

## MINUTES OF GIG HARBOR CITY COUNCIL MEETING – JULY 26, 2010

**PRESENT:** Councilmembers Ekberg, Young, Franich, Conan, Malich, and Mayor Hunter. Councilmembers Payne and Kadzik were absent.

**CALL TO ORDER:** 5:30 p.m.

**PLEDGE OF ALLEGIANCE:**

### **CONSENT AGENDA:**

1. Approval of the Minutes of City Council Meeting of July 12, 2010.
2. Receive and File: a) Finance Dept – 2nd Quarter Report; b) Minutes of the Planning/Building Committee Meeting June 7, 2010; c) Dept. of Archaeology & Historic Preservation Grant Award; d) GHPD Quarterly Report.
3. Correspondence / Proclamations: a) Vernhardson Family Day; b) Sound and Sand Proclamation.
4. Liquor License Actions: a) Application – Greenhouse Restaurant; b) Renewals: Cigar & Wine; Morso; Gig Harbor Yacht Club; Mizu Japanese Steakhouse; The Wine Studio; Bartell Drug Co. #39; and Galaxy Uptown; c) Added Privilege – Fred Meyers.
5. Well No. 11 Test Well Development – Consultant Services Contract / Carollo Engineers.
6. Environmental Liability Insurance for the Stutz Dock Property.
7. Lift Station No. 6A – Consultant Services Contract / Geological Engineering Services.
8. Final Plat Approval – Morning Point Estates.
9. Wastewater Treatment Plant Phase 1 Improvement Project – Change Orders No. 3 and 4.
10. Fishermen’s Pier Parking Lot Design (formerly Stutz Fuel Dock) - Consultant Services Contract.
11. Garr Creek Tributary Stormwater Study – Consultant Services Contract.
12. SR16 /Burnham Interchange Improvement Project – Change Order No. 1.
13. Cartegraph Systems, Inc – Software and Services Proposal.
14. Interlocal Agreement for Long-Term Disability and Life Insurance for City Employees.
15. Approval of Payment of Bills for July 26, 2010: Checks #64151 through #64235 in the amount of \$480,896.20.

**MOTION:** Move to adopt the Consent Agenda as presented.  
**Young / Conan –**

Councilmember Ekberg asked that agenda items 9 and 12 be moved to New Business. Councilmember Malich asked that item 5 also be moved to New Business.

**AMENDMENT TO MOTION:** Move to amend the Consent Agenda by moving items number 5, 9, and 12 to New Business.  
**Malich / Ekberg** – unanimously approved.

**MAIN MOTION:** Move to adopt the Consent Agenda as amended.  
**Young / Conan** – unanimously approved.

**PRESENTATIONS:**

1. Vernhardson Family Day Proclamation. Mayor Hunter invited Richard Johnson, Grandson of Jon Vernhardson, to come forward and accept the proclamation. Mr. Johnson accepted the proclamation on behalf of “his roughly 2000 relatives” scattered across the U.S. and Canada, and especially that the Norwegians who populated the north end of Gig Harbor. He said that they expect 200 of these people to come and help celebrate the day.

2. Sound and Sand Proclamation. Councilmember Derek Young explained that he asked for this resolution to recognize the efforts by Chapel Hill Presbyterian Church to partner with an organization in Israel that joins Israeli and Arab youth in team-building efforts to form bonds, overcome conflict, and forge relationships for the future. He said that Gig Harbor is the first city in the U.S. to host this effort. The group will be coming to Gig Harbor next month to have some fun and work on projects.

3. Planning for the Homeless. John Oldham of Gig Harbor explained the need to address homelessness. He proposed organizing a group called the Peninsula Community of Faith to come together on Wednesday, October 6th from noon until 4 p.m. at the Boys & Girls Club to formulate a plan. He asked for the city’s to join in with the county, schools, library and others to provide leadership in this effort to provide help. Mr. Oldham was asked to provide further information to Council through Rob Karlinsey. Councilmembers Conan and Malich said that they would do their best to attend the forum.

**OLD BUSINESS:**

1. Second Reading of Ordinance – Water/Sewer Revenue Bond for Outfall Extension. Finance Director David Rodenbach reported a very successful sale of the bonds today. He introduced Cynthia Weed and David Trageser to further explain.

David Trageser, Senior Vice President D.A. Davidson and Co. handed out a summary of the bond sale. He explained that the total bond issue was \$8,190,000 comprised of \$5,580,000 of taxable Build America Bonds and \$2,610,000 tax exempt revenue bonds.

