONSIBILITY.** The City hereby confers the authority on the County to perform the street and traffic maintenance services as specifically described in Exhibit "A" attached hereto within the City limits for the purposes of carrying out this Agreement.

**SECTION 5. COMPENSATION AND BILLING PROCEDURE.**

- 5.1 Costs. In consideration for the provision of services described herein, the City agrees to pay the County for the actual work completed based on monthly billings. A listing of the services to be provided include, but are not limited to, those services listed with associated unit prices in Exhibit "A". For those

services listed in Exhibit "A" which are to be billed under the Force Account category, billing will be based on a labor, materials and equipment basis as described below. Services which are not specifically listed in Exhibit "A" will be billed under the Force Account category unless otherwise agreed upon by both parties. Billings for Force Account work will be calculated as indicated below.

- 5.1.1 The labor rate billed to the City shall be increased by thirty percent (30%) to account for administrative overhead. The rate of overhead includes Maintenance Administration costs and Department Administration costs. No supervision or maintenance office costs will be charged directly.
  - 5.1.2 Equipment use will be charged to the City based upon the hours used times the Pierce County Equipment Services Division (ESD) rental rate. A five percent (5%) administrative charge will be assessed for processing.
  - 5.1.3 Materials and supplies will be billed at cost plus a ten percent (10%) administrative processing fee. ESD inventory stocked items will be billed at the Pierce County ESD materials rate.
- 5.2 Billings. The costs of services as outlined will be billed no later than the thirtieth (30th) day of the month by the County based on services provided in the previous month. Payments by the City will be due within thirty days of receipt of the billing. Monthly payments that are not paid within the allotted time period shall be considered delinquent. Delinquent charges shall accrue interest on the unpaid balance, from the date of delinquency until paid, at an interest rate of one-half of one-percent (0.5%) per month.
- 5.3 Future Billing Rates. The billing rates for labor and equipment related to providing the Functions and services each year after 1998 shall be adjusted annually, effective January 1 of each year to reflect current costs. Increase in the costs that are the result of changes in regulatory requirements, or the expansion or modification of base services shall also be included in any increases to billing rates after 1998.

If, in the event of a renegotiation of fees, overhead charges of services, the parties do not reach an Agreement as to the modification by January 1 of the effective year, the most recent billing terms and service levels established under this Agreement shall remain in full force and effect until a revised fee or level of service is determined by negotiation or arbitration. Once revised billing terms are agreed to by both parties, these terms shall be applied retroactively to January 1 of the effective year and appropriate billing adjustment will be rendered by the County.

- 5.4 Emergency Services. The parties recognize that certain exceptional circumstances such as extreme weather conditions or other acts of God (for example rain, wind, snow or earthquake) may result in the City's need for emergency services. For those emergency services provided, billing for those services shall be under the Force Account category and be based on the cost of labor, materials and equipment utilized. The County will endeavor to obtain prior authorization from the City as outlined in this Agreement, and to keep a record of time spent by crews and the monies expended. In the event the total cost of providing those services exceeds the maximum agreed upon compensation for a

given year, the City agrees to compensate the County for the additional services.

**SECTION 6. DURATION.** This Agreement shall remain in full force and effect upon the date that the last signature is affixed hereto until midnight December 31, 2000. Thereafter, the Agreement shall be renewed automatically for one-year periods commencing January 1 and ending December 31 unless written notice of termination is served by ~~a party~~ the City or the County. Any notice of termination must be served by June 1, in the year prior to termination, with termination to be effective on January 1, of the following calendar year..

In the event this Agreement is not renewed, or if Functions included herein are not renewed, the parties agree to develop a transition plan, if necessary, which will govern the timing and process of transfer of responsibility of delivery of service from the County to the City, or to another service provider. Issues dealt with in the transition plan shall include, but are not limited to, determining the exact time at which the responsibility for on-call after-hour services transfers from the County to the new service provider. The transition plan will be developed by the City and County liaisons and will be ready for implementation prior to the date of termination.

**SECTION 7. TERMINATION FOR PUBLIC CONVENIENCE.** The County may terminate the Agreement, in whole or in part, upon thirty days written notice, whenever the County determines, in its sole discretion, that such termination is in the interests of the County. Whenever the Agreement is terminated in accordance with this paragraph, the County shall issue to the City a final billing for actual work performed in accordance with the Agreement. An equitable adjustment in the contract price for partially completed items of work may be included in the billing to the City. Termination of this Agreement by the County at any time during the term, whether for default or convenience, shall not constitute a breach of contract by the County.

**SECTION 8. FUTURE NON-ALLOCATION OF FUNDS.** If sufficient funds are not appropriated or allocated by the City for payment under this contract for any future fiscal period, the City will not be obligated to make payments for services or amounts incurred after the end of the current fiscal period. No penalty or expense shall accrue to the City in the event this provision applies, provided that the City gives appropriate notice of intent to terminate as identified in Section 6.

**SECTION 9. INDEMNIFICATION AND DEFENSE.** The County shall defend, indemnify and save harmless the City, its officers, employees and agents from any and all costs, claims, judgments, or awards of damages, resulting from the acts or omissions of the County, its officers, employees, or agents associated with this Agreement. In executing this Agreement, the County does not assume liability or responsibility for, or in any way release the City from any liability or responsibility which arises in whole or in part from the existence or effect of City ordinances, rules, regulations, resolutions, customs, policies, or practices. If any cause, claim, suit, action or administrative proceeding is commenced in which the enforceability and/or validity of any such City ordinance, rule, regulation, resolution, custom, policy or practice is at issue, the City shall defend the same at its sole expense, and if judgment is entered or damages are awarded against the City, the County, or both, the City shall satisfy the same, including all chargeable costs and attorney's fees.

The City shall defend, indemnify and save harmless the County, its officers, employees and agents from any and all costs, claims, judgments or awards of damages, resulting from the acts or omissions of the City, its officers, employees, or agents associated with this Agreement. In executing this Agreement, the City does not assume liability or responsibility for, or in any way release, the County from any liability or responsibility which arises in whole or in part from the existence or effect of County ordinances, rules, regulations, resolutions, customs, policies, or practices. If any cause, claim, suit, action or administrative proceeding is commenced in which

the enforceability and/or validity of any such County ordinance, rule, regulation, resolution, custom, policy or practice is at issue, the County shall defend the same at its sole expense, and if judgment is entered or damages are awarded against the County, the City, or both, the County shall satisfy the same, including all chargeable costs and attorney's fees.

**SECTION 10. NO THIRD-PARTY BENEFICIARY.** The County does not intend by this Agreement to assume any contractual obligations to anyone other than the City, and the City does not intend by this Agreement to assume any contractual obligations to anyone other than the County. The County and the City do not intend that there be any third-party beneficiary to this Agreement.

**SECTION 11. INSURANCE COVERAGE.** The City shall maintain at all times during the course of this Agreement a general liability insurance policy or other comparable coverage with a self-insured retention of no more than \$500,000.00, and a policy limit of no less than \$5,000,000.00 dollars.

The County shall maintain at all times during the course of this Agreement a general liability insurance policy or other comparable coverage with a self-insured retention of no more than \$500,000.00, and a policy limit of no less than \$5,000,000.00 dollars.

**SECTION 12. NON-DISCRIMINATION.** The County and the City certify that they are Equal Opportunity Employers.

**SECTION 13. ASSIGNMENT.** Neither the County nor the City shall have the right to transfer or assign, in whole or in part, any or all of its obligations and rights hereunder without the prior written consent of the other Party.

**SECTION 14. NOTICE.** Any formal notice or communication to be given by the County to the City under this Agreement shall be deemed properly given if delivered, or if mailed postage prepaid and addressed to:

CITY OF GIG HARBOR  
3105 Judson Street  
Gig Harbor, Washington 98335

Attention: Public Works Director

Any formal notice or communication to be given by the City to the County under this Agreement shall be deemed properly given if delivered, or if mailed postage prepaid and addressed to:

PIERCE COUNTY  
Pierce County Executive's Office  
930 Tacoma Avenue South, Room 737  
Tacoma, Washington 98402-2100

Attention: Executive Director of Operations

The name and address to which notices and communications shall be directed may be changed at any time, and from time to time, by either the City or the County giving notice thereof to the other as herein provided.

**SECTION 15. COUNTY AS INDEPENDENT CONTRACTOR.** County is, and shall at all times be deemed to be, an independent contractor. Nothing herein contained shall be construed as creating the relationship of employer and employee, or principal and agent, between the City and County, or any of the County's agents or employees. The County shall retain all authority for rendition of services, standards of performance, control of personnel, and other matters incident to the performance of services by the County pursuant to this Agreement.

Nothing in this Agreement shall make any employee of the City a County employee, or any employee of the County a City employee for any purpose, including, but not limited to, for withholding of taxes, payment of benefits, worker's compensation pursuant to Title 51 RCW, or any other rights or privileges accorded to County or City employees by virtue of their employment.

**SECTION 16. WAIVER.** No waiver by either party of any term or condition of this Agreement shall be deemed or construed to constitute a waiver of any other term or condition or of any subsequent breach, whether of the same or a different provision of this Agreement.

**SECTION 17. ENTIRE AGREEMENT.** This Agreement contains all of the agreements of the Parties with respect to any matter covered or mentioned in this Agreement and is intended to supersede all prior agreements and amendments.

**SECTION 18. AMENDMENT.** Provisions within this Agreement may be amended with the mutual consent of the parties hereto. No additions to, or alternation of, the terms of this Agreement shall be valid unless made in writing, formally approved and executed by duly authorized agents of both parties.

**SECTION 19. NO REAL PROPERTY ACQUISITION OR JOINT FINANCING.** This Interlocal Agreement does not provide for the acquisition, holding or disposal of real property. Nor does this Agreement contemplate the financing of any joint or cooperative undertaking. There shall be no budget maintained for any joint or cooperative undertaking pursuant to this Interlocal Agreement.


**SECTION 20. FILING.** Copies of this Interlocal Agreement shall be filed with the Gig Harbor City Clerk, the Pierce County Auditor, and the Secretary of State of Washington after execution of the Agreement by both parties.

**SECTION 21. SEVERABILITY.** If any of the provisions contained in this Agreement are held illegal, invalid or unenforceable, the remaining provisions shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement this 20<sup>th</sup> day of April, 1998.

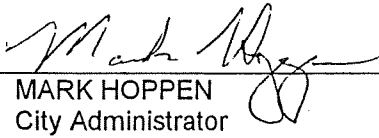
GIG HARBOR

PIERCE COUNTY

  
GRETCHEN WILBERT  
Mayor

  
DEPARTMENT DIRECTOR

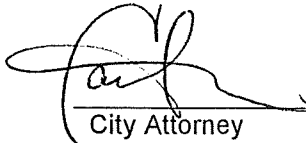
4.20.98  
Date

  
MARK HOPPEN  
City Administrator

  
BUDGET AND FINANCE

4-23  
Date

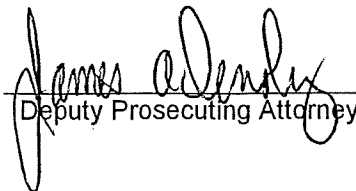
Approved as to Form:

  
City Attorney

Attest:


  
City Clerk

Approved as to Form:

  
Deputy Prosecuting Attorney

\_\_\_\_\_  
EXECUTIVE DIRECTOR  
(if applicable)

\_\_\_\_\_  
Date

  
COUNTY EXECUTIVE  
(if over \$50,000)

4/23/98  
Date



City of Gig Harbor  
EXHIBIT "A"

51T - Flag for Bridge	Labor Hour	\$36.06	Hourly
51X - Misc. Bridge Work	Force Account		
64Z - Guardrail	Labor Hour	\$78.31	Hourly
64T - Traffic signal relamping	Each	\$14.00	As requested
64N - Signal electronic repair	Force Account		As requested
above function is for the repair of electrical components conducted at the shop or by manufacturer.			
Emergency Signal Call out Service	Force Account		As requested
66A - Snow Plowing	Force Account		
66B - Sand Ice / Snow	Force Account		
66X - Misc. Snow / Ice	Force Account		
67A - Manual Sweeping	Labor Hour	\$39.14	Hourly
67B - Front-End Broom	Lane Mile	\$68.45	Based on 7 miles per day
67C - Self Loading Bm.	Lane Mile	\$82.94	Based on 8 miles per day
67D - Flushing	Lane Mile	\$65.43	Based on 8 miles per day
67T - Flagging	Labor Hour	\$36.06	Hourly
67X - Misc. Sweeping	Force Account		
71B - Brushcutter	Shoulder Mile	\$633.79	Based on 1 mile per day
71C - Manual Brushing	Labor Hour	\$47.35	Hourly
71D - Chipping Brush	Shoulder Mile	\$1,038.66	Varies
71F - Spray Shoulders	County Contract		Use County's Contract
71G - Fence Repair	Labor Hour	\$43.73	Hourly
71J - Spray Backslope	County Contract		Use County's Contract
71T - Flag for Brushing	Labor Hour	\$36.06	Hourly
71X - Misc. Brushing	Force Account		
75A - Litter Pickup	Shoulder Mile	\$235.01	Varies
75C - Chemical Spill	Labor Hour	\$48.79	Hourly
75X - Misc. Litter	Force Account		
76A - Slide Repair	Labor Hour	\$48.32	Hourly

RECEIVED

MAY 01 1998

CITY OF GIG HARBOR  
PUBLIC WORKS DEPT.

PIERCE COUNTY DEPARTMENT OF PUBLIC WORKS AND UTILITIES			
CITY/AGENCY CONTRACT WORK			
For the City of Gig Harbor			
FUNCTION	UNIT MEASURE	UNIT PRICE	COMMENTS
31A - Pothole Cold Patching	Ton	\$166.47	Based on 5 ton per day
31B - Hot Mix Patching	Ton	\$343.53	Based on 8 ton per day
31C - Crack Sealing	Gallon	\$11.81	Based on 240 gallons per day
31D - Grader Patching	Ton	\$86.95	Based on 150 ton per day
31E - Layton Box Asphalt Work	Force Account		
31F - Chip Seal	Force Account		
31G - Skin Patching	Square	\$2.99	Based on 1200 square yards per day
31H - Grade Gravel Roads	Mile	\$202.02	Based on 3 miles per day
31K - Haul Material for Roads	Ton	\$20.53	Based on 135 ton per day
31T - Flagging for Traveled Way	Labor Hour	\$36.06	Hourly
31V - Move Material / Equipment	Labor Hour	\$58.89	Hourly
31X - Misc. Traveled Way Maint.	Force Account		
32A - Grade and Shape Shoulders	Shoulder Mile	\$1,050.99	Based on 1.5 miles per day
32B - Patching Shoulders	Ton	\$166.47	Based on 5 ton per day
32C - Haul Material for Shoulders	Ton	\$25.11	Based on 135 ton per day
32D - Mowing Shoulders	Shoulder Mile	\$69.56	Based on 8 miles per day
32F - Sealcoat Shoulders	Shoulder Mile	\$2,850.30	Based on four foot shoulder
32T - Flagging for Shoulders	Labor Hour	\$36.06	Hourly
32X - Misc. Shoulder Maintenance	Force Account		
40A - Ditching with Backhoe	Ditch Feet	\$3.07	Based on 400 feet per day
40B - Ditching with Drott	Ditch Feet	\$2.15	Based on 800 feet per day
40C - Ditching with Athey	Ditch Mile	\$2,801.64	Based on 1.5 ditch miles per day
40D - Manually Clean Culverts	Each	\$18.01	Varies
40E - Manually Cln Struct.	Each	\$33.87	Varies
40F - Clean Grate Tops	Each	\$18.01	Varies
40G - Mechanically Clean Culverts	Each	\$38.51	Based on 28 per day
40H - Mechanically Clean Struct.	Each	\$21.99	Based on 40 per day
40J - Jet Rodding	Lin. Foot	\$0.53	Based on 1600 feet per day
40K - Repair/Replace Culvert	Lin. Foot	\$43.74	Based on 40 feet per day
40L - Repair/Replace Basin	Labor Hour	\$55.73	Hourly
40M - Repair/Replace Drywell	Labor Hour	\$56.28	Hourly
40P - Rep./Rep. Grate	Each	\$150.14	Varies
40Q - Holding Pond Mnt.	Each	\$768.75	Based on 3 per day
40R - Paint Cul. Marks	Each	\$4.88	Based on 120 per day
40T - Flag for Drainage	Labor Hour	\$36.06	Hourly
40U - Ditchmaster	Ditch Mile	\$1,055.30	Based on 1 mile per day
40X - Misc. Drainage	Force Account		
41B - Pavement Mgnt.	Force Account		
51A - Bridge Repair	Labor Hour	\$69.57	Hourly



**Business of the City Council**  
**City of Gig Harbor, WA**

**Subject:** Resolution for Public Hearing -  
Woodworth Street Vacation – Timothy  
Gartland.

**Proposed Council Action:**

Move to adopt the Resolution setting Monday,  
July 12, 2010 at 5:30 p.m. as the date for the  
public hearing on the proposed street vacation  
for a portion of Woodworth Avenue at the  
intersection of Prentice Avenue.

**Dept. Origin:** Public Works

**Prepared by:** Willy Hendrickson, Engineering  
Technician

**For Agenda of** June 14, 2010

**Exhibits:** Resolution, Location Map, and  
Petition of Vacation letter

Initial & Date

**Concurred by Mayor:**

CLH June 10/2010

**Approved by City Administrator:**

PK by memo 6/10

**Approved as to form by City Atty:**

N/A

**Approved by Finance Director:**

N/A

**Approved by Department Head:**

Jim 6/10/2010

Expenditure Required	\$0	Amount Budgeted	\$0	Appropriation Required	\$0
-------------------------	-----	--------------------	-----	---------------------------	-----

**INFORMATION/BACKGROUND**

The City received a letter from Thornton Surveying representing Mr. Timothy Gartland, owner of 9112 Prentice Ave. NW petitioning the City to vacate a portion of Woodworth Avenue in accordance with GHMC 12.14.002.

The Right-of-Way proposed for vacation along Woodworth Ave. had two water meters located within the Right-of-Way. One meter services Mr. Gartland's property and one meter with a service line services the property to the north at 9114 Prentice. The Public Works Superintendent recommends retaining an easement on the portion of the requested street vacation for future repair and maintenance of existing water meters and water line serving the property to the North or moving the meters and water line outside of the proposed street vacation area at the owners expense. All other City departments had no comment on the proposed street vacation.

