

MINUTES OF GIG HARBOR CITY COUNCIL MEETING – FEBRUARY 28, 2011

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

CALL TO ORDER: 5:32 p.m.

PLEDGE OF ALLEGIANCE:

CONSENT AGENDA:

1. Approval of the Minutes of City Council Meeting of February 14, 2011.
2. Correspondence / Proclamations: a) NEA Read across America Day; b) Pierce County Reads.
3. Resolution – Surplus Property.
4. Banking Contract.
5. Agreement for Attorney Services – Bob Christie.
6. On-Call Development Review – Professional Services – Amendment No. 2 to Consultant Services Agreement/David Evans & Associates.
7. Skansie Net Shed Structural Improvements – Consultant Services Agreement / Sitts & Hill Engineers, Inc.
8. Approval of Payment of Bills for February 28, 2011: Checks #65752 through #65888 in the amount of \$448,885.26.

MOTION: Move to approve the Consent Agenda as presented.
Ekberg / Conan - unanimously approved.

PRESENTATIONS:

1. Proclamation: NEA Read across America Day: Teacher Niki Vanderford, introduced students Michele and William Hagmann, and Markid and Ansley Hardy who were dressed in costume to celebrate the upcoming 102nd birthday of Dr. Seuss. Mayor Hunter presented the group with the signed proclamation.

2. Proclamation: Pierce County Reads – Kathleen Wolf. Ms. Wolf passed out copies of the book chosen this year to encourage reading in Pierce County entitled *The Big Burn*. Mayor Hunter presented her with the signed proclamation.

OLD BUSINESS:

1. Second Reading of Ordinance – Amending 2011 Salary Schedule. City Administrator Rob Karlinsey presented this ordinance to correct the error in the salary range for the Assistant Building Official/Fire Marshal adopted in the 2011 Budget.

MOTION: Move to adopt Ordinance No. 1204 as presented.
Conan / Payne - unanimously approved.

2. Maritime Pier Restroom / Parking Lot. City Administrator Rob Karlinsey presented the background information on the proposal to co-locate a public restroom

with the Tides' shed with financial participation by Peter Stanley. He said that estimates came in higher than Mr. Stanley had anticipated and Mr. Stanley is now requesting to locate the restrooms at the northeast corner of the site bordering the Morris property. Mr. Karlinsey presented the main points of the proposal from Mr. Stanley outlined in the agenda bill:

- A. The City will build the public restroom where originally proposed; to be completed in 2011 or by Memorial Day 2012 (the City is not subject to the deadline if permitting agencies are delaying approval)
- B. The Tides Tavern will reduce its existing shed from its current 21 feet down to 10 feet wide along the bulkhead.
- C. The Tides will spend up to \$5,000 to fix up the appearance of the shortened shed.
- D. The Sunshine Foundation will pay \$20,000 towards construction of the restroom if the city agrees not to locate it at street level. The Tides will contribute \$40,000 to the cost.
- E. In addition, the Tides will pay rent of \$2,943 per year for twenty years beginning January 1, 2010. He explained that the rent amount is based on the value of 10 lineal feet of waterfront (\$100,000); subtract the initial \$60,000 contribution by The Sunshine Foundation and the Tides, and divide the remaining \$40,000 by twenty.
- F. Lease Terms:
 1. Twenty years with an option for one five-year renewal, at which time the annual rent will be renegotiated;
 2. If the Tides business, building, or property is sold or transferred, the lease for the shed will transfer to the new owners as long as the use of the Tides land/building/business and the purpose of the shed remains the same.
 3. If Mr. Stanley or successors abandons the shed and the city does not want to assume ownership, Mr. Stanley or successors will remove and dispose of the shed and associated equipment at their expense, and the lease with the city shall cease.
 4. The Tides will also have to pay the leaseholder excise tax of 12.84%.

Mr. Karlinsey explained that this is a departure from the motion made on December 13th to co-locate the restroom with the shed, but it is the Mayor's, his, and Mr. Stanley's recommendation to move the restroom to the northwest corner. He added that the city's maintenance workers could build the project in-house for approximately \$65,000, including labor. He discussed the risk associated with working with the bulkhead and asked Mr. Stanley to speak to the three schemes.

Peter Stanley apologized for the last minute proposal. He explained that the estimates came from Wade Perrow who likes to guess high to avoid angst at the end of the project. He said that quite a bit has been added for architectural and engineering fees, permits for other governmental agencies, and unknown costs surrounding the bulkhead. If the restroom is built at the northwest corner there isn't the same risk as working near the existing shed. Mr. Stanley then answered

questions regarding the three different schemes. He stressed that one of the most important things to him and the city is the lack of risk and more cost certainty if the restroom is located at the northwest corner.

Mayor Hunter asked for clarification how much the city would receive under this current proposal. Mr. Karlinsey responded it would be the equivalent of \$100,000. Mayor Hunter stressed that if a different option is chosen, then the city loses this contribution and would have to come up with the money to construct a restroom on this site from another source.

There was further discussion on the rent terms. Mr. Karlinsey said he treated the remainder of the amount like a fixed-rate mortgage with a 4% interest rate. This is a different rate than was discussed in earlier negotiations with Mr. Stanley in an exchange for an additional \$10,000 in the total amount.