Cynthia Weed, K & L Gates said that the only change in the ordinance since the first reading are the interest and principal amounts resulting from today’s sale. She said that the money from sale of the bonds will be available for investment August 10th.

**MOTION:** Move to adopt Ordinance No. 1193 authorizing the execution of the Bond Purchase Agreement with DA Davidson.  
**Young / Ekberg** – unanimously approved.

2. Second Reading of Ordinance Vacating a Portion of Woodworth Avenue – Gartland. Engineering Technician Willy Hendrickson explained that the Gartlands have offered a second proposal pulling back 15' of the proposed street vacation to eliminate the public works easement concerns. If Council agrees to this amendment the survey map will need revision and an appraisal completed before adoption of the ordinance. He added that two significant trees that were subject to concern will remain in city right of way with this revision.

Tim Gartland – 9120 Woodworth Avenue. Mr. Gartland explained that they are requesting the street vacation because this section of land is important to them and they thought it would be available due to past vacations on Woodworth. He described the impact of setbacks on his narrow, triangular property saying this vacation would allow them to make improvements to their currently non-conforming structure or allow them to rebuild in case of a fire.

After asking questions, Councilmembers concurred with the alternative and directed staff to obtain an appraisal for the right-of-way reduced by 15 feet and bring an amended ordinance back for a third reading.

3. Second Reading of Ordinance on Zoning Code Efficiency Amendments. Senior Planner Jennifer Kester presented the second reading of this ordinance that would help to clarify the permitting process, correct errors, reduce the need for interpretations and improve customer service; all basic efficiencies.

**MOTION:** Move to adopt Ordinance No. 1194 as presented.  
**Young / Ekberg** – unanimously approved.

### **NEW BUSINESS:**

1. Well No. 11 Test Well Development – Consultant Services Contract / Carollo Engineers. Senior Engineer Jeff Langhelm addressed the question of how well sites have been chosen in the past and if another consultant might have better results. He explained that Carollo wasn't involved with Well #9 but did participate on Well #10; both of which have water rights applications that are on hold due to their poor performance. He then added that Carollo Engineers was the subcontractor on Wells # 5 & 6; both of which have excellent results.

**MOTION:** Move to authorize the Mayor to execute a Consultant Services Contract with Carollo Engineers for an amount not to exceed \$99,804.  
**Ekberg / Young** – unanimously approved.

2. Wastewater Treatment Plant Phase 1 Improvement Project – Change Orders No. 3 and 4. City Administrator Rob Karlinsey addressed the concern that there has been sufficient documentation to satisfy the State Auditor for this Change Order. He then summarized the reason for the change orders, explaining that if the work from Change Order No. 3 isn't sufficient, we won't move forward with No. 4.

**MOTION:** Move to authorize the execution of Change Order No. 3 in the amount of \$258,128.58, and effective no sooner than August 15th, execute Change Order No. 4 in the amount of \$646,809.79 pending the favorable outcome of the directional bore work associated with the Marine Outfall project.

**Ekberg / Young** – unanimously approved.

3. SR16 /Burnham Interchange Improvement Project – Change Order No. 1. Staff was asked why they are recommending approval of a 30-day extension when there have been several good days when no work was being done on this project. Mayor Hunter commented that he feels this is a reasonable request for several reasons; one being trouble with materials and having to re-design a retaining wall. He said that so far this has been a smooth project with no cost overruns.

Mr. Karlinsey added that overall staff is please with how the project has progressed and remain confident that it will come in at or under the bid amount.

City Attorney Angela Belbeck addressed questions regarding liquidated damages adding that the contractor has claimed that the delays were caused by issues beyond their control. She then recommended that this be handled up front to avoid claims of additional overhead and costs.

**MOTION:** Move to authorize Change Order No. 1 for an increase of 30 working days for completion of contract work for a total of 250 working days.

**Conan / Young** – Councilmembers Ekberg, Young and Conan voted yes. Councilmembers Franich and Malich voted no.

4. Harborview Drive/Stinson Avenue Water Main Project – Construction Contract and Materials Testing Contract Award. Senior Engineer Jeff Langhelm presented the background for this contract, praising Marco Malich and Jeff Olsen for their help during the design phase of this large project which allowed this to move forward so quickly.