**POLICY CONSIDERATIONS**

Any policy considerations will be provided at the public hearing. In addition, a checklist for vacation of streets and alleys along with supporting documents and maps will also be provided at the public hearing.

**FISCAL CONSIDERATION**

The processing fee has been paid in accordance with GHMC 12.14.004.

**RECOMMENDATIONS**

Move to adopt the Resolution setting Monday, July 12, 2010 at 5:30 p.m. as the date for the public hearing on the proposed street vacation for a portion of Woodworth Avenue at the intersection of Prentice Avenue.

RESOLUTION NO. \_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON TO INITIATE THE PROCEDURE FOR THE VACATION OF A PORTION OF WOODWORTH AVENUE LYING AT THE INTERSECTION OF PRENTICE AVENUE AND WOODWORTH AVENUE.**

---

**WHEREAS**, Mr. Timothy Gartland desires to initiate the procedure for the vacation of a thirty (30) foot wide portion of Woodworth Avenue, originally created in the plat called Fullers Second Addition, recorded on July 11, 1940 in Volume 12 Record of Plats on Page 25 in Pierce County, Washington.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:**

Section 1. A public hearing upon said street vacation shall be held in the council chambers of Gig Harbor Civic Center on Monday, July 12th, 2010, at 5:30 p.m., at which hearing all persons interested in said street vacation are invited to appear.

Section 2. The City Clerk is directed to post notices of the hearing in three public places and on the street to be vacated and to mail notices to all owners of any property abutting the portion of street to be vacated, pursuant to RCW 35.79.020.

RESOLVED this 14<sup>th</sup> day of June, 2010.

APPROVED:

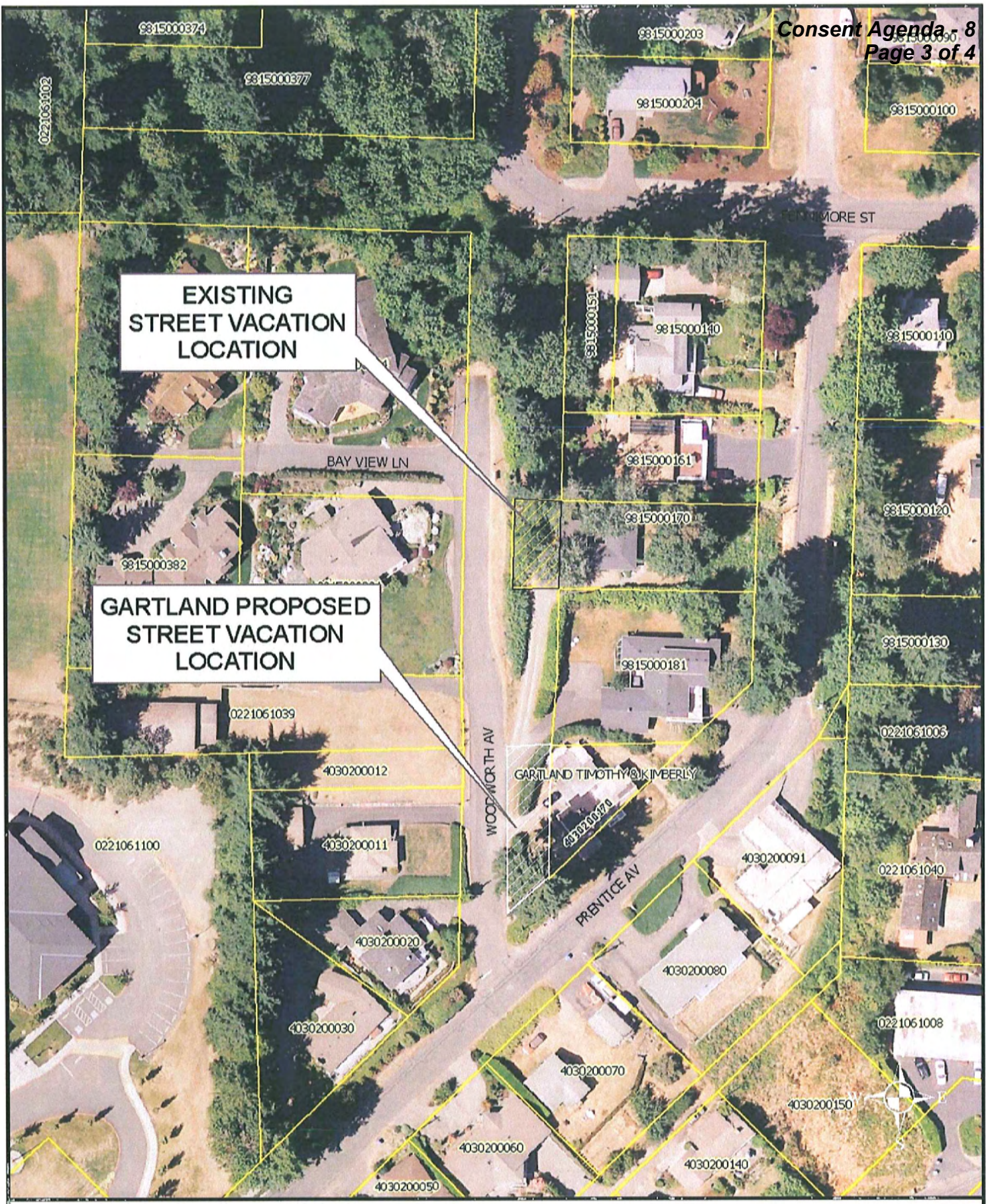
\_\_\_\_\_  
CHARLES L. HUNTER, MAYOR

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
CITY CLERK, MOLLY TOWSLEE

FILED WITH THE CITY CLERK: 06/09/10  
PASSED BY THE CITY COUNCIL:  
RESOLUTION NO.





**EXISTING  
STREET VACATION  
LOCATION**

**GARTLAND PROPOSED  
STREET VACATION  
LOCATION**

**GARTLAND - 9112 PRENTICE AVE - WOODWORTH STREET VACATION  
LOCATION MAP**





8803 State Highway 16

PO Box 249

Gig Harbor, WA 98335

T 253 858 8106

F 253 858 7466

thorntonls.com

10 June 2010

Mr. Willie Hendrickson  
Engineering Technician  
3510 Grandview Street  
Gig Harbor, WA 98335

RE: Vacation of a portion of Florence Street right-of-way

Dear Mr. Hendrickson,

This letter serves as an official request to vacate a 30-foot wide strip of Florence Street (Woodworth Ave) right-of-way abutting my property at 9112 Prentice Avenue NW, in the City of Gig Harbor. This right-of-way along with my property was created from the plat called "Fuller's 2<sup>nd</sup> addition to Gig Harbor" in book 12 of plats at page 25, in Pierce County, Washington. This portion of Florence Street abutting my property at parcel number 4030200170 has never been used as street, nor has it been constructed.

In light of this information, I wish to request those portions of the Florence Street abutting my property be vacated. See attached drawings depicting the original location of the subject portion of Florence Street right-of-way's in relation to my parcels.

Thank you for your assistance.

Sincerely,

Timothy Gartland



## 2010 WABO Annual Awards



*Dick Bower receives his honor from Joe Wizner at the Annual Awards Banquet.*

### **WABO Building Official of the Year: Dick Bower, CBO, City of Gig Harbor**

A surprised Dick Bower was chosen as the WABO Building Official of the Year for 2010. Dick has been involved in building and fire safety in Washington and Alaska for over 25 years, serving in positions ranging from firefighter to fire chief and building inspector to building official. Dick has been a member of WABO for over 10 years and is currently serving as the Director of Building and Fire Safety and Emergency Management for the City of Gig Harbor. Dick also served on the WABO Board of Directors and leads the effort to pass legislation on the Intra-State Emergency Management Agreement.

### **Associate of the Year John Williams, Department of Health**

The WABO Associate of the Year Award is to recognize an Associate Member who has made an outstanding contribution to the Washington Association of Building Officials and to building officials throughout Washington. John Williams more than deserved the award this year. He rarely misses a WABO meeting, he is a participating contributor on many of our committees and is a pleasure to work with in his job at the Department of Health.



*John Williams, Department of Health is the WABO Associate of the Year 2010*

### **Lifetime Honorary Award John P. Neff**

John Neff recently retired as the Building Official and Fire Marshal for the City of Lacey with over 30 years experience in building inspection and code development. He was instrumental in persuading the state legislature to recognize the importance of adopting the International Codes and because of his tireless efforts, Washington adopted the national set of codes.

John was elected to be WABO President from 2000 to 2002 and also served many years as Chairman of the State Building Code Council. Through his leadership, our organization is now recognized as an authority on code development and code administration. His enthusiasm for his profession, along with his great communication skills have enhanced the image of building officials to be recognized as part of the safety team for Washington communities.



*John Neff, C.B.O. receives his WABO Lifetime Honorary Award*





**Pierce County  
Library System**

INFORMATION ■ IMAGINATION

June 8, 2010

The Honorable Chuck Hunter and  
Members of the City Council  
City of Gig Harbor  
3510 Grandview St.  
Gig Harbor, WA 98335

Dear Mayor Hunter and Council Members:

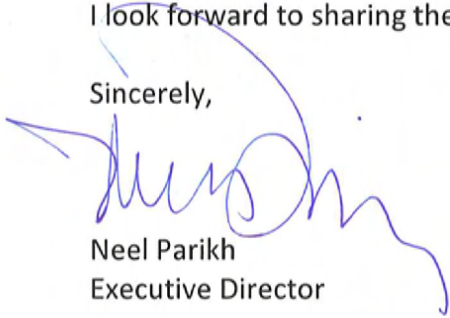
For a year, the Library System worked with more than 5,000 individuals to shape Pierce County Library 2030. The plan outlines library services and buildings to meet community needs during the next 20 years. During the June 14th City Council meeting, I will be presenting the plan and details for Gig Harbor. Enclosed are the Executive Summary and the report from the Community workshop for your review.

Pierce County 2030 was developed through discussions with the public, an assessment of current library services and buildings, information about future population trends, and best practices from libraries nationwide. Pierce County Library 2030 charts a course for future buildings, expansions, or replacements of library buildings, and alternative ways to access services. The plan gives a vision for meeting the challenge to create community centers that connect people with learning and to provide a valued asset for our growing communities. It also outlines a direction to explore community partnerships and shared facilities to provide added value and benefits to the public.

The facilities master plan was achieved thanks to the commitment and time investment from hundreds of community leaders who worked with the Library System and planners. The enthusiasm and thoughtful participation helped to craft a vision to guide the Library to meet the needs of communities today and in the future.

I look forward to sharing the plan with you.

Sincerely,



Neel Parikh  
Executive Director



# PIERCE COUNTY LIBRARY 2030: FACILITIES MASTER PLAN REPORT

## EXECUTIVE SUMMARY

MARCH 2010



### OVERVIEW

What do you want from your local library in 2030? That is the question Pierce County Library System asked and thousands of people answered in late 2008 and throughout 2009.

For a year, the Library worked collaboratively with more than 5,000 individuals to shape Pierce County Library 2030, a facilities master plan. The plan outlines library services and buildings to meet community needs during the next 20 plus years. Pierce County Library 2030 is a combination of discussions with the public, an assessment of current library services and buildings, information about future population trends, and best practices from libraries nationwide.

The plan is a guide to create buildings that are convenient for customers and offer up-to-date services. Pierce County Library 2030 charts a course for future buildings, expansions, or replacements of library buildings, and alternative ways to access services.

The plan calls for locating buildings in high-traffic, high-population regions of the Library's service area and in appropriate sizes to meet the needs of growing and changing communities. It also supports building flexible spaces to provide up-to-date library services for today and tomorrow.

#### Pierce County Library 2030 gives communities:

- A vision for growing and meeting the challenge to create community centers that connect people.
- An outline to explore community partnerships and shared facilities which provide added value and benefits to the public.
- The Library's commitment to chart new territory of quality service and efficiency.
- A reflection of how the Library can help meet communities' needs today and tomorrow.



## BASIS FOR FACILITY MASTER PLAN

**Population Grew and Changed:** Since 1980, the population in the Library's service area has grown by more than 87% and has become increasingly diverse (1980 population: 294,000; 2010 projected population: 551,000). Regional planners project an additional 171,000 people will be living in the Library's service area by 2030, for a total of 717,800<sup>1</sup>. Voters approved the last major building project for the Library in 1986, with a bond that built nine new buildings to replace existing libraries, expanded three buildings, and built two new library locations. Library administrators planned that buildings built with the bond would serve a population of 431,000. The current population of the service area is 551,000, which is 28% greater than the population planned for the current facilities.

**Holistic Look at System Needed:** The Library needed a close examination to determine how best to serve the growing and changing population and position it to better serve communities in the future.

**Customer Expectations Changing:** What the public wants today is different from yesterday and it will be different from what they want and need tomorrow. Computers and express checkout are examples of new services that were not planned in the current buildings. Customers expect to access the Internet on computers, download books, have spaces for teenagers, and gather in places with others in their community.

## KEY FINDINGS AND RECOMMENDATIONS

### Key Findings:

- Buildings are too small: noisy, uncomfortable, and over-crowded.
- Too few seats.
- Not enough books and materials or accessible shelving.
- Too few computers/limited technology.
- Limited meeting rooms.
- Services need to be convenient and accessible.



### Key Recommendations

#### More space to read, learn, and gather.

**Current:** 200,053 square feet combined from all library buildings; 0.36 square feet per capita.

**Recommended:** 490,000-561,000 square feet; 0.61-0.71 square feet per capita. In 2008, the Western United States' best practice for library space was 0.62 square feet per capita.

**More seats. Current:** 716 seats combined at 17 libraries, for an average 1.32 seats per 1,000 residents.

**Recommended:** 2,400-3,000 seats combined, for an average 3.77 seats per 1,000 residents. The best practice for library seating is 3 seats per 1,000 people.

#### More books and materials. Current:

1.2 million books and materials; 2.15 items/capita.

**Recommended:** 1.6-1.9 million items; 2.5 items per capita. Currently, 2% of the Library's materials are digital online formats; in 2030 it is anticipated that 20% of the materials will be digital online formats. Best practice for materials in libraries is 2.5-3 items per capita.

#### Technology-computers: Current:

310 computers; 0.56 per 1,000 people. **Recommended:** 1,240-1,525 computers; 1.93 computers per 1,000 people. Best practice for computers in libraries is between 1.5-2.5 computers per 1,000 people.

#### Meeting rooms and event/workshop space:

**Current:** 11 of 17 locations offer meeting room space. **Recommended:** all locations offer meeting rooms to accommodate 75 to 150 people. Best practice for meeting rooms is between 75 and 200 seats in a location.

<sup>1</sup> Based on U.S. Census and Puget Sound Regional Council data.



**Partnerships:** The Library will seek partnerships with other organizations to ensure that efforts are not redundant and that resources and skills are fully maximized to best serve communities.

**Economic and environmental sustainability:** The public expects cost-efficient operations that are sustained both in terms of the economy and green building practices, such as automated systems to check-in library materials.

**Convenient/accessible services:** The Library will bring services to people in places outside of library buildings, such as high traffic or remote areas including grocery stores, transit centers, and places in partnership with other organizations:

- Lockers and other methods to return and pick up books and materials.
- Vending machines/ATM types of machines that dispense books, movies, and other items.
- Computers to download movies and music to mobile devices.
- Technology access, such as computers and/or Wi-Fi.

## DEVELOPING THE PLAN

### Review of the Current Buildings

In 2009, Pierce County Library operated with 17 locations with direct service to the public and one main processing and administrative center, serving 551,000 people over 1,600 square miles in all of unincorporated Pierce County and 15 annexed cities and towns.

Pierce County Library staff and Group 4 Architecture Research + Planning, Inc., an architecture research and planning firm, assessed the current buildings. The average age of a Pierce County Library building is more than 20 years old. The staff and consultants concluded that Pierce County Library facilities are in good physical condition, and they are well maintained. The most glaring deficiency in all of the buildings is the communities have outgrown the spaces; the libraries are too small.

### Examining Comparable Libraries and Future Trends

People are using libraries in new and evolving ways, from spaces to collaborate to working independently on laptops. Families visit libraries as a destination outing to attend classes and find books and movies. Also, during difficult economic times people turn to libraries more for help preparing resumes, finding jobs, and improving computer skills. Libraries continue to be significant third place spaces.

Compared with best practices from up-to-date libraries, Pierce County Library is nearly half the size of the trends for libraries nationwide, with the current space of 0.36 square feet per capita, compared to the current trend of 0.62 square feet per capita.

### Community Collaborations

The Library conducted numerous collaborative communications activities to develop an achievable, future-looking facilities master plan, which represents the needs of local residents. In all, the Library collaborated with more than 5,000 people using a variety of interactive strategies including print and online surveys; direct mail survey of people living in remote areas; strategic vision workshop with community leaders; community leaders advisory group meetings with city and school officials, business people, and other local leaders; community meetings in every library; presentations with community organizations; blog postings; and other activities.

## NEXT STEPS

Implementing the Facilities Master Plan is estimated to cost \$310 million (2010 dollars) for facilities and new service delivery methods.

The Library will continue to work with communities to determine when the timing is best to begin plans to fund the facilities master plan.



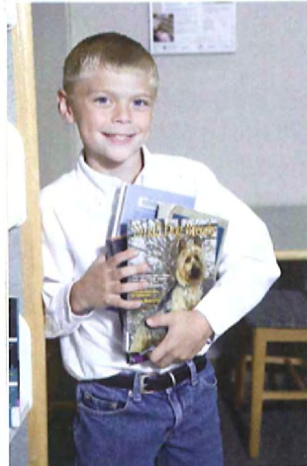


PER LOCATION RECOMMENDATIONS

Facility Options

2030 Facility Recommendations

Library	current square feet	preferred facility improvements	proposed square feet low	proposed square feet high
Bonney Lake	6,480 sf	relocate and expand	38,200 sf	44,400 sf
Buckley	4,100 sf	expand	14,700 sf	17,100 sf
DuPont	3,610 sf	relocate and expand	11,800 sf	13,700 sf
Eatonville	4,000 sf	expand	9,300 sf	10,800 sf
Fife	-	expand and potentially relocate	10,200 sf	11,800 sf
Frederickson*	-	new library	19,700 sf	22,900 sf
Gig Harbor/Peninsula	15,214 sf	expand	35,800 sf	41,600 sf
Graham	7,152 sf	expand	30,700 sf	35,700 sf
Key Center	4,066 sf	expand	14,500 sf	16,900 sf
Lakewood	32,592 sf	relocate and expand	42,500 sf	49,400 sf
Milton/Edgewood	3,300 sf	relocate and expand	18,300 sf	21,300 sf
Orting	2,700 sf	relocate and expand	10,400 sf	12,100 sf
Parkland/Spanaway	15,576 sf	expand	44,300 sf	51,500 sf
South Hill	20,100 sf	expand	44,900 sf	52,100 sf
Steilacoom	4,039 sf	expand	10,100 sf	11,700 sf
Summit	7,424 sf	expand	26,100 sf	30,300 sf
Sumner	10,600 sf	relocate and expand	27,200 sf	31,700 sf
Tillicum	2,100 sf	relocate and expand	7,500 sf	8,700 sf
University Place	7,000 sf	expand	23,700 sf	27,500 sf
<b>System wide all locations, excluding PAC</b>	<b>150,053 sf</b>		<b>439,900 sf</b>	<b>511,200 sf</b>
* Frederickson population includes population from Summit, Parkland/Spanaway, South Hill, and Graham.				
Processing and Administration Center (PAC)	50,000 sf	no structural changes	50,000 sf	50,000 sf
<b>Systemwide, including PAC</b>	<b>200,053 sf</b>		<b>489,900 sf</b>	<b>561,200 sf</b>



Pierce County  
Library System

Information & Imagination

GET THE CARD! • [www.piercecountylibrary.org](http://www.piercecountylibrary.org) • 253-536-6500

To request this document in an alternative format, call 253-536-6500, ext. 140, or Washington Relay TTY 711.