Mr. Stanley explained that in the earlier negotiation he was asking for a 30-year lease plus an option for two ten-year renewals and less cash up front. This proposal allows the city more cash up front.

Councilmember Kadzik pointed out that this proposed location is what the city had planned in the beginning when the biggest concern was where we could get the money. Mr. Stanley's shed didn't come into play until the suggestion to co-locate with a contribution to build the restroom. As it turns out, this isn't the most economical solution, so there are two decisions: 1) is this a good location for the restroom; and 2) do we allow Mr. Stanley to keep his shed on public property and if so, how will the city be reimbursed. He said that this proposal sounds relatively fair.

Councilmember Ekberg agreed, but stressed that he doesn't like making a decision on information he has just received. He said that this proposal is a way to actually get a bathroom built and the smaller shed reduces the blockage to the view corridor. In addition the shed will be made more attractive and the city receives money over the next twenty years. This is a good proposal for the citizens and addresses the issue of timing on the permits.

Councilmember Malich asked for further clarification and voiced concern with the large difference in the cost estimates between locations. He asked if the city engineers had verified the numbers.

Councilmember Conan pointed out that these numbers only refer to Mr. Stanley's project, and not the city's. He said that the estimates are to illustrate why Mr. Stanley is hesitant to commit to the more expensive option.

Mr. Stanley addressed the difference in cost by saying that the assumption is that the city has in-house staff to do the work; he would have to hire an architect and engineer, involve other government agencies, and pay for permits and construction.

There was further discussion on the design of the shed and location of the restroom. Council asked which decisions need to be made right away.

Mr. Karlinsey explained that the decision on the restroom location is needed as soon as possible, but the terms of the lease agreement can come back later. He further explained that the reason for the deadline for construction is to avoid the tourist season. He said that a design for a restroom will be brought back for review in a month or so.

Mr. Stanley addressed questions on improvements to the shed by saying there is no design in place other than to shorten the building. He said that if Council wants to change the roof-line, it will cost more than the proposed \$5,000.

Councilmembers commented that any decision on restroom placement is predicated upon the agreement that a portion of the shed will be removed, there is rent on the remaining portion, and Mr. Stanley will contribute towards construction of the restroom. A question about the deadline for construction came up.

Mr. Stanley responded that the Memorial Day deadline was to ensure the restroom would be built before the summer season and to avoid construction during the summer months. He added that the merchants in that area are besieged by people looking for a public restroom. The comment was made that \$5,000 was a low number for a remodel. Mr. Stanley responded that it's a guideline.

Mr. Karlinsey once again apologized for the last minute nature of this request for a decision due to permitting concerns. He once again explained how he arrived at the rent terms. Councilmember Franich said we should try and get the most amount of money for the citizens.

Councilmember Malich voiced concern that even though the restroom is being moved back to the original position the shed is being allowed to remain. Mr. Karlinsey responded that this is a policy shift that Council will need to decide upon when making their decision.

After further discussion Councilmember Payne acknowledged that a decision to keep the restrooms off the sidewalk will result in a \$20,000 contribution from the Sunshine Property Management Group.

MOTION: Move to authorize the Mayor to direct staff to finalize permit documents of the Maritime Pier and Parking Lot project, with the new location of the restroom proposed at the northeast corner of the lot (near the shoreline and the Morris Property) which includes the reduction in size of the shed; and to direct staff to bring back documents with Sunshine Property Management and the Tides for financial contribution toward the construction of the public restroom. **Ekberg / Kadzik** - six voted in favor. Councilman Malich voted no.

NEW BUSINESS: None scheduled.

STAFF REPORT:

Rob Karlinsey reported on the upcoming Criminal Justice Summit. He recognized Marketing Director Laureen Lund, Court Administrator Paul Nelson, and Judge Dunn for their hard work.

Mr. Karlinsey proposed a Council Retreat sometime in April. He asked Council to coordinate dates with the City Clerk.

PUBLIC COMMENT:

John McMillan – 9816 Jacobsen Lane. Mr. McMillan gave notice that the installation of the railway pilings for the Eddon Boatyard project will begin tomorrow. As many pilings will be installed as they can fund prior to the mid-March closure. Each piling costs \$2,000 and they have enough money to drive 10-12. He said that they need a total of 68, and said that anyone who would like to contribute can contact the Boatshop.

MAYOR'S REPORT / COUNCIL COMMENTS:

Councilmember Malich asked that a four to five year list of city-hired contractors and associated costs be compiled before the Council Retreat.

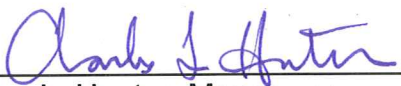
ANNOUNCEMENT OF OTHER MEETINGS:

1. Planning / Building Committee – Mon. Mar 7th at 5:15 p.m.
2. Council Workstudy Session on Donkey Creek - Mon. Mar 14th after regular meeting.
3. Crescent Creek Playground Open House – Thurs. March 3rd at 5:00 p.m.

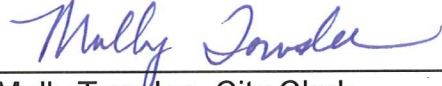
ADJOURN:

MOTION: Move to adjourn at 6:42 p.m.
Franich / Conan – unanimously approved.

CD recorder utilized: Tracks 1002 – 1013



Charles L. Hunter, Mayor



Molly Towslee, City Clerk