**MOTION:** Move to award and authorize the Mayor to execute a Public Works Contract with Pape & Sons in an amount not to exceed \$1,223,129.07 and authorize the City Engineer to approve additional expenditures up to \$100,000 to cover any cost increases that may result from contract change orders.

**Malich / Conan** – unanimously approved.

**MOTION:** Move to authorize the mayor to execute a consultant services contract with Construction Testing Laboratories, Inc., for materials testing services in an amount not to exceed \$32,975 and authorize the City Engineer to approve additional expenditures up to \$3,000 to cover any cost increases that may result from necessary changes in the scope of work.

**Young / Ekberg** – unanimously approved.

5. Resolution – Technical Amendment to Wastewater Comprehensive Plan to Adjust Depth of Sanitary Sewer along Portion of Peacock Hill Avenue. Jeff Langhelm presented this request for an amendment that would allow Grindstone Development to install a 12-inch sewer line along Peacock Hill Avenue at a depth of approximately 10 feet rather than 20 feet as called out in the Wastewater Comprehensive Plan. He said that the City Engineer recommends approval of the request, and answered questions.

Jeff Stroud – 7457 South Madison Street, Tacoma. Mr. Stroud, representing the design-builder Grindstone, clarified that the plans show an adjacent parcel with a shop/house which drains down a lower drainfield. He explained that they have designed their line so there aren't any negative impacts to their design, and said that Norm Olsen, their engineer, is present to answer any questions.

Jim Lynch – 5224 Olympic Drive NW, Representing Grindstone Management, Mr. Lynch offered to answer any questions about Grindstone and thanked the city for working with them and recommended approving this resolution.

**MOTION:** Move to adopt Resolution No. 839 approving a technical amendment to the wastewater Comprehensive Plan.

**Young / Malich** – unanimously approved.

6. Notice of Intent to Commence Annexation – Harbor Glen/Block Land Annexation. Planning Director Tom Dolan presented the information for this proposed annexation. He explained that the entire site is identified in the comp plan as R-1 zoning which would be inappropriate due to the existing Harbor Glen Apartments. This site should be zoned R-3 which would require that applicants to file an amendment to the comp plan. The undeveloped property would remain at R-1.

Mr. Dolan then offered three options: Option 1 would include just the area requested by the applicant; Option 2 expands the boundary to include all the properties west of Reid Drive NW from Hollycroft Street to 47th Street; and Option 3 would expand the boundaries to include all the properties west of Reid Drive from Hollycroft to the southern UGA boundary. He said that staff recommends Option 3 if Council chooses to move forward and offered to identify potential impacts of this annexation proposal if Council wishes to move forward. Council and staff discussed the proposal.

Kevin Foley – representing Gemstone LLC. Mr. Foley said that for the most part they are satisfied with the Staff Report and although they would prefer Option 1, they would

move forward with any of the three. He said that they have had brief discussions with a couple of the other property owners but wanted to be careful with that contact. He noted that their proposed annexation is within the City's Urban Growth Area and one underlying principals is to encourage annexation. He said they look forward to working with staff as they move forward.

An aerial photo was used to illustrate where the proposed annexation lies. Tom Dolan clarified that none of the Options show the inclusion of Reid Drive which for local control, should be considered. There was discussion on the cost of road improvements and installation of a new lift station.

Rob Karlinsey said that if Council decides to move forward staff would perform a cost-benefit analysis that includes road maintenance costs to help in the decision. After further discussion a motion came forward.

**MOTION:** Move forward with Option 3 with the following amendments: 1) change the southern boundary to a diagonal line along the most southerly edge of the properties that front 45th Street Court ending at the southeast corner of 44th; 2) include that the applicant pays the cost of enumeration; and 3) that Reid Drive be included.  
**Ekberg / Young** – unanimously approved.

Staff was asked to talk to the County about amending the UGA to eliminate the leftover "nubs" from any annexations.

7. C-1 Gross Floor Area Text Amendment Request. Tom Dolan presented the background for this application to allow 100,000 square feet of commercial gross floor area in the C-1 district outside of the view basin provided a Conditional Use Permit is granted. He explained that Council is asked to determine whether the text amendment should move forward to the Planning Commission or to bypass them and send the request to the Planning / Building Committee for a recommendation for full Council consideration. He explained that the suggestion for direct Council consideration is due to the Planning Commission's full schedule.

Council discussed the proposed text amendment. Comments were made that other properties have developed within the existing square footage limitations.