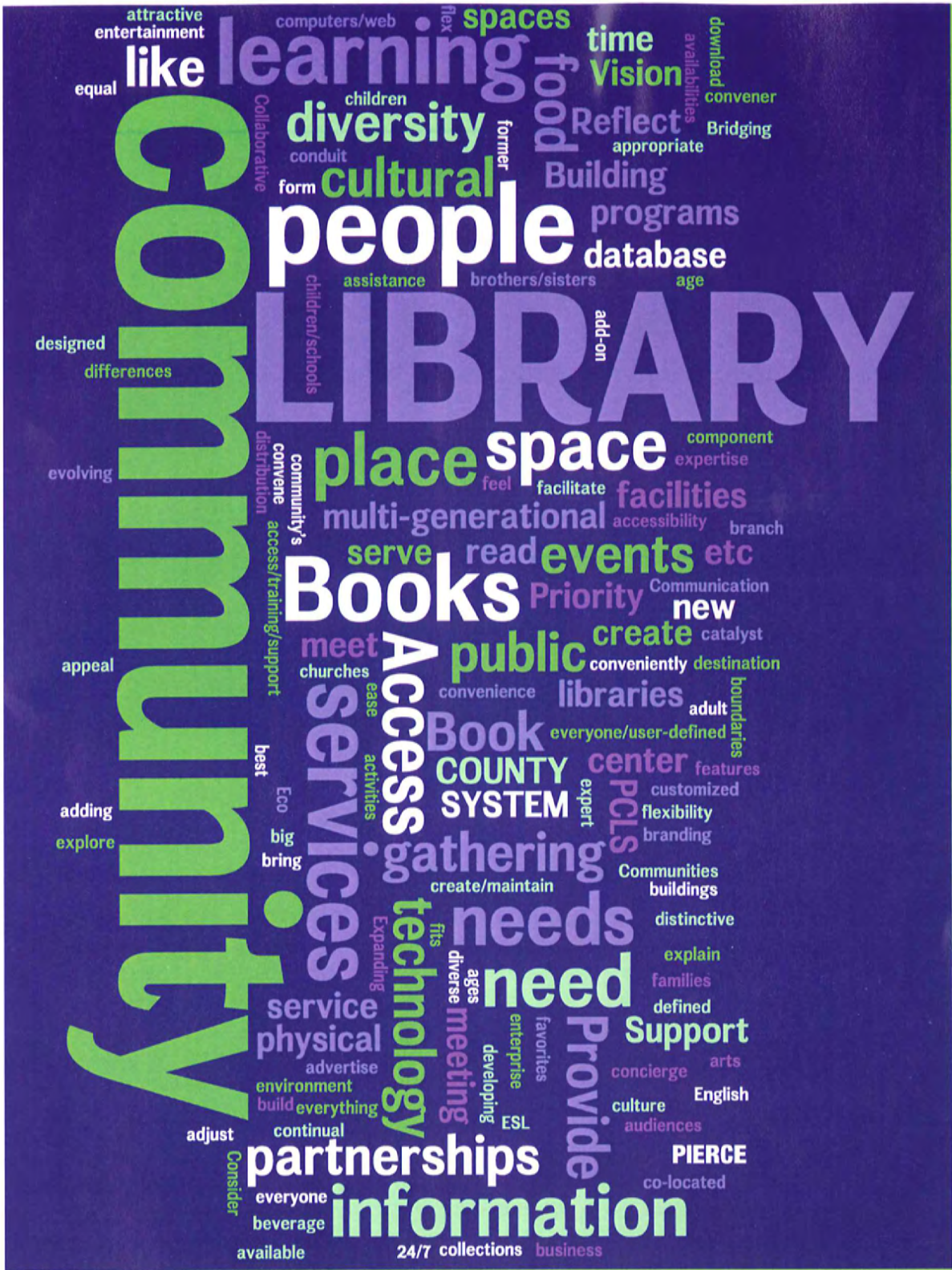
Follow us on Twitter: [www.twitter.com/piercecology](http://www.twitter.com/piercecology)

Photos by Chris Tumbusch

ADM 3/10 (550)







## Building Value in Our Communities

Pierce County Library System Facilities Master Plan: Pierce County Library 2030

Strategic Vision Workshop Summary

Pierce County Environmental Services Building, University Place, Washington

February 12, 2009





“The best way to  
predict the future is  
to create it.”

— Alan Kay,  
Computer Scientist,  
Visionary

## THE CHALLENGE

Imagine Pierce County in 2030. Where do people live? How do they interact with one another? How do they learn? Where do they go for recreation, for inspiration? How do they successfully navigate everyday life?

This was the challenge set to the participants at the Pierce County Library System’s Strategic Vision Workshop: Building Value in our Communities. On February 12, 2009, 55 community leaders gathered at the Pierce County Environmental Services Building to discuss these issues and to speculate on how the Pierce County Library could align its services and facilities with the community’s vision of life in 2030.

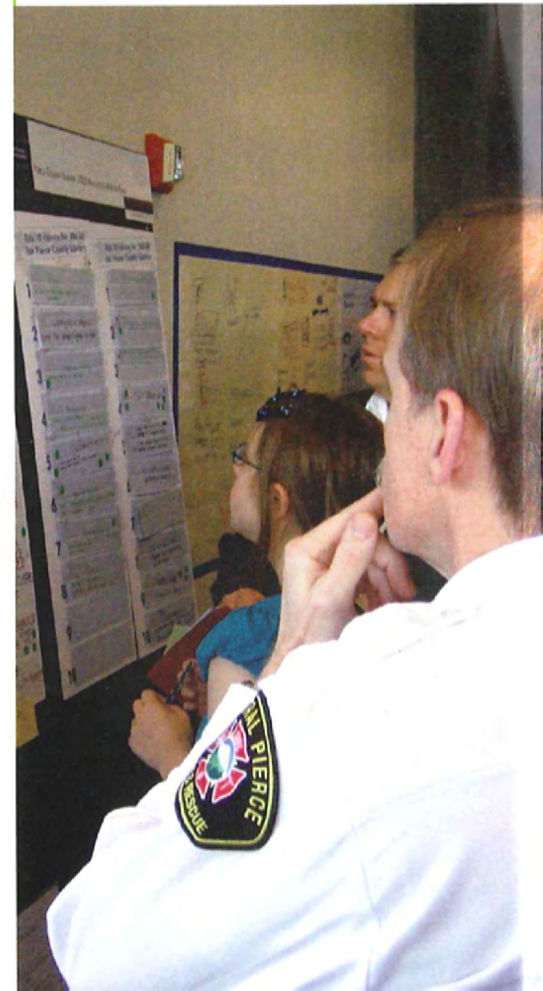
The Strategic Vision Workshop was part of an ongoing collaboration with community leaders to develop a vision for the Pierce County Library rooted firmly in community needs and priorities. It was one of several public involvement activities to prepare a 20+ year facilities master plan. The people involved in the workshop are listed at the end of this summary.



## THE PROCESS

Group 4 Architecture, Research + Planning, Inc., a full-service architecture and planning firm, dedicated to creating vibrant public places that cultivate dynamic communities, facilitated the workshop. David Schnee, Principal in Group 4 Architecture, led the group through a series of focused design activities that would develop ideas about the future, using futuring techniques such as backcastings, role-playing, and metaphor to encourage visionary thinking and discussion. Participants compared the Library to other community symbols and icons, and used the attributes of other well-regarded destinations, brands, and services to identify what residents want from their Library.

Library consultants Joan Frye Williams and George Needham synthesized the comments throughout the program, linking the participants' ideas to examples of successes in other communities. Ms. Williams and Mr. Needham, Dawn Merkes, Principal in Group 4 Architecture, and Ron Sher, the Chief Executive Officer of the Third Place Company, challenged the group to incorporate emerging trends in technology, communications, public spaces, and library facilities into their discussions.







## By 2030 in Pierce County...

"The public (will have) demanded that organizations remove barriers – government, societal, turf wars – and share resources."

"Small computers are a part of everything."

"The jobs of 2009 are gone; however, they've been replaced with new opportunities."

"Communities support and nurture families and children. However, adults still need to invest in children's lives."

## PIERCE COUNTY 2030: THE VISION

Participants envisioned a Pierce County that will be more populous, older, more culturally diverse, and with an expanded middle class. They identified the need for continued person-to-person contact as a vital component of civic engagement.

The participants identified these positive features in Pierce County 2030:

- Broadly distributed economic development
- Progress with public transportation
- Safe neighborhoods
- Better health
- Flourishing small towns

They also suggested important challenges to be met:

- More traffic and population, resulting in further environmental degradation
- More chronic diseases
- Need for affordable housing
- Less money available to serve communities
- Difficulties in retaining open space and diverse communities
- Potential social isolation caused by increased telecommuting and other technological change

The participants acknowledged the current economic downturn and recognized the need for economic and environmental sustainability in public services.



## By 2030, the Pierce County Library System...

"... is the focus of the community, the village square."

"...is a community partner: museums, schools, colleges, nonprofit organizations, cities, to leverage resources and maximize services to support communities."

"...creates a more educated community."

"...is FUN! Way fun!"

"...comes to the people, instead of expecting the people to come to it."



## PIERCE COUNTY LIBRARY 2030: THE VISION

Given these insights, how will the Library effectively serve this evolving community? Many themes recurred throughout the day. In general, the participants were excited by the prospect of a Library System that is:

- Attractive
- Compelling
- Convenient
- Efficient
- Engaging
- Flexible
- Inclusive
- Influential
- Innovative
- Interactive
- Sustainable

Participants did not predict the end of books or reading. However, they did visualize Pierce County Library System in 2030 as being more concerned about being a connection/connector for people than about warehousing books and other materials

The top ranked suggestions for the Library revolved around creating an institution that's fun, that's deeply engaged in the community, and that's a valued partner with other organizations.

Transportation issues were also on participants' minds. Participants expressed interest in collocating library services with other popular destinations such as schools, retail areas, and community centers.

The participants used the metaphor of the Library as the "community's living room," a vibrant, beautiful, comfortable gathering place.

### Top 10 visions for SERVICES for Pierce County Library

5/6

- 1 PROMOTER, CONVENER OF EVERYTHING LOCAL COMMUNITY "SHARE YOUR STUFF"
- 2 SUPPORT LITERACY - EARLY LEARNING - ESL - ADULT
- 3 PROVIDING SPACES FOR GATHERING, MEETING SOCIAL, LEARNING & ENTERTAINMENT \*PROGRAMS
- 4 MARKETING ALL LIBRARY SERVICES - BRANDING - COMMUNICATION
- 5 PROVIDE ACCESS/TRAINING/SUPPORT FOR TECHNOLOGY
- 6 EXPANDING SERVICES THAT APPEAL TO DIVERSE AUDIENCES <sup>STORYTIME IN OTHER LANGUAGES</sup>
- 7 BOOK SALES, FOOD & BEVERAGE SERVICES INCOME + CONVIENCE "BOOKS & BOOZE"
- 8 INFORMATION CONCERN PARTNERSHIP FOR INFO DISTRIBUTION
- 9 PARTNERING FOR SERVICES & PROGRAMS <sup>SCHOOLS PPP'S ETC.</sup>
- 10 LEAD, FACILLITATE, CONVEINE COMMUNITY Planning





## "I" Learning Library

"Catalyst for educational opportunities"

"Not tied to place anymore"

"Open to all"

## The Electronic Garden of Knowledge Library:

"Sprouting new ideas"

"Easy access"

"Inclusive institution – an American innovation"

"Grows and nurtures ideas and learning"

## REIMAGINING PIERCE COUNTY LIBRARY 2030

Working in groups, the participants wove tapestries of metaphor to create five new possible perspectives on how the Library could engage the community:

**THE BRIDGE LIBRARY** combines the best attributes of a place such as Facebook, a service such as a farmers market, and the values of the public schools.

This library has the ability to connect everyone. It embraces technology, but at the same time it recognizes the value of people as individuals with a need to stay connected both in person and online. This library supports the community. It's a comprehensive, affordable, and happening place. It emphasizes retaining history while offering something for everyone at every stage of life.

**THE UNLIMITED POSSIBILITIES LIBRARY** combines the best attributes of a place such as Puget Sound, services such as YouTube, and the values of early learning.

The library is beautiful and intertwined with its community. The library's services are friendly, interactive, and free. Part of the interactivity is capturing and sharing what people are reading via the 2030-equivalent of YouTube. The library is a learning place, with expertise in early learning. The library levels the playing field for all, working in partnership with many organizations to expand its resources.

**HOME WITH A VIEW LIBRARY** combines the best attributes of a place such as Mt. Rainier, services such as Google, and the values of the Forza Coffee Company.

In this perspective, the library is beautiful and strong. It is a destination structure and an icon, a treasure of the community. This library is both historically significant and sustainable to last the test of generations. Services include leading technology, with customized databases. The library is a gathering place where people enjoy their coffee in a comfortable, welcoming atmosphere.





**"I" LEARNING LIBRARY** combines the best attributes of a place such as Pierce College, services such as the iPhone, and the values of public schools.

The library is a learning place where individuals come together. It complements offerings from schools and fills in educational voids. It ties people together globally. The library is the place where people gather to work, study, meet, and create together, as a complement to the solitary thrust of 24/7 technology. The library contracts with other agencies and employers to assist in creating new and needed educational opportunities.

**THE ELECTRONIC GARDEN OF KNOWLEDGE LIBRARY** combines the best attributes of a place such as public schools, a service such as Wi-Fi, and the values of sustainable farmland.

This library is sustainable and accessible. It has a role in eradicating illiteracy; like food, literacy is a basic human need. The atmosphere in this library is engaging, preserving culture and history. This library provides fertile ground in which to plant and grow the knowledge of tomorrow.



## NEXT STEPS

Spring 2009

Additional community meetings to share draft recommendations for Pierce County Library 2030 and seek comments  
Preliminary recommendation to the Library Board; Board asked to approve preparation of a detailed implementation report

Summer 2009

Review comments and prepare plan

Fall 2009

Communicate Pierce County Library 2030





Pierce County Library System thanks all of the workshop participants for their contributions to this important project. A total of 55 people, in addition to seven Library staff and managers participated in the workshop.

## Participants

- Rob Allen, Pierce County Office of the Executive, Economic Development Division
- Dick Ammerman, Intel Corporation, Retired
- Tanya Andrews, Executive Director, Children's Museum of Tacoma
- Katrina Asay, Mayor, City of Milton
- Judy Ball, Friends of the University Place Library
- Lisa Bitney, Collection Management Librarian, Pierce County Library System
- Kristen Corning Bedford, Director of Community Programs, The Greater Tacoma Community Foundation
- Bonnie Boyle, Lakewood Fire Commissioner
- Jay Brower, Community Connections Director, Bethel School District
- Jeff Brown, President, BCRA Architects
- David Bugher, Assistant City Manager, City of Lakewood
- Anthony Chen, Director of Health, Tacoma-Pierce County Health Department
- Brad Cheney, Executive Director, Ben B. Cheney Foundation
- Mariza Craig, Deputy City Manager, City of University Place
- John Doan, City Administrator, City of Sumner
- Tom Dolan, Planning Director, City of Gig Harbor
- Liz Dunbar, Executive Director, Tacoma Community House
- Bonnie Egbert, President, Friends of Sumner Library
- Lorie Erickson, Facilities Director, Pierce County Library System
- Brian Forth, President, SiteCrafting
- Sean Gaffney, Division Manager, Advance Planning Division, Pierce County Planning and Land Services
- Mary Getchell, Communications Director, Pierce County Library System
- Charlie Gray, Deputy Executive Director, Pierce County Housing Authority
- Rick Guild, President/CEO, Boys and Girls Club of South Puget Sound
- Matt Holm, Assistant Fire Chief, Central Pierce Fire & Rescue
- Cliff Jo, Finance and IT Director, Pierce County Library System
- Grover Johnson, President, A. Philip Randolph Institute, Tacoma Chapter
- Grover Johnson III
- Michele Johnson, Chancellor, Pierce College
- Christine Kelly, Supervisor of Curriculum and Instruction, Clover Park School District
- Lisa Korsmo, Pierce County Library Foundation
- Kathryn Kravit-Smith, Director, Pierce County Parks & Recreation
- Chelsea Levy, Metropolitan Development Manager, Tacoma-Pierce County Chamber of Commerce
- Georgia Lomax, Deputy Director, Pierce County Library System
- Stacey McCaw, Area Director, Young Life Greater Puyallup Valley
- Bill McDonald, City Administrator, City of DuPont
- Helen McGovern, Managing Director, Colliers International
- Debbie Mortell, Mortell Insurance
- JJ Nazarro, Student, Rogers High School
- Julia Park, Senior Planner, Advance Planning Division, Pierce County Planning and Land Services
- Vince Pecchia, Director of Literacy, Puyallup School District
- Eric Phillips, Community Development Director, City of Edgewood
- Suraiya Rashid, Associate Planner, City of Buckley
- Barbara Reed, Marketing and HR Manager, Safe Streets
- Bob Riler, Program Specialist, Pierce County Aging and Long Term Care
- Melody Rodriguez, Northwest Leadership Foundation
- Keri Rooney, Executive Director, External Affairs, Pierce County Executive's Office
- Dena Sczenski, Student, Ballou Junior High School
- Kyler Shula, Student, Rogers High School
- Steve Smith, Director of Community Relations, University of Washington Tacoma
- Marnie Taylor, Senior Library Technician, Pierce County Library System
- Teri Tranholt Hochstein, Global Corporate Citizenship, Boeing
- Jan Walsh, State Librarian, Washington State Library
- John Walstrum, President, Clover Park Technical College
- Rev. Larry Warren, Summit United Methodist Church
- Chuck West, Division Chief, Key Peninsula Fire
- Chris Wilde, Council Member, City of Wilkeson
- Kim Wilde, City Administrator, City of Edgewood
- Richard Woo, Chief Executive Officer, The Russell Family Foundation
- Steve Worthington, City Manager, City of Fife
- Jackie Zils, Advisor, JayRay Ads & PR and President, Pierce County Library Foundation

## Board of Trustees

- Eugene Matsusaka, Board Chair, Retired
- J.J. McCament, Board Vice Chair, Principal, McCament & Rogers
- Allen P. Rose, Executive Director, Justice Services, Pierce County
- Budd Wagner, Vice President, Marketing and Communications, Franciscan Health System

- Neel Parikh, Executive Director, Pierce County Library System

## Facilitation Team

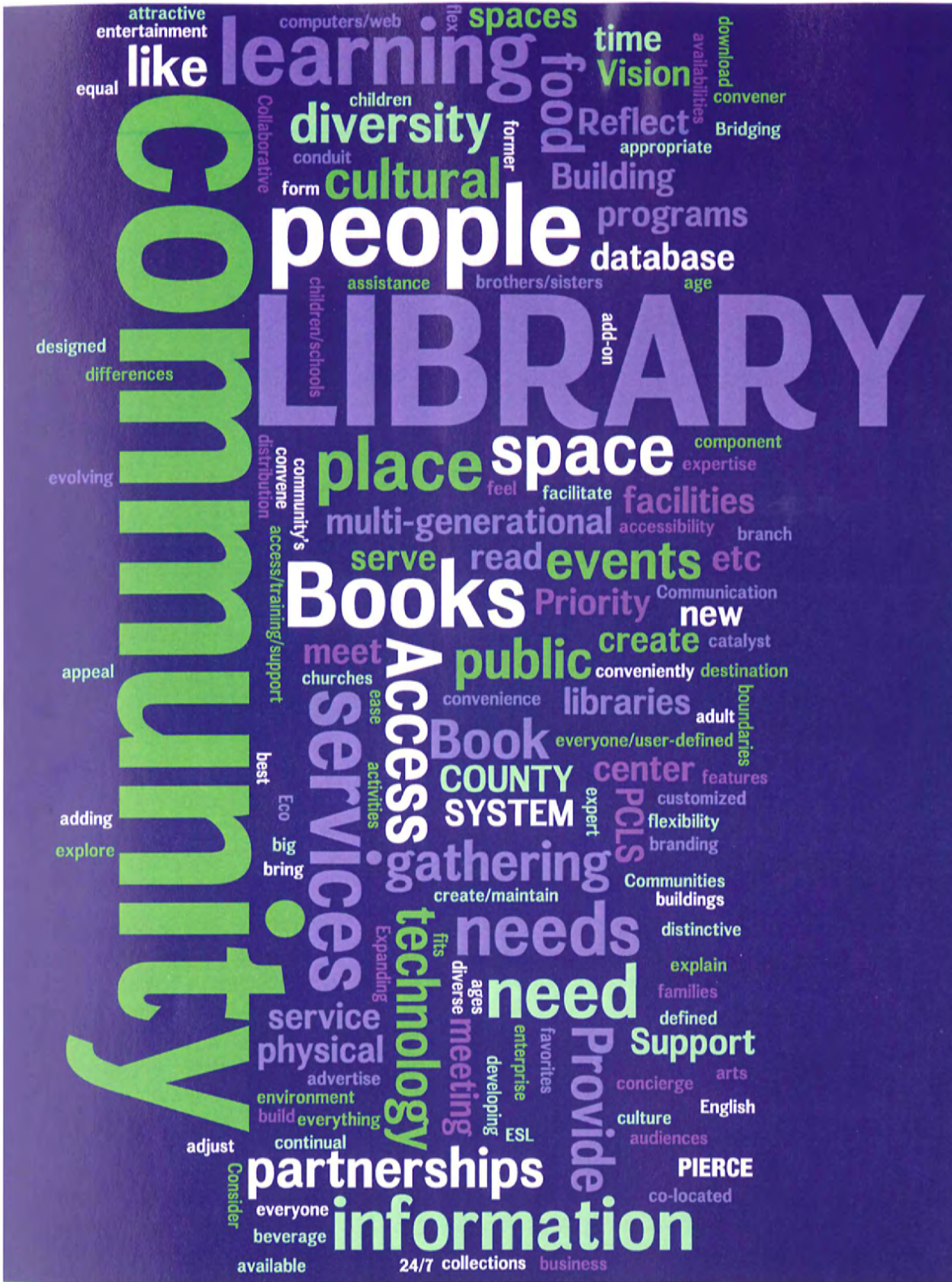
- Dawn Merkes, Principal, Group 4 Architecture, Research + Planning, Inc.
- George Needham, Library Strategist/Consultant, OCLC Online Computer Library Center, Inc.
- David Schnee, Principal, Group 4 Architecture, Research + Planning, Inc.
- Kari Svanstrom, Associate, Group 4 Architecture, Research + Planning, Inc.
- Joan Frye Williams, Information Technology Consultant
- Carolyn Wong, Intern, Group 4 Architecture, Research + Planning, Inc.



GET THE CARD!  
piercecountylibrary.org  
253-536-6500







## Building Value in Our Communities

Pierce County Library System Facilities Master Plan: Pierce County Library 2030

Strategic Vision Workshop Summary

Pierce County Environmental Services Building, University Place, Washington

February 12, 2009



Pierce County Library System thanks all of the workshop participants for their contributions to this important project. A total of 55 people, in addition to seven Library staff and managers participated in the workshop.

## Participants

- Rob Allen, Pierce County Office of the Executive, Economic Development Division
- Dick Ammerman, Intel Corporation, Retired
- Tanya Andrews, Executive Director, Children's Museum of Tacoma
- Katrina Asay, Mayor, City of Milton
- Judy Ball, Friends of the University Place Library
- Lisa Bitney, Collection Management Librarian, Pierce County Library System
- Kristen Corning Bedford, Director of Community Programs, The Greater Tacoma Community Foundation
- Bonnie Boyle, Lakewood Fire Commissioner
- Jay Brower, Community Connections Director, Bethel School District
- Jeff Brown, President, BCRA Architects
- David Bugher, Assistant City Manager, City of Lakewood
- Anthony Chen, Director of Health, Tacoma-Pierce County Health Department
- Brad Cheney, Executive Director, Ben B. Cheney Foundation
- Mariza Craig, Deputy City Manager, City of University Place
- John Doan, City Administrator, City of Sumner
- Tom Dolan, Planning Director, City of Gig Harbor
- Liz Dunbar, Executive Director, Tacoma Community House
- Bonnie Egbert, President, Friends of Sumner Library
- Lorie Erickson, Facilities Director, Pierce County Library System
- Brian Forth, President, SiteCrafting
- Sean Gaffney, Division Manager, Advance Planning Division, Pierce County Planning and Land Services
- Mary Getchell, Communications Director, Pierce County Library System
- Charlie Gray, Deputy Executive Director, Pierce County Housing Authority
- Rick Guild, President/CEO, Boys and Girls Club of South Puget Sound
- Matt Holm, Assistant Fire Chief, Central Pierce Fire & Rescue
- Cliff Jo, Finance and IT Director, Pierce County Library System
- Grover Johnson, President, A. Philip Randolph Institute, Tacoma Chapter
- Grover Johnson III
- Michele Johnson, Chancellor, Pierce College
- Christine Kelly, Supervisor of Curriculum and Instruction, Clover Park School District
- Lisa Korsmo, Pierce County Library Foundation
- Kathryn Kravit-Smith, Director, Pierce County Parks & Recreation
- Chelsea Levy, Metropolitan Development Manager, Tacoma-Pierce County Chamber of Commerce
- Georgia Lomax, Deputy Director, Pierce County Library System
- Stacey McCaw, Area Director, Young Life Greater Puyallup Valley
- Bill McDonald, City Administrator, City of DuPont
- Helen McGovern, Managing Director, Colliers International
- Debbie Mortell, Mortell Insurance
- JJ Nazarro, Student, Rogers High School
- Julia Park, Senior Planner, Advance Planning Division, Pierce County Planning and Land Services
- Vince Pecchia, Director of Literacy, Puyallup School District
- Eric Phillips, Community Development Director, City of Edgewood
- Suraiya Rashid, Associate Planner, City of Buckley
- Barbara Reed, Marketing and HR Manager, Safe Streets
- Bob Riler, Program Specialist, Pierce County Aging and Long Term Care
- Melody Rodriguez, Northwest Leadership Foundation
- Keri Rooney, Executive Director, External Affairs, Pierce County Executive's Office
- Dena Sczenski, Student, Ballou Junior High School
- Kyler Shula, Student, Rogers High School
- Steve Smith, Director of Community Relations, University of Washington Tacoma
- Marnie Taylor, Senior Library Technician, Pierce County Library System
- Teri Tranholt Hochstein, Global Corporate Citizenship, Boeing
- Jan Walsh, State Librarian, Washington State Library
- John Walstrum, President, Clover Park Technical College
- Rev. Larry Warren, Summit United Methodist Church
- Chuck West, Division Chief, Key Peninsula Fire
- Chris Wilde, Council Member, City of Wilkeson
- Kim Wilde, City Administrator, City of Edgewood
- Richard Woo, Chief Executive Officer, The Russell Family Foundation
- Steve Worthington, City Manager, City of Fife
- Jackie Zils, Advisor, JayRay Ads & PR and President, Pierce County Library Foundation

## Board of Trustees

- Eugene Matsusaka, Board Chair, Retired
- J.J. McCament, Board Vice Chair, Principal, McCament & Rogers
- Allen P. Rose, Executive Director, Justice Services, Pierce County
- Budd Wagner, Vice President, Marketing and Communications, Franciscan Health System
- Neel Parikh, Executive Director, Pierce County Library System

## Facilitation Team

- Dawn Merkes, Principal, Group 4 Architecture, Research + Planning, Inc.
- George Needham, Library Strategist/Consultant, OCLC Online Computer Library Center, Inc.
- David Schnee, Principal, Group 4 Architecture, Research + Planning, Inc.
- Kari Svanstrom, Associate, Group 4 Architecture, Research + Planning, Inc.
- Joan Frye Williams, Information Technology Consultant
- Carolyn Wong, Intern, Group 4 Architecture, Research + Planning, Inc.



GET THE CARD!  
piercecountylibrary.org  
253-536-6500





**Subject: Second Reading of Ordinance  
Providing for the Issuance and Sale  
of Limited Tax General Obligation  
and Refunding Bonds**

**Dept. Origin:** Finance  
**Prepared by:** David Rodenbach  
**For Agenda of:** June 14, 2010

**Exhibits:** Ordinance and related attachments

**Proposed Council Action:**

Adopt the ordinance

Initial & Date

**Concurred by Mayor:** CLH June 10/2010  
**Approved by City Administrator:** ROK  
**Approved as to form by City Atty:** by email  
**Approved by Finance Director:** CR 6/2/10

Expenditure Required	Amount Budgeted	Appropriation Required
<i>see below</i>		

**INFORMATION / BACKGROUND**

This is the second reading of an ordinance providing for the issuance and sale of limited tax general obligation (LTGO) bonds in the amount of approximately \$8,030,000

The proceeds of these bonds will be used as follows:

- \$6,815,000 to refund a portion of the 2001 Civic Center LTGO bonds. Bonds maturing June 2012 and thereafter will be called for early retirement.
- \$1,215,000 to acquire property located at 3003 Harborview Drive, and to perform certain improvements to this property.

These bonds will run through 2026 and carry an average coupon of 3.92 percent.

**FISCAL CONSIDERATION**

By refunding the 2001 Civic Center Bonds the City will realize an estimated \$345,000 in net present value savings over the life of the bonds, actual savings over the term of the bonds is \$452,282.

The City's debt limit currently has room for about \$20 million in additional non-voted general obligation debt. This bond issue uses \$1,510,000 of that capacity (new money portion of \$1,215,000 plus refunding portion of \$295,000).

**RECOMMENDATION / MOTION**

**Move to:** Pass ordinance.

CITY OF GIG HARBOR, WASHINGTON  
LIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS, 2010

ORDINANCE NO. 1190

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, AUTHORIZING THE ISSUANCE AND SALE OF LIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF \$8,030,000 TO PROVIDE FUNDS FOR THE ACQUISITION OF PROPERTY AND TO REFUND CERTAIN OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY; AUTHORIZING THE APPOINTMENT OF AN ESCROW AGENT AND THE EXECUTION OF AN ESCROW AGREEMENT; PROVIDING THE TERMS OF THE BONDS; APPROVING AN AGREEMENT FOR ONGOING DISCLOSURE; PROVIDING FOR THE ANNUAL LEVY OF TAXES TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; AND AUTHORIZING THE SALE OF BONDS.

PASSED: JUNE 14, 2010

Prepared by:

K&L GATES LLP  
Seattle, Washington



CITY OF GIG HARBOR  
ORDINANCE NO. 1190  
TABLE OF CONTENTS\*

	<u>Page</u>
Section 1. Definitions.....	3
Section 2. Authorization of the Project.....	7
Section 3. Purpose, Authorization and Description of Bonds .....	7
Section 4. Registration, Exchange and Payment .....	8
Section 5. Redemption and Purchase of Bonds .....	13
Section 6. Form of Bonds .....	17
Section 7. Execution and Delivery of Bonds .....	20
Section 8. Lost, or Destroyed Bonds .....	21
Section 9. Bond Fund.....	21
Section 10. Pledge of Taxation and Credit .....	21
Section 11. Defeasance .....	22
Section 12. Application of Bond Proceeds .....	23
Section 13. Call For Redemption of Refunded Bonds and Escrow Agreement .....	25
Section 14. Tax Covenants; Special Designation .....	26
Section 15. Sale of Bonds .....	29
Section 16. Undertaking to Provide Ongoing Disclosure.....	30
Section 17. General Authorization; Prior Acts .....	34
Section 19. Amendments .....	34
Section 20. Severability .....	36
Section 21. Effective Date .....	37

EXHIBIT A Form of Escrow Agreement

---

\* This Table of Contents and the Cover Page are for convenience of reference and are not intended to be a part of this ordinance.

ORDINANCE NO. 1190

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, AUTHORIZING THE ISSUANCE AND SALE OF LIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF \$8,030,000 TO PROVIDE FUNDS FOR THE ACQUISITION OF PROPERTY AND TO REFUND CERTAIN OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY; AUTHORIZING THE APPOINTMENT OF AN ESCROW AGENT AND THE EXECUTION OF AN ESCROW AGREEMENT; PROVIDING THE TERMS OF THE BONDS; APPROVING AN AGREEMENT FOR ONGOING DISCLOSURE; PROVIDING FOR THE ANNUAL LEVY OF TAXES TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; AND AUTHORIZING THE SALE OF BONDS.

WHEREAS, the City of Gig Harbor, Washington (the "City") desires to acquire property and make other capital improvements to the facilities of the City (collectively, the "Project"); and

WHEREAS, the City is authorized by chapters 35A.40 and 39.46 RCW to borrow money and issue general obligation bonds to finance the costs of the Project; and

WHEREAS, it is in the best interest of the City to issue limited tax general obligation bonds in the aggregate principal amount of \$1,225,000 (the "Improvement Bonds") in order to obtain long term financing for the Project; and

WHEREAS, the City issued its Limited Tax General Obligation Bonds, 2001 pursuant to Ordinance No. 885 under date of June 26, 2001, in the original aggregate principal amount of \$7,825,000 (the "2001 Bonds") which remain outstanding as follows:

<u>Maturity Years (June 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2010	\$275,000	4.85%
2011	285,000	4.55
2012	300,000	4.65
2013	315,000	4.75

2014	330,000	4.80
2015	345,000	4.90
2016	365,000	4.95
2017	380,000	5.00
2018	400,000	5.05
2019	425,000	5.00
2020	445,000	5.10
2021	470,000	5.10
2022	495,000	5.15
2026	2,250,000	5.25

; and

WHEREAS, the 2001 Bonds maturing on and after June 1, 2012 (the “Refunded Bonds”) are callable for redemption at any time on or after June 1, 2011, at a price of par plus accrued interest to the date of redemption; and

WHEREAS, as a result of changed market conditions, it appears that debt service savings may be obtained by refunding the Refunded Bonds through the issuance of limited tax general obligation refunding bonds of the City in the aggregate principal amount of not to exceed \$6,890,000 (the “Refunding Bonds”); and

WHEREAS, it appears to this Council that it is in the best interest of the City that the Improvement Bonds and the Refunding Bonds be combined into a single issue of general obligation and refunding bonds in the aggregate principal amount of \$8,030,000(the “Bonds”); and

WHEREAS, the City has received an offer from D.A. Davidson & Co., Seattle, Washington, to purchase the Bonds;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GIG HARBOR DO  
ORDAIN, as follows:

Section 1.     Definitions The following words and terms as used in this ordinance shall have the following meanings for all purposes of this ordinance, unless some other meaning is plainly intended.

***Acquired Obligations*** means the Government Obligations acquired by the City under the terms of this ordinance and the Escrow Agreement to effect the defeasance and refunding of the Refunded Bonds.

***Beneficial Owner*** means any person that has or shares the power, directly or indirectly to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

***Bond Fund*** means the “Limited Tax General Obligation Bond Redemption Fund No. 208” established pursuant to Section 9 hereof.

***Bond Register*** means the registration books showing the name, address and tax identification number of each Registered Owner of the Bonds, maintained pursuant to Section 149(a) of the Code.

***Bonds or Bond*** means all or a portion of the City of Gig Harbor, Washington, Limited Tax General Obligation and Refunding Bonds, 2010, issued pursuant to this ordinance, and shall include the Improvement Bonds and the Refunding Bonds.

***City*** means the City of Gig Harbor, a municipal corporation duly organized and existing under the laws of the State of Washington.

***City Representative*** means the Mayor, the City Administrator, the Finance Director or such other official or employee of the City designated in writing by any of the foregoing.