Randy Boss – (no address given). Mr. Boss gave an overview of this reduction from 100,000 square foot from the previously requested 165,000 square foot increase. He mentioned that MultiCare had been allowed to build a similar sized building in the B-2 zone, and that he could build a 300,000 square foot office building on this site. He talked about a potential family entertainment center interested in the site, saying that they cannot move forward until a comprehensive plan is developed. He discussed off-set store fronts and how a 20 foot separation between 65,000 square foot buildings isn't much different than a 100,000 square foot under one roof. He talked about the retail sales tax and new jobs that would be created if this building is allowed on this blighted

property. He asked for Council to forward this to the Planning Commission with the caveat for direct Council consideration if the Planning Commission doesn't have time, stressing that there would still be the same amount of public input and evaluation for this minor increase in square footage.

Councilmembers and staff further discussed this proposal and the process to consider text amendments. Staff was directed to place this proposed text amendment on the next agenda of the Planning / Building Committee to determine if and where it should be on the Planning Agenda Calendar and then to come back to City Council with their recommendation for consideration.

8. First Reading of Interim Ordinance Amending Temporary Sign Regulations in the C-1 / Sign Area 2 District. Senior Planner Jennifer Kester introduced this interim amendment to the sign code to allow the Harbor History Museum to hang grand opening and exhibit banners. She explained that in order for this to be in effect in time for the grand opening, Council will need to adopt the ordinance on the first reading and hold a public hearing within 60 days of passage.

Jennifer Kilmer – Harbor History Museum, 4121 Harborview Drive. Ms. Kilmer explained that the signage will help with cultural attractions and to promote the grand opening. She passed out a picture with a sample of what the how the banners could appear. She answered questions on how much would be devoted to commercial sponsorship and size, offering that they are open to any recommendations for ratio, stressing that it is not their objective to have giant corporate logos displayed but to promote a tourism activity.

After discussion on options, City Attorney Angela Belbeck noted that this is an interim effort and staff and Council could go into more detail on the size and ratio with the permanent ordinance. She cautioned that any discussion on the content of the signs should be avoided. She recommended that the city could look to what other jurisdictions have adopted as a guideline.

Several Councilmembers voiced concern saying they hope that this doesn't lead to the city lessening its stringent sign code.

**MOTION:** Move to adopt interim Ordinance No. 1195 with a majority plus one vote and set a public hearing date on the interim ordinance of September 13, 2010 at 5:30 p.m.

**Ekberg / Malich** – unanimously approved.

#### **STAFF REPORT:**

Recognizing Dick Bower for acquiring the Certified Emergency Manager designation. City Administrator Rob Karlinsey announced that this would be moved to the next meeting to allow Mr. Bower to be present.

Mr. Karlinsey thanked Staff and Angela Belbeck for a particularly challenging agenda packet.

Councilmember Franich asked for clarification on the process to amend the sign code. Jenn Kester gave an overview, saying they will work with the History Museum on possible language before the public hearing and will have something back for Council's consideration in November with an understanding that the permanent version may not move forward. Councilmember Franich voiced a desire to participate in the process.

There was further discussion whether they want staff to expend time on this before the public hearing on the 13th and the necessity to begin the work as soon as possible if a January 1st deadline is to be met. Tom Dolan further explained that it would take approximately 10-20 hours of staff time between now and the 13th.

**PUBLIC COMMENT:** None.

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

Mayor Hunter shared that Nate Hulings, reporter for the Gateway, had accepted a job with the Olympian and would be moving in two weeks and announced that the Gig Harbor Police Departments helped to catch a bank robber today. Chief Davis said details would be coming shortly.

Councilmember Malich asked why the police boat was tied up at Peninsula Yacht Basin. Chief Davis said that they may have just gone there for lunch or to respond to a call; the city has free moorage at Arabella's Landing.

**ANNOUNCEMENT OF OTHER MEETINGS:**

1. Operations Committee – Thu. September 16th at 3:00 p.m.
2. Planning / Building Committee – date in September to be announced.
3. City Council Meetings of August 9th and 23rd are CANCELLED.
4. Civic Center Closed Mon. Sep 6th for Labor Day.
5. Council Retreat – Sep. 24th 8-1 p.m.

Mr. Karlinsey said that an Intergovernmental Affairs Committee meeting may be scheduled for August; Council will be notified of the date.

**ADJOURN:**

**MOTION:** Move to adjourn at 8:13 p.m.  
**Franich / Conan** – unanimously approved.

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Charles L. Hunter, Mayor

  
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Molly Towslee, City Clerk