***Code*** means the Internal Revenue Code of 1986, as amended, and shall include all applicable regulations and rulings relating thereto.

**Commission** means the Securities and Exchange Commission.

**Council** means the City Council of the City, the general legislative body of the City, as the same shall be duly and regularly constituted from time to time.

**DTC** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to Section 4 hereof.

**Escrow Agent** means U.S. Bank National Association, Seattle, Washington.

**Finance Director** means the duly qualified, appointed and acting Finance Director of the City or any other officer who succeeds to the duties now delegated to that office.

**Government Obligations** means those obligations now or hereafter defined as such in chapter 39.53 RCW.

**Improvement Bonds** means that portion of the Bonds authorized to be issued herein for the purpose of financing the cost of the Project and paying related costs of issuance.

**Letter of Representations** means the blanket issuer letter of representations from the City to DTC.

**MSRB** means the Municipal Securities Rulemaking Board or any successor to its functions.

**Net Proceeds**, when used with reference with the Bonds, means the principal amount of the Bonds, plus accrued interest and original issue premium, if any, and less original issue discount, if any.

**Private Person** means any natural person engaged in a trade or business or any trust, estate, partnership, association, company or corporation.

**Private Person Use** means the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a *de minimis* fee to cover custodial expenses.

**Project** means the capital improvements described in Section 2 hereof.

**Project Fund** means the “Park Development Fund, No. 109” maintained as provided in Section 12 hereof.

**Refunded Bonds** means the 2001 Bonds maturing on and after June 1, 2012.

**Refunding Bonds** means that portion of the Bonds authorized to be issued herein for the purpose of refunding the Refunded Bonds and paying related costs of issuance.

**Registered Owner** means the person in whose name a Bond is registered on the Bond Register. For so long as the Bonds are held in book-entry only form, DTC shall be deemed to be the sole Registered Owner.



**Registrar** means, initially, the fiscal agency of the State of Washington for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying interest on and principal of the Bonds.

**Rule** means the Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**2001 Bond Ordinance** means Ordinance No. 885 of the Council.

**2001 Bonds** means the Limited Tax General Obligation Bonds, 2001, of the City issued under date of June 26, 2001, pursuant to the 2001 Bond Ordinance and presently outstanding in the principal amount of \$7,080,000.

**Underwriter** means D.A. Davidson & Co., Seattle, Washington.

**Interpretation.** In this ordinance, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this ordinance;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely

for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect; and

(e) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Authorization of the Project. The City intends to acquire property and make various capital improvements within the City (the “Project”). The City hereby confirms and ratifies the Project and finds that it is in the best interest of the City to issue the Improvement Bonds for the purpose of providing financing for the Project and paying allocable costs of issuance.

Section 3. Purpose, Authorization and Description of Bonds. For the purpose of paying the costs of the Project and paying a proportionate share of the costs of issuance, the City shall issue and sell its limited tax general obligation bonds in the aggregate principal amount of \$1,225,000 (the “Improvement Bonds”).

For the purpose of refunding the Refunded Bonds and paying a proportionate share of the costs of issuance related thereto, and thereby effecting a substantial savings to the City and its taxpayers, the City shall issue its limited tax general obligation refunding bonds in the aggregate principal amount of \$6,890,000 (the “Refunding Bonds”).

The Improvement Bonds and the Refunding Bonds are sometimes herein collectively referred to as the “Bonds.”

The City shall now issue and sell the Bonds in the combined aggregate amount of \$8,030,000. The Bonds shall be designated the “City of Gig Harbor, Washington Limited Tax General Obligation and Refunding Bonds, 2010” (the “Bonds”), shall be dated as of the date of their initial date of issuance and delivery, shall be fully registered as to both principal and

interest, shall be in the denomination of \$5,000 each or any integral multiple thereof, provided that no Bond shall represent more than one maturity, shall be numbered separately in such manner and with any additional designation as the Registrar deems necessary for purposes of identification and control, and shall bear interest from their date or the most recent date to which interest has been paid or duly provided for, whichever is later, payable semiannually on the first days of December and June, commencing December 1, 2010 to the maturity or earlier redemption of the Bonds, at the rates set forth below, and shall mature on June 1 in the years and in the amounts set forth below.

Maturity Year (June 1)	Principal Amount	Interest Rate
2011	\$	%
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		

“-R” Indicates Refunding Bonds

Section 4. Registration, Exchange and Payment.

(a) *Bond Registrar/Bond Register.* The City hereby specifies and adopts the system of registration approved by the Washington State Finance Committee from time to time through the appointment of state fiscal agencies. The City shall cause a bond register to be maintained by the Bond Registrar. So long as any Bonds remain outstanding, the Bond Registrar shall make all

necessary provisions to permit the exchange or registration or transfer of Bonds at its principal corporate trust office. The Bond Registrar may be removed at any time at the option of the City upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the City. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication of the Bonds.

(b) *Registered Ownership.* The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in Section 16 of this ordinance), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 4(h) hereof, but such Bond may be transferred as herein provided. All such payments made as described in Section 4(h) shall be valid and shall satisfy and discharge the liability of the City upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letters of Representations.* The Bonds initially shall be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Bonds as eligible for deposit at DTC, the City has executed and delivered to DTC a Blanket Issuer Letter of Representations. Neither the City nor the Bond Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or the participants



of any successor depository or those for who any such successor acts as nominee) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds are held in fully-immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

If any Bond shall be duly presented for payment and funds have not been duly provided by the City on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Bond until it is paid.

(d) *Use of Depository.*

(1) The Bonds shall be registered initially in the name of "Cede & Co.", as nominee of DTC, with one Bond maturing on each of the maturity dates for the Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Designated Representative pursuant to

subsection (2) below or such substitute depository's successor; or (C) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Designated Representative to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Designated Representative may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding Bonds, together with a written request of the Designated Representative, issue a single new Bond for each maturity then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Designated Representative.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Designated Representative determines that it is in the best interest of the beneficial owners of the Bonds that such owners be able to obtain such bonds in the form of Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully-immobilized form. The Designated Representative shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds together with a written request of the

Designated Representative to the Bond Registrar, new Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.*

The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer or to exchange any Bond during the 15 days preceding any interest payment or principal payment date any such Bond is to be redeemed.

(f) *Bond Registrar's Ownership of Bonds.* The Bond Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Bonds.

(g) *Registration Covenant.* The City covenants that, until all Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. For so long as all Bonds are in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer in fully immobilized form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the fifteenth day of the month preceding the interest payment date, or upon the written request of a Registered Owner of more than \$1,000,000 of Bonds (received by the Bond Registrar at least 15 days prior to the applicable payment date), such payment shall be made by the Bond Registrar by wire transfer to the account within the United States designated by the Registered Owner. Principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the principal office of the Bond Registrar.

Section 5. Redemption and Purchase of Bonds.

(a) *Optional Redemption.* The Bonds maturing on or prior to June 1, 2020 are not subject to redemption prior to their scheduled maturities. The Bonds maturing on and after June 1, 2021 are subject to redemption at the option of the City in whole or in part on any date on or after June 1, 2020 (and if in part, with maturities to be selected by the City) at a price of par plus accrued interest, if any, to the date of redemption.



(b) *Purchase of Bonds.* The City reserves the right to purchase any of the Bonds offered to it at any time at a price deemed reasonable by the City Representative.

(c) *Selection of Bonds for Redemption.* For as long as the Bonds are held in book-entry only form, the selection of particular Bonds within a maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Bonds are no longer held in uncertificated form, the selection of such Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection (d). If the City redeems at any one time fewer than all of the Bonds having the same maturity date, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot (or in such manner determined by the Bond Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the City and the Bond Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of such Bond at the principal office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like maturity and interest rate in any of the denominations herein authorized.

(e) *Notice of Redemption.*

(1) Official Notice. For so long as the Bonds are held in uncertificated form, notice of redemption (which notice may be conditional) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Thereafter (if the Bonds are no longer held in uncertificated form), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption (which redemption may be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption or otherwise) shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

- (A) the redemption date,
- (B) the redemption price,
- (C) if fewer than all outstanding Bonds are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (D) that (unless the notice of redemption is a conditional notice, in which case the notice shall state that interest shall cease to accrue from the redemption date if and to the extent that funds have been provided to the Bond Registrar for the redemption of Bonds) on the redemption date the redemption price will become due and payable upon each

such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(E) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

On or prior to any redemption date, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

(2) Effect of Notice; Bonds Due. If an unconditional notice of redemption has been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

(3) Additional Notice. In addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity

date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 35 days before the redemption date to each party entitled to receive notice pursuant to Section 13, and to the Underwriter and with such additional information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(4) CUSIP Number. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(5) Amendment of Notice Provisions. The foregoing notice provisions of this Section 5, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 6. Form of Bonds. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. \_\_\_\_\_

\$ \_\_\_\_\_

STATE OF WASHINGTON

CITY OF GIG HARBOR

LIMITED TAX GENERAL OBLIGATION AND REFUNDING BOND, 2010

INTEREST RATE: %                      MATURITY DATE:                      CUSIP NO.:

REGISTERED OWNER:    CEDE & CO.

PRINCIPAL AMOUNT:



THE CITY OF GIG HARBOR, WASHINGTON (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from June \_\_\_, 2010, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on December 1, 2010, and semiannually thereafter on the first days of each succeeding June and December. Both principal of and interest on this bond are payable in lawful money of the United States of America. The fiscal agency of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for the bonds of this issue (the "Bond Registrar"). For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the City to DTC.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. 1190 duly passed by the City Council on June 14, 2010 (the "Bond Ordinance"). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Registrar or its duly designated agent.

This bond is one of an authorized issue of bonds of like date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of \$8,030,000 and is issued pursuant to the Bond Ordinance to finance capital improvements, to refund certain outstanding limited tax general obligation bonds of the City, and to pay costs of issuance.

The bonds of this issue are subject to redemption prior to their stated maturities as stated in the Bond Ordinance.

The City hereby irrevocably covenants and agrees with the owner of this bond that it will include in its annual budget and levy taxes annually, within and as a part of the tax levy permitted to cities without a vote of the electorate, upon all the property subject to taxation in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

The City has designated the bonds of this issue as "qualified tax-exempt obligations" for investment by financial institutions under Section 265(b) of the Code.

The pledge of tax levies for payment of principal of and interest on the bonds may be discharged prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Gig Harbor, Washington has caused this bond to be signed with the facsimile or manual signature of the Mayor, to be attested by the facsimile or manual signature of the City Clerk, and the corporate seal of the City to be impressed, imprinted or otherwise reproduced hereon, all as of this \_\_\_\_\_ day of June, 2010.

CITY OF GIG HARBOR, WASHINGTON

By \_\_\_\_\_  
/s/ manual or facsimile  
Mayor

(SEAL)

ATTEST:

\_\_\_\_\_  
/s/ manual or facsimile  
City Clerk

The Bond Registrar's Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This bond is one of the bonds described in the within mentioned Bond Ordinance and is one of the Limited Tax General Obligation and Refunding Bonds, 2010, of the City of Gig Harbor, Washington, dated as of June \_\_\_, 2010.

WASHINGTON STATE FISCAL AGENCY, as  
Registrar

By \_\_\_\_\_  
Authorized Signatory

Section 7. Execution and Delivery of Bonds. The Bonds shall be executed on behalf of the City with the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk, and the seal of the City shall be impressed, imprinted or otherwise reproduced on the Bonds.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

In case either of the officers who shall have executed the Bonds shall cease to be an officer or officers of the City before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. Any Bond may also be signed and attested on behalf of the City by such persons

who are at the actual date of delivery of such Bond the proper officers of the City although at the original date of such Bond any such person shall not have been such officer of the City.

Section 8. Lost, or Destroyed Bonds. In case any Bond or Bonds shall be lost, stolen or destroyed, the Bond Registrar may execute and deliver a new Bond or Bonds of like date, number and tenor to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon his/her filing with the City evidence satisfactory to the City that such Bond was actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the City and/or the Bond Registrar with indemnity satisfactory to the City and the Bond Registrar.

Section 9. Bond Fund. There is hereby created in the office of the City Representative a special fund to be drawn upon for the purpose of paying the principal of and interest on the Bonds to be known as the "Limited Tax General Obligation Bond Redemption Fund No. 208" (the "Bond Fund"). The taxes hereafter levied for the purpose of paying principal of and interest on the Bonds and other funds to be used to pay the Bonds shall be deposited in the Bond Fund no later than the date such funds are required for the payment of principal of and interest on the Bonds. Money in the Bond Fund not needed to pay the interest or principal next coming due may temporarily be deposited in such institutions or invested in such obligations as may be lawful for the investment of City funds.

Section 10. Pledge of Taxation and Credit. The City hereby irrevocably covenants and agrees for as long as any of the Bonds are outstanding and unpaid that each year it will include in its budget and levy an *ad valorem* tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with all other revenues and money of the City legally available for such purposes, to pay the principal of and interest on the Bonds as the



same shall become due. All of such taxes so collected and any other money to be used for such purposes shall be paid into the Bond Fund.

The City hereby irrevocably pledges that the annual tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the tax levy permitted to cities without a vote of the people, and that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the Bonds will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Bonds. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of said taxes and for the prompt payment of the principal of and interest on the Bonds as the same shall become due.

Section 11. Defeasance. In the event that the City, in order to effect the payment, retirement or redemption of any Bond, sets aside in the Bond Fund or in another special account, cash or noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive payment of principal, premium, if any, and interest from the Bond Fund or such special account, and such Bond shall be deemed to be not outstanding under this ordinance.

The City shall give written notice of defeasance to the owners of all Bonds so provided for within 30 days of the defeasance and to each party entitled to receive notice in accordance with Section 16 of this ordinance.

Section 12. Application of Bond Proceeds .

(a) *Project Fund.* The City has heretofore established a fund designated the “Park Development Fund, No. 109” (the “Project Fund”) into which shall be deposited the proceeds of the Improvement Bonds. Money on hand in the Project Fund shall be used to pay the costs of or reimbursement for the costs of the Project. The City Representative may invest money in the Project Fund in legal investments for City funds. Earnings on such investments shall accrue to the benefit of the fund earning such interest. Any part of the proceeds of the Improvement Bonds remaining in the Project Fund after all costs of the Project have been paid (including costs of issuance, if any) may be used for any capital purpose of the City or may be transferred to the Bond Fund.

(b) *Refunding.* A portion of the proceeds of sale of the Refunding Bonds in the dollar amount certified by the City to the Escrow Agent shall be delivered to the Escrow Agent for the purpose of defeasing the Refunded Bonds and, if determined by the City Representative, paying costs of issuance for the Bonds.

Money received by the Escrow Agent from Bond proceeds and other money provided by the City shall be used immediately by the Escrow Agent upon receipt thereof in accordance with the terms of the Escrow Agreement to defease the Refunded Bonds as authorized by the 2001 Bond Ordinance, and to pay costs of issuance of the Bonds. The City shall defease the Refunded Bonds and discharge such obligations by the use of money deposited with the Escrow Agent to purchase certain Government Obligations (which obligations so purchased, are herein called

“Acquired Obligations”), bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of each of the following bonds that have been designated as “Refunded Bonds”:

(1) Interest on the Refunded Bonds coming due on each date on which interest is due and payable, to and including June 1, 2011; and

(2) The redemption price (100% of par) of the Refunded Bonds is on June 1, 2011.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

(c) *Escrow Agent/Escrow Agreement.* The City hereby appoints U.S. Bank National Association, as the Escrow Agent for the Refunded Bonds (the “Escrow Agent”). A beginning cash balance, if any, and Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. The proceeds of the Refunding Bonds after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and expenses of the issuance of the Refunding Bonds. The City Representative is authorized and directed to execute and deliver to the Escrow Agent an Escrow Deposit Agreement substantially in the form attached to this ordinance as Exhibit A, with such changes or modifications as the City Representative, with the advice of bond counsel to the City, consider necessary or advisable.

The City hereby irrevocably sets aside for and pledges to the payment of the Refunded Bonds the moneys and obligations to be deposited with the Escrow Agent pursuant to the Escrow Agreement to accomplish the plan of refunding and defeasance of the Refunded Bonds set forth herein and in the Escrow Agreement. When all of the Refunded Bonds shall have been redeemed and retired, the City may cause any remaining money to be transferred to the Bond Fund for the purposes set forth above.

Section 13. Call For Redemption of Refunded Bonds and Escrow Agreement.

(a) *Call For Redemption of the Refunded Bonds.* The City hereby irrevocably sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds of the Refunding Bonds to make the payments described in Section 12 of this ordinance.

The City hereby irrevocably calls the Refunded Bonds for redemption on June 1, 2011 in accordance with terms of the 2001 Bond Ordinance authorizing the redemption and retirement of the Refunded Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the Refunded Bonds shall be effective and irrevocable after the final establishment of the escrow account and delivery of the Acquired Obligations to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notice of the redemption of the Refunded Bonds in accordance with the applicable provisions of the 2001 Bond Ordinance. The Finance Director is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor. The costs of publication of such notices shall be an expense of the City.

The Escrow Agent is hereby authorized and directed to pay to the fiscal agency or agencies of the State of Washington, sums sufficient to pay, when due, the payments specified in



Section 12(c) of this ordinance. All such sums shall be paid from the moneys and Acquired Obligations deposited with said Escrow Agent pursuant to the previous section of this ordinance, and the income there from and proceeds thereof. All moneys and Acquired Obligations deposited with said bank and any income there from shall be credited to a refunding account and held, invested (but only at the direction of the Finance Director) and applied in accordance with the provisions of this ordinance and with the laws of the State of Washington for the benefit of the City and owners of the Refunded Bonds.

The City will take such actions as are found necessary to see that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Refunded Bonds shall be paid when due.

(b) *Escrow Agreement.* The Finance Director is authorized and directed to execute and deliver to the Escrow Agent an Escrow Deposit Agreement substantially in the form attached to this ordinance as Exhibit A, with such changes or modifications as the Finance Director, with the advice of bond counsel to the City, consider necessary or advisable.

The City hereby irrevocably sets aside for and pledges to the payment of the Refunded Bonds the moneys and obligations to be deposited with the Escrow Agent pursuant to the Escrow Agreement to accomplish the plan of refunding and defeasance of the Refunded Bonds set forth herein and in the Escrow Agreement. When all of the Refunded Bonds shall have been redeemed and retired, the City may cause any remaining money to be transferred to the Bond Fund for the purposes set forth above.

Section 14. Tax Covenants; Special Designation. The City covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exemption from federal income taxation of the interest on the Bonds and will take or require to be taken

such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exemption from federal income taxation of the interest on the Bonds.

(a) *Arbitrage Covenant.* Without limiting the generality of the foregoing, the City covenants that it will not take any action or fail to take any action with respect to the proceeds of sale of the Bonds or any other funds of the City which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code and the regulations promulgated thereunder which, if such use had been reasonably expected on the dates of delivery of the Bonds to the initial purchasers thereof, would have caused the Bonds to be treated as “arbitrage bonds” within the meaning of such term as used in Section 148 of the Code.

The City represents that it has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is an issuer whose arbitrage certifications may not be relied upon. The City will comply with the requirements of Section 148 of the Code and the applicable regulations thereunder throughout the term of the Bonds.

(b) *Private Person Use Limitation for Bonds.* The City covenants that for as long as the Bonds are outstanding, it will not permit:

(1) More than 10% of the Net Proceeds of the Bonds to be allocated to any Private Person Use; and

(2) More than 10% of the principal or interest payments on the Bonds in a Bond Year to be directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Person Use.

The City further covenants that, if:

(3) More than five percent of the Net Proceeds of the Bonds are allocable to any Private Person Use; and

(4) More than five percent of the principal or interest payments on the Bonds in a Bond Year are (under the terms of this ordinance or any underlying arrangement) directly or indirectly:

(A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or

(B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Person Use, then, (i) any Private Person Use of the Project described in subsection (3) hereof or Private Person Use payments described in subsection (4) hereof that is in excess of the five percent limitations described in such subsections (3) or (4) will be for a Private Person Use that is related to the state or local governmental use of the Project funded by the proceeds of the Bonds, and (ii) any Private Person Use will not exceed the amount of Net Proceeds of the Bonds allocable to the state or local governmental use portion of the Project(s) to which the Private Person Use of such portion of the Project funded by the proceeds of the Bonds relate. The City further covenants that it will comply with any limitations on the use of the Project funded by the proceeds of the Bonds by other than state and local governmental users that are necessary, in the opinion of its bond counsel, to preserve the tax exemption of the interest on the Bonds. The covenants of this section are specified solely to assure the continued exemption from regular income taxation of the interest on the Bonds.

(c) *Modification of Tax Covenants.* The covenants of this section are specified solely to assure the continued exemption from regular income taxation of the interest on the Bonds. To that end, the provisions of this section may be modified or eliminated without any requirement for formal amendment thereof upon receipt of an opinion of the City's bond counsel that such modification or elimination will not adversely affect the tax exemption of interest on any Bonds.

(d) *Designation under Section 265(b).* The City hereby designates the Bonds as "qualified tax exempt obligations" for investment by financial institutions under Section 265(b) of the Code. The City does not anticipate that it will issue more than \$30,000,000 in qualified tax-exempt obligations during 2010 (excluding obligations permitted by the Code to be excluded for purposes of the City's qualification as a qualified small issuer).

Section 15. Sale of Bonds. The City hereby accepts the offer of D.A. Davidson & Co., Seattle, Washington (the "Underwriter"), to purchase the Bonds on the terms and conditions set forth in its purchase contract dated as of this date and presented to the Council on this date, and in this ordinance. The Mayor and/or the City Representative is hereby authorized to execute such purchase contract on behalf of the City. The proper City officials are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Bonds to the Underwriter and for the proper use and application of the proceeds of such sale.

The City Representative is hereby authorized to review and approve on behalf of the City the preliminary and final Official Statements relative to the Bonds with such additions and changes as may be deemed necessary or advisable to them. The preliminary Official Statement for the Bonds dated June \_\_\_, 2010, is hereby deemed final within the meaning of SEC Rule 15c2-12. The proper City officials are hereby authorized and directed to do everything necessary for the prompt execution and delivery of the Bonds to said Underwriter, in



accordance with the purchase agreement, and for the proper application and use of the proceeds of sale thereof

Section 16. Undertaking to Provide Ongoing Disclosure.

(a) *Contract/Undertaking.* This section constitutes the City's written undertaking for the benefit of the owners, including Beneficial Owners, of the Bonds as required by Section (b)(5) of the Rule.

(b) *Financial Statements/Operating Data.* The City agrees to provide or cause to be provided to the Municipal Securities Rulemaking Board ("MSRB"), the following annual financial information and operating data for the prior fiscal year (commencing in 2011 for the fiscal year ended December 31, 2010):

1. Annual financial statements, which statements may or may not be audited, showing ending fund balances for the City's general fund prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) and generally of the type included in the official statement for the Bonds under the heading "[Statement of General Fund Revenues and Expenditures]";
2. The assessed valuation of taxable property in the City;
3. Ad valorem taxes due and percentage of taxes collected;
4. Property tax levy rate per \$1,000 of assessed valuation; and
5. Outstanding general obligation debt of the City.

Items 2-5 shall be required only to the extent that such information is not included in the annual financial statements.

The information and data described above shall be provided on or before nine months after the end of the City's fiscal year. The City's current fiscal year ends December 31. The City may adjust such fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing such annual financial information and operating data, the City may cross-reference to other documents available to the public on the MSRB's internet website.

If not provided as part of the annual financial information discussed above, the City shall provide the City's audited annual financial statement prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) when and if available to the MSRB.

(c) *Material Events.* The City agrees to provide or cause to be provided, in a timely manner to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, if material:

- Principal and interest payment delinquencies;
- Non-payment related defaults;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- Modifications to the rights of Bond owners;

- Bond calls (optional, contingent or unscheduled Bond calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-238560);
- Defeasances;
- Release, substitution or sale of property, securing repayment of the Bonds;  
and
- Rating changes.

Solely for purposes of disclosure, and not intending to modify this undertaking, the City advises that no debt service reserves or property secure payment of the Bonds.

(d) *Notification Upon Failure to Provide Financial Data.* The City agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of its failure to provide the annual financial information described in Subsection (b) above on or prior to the date set forth in Subsection (b) above.

(e) *Emma; Format for Filings with the MSRB.* Until otherwise designated by the MSRB or the Commission, any information or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB's Electronic Municipal Market Access system ("EMMA"), currently located at [www.emma.msrb.org](http://www.emma.msrb.org) (which is not incorporated into this Official Statement by reference). All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

(f) *Termination/Modification.* The City's obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance, prior

redemption or payment in full of all of the Bonds. Any provision of this section shall be null and void if the City (1) obtains an opinion of nationally recognized bond counsel to the effect that the portion of the Rule that requires that provision is invalid, has been repealed retroactively or otherwise does not apply to the Bonds and (2) notifies the MSRB of such opinion and the cancellation of this section.

The City may amend this section with an opinion of nationally recognized bond counsel in accordance with the Rule. In the event of any amendment of this section, the City shall describe such amendment in the next annual report, and shall include, a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (A) notice of such change shall be given in the same manner as for a material event under Subsection (c), and (B) the annual report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(g) *Bond Owner's Remedies Under This Section.* The right of any bondowner or Beneficial Owner of Bonds to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the City's obligations under this section, and any failure by the City to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds.

(h) *No Default.* The City is not and has not been in default in the performance of its obligations of any prior undertaking for ongoing disclosure with respect to its obligations.



Section 17. General Authorization; Prior Acts. The Mayor, the City Administrator, and the Finance Director of the City and each of the other appropriate officers, agents and representatives of the City are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable to carry out the terms and provisions of, and complete the transactions contemplated by, this ordinance.

All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 19. Amendments.

(a) The Council from time to time and at any time may pass an ordinance or ordinances supplemental hereof, which ordinance or ordinances thereafter shall become a part of this ordinance, for any one or more or all of the following purposes:

(1) To add to the covenants and agreements of the City in this ordinance, other covenants and agreements thereafter to be observed, which shall not adversely affect the interests of the owners of any Bonds, or to surrender any right or power herein reserved.

(2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this ordinance in regard to matters or questions arising under such ordinances as the Council may deem necessary or desirable and not inconsistent with such ordinances and which shall not adversely affect, in any material respect, the interest of the owners of Bonds. In any such supplemental ordinance

may be adopted without the consent of the owners of any Bonds at any time outstanding, notwithstanding any of the provisions of subsection (b) of this section.

(b) With the consent of the owners of not less than sixty-five percent (65%) in aggregate principal amount of the Bonds at the time outstanding, the Council may pass an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall:

(1) Extend the fixed maturity of any Bonds, or reduce the rate of interest thereon, or extend the time of payment of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the owner of each Bond so affected; or

(2) Reduce the aforesaid percentage of Bond owners required to approve any such supplemental ordinance, without the consent of the owners of all of the Bonds then outstanding.

It shall not be necessary for the consent of Bond owners under this subsection (b) to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof. For the purpose of consenting to amendments under this subsection (b).

(c) Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section, this ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the City under this ordinance and all owners of Bonds outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modifications and amendments,

and all terms and conditions of any such supplemental ordinance shall be deemed to be part of the terms and conditions of this ordinance for any and all purposes.

(d) Bonds executed and delivered after the execution of any supplemental ordinance passed pursuant to the provisions of this section may have a notation as to any matter provided for in such supplemental ordinance, and if such supplemental ordinance shall so provide, new Bonds so modified as to conform, in the opinion of the Council, to any modification of this ordinance contained in any such supplemental ordinance, may be prepared and delivered without cost to the owners of any affected Bonds then outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

(e) *Exclusion of Bonds Owned by City.* Bonds owned or held by or for the account of the City shall not be deemed outstanding for the purpose of any vote or consent or other action or any calculation of outstanding Bonds in this ordinance provided for, and shall not be entitled to vote or consent or take any other action in this ordinance provided for.

(f) *Bonds Held by Securities Repositories.* For so long as the Bonds are held in book entry only form, communications with the owners shall be made with the securities depository who is the "Registered Owner" of the Bonds and communications with (and obtaining consents from) beneficial owners shall be made in accordance with the operational procedures of the securities depository that is the "Registered Owner" of the Bonds.

Section 20. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants

and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.

Section 21. Effective Date. This ordinance shall become effective immediately upon its adoption.

PASSED by the Council of the City of Gig Harbor, Washington at a regular meeting held on the 14<sup>th</sup> day of June, 2010.

CITY OF GIG HARBOR, WASHINGTON

---

Mayor

ATTEST:

---

City Clerk

First Reading: May 5, 2010

Date Adopted: June 14, 2010

Date of Publication: \_\_\_\_\_, 2010

Effective Date: \_\_\_\_\_, 2010

**EXHIBIT A**

**ESCROW DEPOSIT AGREEMENT**

CITY OF GIG HARBOR, WASHINGTON  
LIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS, 2010

THIS ESCROW AGREEMENT, dated as of June \_\_\_, 2010 (herein, together with any amendments or supplements hereto, called the "Agreement") is entered into by and between the City of Gig Harbor, Washington (herein called the "City") and U.S. Bank National Association, Seattle, Washington as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"). The notice addresses of the City and the Escrow Agent are shown on Exhibit A attached hereto and made a part hereof.

**WITNESSETH:**

WHEREAS, the City heretofore has issued and there presently remain outstanding the obligations described in Exhibit B attached hereto (the "Refunded Bonds"); and

WHEREAS, pursuant to Ordinance No. 1190 adopted on May 24, 2010 (the "Bond Ordinance"), the City has determined to issue its Limited Tax General Obligation and Refunding Bonds, 2010 (the "Bonds"); and

WHEREAS, a portion of the proceeds of the Bonds are being used for the purpose of providing funds to pay the costs of refunding the Refunded Bonds; and

WHEREAS, Grant Thornton LLP has prepared a verification report which is dated June \_\_\_, 2010 (the "Verification Report") relating to the source and use of funds available to accomplish the refunding of the Refunded Bonds, the investment of such funds and the adequacy of such funds and investments to provide for the payment of the debt service due on the Refunded Bonds; and

WHEREAS, pursuant to the Bond Ordinance, the Refunded Bonds have been designated for redemption prior to their scheduled maturity dates and, after provision is made for such redemption, the Refunded Bonds will come due in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in Exhibit C attached hereto and made a part hereof; and

WHEREAS, when Escrowed Securities have been deposited with the Escrow Agent for the payment of all principal and interest of the Refunded Bonds when due, then the Refunded Bonds shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, the issuance, sale, and delivery of the Refunding Bonds have been duly authorized to be issued, sold, and delivered for the purpose of obtaining the funds required to provide for the payment of the principal of, interest on and redemption premium (if any) on the Refunded Bonds when due as shown on Exhibit C attached hereto;



NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Bonds, the City and the Escrow Agent mutually undertake, promise and agree for themselves and their respective representatives and successors, as follows:

## **Article 1. Definitions**

### **Section 1.1. Definitions.**

Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

*Escrow Fund* means the fund created by this Agreement to be established, held and administered by the Escrow Agent pursuant to the provisions of this Agreement.

*Escrowed Securities* means the noncallable Government Obligations described in Exhibit D attached to this Agreement, or cash or other noncallable obligations substituted therefor pursuant to Section 4.2 of this Agreement.

*Government Obligations* means direct, noncallable (a) United States Treasury Obligations, (b) United States Treasury Obligations - State and Local Government Series, (c) non-prepayable obligations which are unconditionally guaranteed as to full and timely payment of principal and interest by the United States of America or (d) REFCORP debt obligations unconditionally guaranteed by the United States.

*Paying Agent* means the fiscal agency of the State of Washington, as the paying agent for the Refunded Bonds.

*Refunding Bonds* means that portion of the Bonds authorized under the Bond Ordinance for the purpose of refunding the Refunded Bonds.

### **Section 1.2. Other Definitions.**

The terms "Agreement," "City," "Escrow Agent," "Bond Ordinance," "Verification Report," "Refunded Bonds," and "Bonds" when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

### **Section 1.3. Interpretations.**

The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the

intended purpose of providing for the refunding of the Refunded Bonds in accordance with applicable law.

## **Article 2. Deposit of Funds and Escrowed Securities**

### **Section 2.1. Deposits in the Escrow Fund.**

Concurrently with the sale and delivery of the Refunding Bonds the City shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the funds (from the proceeds of the Refunding Bonds and a cash contribution by the City) sufficient to purchase the Escrowed Securities and pay costs of issuance described in Exhibit D attached hereto, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the City in writing.

## **Article 3. Creation and Operation of Escrow Fund**

### **Section 3.1. Escrow Fund.**

The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the Refunding Account (the "Escrow Fund"). The Escrow Agent hereby agrees that upon receipt thereof it will deposit to the credit of the Escrow Fund the funds and the Escrowed Securities described in Exhibit D attached hereto and pay Costs of Issuance as described in Exhibit D. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.2 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Bonds, any balance then remaining in the Escrow Fund shall be transferred to the City, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

### **Section 3.2. Payment of Principal and Interest.**

The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent from the cash balances from time to time on deposit in the Escrow Fund, the amounts required to pay the principal of the Refunded Bonds at their respective redemption dates and interest thereon to such redemption dates in the amounts and at the times shown in Exhibit C attached hereto.

### **Section 3.3. Sufficiency of Escrow Fund.**

The City represents that, based upon the information provided in the Verification Report, the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide moneys for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Bonds as such interest comes due and the principal of the Refunded Bonds as the Refunded Bonds are paid on an optional redemption date prior to maturity, all as more fully set forth in Exhibit E attached hereto. If, for any reason, at any time, the cash

balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by the Paying Agent to make the payments set forth in Section 3.2. hereof, the City shall timely deposit in the Escrow Fund, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the City's failure to make additional deposits thereto.

#### **Section 3.4. Trust Fund.**

The Escrow Agent or its affiliate, shall hold at all times the Escrow Fund, the Escrowed Securities and all other assets of the Escrow Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Bonds; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Bonds shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof, and all other assets of the Escrow Fund to which they are entitled as owners of the Refunded Bonds. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the City, and the Escrow Agent shall have no right to title with respect thereto except as a trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the City or, except to the extent expressly herein provided, by the Paying Agent.

### **Article 4. Limitation on Investments**

#### **Section 4.1. Investments.**

Except for the initial investment in the Escrowed Securities, and except as provided in Section 4.2 hereof, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrowed Securities, or to sell, transfer, or otherwise dispose of the Escrowed Securities.

#### **Section 4.2. Substitution of Securities.**

At the written request of the City, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall utilize cash balances in the Escrow Fund, or sell, transfer, otherwise dispose of or request the redemption of the Escrowed Securities and apply the proceeds therefrom to purchase Refunded Bonds or Government Obligations which do not permit the redemption thereof at the option of the obligor. Any such transaction may be effected by the Escrow Agent only if (a) the Escrow Agent shall have received a written opinion from a firm of certified public accountants that such transaction will not cause the amount of money and securities in the Escrow Fund to be reduced below an amount sufficient to provide for the full and timely payment of principal of and interest on all of the remaining Refunded Bonds as they

become due, taking into account any optional redemption thereof exercised by the City in connection with such transaction; and (b) the Escrow Agent shall have received the unqualified written legal opinion of its bond counsel or tax counsel to the effect that such transaction will not cause any of the Refunding Bonds or Refunded Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

## **Article 5. Application of Cash Balances**

### **Section 5.1. In General.**

Except as provided in Section 2.1, 3.2 and 4.2 hereof, no withdrawals, transfers or reinvestment shall be made of cash balances in the Escrow Fund. Cash balances shall be held by the Escrow Agent in United States currency as cash balances as shown on the books and records of the Escrow Agent and, except as provided herein, shall not be reinvested by the Escrow Agent; provided, however, a conversion to currency shall not be required (i) for so long as the Escrow Agent's internal rate of return does not exceed 20%, or (ii) if the Escrow Agent's internal rate of return exceeds 20%, the Escrow Agent receives a letter of instructions, accompanied by the opinion of nationally recognized bond counsel, approving the assumed reinvestment of such proceeds at such higher yield.

## **Article 6. Redemption of Refunded Bonds**

### **Section 6.1. Call for Redemption.**

The City hereby irrevocably calls the Refunded Bonds for redemption on their earliest redemption dates, as shown in the Verification Report and on Appendix A attached hereto.

### **Section 6.2. Notice of Redemption/Notice of Defeasance.**

The Escrow Agent agrees to give a notice of defeasance and a notice of the redemption of the Refunded Bonds pursuant to the terms of the Refunded Bonds and in substantially the forms attached hereto as Appendices A-1 and A-2 attached hereto and as described on said Appendices A-1 and A-2 to the Paying Agent for distribution as described therein. The notice of defeasance shall be given immediately following the execution of this Agreement, and the notice of redemption shall be given in accordance with the ordinance authorizing the Refunded Bonds. The Escrow Agent hereby certifies that provision satisfactory and acceptable to the Escrow Agent has been made for the giving of notice of redemption of the Refunded Bonds.

## **Article 7. Records and Reports**

### **Section 7.1. Records.**

The Escrow Agent will keep books of record and account in which complete and accurate entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection during business hours and after reasonable notice.

**Section 7.2. Reports.**

While this Agreement remains in effect, the Escrow Agent quarterly shall prepare and send to the City a written report summarizing all transactions relating to the Escrow Fund during the preceding financial quarter, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund for payments on the Refunded Bonds or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

**Article 8. Concerning the Paying Agents and Escrow Agent**

**Section 8.1. Representations.**

The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

**Section 8.2. Limitation on Liability.**

The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Bonds shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Escrowed Securities to make timely payment thereon, except for the obligation to notify the City promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Bonds shall be taken as the statements of the City and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent.

The Escrow Agent is not a party to the proceedings authorizing the Refunding Bonds or the Refunded Bonds and is not responsible for nor bound by any of the provisions thereof (except to the extent that the Escrow Agent may be a place of payment and paying agent and/or a paying agent/registrant therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the City thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.



The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own neglect or willful misconduct, nor for any loss unless the same shall have been through its negligence or bad faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the City with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the City or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the City at any time.

### **Section 8.3. Compensation.**

The City shall pay to the Escrow Agent fees for performing the services hereunder and for the expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement pursuant to the terms of the Fee Schedule attached hereto as Appendix B. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses as Escrow Agent or in any other capacity.

### **Section 8.4. Successor Escrow Agents.**

Any corporation, association or other entity into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust assets and business or any corporation, association or other entity resulting from any such conversion, sale, merger, consolidation or other transfer to which it is a party, *ipso facto*, shall be and become successor escrow agent hereunder, vested with all other matters as was its predecessor, without the execution or filing of any instrument or any further act on the part of the parties hereto, notwithstanding anything herein to the contrary.

If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in

the office of Escrow Agent hereunder. In such event the City, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the City within 60 days, a successor may be appointed by the owners of a majority in principal amount of the Refunded Bonds then outstanding by an instrument or instruments in writing filed with the City, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or the State of Washington, authorized under such laws to exercise corporate trust powers, having its principal office and place of business in the State of Washington, having a combined capital and surplus of at least \$50,000,000 and subject to the supervision or examination by federal or state authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the City and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the City shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The obligations assumed by the Escrow Agent pursuant to this Agreement may be transferred by the Escrow Agent to a successor Escrow Agent if (a) the requirements of this Section 8.4 are satisfied; (b) the successor Escrow Agent has assumed all the obligations of the Escrow Agent under this Agreement; and (c) all of the Escrowed Securities and money held by the Escrow Agent pursuant to this Agreement have been duly transferred to such successor Escrow Agent.

## **Article 9. Miscellaneous**

### **Section 9.1. Notice.**

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the City or the Escrow Agent at the address shown on Exhibit A attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten days prior notice thereof.

**Section 9.2. Termination of Responsibilities.**

Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the City, the owners of the Refunded Bonds or to any other person or persons in connection with this Agreement.

**Section 9.3. Binding Agreement.**

This Agreement shall be binding upon the City and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Bonds, the City, the Escrow Agent and their respective successors and legal representatives.

**Section 9.4. Severability.**

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

**Section 9.5. Washington Law Governs.**

This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Washington.

**Section 9.6. Time of the Essence.**

Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

**Section 9.7. Notice to Moody's and Standard & Poor's.**

In the event that this agreement or any provision thereof is severed, amended or revoked, the City shall provide written notice of such severance, amendment or revocation to Moody's Investors Service at 99 Church Street, New York, New York, 10007, Attention: Public Finance Rating Desk/ Refunded Bonds and to Standard & Poor's Ratings Group, 55 Water Street, New York, New York 10041, Attention: Municipal Bond Department.

**Section 9.8. Amendments.**

This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Refunded Bonds. No such amendment shall be made without first receiving written confirmation from the rating agencies (if any) which have rated the Refunded Bonds that such administrative changes will not result in a withdrawal or reduction of its rating then assigned to the Refunded Bonds. If this Agreement is amended, prior written notice and copies of the proposed changes shall be given to the rating agencies which have rated the Refunded Bonds.

EXECUTED as of the date first written above.

**CITY OF GIG HARBOR,  
WASHINGTON**

---

David Rodenbach, Finance Director

**U.S. BANK NATIONAL ASSOCIATION**

---

as Authorized Signer

Exhibit A	—	Addresses of the City and the Escrow Agent
Exhibit B	—	Description of the Refunded Bonds
Exhibit C	—	Schedule of Debt Service on Refunded Bonds
Exhibit D	—	Description of Beginning Cash Deposit (if any) and Escrowed Securities
Exhibit E	—	Escrow Fund Cash Flow
Appendix A	—	Notice of Redemption for the 2001 Bonds
Appendix B	—	Notice of Defeasance for the 2001 Bonds
Appendix C	—	Fee Schedule

**EXHIBIT A**  
**Addresses of the City and Escrow Agent**

City: City of Gig Harbor  
3510 Grandview Street  
Gig Harbor WA 98335-5136  
Attention: David Rodenbach, Finance Director

Escrow Agent: U.S. Bank National Association  
1420 5th Avenue, 7th Floor  
Seattle, WA 98101-4087  
Attention: Carolyn Morrison, Vice President



**EXHIBIT B**

**Description of the Refunded Bonds**

City of Gig Harbor, Washington  
Limited Tax General Obligation Bonds, 2001

<u>Maturity Years (June 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2012	\$300,000	4.65%
2013	315,000	4.75
2014	330,000	4.80
2015	345,000	4.90
2016	365,000	4.95
2017	380,000	5.00
2018	400,000	5.05
2019	425,000	5.00
2020	445,000	5.10
2021	470,000	5.10
2022	495,000	5.15
2026	2,250,000	5.25

**EXHIBIT C**  
**Schedule of Debt Service on the Refunded Bonds**

Date	Interest	Principal/ Redemption Price	Total
	\$		\$
	\$	\$	\$

**EXHIBIT D**  
**Escrow Deposit**

I. Cash \$\_\_\_

II. Other Obligations

<u>Description</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Total Cost</u>
		\$	%	\$
		\$		\$

III. Costs of Issuance

**EXHIBIT E**  
**Escrow Fund Cash Flow**

<u>Date</u>	<u>Escrow Securities Principal</u>	<u>Cash Receipts</u>	<u>Cash Disbursement</u>	<u>Cash Balance</u>
		\$		\$

\$

\$

\$

APPENDIX A

NOTICE OF REDEMPTION\*

City of Gig Harbor, Washington  
Limited Tax General Obligation Bonds, 2001

NOTICE IS HEREBY GIVEN that the City of Gig Harbor, Washington has called for redemption on June 1, 2011, its outstanding Limited Tax General Obligation Bonds, 2001 (the "Bonds").

The Bonds will be redeemed at a price of one hundred percent (100%) of their principal amount, plus interest accrued to June 1, 2011. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

The Bank of New York Mellon Worldwide Securities Processing 2001 Bryan Street, 9th Floor Dallas, TX 7520	-or-	Wells Fargo Bank, National Association Corporate Trust Department 14 <sup>th</sup> Floor 999 Third Avenue Seattle, WA 98104
---	------	--

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on June 1, 2011.

The following Bonds are being redeemed:

Maturity Years (June 1)	Principal Amounts	Interest Rates	CUSIP Nos.
2012	\$300,000	4.65%	375172CR2
2013	315,000	4.75	375172CS0
2014	330,000	4.80	375172CT8
2015	345,000	4.90	375172CU5
2016	365,000	4.95	375172CV3
2017	380,000	5.00	375172CW1
2018	400,000	5.05	375172CX9
2019	425,000	5.00	375172CY7
2020	445,000	5.10	375172CZ4
2021	470,000	5.10	375172DA8
2022	495,000	5.15	375172DB6
2026	2,250,000	5.25	375172DC4

\* This notice shall be given not more than 60 nor less than 30 days prior to June 1, 2011 by first class mail to each registered owner of the Refunded Bonds. In addition notice shall be mailed at least 35 days prior to June 1, 2011 to Banc of America Securities, The Depository Trust Company of New York, New York; Moody's Investors Service, New York, New York; AMBAC Insurance New York, NY and to the MSRB.



**By Order of the City of Gig Harbor, Washington**

**The Bank of New York Mellon, as Paying Agent**

Dated: \_\_\_\_\_.

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your Bonds.

APPENDIX B

**Notice of Defeasance\***  
**City of Gig Harbor, Washington**  
**Limited Tax General Obligation Bonds, 2001**

NOTICE IS HEREBY GIVEN to the owners of that portion of the above-captioned bonds with respect to which, pursuant to an Escrow Agreement dated June \_\_, 2010, by and between City of Gig Harbor, Washington (the "City") and U.S. Bank National Association, Seattle, Washington (the "Escrow Agent"), the City has deposited into an escrow account, held by the Escrow Agent, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money sufficient to pay each year, to and including the respective maturity or redemption dates of such bonds so provided for, the principal thereof and interest thereon (the "Defeased Bonds"). Such Defeased Bonds are therefore deemed to be no longer outstanding pursuant to the provisions of Ordinance No. 885 of the City, authorizing the issuance of the Defeased Bonds, but will be paid by application of the assets of such escrow account.

The Defeased Bonds are described as follows:

Limited Tax General Obligation Bonds, 2001 (Dated June 26, 2001)

<u>Maturity Years (December 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>	<u>CUSIP Nos.</u>	<u>Call Date (at 100%)</u>
2012	\$300,000	4.65%	375172CR2	06/01/2011
2013	315,000	4.75	375172CS0	06/01/2011
2014	330,000	4.80	375172CT8	06/01/2011
2015	345,000	4.90	375172CU5	06/01/2011
2016	365,000	4.95	375172CV3	06/01/2011
2017	380,000	5.00	375172CW1	06/01/2011
2018	400,000	5.05	375172CX9	06/01/2011
2019	425,000	5.00	375172CY7	06/01/2011
2020	445,000	5.10	375172CZ4	06/01/2011
2021	470,000	5.10	375172DA8	06/01/2011
2022	495,000	5.15	375172DB6	06/01/2011
2026	2,250,000	5.25	375172DC4	06/01/2011

\* This notice shall be given immediately by first class mail to each registered owner of the Defeased Bonds. In addition notice shall be mailed to The Depository Trust Company of New York, New York; The Bank of New York Mellon, as Fiscal Agent; Moody's Investors Service, New York, New York; and AMBAC Insurance, New York, NY, and to the MSRB.

**APPENDIX C**  
Fee Schedule

Escrow Agent Fee: See Attached

CERTIFICATE

I, the undersigned, City Clerk of the City of Gig Harbor, Washington (the "City") and keeper of the records of the City Council (the "Council"), DO HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance No. 1190 of the Council (the "Ordinance"), duly passed at a regular meeting thereof held on the 14th day of June, 2010.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of June, 2010.

---

Molly Towslee, City Clerk



**Subject:** First Reading of Ordinance and Public Hearing on the 2010 Park Plan Update.

**Proposed Council Action:** Conduct First Reading of Ordinance and hold Public Hearing.

**Dept. Origin:** Planning Department

**Prepared by:** Kristin Moerler, Associate Planner

**For Agenda of:** June 14, 2010

**Exhibits:** Ordinance  
2010 Park Plan (Draft 5/21/10)

Initial & Date

<b>Concurred by Mayor:</b>	<u>CUH June 8/10</u>
<b>Approved by City Administrator:</b>	<u>AK</u>
<b>Approved as to form by City Atty:</b>	<u>via e-mail</u>
<b>Approved by Finance Director:</b>	<u>N/A</u>
<b>Approved by Department Head:</b>	<u>TD 6/8/10</u>

Expenditure Required	0	Amount Budgeted	0	Appropriation Required	0
----------------------	---	-----------------	---	------------------------	---

**INFORMATION/BACKGROUND**

The City's last Park, Recreation and Open Space Plan (Park Plan) expired in May of 2009. The City is required by the State Recreation and Conservation Office to update the park plan at least every six years to maintain grant eligibility for certain grant programs related to park, recreation and open spaces. The update process was started in the summer of 2008 and has included two community intercepts, one public workshop and review and discussion by the Park Commission at thirteen public meetings. Staff also utilized the 2008 National Citizen Survey results to inform the update.

The City issued a Determination of Nonsignificance on April 7, 2010 for the 2010 Park Plan Update. The DNS will be final on June 14, 2010 provided no appeals are filed.

Several typographical errors were identified in the May 21, 2010 draft and have been corrected. These corrections do not affect the substance of the Park Plan.

**POLICY CONSIDERATIONS**

The ordinance is to officially adopt the City's 2010 Park, Recreation and Open Space Plan.

**FISCAL CONSIDERATION**

There are no adverse fiscal impacts associated with the Park Plan update.

**BOARD OR COMMITTEE RECOMMENDATION**

The Park Commission recommended approval of the Park Plan update.



**RECOMMENDATION / MOTION**

No formal action required, public hearing and first reading only.

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO PARKS, RECREATION, AND OPEN SPACE PLANNING, ADOPTING THE 2010 CITY OF GIG HARBOR PARK, RECREATION, & OPEN SPACE PLAN, TO RESTORE GRANT FUNDING ELIGIBILITY WITH THE STATE RECREATION AND CONSERVATION OFFICE; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.**

---

WHEREAS, the City last adopted a Park, Recreation and Open Space Plan in May 2003 (Ordinance No. 930); and

WHEREAS, the Washington State Recreation and Conservation Office (RCO) requires communities to update their plans every six years to maintain eligibility for certain grant programs; and

WHEREAS, the City's last plan expired in May 2009; and

WHEREAS, the City would like to be eligible to complete for State grants to support park, recreation and open space uses within the City; and

WHEREAS, RCO requires a new public involvement process as a part of a plan update; and

WHEREAS, the City utilized a variety of public involvement processes to update the plan including: two community intercepts, a public workshop, review of the National Citizen Survey, Gig Harbor WA 2008 results, and park commission review; and

WHEREAS, the City in 2008 engaged the public in the National Citizen Survey which collected data related to the City's park, recreation and open space needs; and

WHEREAS, in August 2008 approximately 40 members of the public were questioned about the City's park system during two separate community events; and

WHEREAS, on June 24, 2009 the City held a public workshop to gather public comment on the City's park system; and

WHEREAS, the City of Gig Harbor Parks Commission discussed the proposed plan update and public involvement at thirteen public meetings between September of 2008 and April of 2010; and

WHEREAS, the Park Commission recommended approval of the 2010 Park, Recreation and Open Space Plan with several revisions on April 7, 2010; and

WHEREAS, the May 21, 2010 draft Plan incorporates the changes requested by the Park Commission; and

WHEREAS, the City's SEPA Responsible Official issued a Determination of Non-Significance with regard to the proposed adoption of the 2010 Park, Recreation, & Open Space Plan on April 7, 2010, pursuant to WAC 197-11-340; and

WHEREAS, the City Planning Director forwarded a copy of the 2010 Park, Recreation, & Open Space Plan to the Washington State Department of Commerce on April 7, 2010, pursuant to RCW 36.70A.106; and

WHEREAS, pursuant to RCW 35A.12.140, a copy of the 2010 Park, Recreation, & Open Space Plan has been on file in the City Planning Department for use and examination by the public; and

WHEREAS, the City Council held a public hearing on this ordinance and the 2010 Park, Recreation, & Open Space Plan on June 14, 2010, during its regular City Council meeting; and

WHEREAS, the City Council considered the adoption of the 2010 Park, Recreation, & Open Space Plan during its regular City Council meeting on June 28, 2010; Now, Therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. Park, Recreation, & Open Space Plan. The City Council hereby adopts the 2010 Park, Recreation, & Open Space Plan draft dated May 21, 2010 by reference, (Exhibit A hereto), as if the same were fully set forth herein.

Section 2. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 3. Effective Date. This Ordinance shall take effect and be in full force five (5) days after passage and publication of an approved summary consisting of the title.

PASSED by the Council and approved by the Mayor of the City of Gig Harbor, this 28th day of June, 2010.

CITY OF GIG HARBOR

\_\_\_\_\_  
Mayor Charles L. Hunter

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Molly M. Towslee, City Clerk

APPROVED AS TO FORM:  
Office of the City Attorney

---

Angela S. Belbeck

FILED WITH THE CITY CLERK: 06/08/10  
PASSED BY THE CITY COUNCIL:  
PUBLISHED:  
EFFECTIVE DATE:  
ORDINANCE NO:



**EXHIBIT 'A'**

***The City of Gig Harbor***  
***2010 Park, Recreation, & Open Space Plan***  
***dated May 21, 2010***

Hard copy is on file with the City Clerk and  
the Planning Department and can be  
viewed during regular business hours at:

Gig Harbor Civic Center,  
3510 Grandview Street, Gig Harbor, WA 98335

A copy of the Park Plan can also be viewed  
or downloaded from the City's Website at:

<http://www.cityofgigharbor.net/page.php?id=695>



Subject: First Reading of Ordinance/ Public Hearing - Allowing Portal Signs on City Owned Docks and Piers.

Proposed Council Action: Conduct First Reading of Ordinance and hold Public Hearing

Dept. Origin: Planning Department

Prepared by: Tom Dolan
Planning Director

For Agenda of: June 14, 2010

Exhibits: Draft Ordinance

Initial & Date

Concurred by Mayor:

CLH June 8/10

Approved by City Administrator:

PSK

Approved as to form by City Atty:

Via e-mail

Approved by Finance Director:

N/A

Approved by Department Head:

TD 6/8/10

Table with 4 columns: Expenditure Required, Amount Budgeted, Appropriation Required. Values are 0, 0, 0.

INFORMATION / BACKGROUND

The Gig Harbor Historic Waterfront Association is proposing major improvements to Jerisich Park which is located immediately shoreward of Jerisich Dock. As part of the improvements a new sign that spans the entrance to the dock is proposed. The sign would identify the dock from both the water and street sides of the property. Existing sign regulations only allow signs up to 6 feet in height which is inadequate to provide identification from both the water and street. Allowing Portal signs for city owned docks and piers would provide needed identification for these municipal facilities serving the public.

POLICY CONSIDERATIONS

Staff recommends that Portal Signs on docks and piers be limited to city owned facilities. This limitation is appropriate in that the general public is not always familiar with the location of publicly owned facilities. Private docks and piers are not usually open to the general public.

ENVIRONMENTAL ANALYSIS

The City's SEPA Responsible Official issued a DNS for the proposed amendments on May 5, 2010 pursuant to WAC 197-11-340.

FISCAL CONSIDERATION

None

BOARD OR COMMITTEE RECOMMENDATION

N/A

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO SIGNS, ADDING REGULATIONS PERTAINING TO PORTAL SIGNS FOR MUNICIPAL DOCKS OR PIERS AND ADDING A NEW DEFINITION FOR PORTAL SIGN; AMENDING GHMC SECTIONS 17.80.030 AND 17.80.100 OF THE GIG HARBOR MUNICIPAL CODE.**

---

WHEREAS, the City owns and operates Jerisich Dock which is heavily used both by City residents and by visitors to the City; and

WHEREAS, the current signage for the dock from both the shore and water sides of the dock is insufficient to adequately inform the public of its location; and

WHEREAS, the City desires to allow reasonable signage for this municipal facility; and

WHEREAS, the Gig Harbor Historic Waterfront Association is proposing major improvements to Jerisich Park which is located immediately shoreward from the Jerisich Dock; and

WHEREAS, the installation of a Portal Sign which spans the entrance to the dock would serve to identify Jerisich Dock from both the shore and water sides of the dock; Now, Therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. Section 17.80.030 of the Gig Harbor Municipal Code is hereby amended, to read as follows:

**17.80.030 Definitions.**

The following definitions shall apply for the purpose of this code:

1. "Abandoned sign" means a sign that no longer correctly identifies, exhorts or advertises any person, business, lessor, owner, product or activity conducted or available on the premises where such sign is located and which has not been changed or removed within 180 days of a tenancy change; or a sign which is damaged, in disrepair, or vandalized and not repaired within 60 days of the damaging event.

2. "Advertising copy" includes any sign graphics, background colors, logos or trademarks which identify or promote the sign user or any product or service; or

which provides information about the sign user, the building or the products or services available.

3. "Awning" means a shelter projecting from and supported by a structure or building wall and constructed of a rigid supporting framework and a flexible or nonrigid covering.

4. "Awning sign" means a sign applied to or incorporated into the covering of an awning.

5. "Building" means a roofed and walled structure built for permanent use.

6. "Bulletin board" means a board or small sign on which notices, community events or hours of operation are posted.

7. "Cabinet sign" means an internally illuminated sign in which a removable sign face (usually with translucent sign graphics) is enclosed on all edges by a metal cabinet. A cabinet sign may be multi-sided.

8. "Director" means the city's planning director, or the director's designee, who shall be authorized to administer and enforce all of the provisions of the sign code.

9. District, Sign.

a. "Area 1" includes those properties situated in PCD-C and PCD-BP districts and all B-2 districts except the B-2 district in the vicinity of the Burnham Drive/Harborview Drive junction; and all C-1 districts except C-1 districts in the height restriction area.

b. "Area 2" includes all properties not defined under Area 1.

10. "Double-faced sign" means a sign that has advertising copy on opposite sides of a single display surface or sign structure.

11. "Electric sign" means a sign or sign structure in which electrical wiring, connections and/or fixtures are used as part of the sign proper.

12. "Electronic sign" means a sign designed to allow changes in the sign graphics electronically.

13. "Event" means a current or planned activity or occurrence which involves a gathering of people or solicits their participation. In this context, an event does not include the commemoration of a holiday.

14. "Facade" means the entire building front or street wall face of a building extending from the grade of the building to the top of the parapet or eaves and the entire width of the building elevation.

15. "Festoon" means a strip or string of balloons which includes clusters or strings of balloons connected to a fixed object or vehicle on at least one end of the festoon.

16. "Flashing sign" means a sign or a portion thereof which changes light intensity or switches on and off in a constant, random or irregular pattern or contains motion or the optical illusion of motion by use of electrical energy. Changing message centers shall not be considered flashing signs.

17. "Freestanding sign" means a sign supported by a pole(s) or mounted on a sign base and is not connected to or supported by any other structure.

18. Freeway Interchange Area. The freeway interchange of State Route 16 (SR-16) is illustrated on Exhibit 1, attached to Ordinance No. 788 and available in

the city clerk's office, and defines the area where signage may be oriented to SR-16, subject to the provisions of GHMC 17.80.060(K).

19. "Frontage" means the linear distance of property along a street or highway.

20. "Gas station price sign" means a sign advertising the price of motor fuel and contains no other business advertising.

21. "Holiday" includes all state holidays as defined under RCW 1.16.050, except Sunday.

22. "Incidental sign" means a nonelectric informational warning or service sign (noncommercial in nature) four square feet or less in area that is intended primarily for the convenience and safety of the public while on the premises. Included are signs such as 'no parking', 'private property', 'customer parking' and other on-site warning signs.

23. "Internal illumination" means a source of lighting concealed entirely within a sign which makes sign graphics visible by transmitting light through a translucent or semi-translucent material.

24. "Institutional sign" means a sign to identify educational, civic and religious institutions.

25. "Landscaping" means the planned use of trees, shrubs and other living plant materials used in conjunction with a sign and other decorative features.

26. "Logo" means an identifying emblem or insignia containing sign graphics, symbols or colors typically used for identification and/or advertisement.

27. "Logo shield" means a logo contained within an area no greater than four square feet, incorporated into a larger sign face or designed as an individual sign or a component of a sign containing individually mounted sign graphics.

28. "Lot identification sign" means a sign to identify the occupants of the premises.

29. "Mansard roof" means a sloped roof or roof-like facade architecturally able to be treated as a building wall.

30. "Marquee" means a permanent structure attached to, supported by and projecting from a building and providing protection from the weather elements, but does not include a projecting roof. For purposes of this chapter, a freestanding permanent roof-like structure providing protection from the elements, such as a service station gas pump island, will also be considered a marquee. This also includes canopies.

31. "Neighborhood identification sign" means a sign to identify a particular residential area or development four acres or greater in size.

32. "Neon lighting" means illuminated tubing forming sign graphics or which is otherwise used as an exposed lighting source. For the purpose of this chapter the term "neon" will be considered a generic term for this type of lighting regardless of the type of fluorescing gas or material contained within the tubing.

33. "Neon sign" means neon lighting used to draw attention to a business or building in any manner, including (but not limited to) neon sign graphics, logos or outlining of a building's architectural features.

34. "Off-premises directional sign" means a permanently installed sign which provides directional information to a parcel located in the Gig Harbor area, but not located on the same parcel as the sign in question.

35. "Off-premises sign" means a sign relating through its message and content to a commercial or noncommercial activity, use, product or service not available or conducted on the premises on which the sign is erected.

36. "On-premises directional sign" means a permanent sign that directs the public to a specific place such as an entrance, exit, or parking or service area, or a particular aspect of a business establishment.

37. "On-premises sign" means a sign which carries only advertisements and messages strictly applicable to a lawful use of the premises on which it is located.

38. "Pan-channel" means a sign graphic that is constructed of a three-sided metal channel, usually having a light source contained within the channel. The open side may face inward, resulting in silhouette lighting, or it may face outward to allow full illumination. The open side of the channel may be enclosed with a translucent material.

39. "Portable sign" means a freestanding sign made of any material, which by its design is readily movable and is not permanently affixed to the ground.

39.5 "Portal sign" means a sign that spans the entrance onto a dock or pier owned and operated by the City of Gig Harbor.

40. "Projecting sign" means a sign which is attached to and projects more than one foot from a structure, building face or marquee.

41. "Public event" means an event held no more than once a year by an individual sponsor, business or agency, and which is on a site normally associated with activities or uses other than the event, and which does not represent or promote a use, product or service normally associated with the site of the event. Special sales or promotions of products or services commonly available on the site, or which are readily available at a permanent outlet or site within the city, do not represent public events.

42. "Readerboard" means a sign face designed to hold readily changeable sign graphics allowing frequent changes of copy.

43. "Returns" are the exposed sides of pan-channel sign graphics and cabinet signs.

44. "Revolving sign" means a sign which rotates or turns in a circular pattern.

45. "Roof sign" means a sign supported by and erected on and above a roof, parapet or fascia of a building or structure (shall not include a sign erected on the face of a mansard roof).

46. "Sandwich board/sidewalk sign" means a portable sign consisting of two sign faces hinged at the top and separated at the bottom to make it self-standing.

47. "Seasonal decorations" means temporary decorations for holidays which do not fall under the definition of a sign and which are installed no sooner than 30 days before a holiday and removed no later than five days after the holiday. Decorations which fall under the definition of a sign must conform to all provisions of the sign code.

48. "Sign" means:

a. Any visual communication device, structure, or fixture which is visible from any public right-of-way or waterway placed for the promotion of products,



goods, services, events or to identify a building, using sign graphics or trademarks; or

b. Steel, plastic or similar panels displaying corporate colors, logos or trademarks and as are common on corporate signature buildings to give identity to the business (corporate colors which conform to the city's design manual requirements for color shall be excluded from this definition of a sign); or

c. Inflatable figures, balloons (in a display of six or more), festoons, streamers, spinners, product representations and advertisements for services which are attached to a fixed object or stationary vehicle.

49. "Sign area" means the entire area of a sign on which advertising copy, logos, trademarks, and business or corporate colors are to be placed. Sign structures and associated architectural embellishments, framework and decorative features which contain no written or advertising copy, which are not illuminated and which contain no logos or trademarks shall not be included. Sign area shall be calculated by measuring the area of the smallest rectangle, circle, triangle or parallelogram that can be drawn around all parts of the sign from the viewpoint exposing the largest sign surface area, including the sign face background, and including all spaces and voids between or within letters or symbols which comprise a single word, statement, description, title, business name, graphic symbol or message. Sign supporting structures which are part of the sign display shall be included in the area of calculation.

50. "Sign graphics" include all lines, strokes, text, symbols and logo shields applied to a sign surface and does not include the background surface to which they are applied.

51. "Silhouette lighting", sometimes called "halo lighting", means lighting being emitted from the back side of pan-channel sign graphic which has the open side of the channel facing the wall or sign face it is mounted to, thereby silhouetting the sign graphics.

52. "Temporary construction sign" means a sign jointly erected and maintained on premises undergoing construction by an architect, contractor, subcontractor and/or materialman upon which property such person is furnishing labor or material.

53. "Temporary sign" means any sign or advertising display constructed of cloth, canvas, light fabric, paper, cardboard or other light materials, with or without frames, intended to be displayed for a limited time only and not permanently attached to a building or site.

54. "Trim caps" are the corner trim pieces holding the translucent materials or sign faces on pan-channel sign graphics and cabinet signs.

55. "Wall graphics" means a wall sign of which color and form are part of an overall design on the building.

56. "Wall plane" includes that portion of a facade which is contained on one general plane. If there is a shift in the facade, forward or back, a new plane is created. A single wall plane may contain windows and doors but it is generally a solid surface. The fascia of projecting porches or colonnades may be considered part of the wall plane the porch or colonnade projects from for calculating signage area.

57. "Wall sign" means a sign attached or erected parallel to and extending not more than one foot from the facade or face of any building to which it is attached and supported throughout its entire length, with the exposed face of the sign parallel to the plane of said wall or facade. Signs incorporated into mansard roofs, marquees or canopies shall be treated as a wall sign.

58. "Window sign" means a sign that is mounted on, painted on or attached to a window, or is placed within three feet of the inside of a window or opening, or is within an enclosed display window (i.e., the display area in the window is separated from the main floor area by a wall, curtain or screen).

Section 2. Section 17.80.100 of the Gig Harbor Municipal Code is hereby amended, to read as follows:

**17.80.100 Sign standards for Area 2.**

The following sign standards shall apply:

A. Illumination. When illumination is desired in Area 2, the city encourages use of external light sources subject to the provisions of GHMC 17.80.060(G)(1). Internal illumination is permitted on all signs except neighborhood identification signs, subject to the provisions of GHMC 17.80.060(G)(2). Internally illuminated sign graphics are limited to white or ivory colors if the proposed sign is visible from residential property within 200 feet of the parcel the sign is located on.

B. Freestanding Signs.

1. Height Measurement. Freestanding signs shall be measured from the highest point of the sign to the finished grade at the base of the sign support. Finished grade shall be the final grade approved through the site plan review process and shall not be increased for purposes of increasing overall sign height.

2. Height Standards. Freestanding ground signs shall not exceed six feet in height.

3. Clearance Standards. Freestanding signs which abut the edge of a sidewalk shall have a maximum clearance of 27 inches.

4. Maximum Sign Area. Twenty-four square feet for a single side or 48 square feet total on all sides. If a carved or sandblasted wooden sign is used, freestanding signs may be 30 square feet for a single side or 60 square feet total on all sides.

5. Location. Freestanding signs may not be located on public property. The placement of freestanding signs shall be in such a fashion and location as to not obstruct the view of signs of adjacent property owners.

6. Density. Freestanding signs shall be limited to the following number and locations:

a. Commercial. One freestanding sign shall be permitted on each street frontage of property on which the business is located. Sites on a corner of two public streets may have one sign on the corner instead of a sign for each frontage, subject to approval by the public works director. Commercial properties with more than 1,000 feet of continuous street frontage and with more than one entrance may install a freestanding sign at each entrance; provided, that no

single sign exceeds the maximum sign area described under subsection (B)(4) of this section. Where there is frontage on more than one street, each frontage is treated independently.

b. Residential. One freestanding neighborhood identification sign is permitted at each entrance to a residential neighborhood.

7. Landscaping. Freestanding signs must be landscaped around the base of the sign.

a. Each sign shall have a landscaped area twice the size of the sign area. If a carved or sandblasted wooden sign is used, landscaping may be reduced by 50 percent for all grade level landscaping, or by 75 percent if landscaping is contained in a raised planter around the base of the sign. Raised planters must be at least 18 inches high. Planter and organic materials shall be installed within 30 days of sign installation. The landscaping, sign base or planter shall be protected from vehicles by a six-inch high curb stop or sidewalk edge at least three feet from the planter base.

b. Landscaping shall be installed in the planting season closest to the date of the sign permit issuance. Signs installed after the planting season shall be landscaped by no later than the following planting season.

c. These requirements may be waived if the sign is located in an area that is part of an approved overall site landscape plan.

#### C. Wall Mounted Signs.

##### 1. Total Sign Area.

a. Allowed Signage per Wall Plane. Total allowed signage in Area 2 shall not exceed three percent of the wall plane the sign is mounted to, except that signage covering up to eight percent of a wall plane is allowed if the wall plane conforms to all solid/void ratio requirements specified in the city's design manual, and if all on-premises yards on the side of the building the sign faces conform to all landscaping provisions of the city's design manual and of Chapter 17.78 GHMC.

b. Individual Sign Size. No single wall sign shall exceed 50 square feet.

c. Increased Size Option. If a carved or sandblasted wooden sign is used, the sign size may be increased by 20 percent of its underlying allowable sign area.

d. Size Restriction. Wall signs must meet the 70 percent space coverage allowances described under the surface coverage requirements in subsection (C)(2) of this section.

2. Architectural Details. Signs may not cover or obscure important architectural details of a building; they should appear to be a secondary and complementary feature of the building facade. Wall signs must be located within architectural signs bands or other blank spaces which visually frame the sign. Blank wall sections above or between windows and doors, for example, may provide an effective location for signage. However, to avoid a "maxed out" appearance, signs shall be no larger than 70 percent of the width or height of the blank wall space or fascia the sign is mounted to so as to leave reveal on all sides of the sign and to maintain an appropriate balance between the sign and

wall. For example, a pillar between a door and window which is 30 inches wide may have a sign which is 21 inches wide.

3. Height Restriction. Wall signs shall not project above roof lines or fascia boards.

**D. Window Signs.**

1. Illuminated Window Signs. Illuminated window signs shall conform to the total wall sign area standards in subsection (C)(1) of this section and shall conform with all master sign plan requirements in GHMC 17.80.070.

2. Nonilluminated Window Signs. Nonilluminated window signs are allowed in addition to the standards in subsection (C)(1) of this section; provided, that they do not exceed 50 percent of the nominal window size (i.e., the window size as specified by the manufacturer). Additionally, non-illuminated window signs are not required to conform to the design standards of master sign plans.

**E. Projecting Signs.**

1. Surface Area. Projecting signs in Area 2 are limited to 32 square feet total for both sides. Projecting sign area shall be deducted from the allowable wall signage determined under subsection (C)(1) of this section.

2. Clearance Requirements. All projecting signs must be at least eight feet above sidewalks and walkways and 15 feet above vehicular ways.

3. Maximum Projection. Projecting signs shall have a maximum width of three feet with a maximum clearance of six inches from the building wall.

4. Design Restriction. Projecting signs may not be cabinet-type signs and may not be internally illuminated.

**F. Portable Sign.** One portable sign per customer building entrance (not to exceed one sign per 30 feet of building frontage) may be permitted subject to the following:

1. Location. Signs shall be located on the premises or directly in front of the sponsoring business at a point not on the right-of-way which is closest to the building entrance. No sign shall obstruct or impair access to a public sidewalk, public or private street or driveway, traffic control sign, bus stop, fire hydrant, or any other type of street furniture, or otherwise create a hazard, including a tripping hazard.

2. Hours of Display. Signs may be displayed during business hours only.

3. Allowed Height. Maximum height of portable sidewalk signs shall be three feet. All other size requirements of portable signs described in GHMC 17.80.060(H) shall apply.

4. Right-of-Way Permit. In order to place a portable sign in the public right-of-way, the sign owner must comply with the requirements of this chapter as well as the requirements of Chapter 12.02 GHMC, Encroachment Permits.

G. Portal Sign. One portal sign shall be allowed for each City-owned dock or pier. Portal signs shall be limited in height to 12 feet and a sign face area of 32 square feet per side. Portal signs shall be allowed in addition to any other signs permitted on the property.

Section 3. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 4. Effective Date. This Ordinance shall take effect and be in full force five (5) days after passage and publication of an approved summary consisting of the title.

PASSED by the Council and approved by the Mayor of the City of Gig Harbor, this \_\_\_ day of \_\_\_\_\_, 2010.

CITY OF GIG HARBOR

\_\_\_\_\_  
Mayor Charles L. Hunter

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Molly Towslee, City Clerk

APPROVED AS TO FORM:  
Office of the City Attorney

\_\_\_\_\_  
Angela S. Belbeck, City Attorney

FILED WITH THE CITY CLERK:  
PASSED BY THE CITY COUNCIL:  
PUBLISHED:  
EFFECTIVE DATE:  
ORDINANCE NO:







