

Gig Harbor City Council Meeting

**October 8, 2012
5:30 p.m.**



**AGENDA FOR
GIG HARBOR CITY COUNCIL MEETING
Monday, October 8, 2012 – 5:30 p.m.**

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

CONSENT AGENDA:

1. Approval of City Council Minutes Sep. 24, 2012.
2. Receive and File: a) Operations Minutes – March 19, 2012; b) Parks Commission Minutes August 1, 2012; c) Pierce Conservation District Assessment Proposal.
3. Correspondence / Proclamations: a) National Community Planning Month.
4. MRSC Rosters - Small Works & Consultant Roster Annual Contract Renewal.
5. WSDOT Reimbursable Agreement for State Materials Lab Engineering and/or Testing Services.
6. Approval of Payment of Bills Sep 24, 2012: Checks #70727 through #70863 in the amount of \$1,079,210.74.
7. Approval of Payroll for the month of September: Checks # 6757 through #6767 and direct deposits in the amount of \$323,086.92.

PRESENTATIONS:

1. Pierce Transit Proposition No. 1 Impacts – Justin Leighton, Gov't Relations Officer.
2. National Community Planning Month – Tom Dolan / Jim Pasin.

OLD BUSINESS:

NEW BUSINESS:

1. Proposed Amendment to the Development Agreement with Harbor Hill LLC.

STAFF REPORT:

PUBLIC COMMENT:

MAYOR'S REPORT / COUNCIL COMMENTS:

Mayor Presents the 2013 Draft Budget to Council.

ANNOUNCEMENT OF OTHER MEETINGS:

1. Operations Committee: Thu. Oct. 18th at 3:00 p.m.
2. Downtown Vision Town Hall Meeting 2.0: Thu. Oct. 18th at 4:30 p.m.
3. Wilkinson Greenhouse Ribbon Cutting Ceremony: Fri. Oct. 19th at 3:00 p.m.
4. Council Worksession on the Shoreline Master Program – Mon. Oct. 22nd at 6:00 p.m.

ADJOURN:

MINUTES OF GIG HARBOR CITY COUNCIL MEETING – September 24, 2012

PRESENT: Councilmembers Ekberg, Young, Perrow, Malich, Kadzik and Mayor Hunter. Councilmembers Guernsey and Payne were absent.

CALL TO ORDER: 5:30 p.m.

CONSENT AGENDA:

1. Approval of City Council Minutes Sep. 10, 2012.
2. Liquor License Action: a) Renewals: Susanne's Bakery & Deli, Harvester Restaurant, Fred Meyer #601, Hot Iron, Quality Food Center #864, Bella Kitchen Essentials; b) Special Occasion – Boys & Girls Club; c) Added Privilege - Fred Meyer; d) Added Privilege - QFC;
3. Appointment to Gig Harbor Arts Commission.
4. Second Reading of Ordinance – Parking Penalties.
5. Second Reading of Ordinance - Extending Collective Garden Moratorium.
6. 2013 AC Water Main Replacements – Department of Health Grant Agreement Authorization.
7. Visitor Information Center/Woodworth Water Tank – Lead Paint Testing – Consultant Services Contract.
8. SR16/Burnham Drive Interchange Improvements – WSDOT Quit Claim Deed.
9. Donkey Creek Design Contract Amendment – Consultant Services Contract.
10. Donkey Creek Project Property Appraisal Contract.
11. Approval of Payment of Bills Sep 24, 2012: Checks #70591 through #70726 in the amount of \$562,149.40.

Councilmember Perrow announced that he would be abstaining from the vote due to a conflict of interest.

MOTION: Move to adopt the Consent Agenda as presented.
Kadzik / Malich – unanimously approved.

Mayor Hunter introduced and welcomed Janine Miller, newly appointed member to the Gig Harbor Arts Commission.

OLD BUSINESS: None scheduled.

NEW BUSINESS:

1. First Reading of Ordinance - Comcast Franchise Agreement. Finance Director David Rodenbach presented the background for renewal of the Comcast Franchise to provide cable network service to the citizens of Gig Harbor. He explained that this has been in process over the past eight months.

Councilmember Perrow voiced concern that residents on this side of the bridge had no way to return Comcast equipment without having to go to Tacoma, where customer service was poor.

Councilmember Malich asked if it would be possible to insist on an equipment depository in the agreement. Councilmember Kadzik mentioned that at one time ACE Hardware was a convenient drop off point.

Mr. Rodenbach said that he would check with the attorney working on the agreement to see if this is something that could be explored and return at the next meeting with information. He also responded to the question of whether these are non-exclusive franchise terms by saying the city would need to give the same terms to other cable providers.

2. First Reading of Ordinance – Interim Special Flood Hazard Area Development Regulations. City Attorney Angela Belbeck presented the background information for adoption of interim development regulations necessary to allow for completion of SEPA before adopting the permanent flood hazard area regulations. She explained that an updated draft ordinance setting a public hearing date of October 13th was distributed to Council for review. She said that this ordinance must be adopted tonight in order for it to go into effect before the other interim regulations lapse, and that the vote requires a majority plus one to adopt.

She addressed Council questions regarding SEPA, and why adopting Option 3 was the simpler solution that wouldn't require FEMA approval.

MOTION: Move to adopt Ordinance No. 1248, declaring an emergency and adopting interim development regulations relating to development in the special flood hazard and riparian buffer areas to take effect immediately.

Young / Malich – unanimously approved.

STAFF REPORT:

Making Strides Breast Cancer Awareness Walk – Employee Team. City Clerk Molly Towslee reported that Norine Alvarado, WWTP Operator, is leading the city's team to walk during the upcoming cancer walk scheduled for Saturday, October 13th. She invited Councilmembers to participate either by walking or donating to the cause.

City Administrator Denny Richards praised city staff Laurelyn Brekke, Dan Lilley, and his crew for the set up / clean up of the successful Maritime Pier Ribbon Cutting Ceremony this afternoon.

PUBLIC COMMENT: None.

MAYOR’S REPORT / COUNCIL COMMENTS:

Councilmember Kadzik reported that he met with Alan Anderson and other representatives from the Gig Harbor Kayak Club, who were recipients of a \$225,000 grant to purchase special kayaks for members of the “Wounded Warriors” program. He said that there is still concern for where the kayaks would be kept, adding that the club is very interested in participating in the planning process for human-powered watercrafts at the newly purchased Ancich Brothers’ Park. Councilmember Kadzik suggested an Ad Hoc Committee that would include the kayak club to work on the park plan.

Administrator Richards reported that the Department of Natural Resources was sending a crew to eradicate the knotweed at the Ancich Brothers’ Park site, hopefully by November.

Mayor Hunter stressed that before any site planning takes place, we need to find out what can be done on the site.

Councilmember Young solicited Councilmembers for ideas to forward to the Association of Washington Cities on municipal financing. He explained that they are involved in a multi-year project to make recommendations to the legislature. He then reported that the Puget Sound Regional Council pushed off the county proposal to redirect the 9% regional transportation federal grant money to very small cities.

ANNOUNCEMENT OF OTHER MEETINGS:

1. Downtown Planning / Visioning Committee: Wed. Sept. 26th at 4:00 p.m.
2. Chum Festival at Skansie Brothers’ Park – Sat. Sept. 29th 10:00 a.m. – 5:00 p.m.
3. Planning / Building Committee: Mon. Oct 1st at 5:15 p.m.
4. Lodging Tax Advisory Committee: Thu. Oct. 4th CANCELLED
5. Intergovernmental Affairs Committee: Mon. Oct. 8th at 4:30 p.m.

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

MOTION: Move to adjourn to Executive Session at 5:58 p.m. for approximately 15 minutes to discuss potential litigation per RCW 42.30.110(1)(i) and property acquisition per RCW 42.30.110(1)(b).
Kadzik / Young - unanimously approved.

MOTION: Move to return to regular session at 6:14 p.m.
Kadzik / Malich – unanimously approved.

ADJOURN:

MOTION: Move to adjourn at 6:14 p.m.
Malich / Kadzik – unanimously approved.

CD recorder utilized: Tracks 1002 – 1014

Charles L. Hunter, Mayor

Molly Towslee, City Clerk



DATE of MEETING: March 14, 2012

TIME: 3:00 p.m.

LOCATION: Public Works Conference Room

MEMBERS PRESENT: Councilmembers Ekberg, Perrow, and Councilmember Payne by conference call

STAFF PRESENT: City Administrator Rob Karlinsey, Senior Engineer Emily Appleton, Senior Engineer Jeff Langhelm, and Asst. City Clerk Maureen Whitaker

OTHERS PRESENT: none

SCRIBE: Maureen Whitaker

1. PIERCE COUNTY REGIONAL COUNCIL TRANSPORTATION COORDINATING COMMITTEE.

DISCUSSION POINTS

Senior Engineer Emily Appleton said that she is a representative on Transportation Coordinating Committee (TCC), a subcommittee of the Pierce County Regional Council (PCRC). This scoring subcommittee meets monthly and provides project recommendations for funding to the PCRC. She explained that each funding cycle "calls for projects" at both the regional and countywide level. Ms. Appleton stated that there are different criteria for Regional and Countywide projects and that most of the policy support is for regional centers. Since Gig Harbor does not have a regional center, it would be difficult to get points in the regional competition of funds and stated that possibly Cushman Trail maybe considered but it would score better in the countywide category.

Ms. Appleton said that the city did not submit a project for this funding cycle due to the short two-day turn-around time but would submit a grant application for the countywide process. The Regional competition is \$35M. She further discussed the funding schedule and explained that the Countywide is split up for motorized and non motorized projects. Ms. Appleton said that the city would apply for the Cushman Trail and Rosedale Sidewalks projects; however, design money is not eligible for these grants.

RECOMMENDATION

Councilmember Ekberg asked about applying for sidewalks on Pt. Fosdick by the library. Ms. Appleton said she would check if sidewalks qualified. Currently the Rosedale Sidewalk project has a TIB grant for \$200K and the city's match is \$400K. Ms. Appleton discussed with the council committee about joining forces with the schools on Rosedale to score better by submitting a joint application.

2. 2012 CHIP SEAL PROJECTS.

DISCUSSION POINTS

Jeff Langhelm stated that the Public Works Department is preparing the 2012 Roadway Maintenance Project contract documents for bidding in early spring. He presented the final draft of locations for the 2012 Pavement Maintenance Project as defined in the 2012 Budget. He also discussed options for future pavement maintenance, including bituminous surface treatment (aka chip seal) and hot mix asphalt (HMA) overlay. Mr. Langhelm provided a typical pavement maintenance/pavement condition graph and a map of the areas that would receive the work. Mr. Langhelm discussed the upcoming work and answered several questions from council regarding what areas would receive a chip seal versus those areas that should be overlaid.

Borgen Blvd. – roadway is in good condition roadway with a few cracks, paved in 2001, and approaching 11 years old. The chart assumes fair to poor condition. It was identified as a chip seal project, however after further review; the decision was made not apply the chip seal to the downhill steep portion from 51st to the Burnham Interchange due to vehicle breaking that pulls the chips up. He stated that there is insufficient budget to overlay this portion of the roadway and the roadway is in better condition than initially thought.

Peacock Hill Avenue, north of 100th Street - is in very good condition and a perfect candidate for chip seal to preserve the longevity of the roadway. He explained that the structure is good there. Mr. Karlinsey added that chip sealing and overlays in the Gig Harbor North area will be funded by HBZ funds.

Peacock Hill Avenue (hill area) – will receive an overlay rather than chip seal because of the hill.

Skansie Avenue, south of Rosedale Street - will receive an overlay rather than a chip seal due to the roadway condition, the hill and turning movements.

Burnham Drive and Canterwood Boulevard from city limits to where the latest improvements - will receive an overlay except along hospital frontage.

Mr. Karlinsey stated from a forecasting standpoint, the city should be putting away \$500,000 per year. Currently the city is putting away \$250/300K per year. Mr. Langhelm stated that the pavement maintenance program is not yet finished and in order to qualify for funding, the city should have a pavement maintenance program.

Mr. Langhelm went over the pavement maintenance chart and further explained the importance of pavement maintenance indexing. Peacock and Skansie are starting to show wear and need to be brought back up to good condition. He described what happens and the cost implications when roads deteriorate. There are cost advantages to do chip seal, as it is one third of the cost of an overlay.

Mr. Langhelm said that the Soundview Drive chip seal has unraveled in some places. He stated that we have learned that we cannot use chip seal in urban environments and that it requires more frequent sweeping for a longer period of time afterwards. The city's sweeper does not pick up the rock very well. This year we will require the contractor to come back a week later to perform additional sweeping. He said that he thought we had too much rock before and not enough oil. In general, when we did the surface treatment on Soundview near the Tides Tavern, we should have done asphalt overlay due to friction and the curve. Councilmember Ekberg said that other portions of Soundview seem to be

unraveling in other places and it appears to be a poor job. He asked about the 2-year warranty. Mr. Langhelm said that the roadway would be re-chip sealed where it has unraveled. He also stated another lesson learned is to beware of residents that decide to drain their swimming pool on the day of a chip seal. He further commented that Marco Malich is planning to install a catch basin on Soundview above Grandview, as the hillside is also wet. The chip seal at the Soundview/Grandview intersection was ruined because of the water on the roadway as chip seal has an emulsified base.

Councilmember Perrow asked where fog sealing fits in. Mr. Langhelm stated that when chip seal is used, it is best to add a fog seal as it holds the rock and seals in the oil. Mr. Karlinsey said that Pierce County's method of chip sealing, specifically on Schoolhouse to Ray Nash, the first few months looked great and now it is starting to unravel. He further stated that we are of the opinion to stick to the old-fashioned version of chip sealing instead of the new method. Mr. Langhelm said that the County will not guarantee their chip seal and bidding out to a private contractor costs the same and has a guarantee. Also, it is a quieter road because it is smaller rock than the County uses.

Mr. Langhelm summarized when to use chip seal vs. overlay. When possible, chip seal is the way to go. HMA overlays increase the depth of roadway. When there is curb and gutter, it is necessary to grind a quarter of the crown, which creates a greater crown each time. Chip sealing does increase the roadway friction and there is a safety aspect there. Mr. Karlinsey said that cyclists do not like it. Mr. Langhelm stated that the bike lanes would not be chip sealed. An asphalt overlay is considered a structural repair to a roadway, which requires bringing the roadway into ADA compliance. Another cost consideration is if an overlay goes through crosswalk it is necessary to budget for the crosswalk to be brought into ADA compliance. He also commented that slurry seal is less expensive and for the most part used for local/residential roadways and does not perform well on higher volume roads.

RECOMMENDATION

The council committee agreed with Mr. Langhelm's means and methods.

Meeting adjourned at 4:30 p.m.

Respectively submitted,

Maureen Whitaker

**CITY OF GIG HARBOR
COMMITTEE OUTLINE MINUTES**

Parks Commission

Date: August 1, 2012 Time: 5:30 p.m. Location: Public Works Conference Room Scribe: Terri Reed

Commission Members and Staff Present: Commissioners Nick Tarabochia, Rahna Lovrovich, Heidi Holmes, Kyle Rohrbach and Stephanie Payne; Staff Members: Public Works Superintendent Marco Malich and Community Development Assistant Terri Reed.

Others Present: _____

Topic / Agenda Item	Main Points Discussed	Recommendation/Action Follow-up (if needed)
APPROVAL OF MINUTES:	Approval of July 11, 2012 Meeting Minutes	MOTION: Move to approve July 11, 2012 minutes as presented. Holmes / Payne - unanimously approved
OLD BUSINESS: Private Entity Use or Building of Structures on City Park Property	<p>The Commission briefly reviewed the draft process that was received from Senior Planner Jennifer Kester. Commission Member Payne explained that there are some other contracted programs in neighboring jurisdictions like the Port land that being developed in Port Orchard for kayak storage and one in Tacoma, which is managed by the parks district.</p> <p>Commission Chair Tarabochia detailed his thoughts on developing this policy to apply to all private uses of City park property. He would like to see the City maintain control by only allowing temporary structures, having a lease for a specific time period with annual renewals and no concrete being allowed.</p> <p>The Commission concurred that public benefit was of the utmost importance in approving these requests and that the legal issues be reviewed by the City Attorney.</p>	Commission Member Rohrbach will draft a policy for review at the next Parks Commission meeting.
NEW BUSINESS:	Commission Chair Tarabochia expressed his concerns about bicycle riders not wearing helmets. Some public	

Topic / Agenda Item	Main Points Discussed	Recommendation/Action Follow-up (if needed)
	awareness ideas were discussed.	
	Public Work Superintendent Malich explained that staff is working on some ideas for identifying sections of Cushman Trail for emergency responses.	
PUBLIC COMMENT:	None	
NEXT PARKS MEETING:		September 5, 2012 @ 5:30 p.m.
ADJOURN:		MOTION: Move to adjourn @ 6:50 p.m. Rohrbach / Holmes - unanimously approved

NOTICE OF PUBLIC HEARING
BEFORE THE PIERCE COUNTY COUNCIL
ON PROPOSAL NO. 2012-58

NOTICE IS HEREBY GIVEN that the Pierce County Council will hold a public hearing on Tuesday, October 23, 2012, at 3 p.m., in the Pierce County Council Chambers, Room 1045, 10th Floor of the County-City Building, 930 Tacoma Avenue South, Tacoma, Washington 98402 to consider the following:

Proposal No. 2012-58, An Ordinance of the Pierce County Council Relating to Pierce Conservation District; Approving a System of Rates and Charges for the Pierce Conservation District on Properties in Those Portions of the Pierce Conservation District Located in Unincorporated Pierce County and the Municipalities of Buckley, DuPont, Fircrest, Gig Harbor, Lakewood, Milton, Puyallup, Steilacoom, Sumner, Tacoma, and University Place, for Collection in 2013 - 2017, Pursuant to Chapter 89.08 Revised Code of Washington; Authorizing the Executive to Enter into an Interlocal Agreement with the Conservation District; and Adopting Findings of Fact.

Section 1. The Pierce County Council hereby approves a system of rates and charges pursuant to Chapter 60, Laws of 2012 and Chapter 89.08 RCW on all lands in those portions of the Pierce Conservation District located within the corporate boundaries of Buckley, DuPont, Fircrest, Gig Harbor, Lakewood, Milton, Puyallup, Steilacoom, Sumner, Tacoma, and University Place, and unincorporated Pierce County, for a period of five years, beginning collection in January 2013 through 2017, consistent with Pierce Conservation District Resolution No. 2012-07-01 (the "Rate Resolution"). The Rate Resolution is shown as Exhibit A, which is attached hereto and incorporated herein by this reference.

Section 2. The schedule of properties and applicable rates is approved as shown in Exhibit B, which is attached hereto and incorporated herein by reference.

Section 3. The County Executive is hereby authorized to enter into an interlocal agreement with the Pierce Conservation District, governing the use and authorization of the system of rates and charges, in substantially the same form as shown Exhibit C. The Interlocal Agreement shall incorporate the Proposed Resource Conservation Spending Plan and Estimate of Revenues as shown in Exhibit D, which is attached hereto and incorporated herein by reference.

Section 4. The rates and schedule approved in this Ordinance as shown in Exhibit B shall be applied by the County Assessor-Treasurer (ATR) as a separate item on the tax rolls and shall be collected and accounted for with property taxes. The amount of a rate shall constitute a lien against the land that shall be subject to the same conditions as a tax lien, collected by the ATR in the same manner as delinquent real property taxes, and subject to the same interest rate and penalty as for delinquent property taxes.

Section 5. As provided in Chapter 89.08 RCW, the County shall retain one percent (1%) of the amount collected by ATR to reimburse the County for the costs of collection.

Section 6. The Pierce Conservation District's Resource Conservation Spending Plan and Estimate of Revenues is attached hereto as Exhibit D, and incorporated herein by reference.

Section 7. This Ordinance is enacted under the County's police power authority, including Const. Art. XI, Section 11 and RCW 36.32.120, and its contracting authority, including under Chapter 89.08 RCW and RCW 36.01.010.

Section 8. The Findings and Determinations in Section 1 of the Rate Resolution are hereby adopted as shown in as shown in Exhibit E, which is attached hereto and incorporated herein by reference."

The exhibits are contained in the Ordinance file. This hearing date was set by action of the Pierce County Council at its September 25, 2012, meeting.

Copies of the entire proposed Ordinance are available in the Office of the Pierce County Council, County-City Building, 930 Tacoma Avenue South, Room 1046, Tacoma, WA 98402, and are available Monday through Friday between the hours of 8:30 a.m. and 4:30 p.m. Copies of the Ordinance are available upon request for a charge as set by Ordinance. Public participation is encouraged. Public testimony will be taken and written comments are welcome as well.

If you have any questions about this proposal, please contact Mike Kruger, Senior Legislative Analyst, at (253) 798-6067, mkruger@co.pierce.wa.us, or the Council Office at (253) 798-7777.

Denise D. Johnson, CMC
Clerk of the Council

Publish: October 3 and 10, 2012

1 Sponsored by: Councilmember Rick Talbert
2 Requested by: Pierce Conservation District
3
4
5
6
7
8

9 **ORDINANCE NO. 2012-58**

10
11
12 **An Ordinance of the Pierce County Council Relating to Pierce Conservation**
13 **District; Approving a System of Rates and Charges for the**
14 **Pierce Conservation District on Properties in Those Portions**
15 **of the Pierce Conservation District Located in Unincorporated**
16 **Pierce County and the Municipalities of Buckley, DuPont,**
17 **Fircrest, Gig Harbor, Lakewood, Milton, Puyallup, Steilacoom,**
18 **Sumner, Tacoma, and University Place, for Collection in 2013**
19 **– 2017, Pursuant to Chapter 89.08 Revised Code of**
20 **Washington; Authorizing the Executive to Enter into an**
21 **Interlocal Agreement with the Conservation District; and**
22 **Adopting Findings of Fact.**
23

24 **Whereas**, Chapter 60, Laws of 2012 added a new section to Chapter 89.08
25 Revised Code of Washington (RCW) authorizing county legislative authorities to
26 approve a system of rates and charges for conservation districts to fund activities and
27 programs to conserve natural resources and other exercise of authority for the public
28 health, safety and welfare as authorized by law; and
29

30 **Whereas**, in cooperation with the municipalities of Buckley, DuPont, Fircrest, Gig
31 Harbor, Lakewood, Milton, Puyallup, Steilacoom, Sumner, Tacoma, and University
32 Place (participating cities and towns), and Pierce County, the Pierce Conservation
33 District (District) has developed and proposes a system of rates and charges to provide
34 basic funding for District activities within the aforementioned areas; and
35

36 **Whereas**, the District is a governmental subdivision of the State of Washington,
37 organized under Chapter 89.08 RCW to provide for the protection of the public health,
38 safety and welfare including protection and conservation of natural resources
39 throughout Pierce County and participating cities and towns; and
40
41



1 **Whereas**, the District's proposal includes a spending plan for projects and
2 program activities as authorized by Chapter 89.08 RCW and that will support properties
3 and property owners within the participating cities and towns and unincorporated Pierce
4 County; and

5
6 **Whereas**, pursuant to Chapter 89.08 RCW, the District conducted a public
7 hearing on the proposal on July 19, 2012; and

8
9 **Whereas**, the Board of Supervisors of the Pierce Conservation District passed
10 Resolution No. 2012-07-01 on July 19, 2012, to submit a proposed system of rates and
11 charges to the Pierce County Council; and

12
13 **Whereas**, the Board of Supervisors of the Pierce Conservation District passed
14 Resolution No. 2012-07-02 on July 19, 2012, to provide a process for individual property
15 owner appeals of a rate or charge applied to a parcel of property; and

16
17 **Whereas**, Pierce Conservation District transmitted to Pierce County on July 30,
18 2012, its resolutions and request for Pierce County approval and to fix the rates and
19 charges consistent with Chapter 89.08 RCW; and

20
21 **Whereas**, the revenue from the rates and charges will allow the District to
22 exercise its authority, including the continued protection of the public health, safety and
23 welfare and protection and conservation of natural resources throughout Pierce County
24 and participating cities and towns; obtain grant funding and support local conservation
25 programs; address water quality and conservation programs related to endangered
26 salmon species; and provide for other natural resource protection requirements and
27 needs, such as the protection and conservation of farm lands; and

28
29 **Whereas**, support for the District's proposed programs has come from many
30 different organizations and agencies across the County, and replaces a system of
31 special assessments for natural resource conservation that has been in place since
32 2004; and

33
34 **Whereas**, programs to be supported by the system of rates and charges are
35 consistent with policies in the County's Comprehensive Plan regarding the conservation
36 of agriculture and protection of important fish habitat; and

37
38



1 **Whereas**, the system of rates and charges was developed following an extensive
2 rate study prepared for the Conservation District by FCS Group, an independent
3 financial consulting firm that provides economic, public finance, management consulting
4 and financial (rates, charges and fees) services to public sector entities throughout the
5 country, including city and county governments, utilities, municipal corporations and
6 ports, special purpose districts and state agencies. FCS Group evaluated the services
7 provided by the District and has developed a rate structure as part of the Pierce
8 Conservation District Rate Study (FCS Group, 2012) that allocates the costs of District
9 services to classes of property; and

10
11 **Whereas**, the Board of Supervisors of the Pierce Conservation District in
12 adopting Resolution No. 2012-07-01 considered and adopted Findings and
13 Determinations that support the system of rates and charges and the application to
14 properties and property owners in the unincorporated areas of the County and in
15 participating cities and towns; and

16
17 **Whereas**, Notice of the public hearings held by the Board of Supervisors of the
18 Conservation District and the County Council were posted in five places throughout the
19 Conservation District and published in *The News Tribune* on July 8, 2012 and July 14,
20 2012.

21
22 **Whereas**, imposition of the system of rates and charges by and for the
23 Conservation District is in furtherance of the public health, safety and welfare and in the
24 interest of the citizens of Pierce County; **Now, Therefore**,

25
26 **BE IT ORDAINED by the Council of Pierce County:**

27
28 Section 1. The Pierce County Council hereby approves a system of rates and
29 charges pursuant to Chapter 60, Laws of 2012 and Chapter 89.08 RCW on all lands in
30 those portions of the Pierce Conservation District located within the corporate
31 boundaries of Buckley, DuPont, Fircrest, Gig Harbor, Lakewood, Milton, Puyallup,
32 Steilacoom, Sumner, Tacoma, and University Place, and unincorporated Pierce County,
33 for a period of five years, beginning collection in January 2013 through 2017, consistent
34 with Pierce Conservation District Resolution No. 2012-07-01 (the "Rate Resolution").
35 The Rate Resolution is shown as Exhibit A, which is attached hereto and incorporated
36 herein by this reference.



1 Section 2. The schedule of properties and applicable rates is approved as
2 shown in Exhibit B, which is attached hereto and incorporated herein by reference.

3
4 Section 3. The County Executive is hereby authorized to enter into an interlocal
5 agreement with the Pierce Conservation District, governing the use and authorization of
6 the system of rates and charges, in substantially the same form as shown Exhibit C.
7 The Interlocal Agreement shall incorporate the Proposed Resource Conservation
8 Spending Plan and Estimate of Revenues as shown in Exhibit D, which is attached
9 hereto and incorporated herein by reference.

10
11 Section 4. The rates and schedule approved in this Ordinance as shown in
12 Exhibit B shall be applied by the County Assessor-Treasurer (ATR) as a separate item
13 on the tax rolls and shall be collected and accounted for with property taxes. The
14 amount of a rate shall constitute a lien against the land that shall be subject to the same
15 conditions as a tax lien, collected by the ATR in the same manner as delinquent real
16 property taxes, and subject to the same interest rate and penalty as for delinquent
17 property taxes.

18
19 Section 5. As provided in Chapter 89.08 RCW, the County shall retain one
20 percent (1%) of the amount collected by ATR to reimburse the County for the costs of
21 collection.

22
23 Section 6. The Pierce Conservation District's Resource Conservation Spending
24 Plan and Estimate of Revenues is attached hereto as Exhibit D, and incorporated herein
25 by reference.

26
27 Section 7. This Ordinance is enacted under the County's police power authority,
28 including Const. Art. XI, Section 11 and RCW 36.32.120, and its contracting authority,
29 including under Chapter 89.08 RCW and RCW 36.01.010.



1 Section 8. The Findings and Determinations in Section 1 of the Rate Resolution
2 are hereby adopted as shown in as shown in Exhibit E, which is attached hereto and
3 incorporated herein by reference.

4
5 **PASSED** this ____ day of _____, 2012.

6
7 **ATTEST:**

PIERCE COUNTY COUNCIL
Pierce County, Washington

8
9
10
11 _____
12 **Denise D. Johnson**
13 Clerk of the Council

Joyce McDonald
Council Chair

14
15
16
17 _____
18 **Pat McCarthy**
19 Pierce County Executive
20 Approved ____ Vetoed _____, this
21 _____ day of _____,
22 2012.

23 Date of Publication of
24 Notice of Public Hearing: _____

25
26 Effective Date of Ordinance: _____
27



PIERCE CONSERVATION DISTRICT

PIERCE COUNTY, WASHINGTON

RESOLUTION NO. 2012-07-01

A RESOLUTION of the Board of Supervisors of Pierce Conservation District, relating to a system of rates and charges; proposing a system of rates and charges to Pierce County, Washington; and providing for other matters properly related thereto, all as more particularly set forth herein.

THE BOARD OF SUPERVISORS OF PIERCE CONSERVATION DISTRICT, WASHINGTON, does hereby resolves as follows:

SECTION 1. FINDINGS AND DETERMINATIONS. The Board of Supervisors (the "Board") of Pierce Conservation District, Washington (the "District") hereby makes and enters the following findings and determinations:

1.1. The District is a governmental subdivision of the State of Washington and a public body corporate and politic, created in Pierce County and operating since 1949. As a requirement for District formation, the State Conservation Commission found that "the public health, safety, and welfare warrant the creation" of the District (RCW 89.08.080). In addition, the Legislature made express findings relating to conservation districts, stating that "the preservation of these lands is necessary to protect and promote the health, safety, and general welfare of its people" and that "it is hereby declared to be the policy of the Legislature to provide for the conservation of the renewable resources of the state...and thereby...to protect and promote the health, safety, and general welfare of the people of the state" (RCW 89.08.010). Under chapter 89.08 RCW, the Legislature has provided that the services, improvements and programs of the District are necessary to the public health, safety and welfare of the District and the state. The District exercises public health, safety and welfare (police power) functions in unincorporated Pierce County and currently in the cities of Tacoma, Lakewood, Puyallup, Sumner, University Place, Gig Harbor, Steilacoom, Fircrest, Buckley, Milton and DuPont.

1.2 Past and continuing improper land-use practices have caused and contributed to a progressively more serious erosion of the lands of the District. It is necessary that land-use practices contributing to soil wastage and soil erosion be discouraged and discontinued, and that appropriate soil-conserving land-use practices, and works of improvement for flood prevention of agricultural and nonagricultural phases of the conservation, development, utilization and disposal of water be adopted and carried out to preserve natural resources, protect public lands, and protect and promote the health, safety and general welfare of the people of the District (the "Conservation Projects"). The District programs assist in managing land for sustainable, profitable production of food and crops as preferable to leaving lands to become filled with noxious weeds or converted to polluting activities. Many District programs are designed to help

private land managers do a better job of protecting natural resources as they make a living from their land.

1.3 Pursuant to chapter 89.08 RCW, the District is responsible for and authorized to carry out Conservation Projects within the District, including but not limited to soil conservation; measures to address property compliance with Clean Water Act standards; habitat protection; habitat restoration and technical assistance; NPDES support; education; water quality monitoring; rain garden programs; invasive species removal programs; and agriculture and forest land assistance. District programs, Conservation Projects and improvements are described as follows:

1.3.1 The District purchases properties or conservation easements to protect high-quality wildlife habitat and key properties in order to support the District's resource conservation mission; implement appropriate habitat restoration or enhancement projects; maintain existing agricultural activities where possible to preserve local farmland; and support local agricultural producers by means including providing food assistance programs to the elderly and disabled in the County through coordination of farm-to-market, public market and other programs.

1.3.2 The District creates and promotes activities to restore high-quality habitat by means of personal site visits with landowners; development of best management practices plans; recommendations for invasive/non-native weed eradication, and project coordination and implementation (e.g. stream planting with volunteers). Many local, state and federal agencies are working to save salmon. Unlike most agencies, the District works directly with private landowners who have direct control over management activities on their lands, for the benefit of those properties and the land and waters of the District.

1.3.3 The District promotes District-wide best management conservation practices in urban, suburban and rural areas through education and outreach activities such as catch basin marking, Pierce EcoNet and the Puget Sound Starts Here campaign. The District leads projects at the request of partners (cities and Pierce County) to help them meet their NPDES requirements and offset burdens on rates and charges for stormwater management programs. The District may coordinate with Pierce County municipalities in efforts to meet Clean Water Act requirements and attain NPDES compliance.

1.3.4 The District provides District-wide water quality improvement on urban, suburban and rural properties by conducting water quality training and workshops, such as macro-invertebrate (e.g., insects and mollusks) monitoring workshops. The District leads field trips on topics including water quality, salmon, native plants, stormwater, stream ecology, and macro-invertebrates. The District promotes best management practices at fairs and other public events; participates in the Pierce County Children's Water Fest; trains and coordinates citizen water quality monitoring volunteers on streams and lakes of Pierce County; maintains water quality monitoring equipment and supplies; partners with municipalities, the Tacoma-Pierce County Health Department, the Washington Department of Ecology and the U.S. Geological Survey on specific projects (e.g. Total Maximum Daily Load (TMDL) monitoring and groundwater modeling); manages water quality data; uploads data to the Naturemapping

website, and assists Pierce County with macro-invertebrate sampling. All of these programs offset the cost of Clean Water Act compliance for other entities and ratepayers.

1.3.5 The District acts to conserve and protect high-quality agricultural soils by providing landowner education and development of a best management practices plan to help livestock owners comply with mandated County regulations, thereby offsetting the cost and burden of the impacts of certain agricultural impacts. The District acts as a hub for county-wide partnership of individuals, organizations and government agencies to support local agricultural economy; provides technical assistance and funding opportunities for market-based incentives which retain high quality agricultural soils through prevention of land conversion to residential or commercial land use and provides grants, loans, and technical assistance to local farm businesses and market-based agricultural support organizations. The District provides resources to help keep farmers on the land (e.g., mobile slaughtering unit, poultry processing unit, greenhouses and other agriculture infrastructure); provides technical assistance and funding opportunities for market-based incentives which retain high quality agricultural soils and provides funding opportunities to local agricultural businesses and non-profits which help retain high quality agricultural soils through prevention of land conversion to residential or commercial land use. Such assistance includes grants, loans and technical assistance provided to local farm businesses and market-based agricultural support organizations to the benefit of both the agricultural community and District residents who receive better and more regular access to local produce, meats and other products.

1.3.6 The District provides educational events along waterways draining into recreational and commercial shellfish production areas to prevent damage to shellfish beds caused by erosion and sedimentation of stream channels, reservoirs, dams, ditches and harbors. Other District educational efforts address the effects loading the air with soil particles, loss of fertile soil in dust storms, and the accumulation of soil on lower slopes and its deposit over alluvial plains. The District also educates the public about the importance of conservation and restoration of natural resources for the working waterfront, shellfish, aquatic health, food, water quality, slope stabilization and habitat.

1.3.7 The District Stream Team conducts award-winning improvement projects that have included: remediation of knotweed infestation through control efforts on 150 acres of landowner properties within the South Prairie Creek watershed; a multi-year knotweed control effort within the Nisqually River watershed in partnership with the Washington State Department of Natural Resources; planting and maintenance of cedar trees at Silver Creek in Puyallup; clearing Silver Creek Trail of storm debris and hand-pulling ivy from larger, established trees in the area; planting of more than 300 native trees and shrubs as part of an overarching project to restore Meeker Creek by stabilizing the bank and shading the stream to provide more suitable habitat for salmon; installing a 100-foot buffer along a tributary to South Prairie Creek, clearing invasive blackberry shrubs and planting 700 native plants in the area; in partnership with the Nisqually Tribe, planting 1,200 native plants on five acres along Tanwax Creek; improving a riparian buffer along the Nisqually River at Wilcox Flat by planting 1,400 native trees and shrubs in an area cleared of blackberries and other weeds; planting former open lawn space with 145 native plants at Foss High School in Tacoma to further enhance the Snake Lake watershed, and stenciling more than 1,100 storm drains and catch basins were stenciled with "Dump No Waste –

Drains to Stream” markings to discourage non-point source pollution caused by stormwater runoff.

1.4 Part of the regulations and controls under both federal and state law regarding water pollution is the establishment and maintenance of appropriate measures for education and implementation of best management practices. See 33 U.S.C. 1251 et seq; 40 CFR 122.26(d)(2)(iv) (required measures for State NPDES programs including education and planning to implement best management practices and control techniques to reduce pollutants); and Washington Department of Ecology Phase I Municipal Stormwater Permit for Pierce County (requiring education and outreach program). The District provides such service, both independently and together with Pierce County and cities within the District. Pierce County has contracts with the District to provide several elements of the mandated education and outreach programs.

1.5 Certain properties within the District receive direct or indirect benefit from District Conservation Projects. Direct benefits are those arising out of projects conducted on site. Indirect benefits are those benefits received at other locations – downstream or on adjacent property – from the actual project sites.

1.6 It is appropriate for property owners within the District who benefit either directly or indirectly from the District’s Conservation Projects to pay for the cost of carrying out the projects.

1.7 The District engaged FCS Group (“FCS”), an independent financial consulting firm that provides economic, public finance, management consulting and financial (rates, charges and fees) services to public sector entities throughout the country, including city and county governments, utilities, municipal corporations and ports, special purpose districts and state agencies. FCS has evaluated the services provided by the District and has developed a rate structure as part of a Pierce Conservation District Rate Study (FCS Group, 2012) that allocates the costs of District services to classes of property.

1.8 In determining a rate structure, the Board has considered the discretionary factors set forth by the Legislature in Chapter 60, Laws of 2012, including

- 1.8.1 Services furnished, to be furnished, or available to landowners in the District;
- 1.8.2 Benefits received, or to be received, or available to property in the District;
- 1.8.3 The character and use of land in the District;
- 1.8.4 The nonprofit public benefit status of land users in the District;
- 1.8.5 The income level of persons served or provided benefits, including senior citizens and disabled persons; and

1.8.6 Other matters that present a reasonable difference as a grounds for distinction among properties.

1.9 The Board finds that seven classes or categories of property are appropriate: residential, commercial, agricultural, institutional/public, vacant/undeveloped, open space and forest, as further defined in this resolution. There is a rational basis for distinguishing land within the District into classes on the basis of property use and the variation of properties within these classes is found to reflect differences in services and/or benefits received, to be received or available from the Conservation Projects.

1.10 The Board finds that it is appropriate to assign weighting factors to each class of property that reflect distinctions among those properties relating to the services and/or benefits received, to be received or available from the District. The weighting factors include (1) services and/or benefits received, to be received or available that are insignificant or immeasurable to certain property; (2) services and/or benefits received, to be received or available to classes of property to a lesser degree; and, (3) services and/or benefits received, to be received or available that more fully support property (compared to other classes of property). There is a rational basis for distinguishing services/benefits received or available from District services and Conservation Projects with the use of such weighting factors; the variation of services/benefits within these factors is found to be minor and to reflect only minor differences in services and benefits received or available from the Conservation Projects.

1.11 The administrative cost of calculating the charge for each individual property and maintaining accurate information would be very high. A flat charge for each parcel within each property class is less costly to administer than calculating a separate charge for each parcel and is equitable because of the similarities of the characteristics and uses within each property class. The District considered a per-acre charge but determined that it could result in miscalculations and confusion among ratepayers and was not appropriate for use at the current time.

1.12 The rates proposed to Pierce County ("County") by this Resolution were calculated within the parameters of a rate model from the FCS Rate Study. Under the rate model, the estimated annual costs of each Conservation Project were allocated to ratepayers as follows:

1.12.1 Number of parcels in each of the property categories;

1.12.2 Direct and indirect services/benefits received by or available to property within each property category, as generally described in this Resolution; and

1.12.3 A weighting factor reflecting the degree of services/benefits received by or available to each property class for each Conservation Project as described in Section 1.10, above.

1.13 The FCS Rate Study calculated rates per parcel per year for six of the classifications, as follows: residential (\$6.9432), commercial (\$6.9297), agricultural (\$5.7658), institutional/public (\$6.9339), vacant/undeveloped (\$5.4876), and open space (\$5.4944). The rate model provides a reasonable basis for establishing the rates proposed by this Resolution. As adjusted

proportionally: residential (\$5.0000), commercial (\$4.9884), agricultural (\$4.1521), institutional/public (\$4.9934), vacant/undeveloped (\$3.9518), and open space (\$3.9567), such rates do not exceed the maximum rates permitted under Chapter 60, Laws of 2012. These rates are an allocable share of the costs of services/benefits received or available to the property owners in the District from District services, programs and Conservation Projects, all for the preservation of natural resources, protection of public lands and waters, and protection and promotion of the health, safety and general welfare of the lands and people of the District.

1.14 The rates proposed herein to pay the costs of carrying out the Conservation Projects are fees for which the federal government is liable under the Clean Water Act to the same extent as any other classification of land (33 U.S.C. § 1323(a), and Pub.L. 111-378, § 1, 124 Stat. 4128 (2011); and, *United States of America v. City of Renton, et al.*, Western District of Washington Cause No. C11-1156JLR (2012).) However, the District determines that Mount Rainier National Park and the extensive federal forests and other resource lands within Pierce County contribute substantially to the conservation of natural resources and are thereby excluded from the system of rates recommended by this Resolution. Additionally, Joint Base Lewis McChord ("JBLM") property is not identified in the Pierce County Assessor database of properties, and efforts to identify and classify parcels within JBLM are not currently warranted in light of the speculative revenue that may be generated from imposing rates on JBLM.

1.15 Land classified as forest as described in this Resolution provide benefits to the programs of the District, and are also served by District programs. But the cost to administer a rate program regarding such land does not appear warranted; the cost to administer would be in excess of likely revenues under formula set out in Chapter 60, Laws of 2012. Therefore there is a reasonable basis to exempt such forest land from the rates proposed herein.

1.16 The consideration, development, adoption and implementation of the rates proposed herein follows the public hearing held on July 19, 2012, held by the District pursuant to RCW 89.08.400(2), public notice of which was properly provided by postings throughout the District and through publication.

1.17 By Resolution No. 2012-07-02, the District has established a process providing for landowner appeals of the individual rates as may be applicable to a parcel or parcels.

SECTION 2. DEFINITIONS.

2.1 "Agricultural land" means those parcels in the Pierce County Assessor's property classifications of: 8150, Horticultural Specialties; 8200, AG Related Activities; 8300, CU Farm & Agri RCW 84.34 Current use; 8400, Fishing Activities and Services; 8491, Cultivated Tidelands.

2.2 "Billing year" means the calendar year that bills are sent through the property tax statement.

2.3 "Commercial land" means those parcels in the Pierce County Assessor's property classifications of: 1600, Hotels/Motels; 1700, Institutional Lodging; 1840, Retirement Home;

1860, Other Group Qtrs; 2100, Food Mfg; 2200, Textile Mill Mfg; 2300, Apparel & Finish Mfg; 2400, Lumber & Wood Mfg; 2500, Furniture Mfg; 2600, Paper Prod Mfg; 2700, Printing Publishing; 2800, Chemical Mfg; 2900, Metro Industries; 3000, Rubber Plastic Prod; 3100, Leather Mfg; 3200 Stone/Clay Glass Mfg; 3300, Prim Metal Industries; 3400, Fab Metal Products; 3500 Sci Instr Photo Optical Watch Mfg; 3900, Misc Mfg; 4112, RR Equip Maint; 4113, RR Passenger Terminals; 4300, Aircraft Transportation; 4600, Auto Parking; 4700, Communication; 4800, Utilities; 4900, Other Trans Utilities; 5020, Office Condo; 5030, Det Garage Condo; 5050, Marina Slip Condos; 5060, Warehouse Condo; 5100 , Wholesale Trade; 5200, Bldg Mtrl Farm Equip Retail; 5300, Gen Merchandise Retail Trade; 5320, Discount Stores; 5350, Big Box Power Ctr; 5360, NGB Community SC; 5380, Regional SC; 5390, Older Business Dist; 5400, Food Retail Trade; 5410, Conven Store May Have Gas; 5430, Specialty Food Mkts; 5500, Auto Wrecking Retail; 5505, MH Sales Retail; 5510, RV Sales Retail; 5515, Auto Dlr New and Used Retail; 5525, Auto Accessories Retail; 5530, Gas Station Serv Gar; 5540, Gas Station Mini Mart; 5550, Fueling Stations; 5560, Gas Station Cashier Booth; 5600, Apparel Accessrs Retail; 5700, Retail Home Furnishings; 5800, Restaurant; 5805, Fast Food; 5815, Espresso Shop; 5820, Taverns; 5822, Entertainment Bars; 5825, Sports Bar Rest Larger Tav; 5900, Other Retail Trade; 5999, Retail Stand Alone; 6100, Off Insurance Real Estate Finance; 6110, Banks; 6120, Credit Unions; 6199, Misc Office Space; 6200, Personal Services; 6210, Lndry & Dry Cleaning Serv; 6231, Salons Spas Barber Shops; 6241, Funeral Crematory Serv; 6242, Cemeteries; 6300, Business Services; 6310, Gen Warehousing Storage; 6373, Refrig Warehouse; 6380, Mini Warehousing; 6390, Rental Equip Auto Truck; 6394, Equipment Leasing; 6400, Repair Services; 6410, Auto Repair Services; 6412, Car Wash; 6420, Mini Lube Service; 6500, Professional Services; 6510, Hospital; 6511, Medical Offices Services; 6512, Dental Services; 6516, Nursing Convalescent Hospitals; 6520, Veterinarian Services; 6600, Contractor Services; 6700, Governmental Services; 6900, Misc Services; 7210, Motion Picture Theaters; 7300, Amusements; 7400, Rec Activities; 7410, Golf Courses; 7420, Marinas; 7500, Resorts Camps; 8500, Mining Activities; 8505, Quarry Sand Rock; 8900, Other Resource Prod; 9186, Ind Indian Reserv Lnd.

2.4 "Forest land" means those parcels in the Pierce County Assessor's property classifications of: 8800, Desig Forest Lnd RCW 84.33; 9200, Non Comm Forest; 9500, CU Timberland RCW 84.34 Current Use.

2.5 "Institutional/public land" means those parcels in the Pierce County Assessor's property classifications of: 6720, Fire Stations; 6730, Postal Services; 6740, Prisons; 6750, Military Bases; 6800, Educational Services; 6810, Elem Schools 1 to 6; 6820, Sec Schools 7 to 12; 6830, University/Colleges; 6840, Jr Colleges; 6850, Voc Trade Schools; 6860, Nursery Schools; 6870, Special Training Schools; 6910, Religious Services; 7100, Cultural Activities; 7110, Libraries; 7200, Other Pub Assembly.

2.6 "Open space land" means those parcels in the Pierce County Assessor's property classifications of: 4100, Transit RR Right of Way; 4111, OP Prop RR Right of Way; 4200, Vehicle Transportation; 4400, Marine Craft Transportation; 4500, Street Right of Way; 4830, Drainflds Catch Basins; 4836, Well Sites; 7600, Parks; 7630 Grnbelt Common Areas; 8100, Ag Not Current Use; 8140, Farms Not Current Use; 8510, Mineral Rights; 9109, Floodway; 9112, Wetlands Recorded; 9300, Water Areas; 9330, Bays or Lagoons; 9390, Other Water Areas;

9391, Saltwater Tidelands; 9400, CU Open Space RCW 84.34 Current Use; 9900, Other Undeveloped Land.

2.7 "Parcel" means the smallest separately segregated unit or plot of land having an identified owner(s), boundaries, and areas as defined by the Pierce County Assessor and recording in the Pierce County Assessor real property file or maps, and assigned a separate property tax account number.

2.8 "Residential land" means those parcels in the Pierce County Assessor's property classifications of: 1101, Single Family Dwelling; 1152, Mobile/Mfg Home; 1154, MH Sr/Disabled Exempt Admin Combo; 1155, MH Title Elim; 1197, Comm Lnd With Sfr; 1202, Duplex 2 Units; 1203, Triplex 3 Units; 1204, Fourplex 4 Units; 1300, Rm Boarding House; 1305, Multi Fam Apts 5 Units or More; 1306, Multi Fam High Rise 5 Units or More; 1307, Subsidized Units 5 or more; 1308, Subsidized High Rise Units 5 or more; 1401, Sfr Condo; 1402, Duplex Condo; 1403, Triplex Condo; 1404, Fourplex or More Condo; 1405, Apt/Condo 3 Stor or Less; 1410, Apt Condo High Rise; 1440, MH Park Condo; 1500, MH Park; 1800, Other Residential; 7430, Boat Houses.

SECTION 3. RATE SCHEDULE. The following rate schedule is proposed to the County for a term of five (5) years, unless modified by subsequent District action and County approval. The Board may recommend adjustment of these rates from time to time, to reflect the budgeted costs of carrying out the District's improvements, services and Conservation Projects and any changes in land categories. The rates are as follows.

- 3.1 The rate for residential land shall be \$5.00 per parcel per year.
- 3.2 The rate for commercial land shall be \$4.99 per parcel per year.
- 3.3 The rate for agricultural land shall be \$4.15 per parcel per year.
- 3.4 The rate for institutional/public land shall be \$4.99 per parcel per year.
- 3.5 The rate for vacant/undeveloped land shall be \$3.95 per parcel per year.
- 3.6 The rate for open space land shall be \$3.96 per parcel per year.
- 3.7 Forest land shall be exempt from the rates proposed in this Resolution.

Specific rates per parcel shall be shown on a spreadsheet provided by the District to the Pierce County Assessor, consistent with Chapter 89.08 RCW.

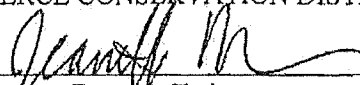
SECTION 4. IMPLEMENTATION. The Executive Director is authorized and directed to take all appropriate and necessary acts to implement this Resolution, including presentation of this Resolution to the County and coordination with the County, including the County Assessor, and correction of any parcel's classification or classification reference in Section 2.

SECTION 5. RATIFICATION AND CONFIRMATION. Any action taken consistent with the authority and prior to the effective date of this Resolution is hereby ratified, approved and confirmed.

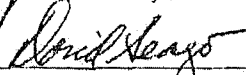
SECTION 6. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

ADOPTED BY THE BOARD OF SUPERVISORS of Pierce Conservation District, Washington, at a regular open public meeting thereof, and effective this 19th day of July, 2012.

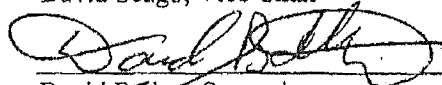
PIERCE CONSERVATION DISTRICT, WASHINGTON



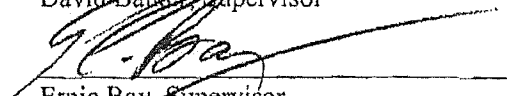
Jeanyette Dornet, Chair



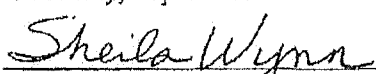
David Seago, Vice Chair



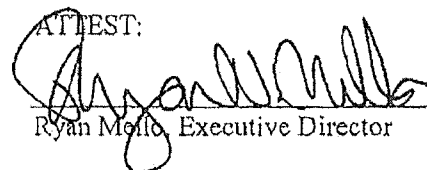
David Barker, Supervisor



Ernie Bay, Supervisor



Sheila Wynn, Supervisor

ATTEST:


Ryan Mello, Executive Director

Exhibit B to Ordinance No. 2012-58

1
2
3
4
5
6
7

Schedule of Properties and Applicable Rates

Land Use Category	Calculated Rates	
	Per Parcel	Per Acre
1 Residential	\$ 5.0000	-
2 Commercial	\$ 4.9886	-
3 Agricultural	\$ 4.1492	-
4 Institutional / Public	\$ 4.9934	-
5 Vacant / Undeveloped	\$ 3.9481	-
6 Open Space	\$ 3.9530	-
7 Forested	\$ -	-

8
9



Exhibit C to Ordinance No. 2012-58

1
2
3
4 **Interlocal Agreement between Pierce County Washington**
5 **and the Pierce Conservation District**
6

7 This Agreement is made and entered into by and between Pierce County, a legal subdivision of
8 the State of Washington ("County"), and Pierce Conservation District, a legal subdivision of the
9 State of Washington ("District") for the purpose of establishing the roles and responsibilities of
10 the County and the District with respect to the authorization for and collection of funds from a
11 system of rates and charges as authorized by Chapter 60, Laws of 2012.
12

13
14 WHEREAS, the District was established pursuant to Chapter 89.08 RCW to provide for
15 the public health, safety and welfare, including the protection of natural resources in the County;
16 and
17

18 WHEREAS, for over 50 years, the District has assisted landowners and local
19 governments as they face resource management challenges relating to agriculture, water
20 quality and other natural resource issues; and
21

22 WHEREAS, Chapter 60, Laws of 2012, and Chapter 89.08 RCW authorizes the County
23 to approve and collect rates and charges (collectively, "rates") on property within the District to
24 fund District activities; and
25

26 WHEREAS, the rate revenue will allow the District to exercise its authority, including the
27 continued protection of the public health, safety and welfare and protection and conservation of
28 natural resources throughout Pierce County and participating cities and towns; obtaining grant
29 funding and supporting local programs; addressing water quality and conservation programs
30 related to endangered salmon species; and, providing for other natural resource protection
31 requirements and needs, such as the protection and conservation of farm land; and
32

33 WHEREAS, the Pierce County Council adopted Ordinance No. 2012-58, to approve a
34 system of rates, known as the Resource Conservation Rates, pursuant to Chapter 89.08 RCW;
35 and
36

37 WHEREAS, the District and the County are authorized to contract, including pursuant to
38 RCW 89.08.220(11), RCW 36.01.010, RCW 36.32.120 and Chapter 39.34 RCW, and to enter
39 into agreements with one another for joint or cooperative action; and
40

41 WHEREAS, this Agreement describes and defines the mutual understanding of the
42 parties made with the intention of approving and implementing a program for distributing the
43 revenues from the Resource Conservation Rates authorized by Chapter 89.08 RCW and
44 approved by Pierce County Ordinance No. 2012-58; and
45

46 WHEREAS, this Agreement is authorized by Pierce County Ordinance No. 2012-58.
47

48 NOW, THEREFORE, for the mutual benefits to be derived by both parties, the parties
49 enter into the following Agreement:



1
2 **I. PURPOSE**
3

4 The purpose of this Agreement is to establish the roles and responsibilities of the County
5 and the District with respect to the authorization of, and use of funds from, a system of
6 rates, known as the Resource Conservation Rates, for the District.
7

8 **II. CONTENT OF THIS AGREEMENT**
9

10 This Agreement consists of the following documents:

- 11 A. Interlocal Agreement; and
12 B. Exhibit D to Ordinance No. 2012-58, Proposed Resource Conservation Spending Plan
13 (Spending Plan) and Estimate of Revenues.
14

15 **III. FUNDING**
16

17 Funding for the subject of this Agreement, the District's Resource Conservation Programs
18 ("Programs"), shall be obtained from the rate revenues authorized by Ordinance No.
19 2012-58, as collected by the Pierce County Assessor-Treasurer for subject properties in
20 unincorporated Pierce County and participating cities and towns.
21

22 **IV. RESPONSIBILITIES OF THE DISTRICT**
23

- 24 A. Scope of Work. The District shall administer the program and expenditures pursuant
25 to Exhibit D, Proposed Resource Conservation Spending Plan and Estimate of
26 Revenues.
27 B. Program Reporting. The District shall produce reports summarizing the work
28 performed, expenditures incurred, and revenues collected; providing an evaluation of
29 the performance and results of the work performed according to this Agreement; and
30 estimating the projected revenues and expenditures for the next time period. Reports
31 shall be provided to the members of the Council and the County Executive. These
32 reports shall include, but not be limited to, the following information:
33 • A description of work performed during the period and progress made to date,
34 including expenditure data and monitoring data or performance indicators that
35 reflect expenditures as set forth in Exhibit D, Resource Conservation Spending
36 Plan and Estimate of Revenues.
37 • Description of any adverse conditions that have affected the program objectives
38 and/or time schedules, and actions taken to resolve these issues.
39 • An accounting of the revenues compared with expenditures for the current
40 reporting period and as projected for the next reporting period.
41 • Annual reports are due May 15 and shall cover the previous calendar year.
42 • Current year program expenditure reports are due prior to May 15 and
43 November 15, of each year of collection of the rates.
44 C. Accounting.
45 a. Fund Accounts. The District shall maintain a separate fund or account for
46 Conservation District Programs detailing the funds collected by the Pierce
47 County Assessor - Treasurer (the "RC Fund"). Separate accounting shall be
48 made for each project, program or activity identified in Exhibit D.
49 b. District Administrative Costs. The District's administrative costs shall be linked to
50 the specific project, program or activity most closely related to their use, when



1 practicable, or prorated across all activities and jurisdictions, in the case of
2 general operating expenses.

- 3 D. Maintenance of Records. The District shall maintain all books, documents, receipts,
4 invoices, and records, including payroll records, necessary to sufficiently and properly
5 reflect the expenditures of the RC Fund. The accounting records shall provide for a
6 separate recording and reporting of all RC Fund receipts and expenditures. Financial
7 records pertaining to matters authorized by this Agreement are subject to inspection
8 and audit by representatives of County or the State Auditor upon request. Annual
9 State Auditor reports, if not required, shall be requested. State Auditor reports shall
10 be provided to the County Council and the County Executive within ten (10) days of
11 receipt. Financial records shall be preserved and made available to the County and
12 its agents for a period of six (6) years after the last expenditure of funds, or in the
13 event of an audit, records shall be kept until the audit is completely resolved.
14

15 **V. GENERAL PROVISIONS**

- 16
17 A. Notice. Except as set forth elsewhere in this Agreement, for all purposes under this
18 Agreement, except service of process, notice shall be given by the District to the
19 County Executive, Room 747, 930 Tacoma Ave S, Tacoma, WA 98402, and to the
20 Legal Counsel for the County Council, Room 1046, 930 Tacoma Ave S, Tacoma, WA
21 98402. Notice to the District for all purposes under this Agreement shall be given to
22 the Chair of the Board of Supervisors and to the District Manager, 5430 66th Avenue
23 E, Puyallup, WA 98371.
24 B. Compliance with Laws. The District shall comply with all federal, state, and local laws,
25 statutes, ordinances, rules and regulations applicable to the performance of this
26 Agreement.
27 C. Defense and Indemnity. The District agrees to defend, indemnify and save harmless
28 the County, its appointed and elective officers and employees, from and against all
29 loss or expense, including, but not limited to, judgments, settlements, attorney's fees
30 and costs by reason of any and all claims and demands upon the County, its elected
31 or appointed officials or employees for damages because of personal or bodily injury,
32 including death at any time resulting therefrom, sustained by any person or persons
33 and on account of damage to property including loss of use thereof, whether such
34 injury to persons or damage to property is due to the negligence of the District, his/her
35 subcontractors, its successor or assigns, or its or their agent, servants, or employees,
36 the County, its appointed or elected officers, employees or their agents, except only
37 such injury or damage as shall have been occasioned by the sole negligence of the
38 County, its appointed or elected officials or employees. It is further provided that no
39 liability shall attach to the County by reason of entering into this Agreement, except as
40 expressly provided therein.
41 D. Industrial Insurance Waiver. With respect to the performance of this Agreement and
42 as to claims against the County, its officers, agents and employees, the District
43 expressly waives its immunity under Title 51 of the Revised Code of Washington, the
44 Industrial Insurance Act, for injuries to its employees and agrees that the obligations
45 to indemnify, defend and hold harmless provided in this Agreement extend to any
46 claim brought by or on behalf of any employee of the District. This waiver is mutually
47 negotiated by the parties to this Agreement.
48



1 E. Term and Effective Date. This Agreement shall be effective upon adoption of the
2 authorizing action by the last governing body to act, and remain in effect the period of
3 rate collection authorized under County Ordinance No. 2012-58.
4

5
6 **PIERCE CONSERVATION DISTRICT**

PIERCE COUNTY

7 Approved:

Approved:

8
9
10 _____
11 **Chair, Board of Supervisors** **date**

_____ **date**

Pat McCarthy
Pierce County Executive

12
13
14 Reviewed:

Reviewed:

15
16 _____
17 **Pierce Conservation District** **date**

_____ **date**

18 **Manager**

Gary Robinson
Director, Budget and Finance

19
20
21
22 Approved as to form only:

23
24
25
26 _____
27 **Deputy Prosecuting Attorney** **date**
28
29
30



Proposed Pierce Conservation District Rates Charges
Estimate of Revenues and Spending Plan

City of Buckley		
Revenue	\$9,642	
Assessor's Admin Fee (1%)	\$96	
District Administration	\$1,736	
Total Operating Funds		\$7,810
Ag Assistance	\$2,856	
Water Quality	\$2,697	
Green Partnership Fund	\$419	
Outreach & Education	\$226	
Legal Defense	\$613	
Settlement Costs	\$432	
Contingency Reserve	\$568	
Total Operating Costs		\$7,810

City of Dupont		
Revenue	\$17,022	
Assessor's Admin Fee (1%)	\$170	
District Administration	\$3,064	
Total Operating Funds		\$13,788
Ag Assistance	\$5,041	
Water Quality	\$4,762	
Green Partnership Fund	\$740	
Outreach & Education	\$398	
Legal Defense	\$1,082	
Settlement Costs	\$763	
Contingency Reserve	\$1,002	
Total Operating Costs		\$13,788

Proposed Pierce Conservation District Rates Charges
Estimate of Revenues and Spending Plan

City of Fircrest		
Revenue	\$12,885	
Assessor's Admin Fee (1%)	\$129	
District Administration	\$2,319	
Total Operating Funds		\$10,437
Ag Assistance	\$3,816	
Water Quality	\$3,604	
Green Partnership Fund	\$560	
Outreach & Education	\$302	
Legal Defense	\$819	
Settlement Costs	\$577	
Contingency Reserve	\$758	
Total Operating Costs		\$10,437

City of Gig Harbor		
Revenue	\$23,042	
Assessor's Admin Fee (1%)	\$230	
District Administration	\$4,148	
Total Operating Funds		\$18,664
Ag Assistance	\$6,824	
Water Quality	\$6,446	
Green Partnership Fund	\$1,002	
Outreach & Education	\$539	
Legal Defense	\$1,464	
Settlement Costs	\$1,033	
Contingency Reserve	\$1,356	
Total Operating Costs		\$18,664

Proposed Pierce Conservation District Rates Charges
Estimate of Revenues and Spending Plan

City of Lakewood		
Revenue	\$95,885	
Assessor's Admin Fee (1%)	\$959	
District Administration	\$17,259	
Total Operating Funds		\$77,666
Ag Assistance	\$28,398	
Water Quality	\$26,822	
Green Partnership Fund	\$4,169	
Outreach & Education	\$2,245	
Legal Defense	\$6,093	
Settlement Costs	\$4,297	
Contingency Reserve	\$5,644	
Total Operating Costs		\$77,666

City of Milton		
Revenue	\$11,038	
Assessor's Admin Fee (1%)	\$110	
District Administration	\$1,987	
Total Operating Funds		\$8,941
Ag Assistance	\$3,269	
Water Quality	\$3,088	
Green Partnership Fund	\$480	
Outreach & Education	\$258	
Settlement Costs	\$701	
Contingency Reserve	\$495	
	\$650	
Total Operating Costs		\$8,941

Proposed Pierce Conservation District Rates Charges
Estimate of Revenues and Spending Plan

City of Puyallup		
Revenue	\$68,399	
Assessor's Admin Fee (1%)	\$684	
District Administration	\$12,312	
Total Operating Funds		\$55,403
Ag Assistance	\$20,257	
Water Quality	\$19,133	
Green Partnership Fund	\$2,974	
Outreach & Education	\$1,601	
Legal Defense	\$4,346	
Settlement Costs	\$3,065	
Contingency Reserve	\$4,026	
Total Operating Costs		\$55,403

Town of Steilacoom		
Revenue	\$13,247	
Assessor's Admin Fee (1%)	\$132	
District Administration	\$2,384	
Total Operating Funds		\$10,730
Ag Assistance	\$3,923	
Water Quality	\$3,706	
Green Partnership Fund	\$576	
Outreach & Education	\$310	
Legal Defense	\$842	
Settlement Costs	\$594	
Contingency Reserve	\$780	
Total Operating Costs		\$10,730

Proposed Pierce Conservation District Rates Charges
Estimate of Revenues and Spending Plan

City of Sumner		
Revenue	\$21,491	
Assessor's Admin Fee (1%)	\$215	
District Administration	\$3,868	
Total Operating Funds		\$17,408
Ag Assistance	\$6,365	
Water Quality	\$6,012	
Green Partnership Fund	\$934	
Outreach & Education	\$503	
Legal Defense	\$1,366	
Settlement Costs	\$963	
Contingency Reserve	\$1,265	
Total Operating Costs		\$17,408

City of Tacoma		
Revenue	\$377,247	
Assessor's Admin Fee (1%)	\$3,772	
District Administration	\$67,904	
Total Operating Funds		\$305,570
Ag Assistance	\$111,728	
Water Quality	\$105,529	
Green Partnership Fund	\$16,401	
Outreach & Education	\$8,831	
Legal Defense	\$23,970	
Settlement Costs	\$16,905	
Contingency Reserve	\$22,204	
Total Operating Costs		\$305,570

Proposed Pierce Conservation District Rates Charges
Estimate of Revenues and Spending Plan

City of University Place		
Revenue	\$54,183	
Assessor's Admin Fee (1%)	\$542	
District Administration	\$9,753	
Total Operating Funds		\$43,888
Ag Assistance	\$16,047	
Water Quality	\$15,157	
Green Partnership Fund	\$2,356	
Outreach & Education	\$1,268	
Legal Defense	\$3,443	
Settlement Costs	\$2,428	
Contingency Reserve	\$3,189	
Total Operating Costs		\$43,888

Unincorporated Pierce County		
Revenue	\$791,034	
Assessor's Admin Fee (1%)	\$7,910	
District Administration	\$142,386	
Total Operating Funds		\$640,738
Ag Assistance	\$234,279	
Water Quality	\$221,280	
Green Partnership Fund	\$34,390	
Outreach & Education	\$18,518	
Legal Defense	\$50,263	
Settlement Costs	\$35,448	
Contingency Reserve	\$46,560	
Total Operating Costs		\$640,738

Proposed Pierce Conservation District Rates Charges
Estimate of Revenues and Spending Plan

Total All Jurisdictions		
Revenue	\$1,495,115	
Assessor's Admin Fee (1%)	\$14,951	
District Administration	\$269,121	
Total Operating Funds		\$1,211,043
Ag Assistance	\$442,805	
Water Quality	\$418,236	
Green Partnership Fund	\$65,000	
Outreach & Education	\$35,000	
Legal Defense	\$95,001	
Settlement Costs	\$67,000	
Contingency Reserve	\$88,001	
Total Operating Costs		\$1,211,043

FINDINGS OF FACT

The Pierce County Council finds that:

1. The Pierce Conservation District (District) is a governmental subdivision of the State of Washington and a public body corporate and politic, created in Pierce County and operating since 1949. As a requirement for District formation, the State Conservation Commission found that "the public health, safety, and welfare warrant the creation" of the District (RCW 89.08.080). In addition, the Legislature made express findings relating to conservation districts, stating that "the preservation of these lands is necessary to protect and promote the health, safety, and general welfare of its people" and that "it is hereby declared to be the policy of the Legislature to provide for the conservation of the renewable resources of the state ...and thereby ...to protect and promote the health, safety, and general welfare of the people of the state" (RCW 89.08.010). Under Chapter 89.08 RCW, the Legislature has provided that the services, improvements and programs of the District are necessary to the public health, safety and welfare of the District and the state. The District exercises public health, safety and welfare (police power) functions in unincorporated Pierce County and currently in the cities of Tacoma, Lakewood, Puyallup, Sumner, University Place, Gig Harbor, Steilacoom, Fircrest, Buckley, Milton, and DuPont.
2. Past and continuing improper land-use practices have caused and contributed to a progressively more serious erosion of the lands of the District. It is necessary that land-use practices contributing to soil wastage and soil erosion be discouraged and discontinued, and that appropriate soil-conserving land-use practices, and works of improvement for flood prevention of agricultural and nonagricultural phases of the conservation, development, utilization and disposal of water be adopted and carried out to preserve natural resources, protect public lands, and protect and promote the health, safety and general welfare of the people of the District (the "Conservation Projects"). The District programs assist in managing land for sustainable, profitable production of food and crops as preferable to leaving lands to become filled with noxious weeds or converted to polluting activities. Many District programs are designed to help private land managers do a better job of protecting natural resources as they make a living from their land.
3. Pursuant to Chapter 89.08 RCW, the District is responsible for and authorized to carry out Conservation Projects within the District, including but not limited to soil conservation; measures to address property compliance with Clean Water Act standards; habitat protection; habitat restoration and technical assistance; NPDES support; education; water quality monitoring; rain garden programs; invasive species removal programs; and agriculture and forest land assistance. District programs, Conservation Projects and improvements include those described in paragraphs 4 through 10 below.
4. The District purchases properties or conservation easements to protect high quality wildlife habitat and key properties in order to support the District's resource conservation mission; implements appropriate habitat restoration or enhancement projects; maintains existing agricultural activities where possible to preserve local farmland; and supports local agricultural producers, including providing food assistance programs to the elderly and



1 disabled in the County through coordination of farm-to-market, public market and other
2 programs.
3

4 5. The District creates and promotes cooperative activities to restore high-quality habitat by
5 means of personal site visits with landowners; develops best management practices plans;
6 recommends invasive/non-native weed eradication, and provides project coordination and
7 implementation (e.g., stream planting with volunteers). Many local, state and federal
8 agencies are working to save salmon. Unlike most other agencies, the District works
9 directly with private landowners who have direct control over management activities on
10 their lands, for the benefit of those properties and the land and waters of the District.
11

12 6. The District promotes District-wide best management conservation practices in urban,
13 suburban and rural areas through education and outreach activities such as catch basin
14 marking, Pierce EcoNet and the Puget Sound Starts Here campaign. The District leads
15 projects at the request of partners (cities and Pierce County) to help them meet their
16 NPDES requirements and offset burdens on rates and charges for storm water
17 management programs. The District coordinates with Pierce County municipalities in
18 efforts to meet Clean Water Act requirements and attain NPDES compliance.
19

20 7. The District provides District-wide water quality improvement on urban, suburban and rural
21 properties by conducting water quality training and workshops, such as macro-invertebrate
22 (e.g., insects and mollusks) monitoring workshops. The District leads field trips on topics
23 including water quality, salmon, native plants, stormwater, stream ecology, and macro-
24 invertebrates. The District promotes best management practices at fairs and other public
25 events; participates in the Pierce County Children's Water Fest; trains and coordinates
26 citizen water quality monitoring volunteers on streams and lakes of Pierce County;
27 maintains water quality monitoring equipment and supplies; partners with municipalities,
28 the Tacoma-Pierce County Health Department, the Washington Department of Ecology
29 and the U.S. Geological Survey on specific projects (e.g., Total Maximum Daily Load
30 (TMDL) monitoring and groundwater modeling); manages water quality data; uploads data
31 to the Nature mapping website, and assists Pierce County with macro-invertebrate
32 sampling. All of these programs offset the cost of Clean Water Act compliance for other
33 entities and ratepayers.
34

35 8. The District conserves and protects high-quality agricultural soils by providing landowner
36 education and development of a best management practices plan to help livestock owners
37 comply with mandated County regulations, thereby offsetting the cost and burden of the
38 impacts of certain agricultural impacts. The District acts as a hub for county-wide
39 partnership of individuals, organizations and government agencies to support local
40 agricultural economy; provides technical assistance and funding opportunities for market-
41 based incentives which retain high quality agricultural soils through prevention of land
42 conversion to residential or commercial land use and provides grants, loans, and technical
43 assistance to local farm businesses and market-based agricultural support organizations.
44 The District provides resources to help keep farmers on the land (e.g., mobile slaughtering
45 unit, poultry processing unit, greenhouses and other agriculture infrastructure); provides
46 technical assistance and funding opportunities for market-based incentives which retain
47 high quality agricultural soils and provides funding opportunities to local agricultural
48 businesses and non-profits which help retain high quality agricultural soils through
49 prevention of land conversion to residential or commercial land use. Such assistance
50 includes grants, loans and technical assistance provided to local farm businesses and
51 market-based agricultural support organizations to the benefit of both the agricultural



1 community and District residents who receive better and more regular access to local
2 produce, meats and other products.
3

4 9. The District provides educational events along waterways draining into recreational and
5 commercial shellfish production areas to prevent damage to shellfish beds caused by
6 erosion and sedimentation of stream channels, reservoirs, dams, ditches and harbors.
7 Other District educational efforts address the effects of loading the air with soil particles,
8 loss of fertile soil in dust storms, and the accumulation of soil on lower slopes and its
9 deposit over alluvial plains. The District also educates the public about the importance of
10 conservation and restoration of natural resources for the working waterfront, shellfish,
11 aquatic health, food, water quality, slope stabilization and habitat.
12

13 10. The District Stream Team conducts award-winning improvement projects that have
14 included: remediation of knotweed infestation through control efforts on 150 acres of
15 landowner properties within the South Prairie Creek watershed; a multi-year knotweed
16 control effort within the Nisqually River watershed in partnership with the Washington
17 State Department of Natural Resources; planting and maintenance of cedar trees at Silver
18 Creek in Puyallup, and later years' maintenance by clearing three-foot rings around each
19 cedar; clearing Silver Creek Trail of storm debris and hand-pulling ivy from larger,
20 established trees in the area; planting of more than 300 native trees and shrubs as part of
21 an overarching project to restore Meeker Creek by stabilizing the bank and shading the
22 stream to provide more suitable habitat for salmon; installing a 100-foot buffer along a
23 tributary to South Prairie Creek, clearing invasive blackberry shrubs and planting 700
24 native plants in the area; in partnership with the Nisqually Tribe, planting 1,200 native
25 plants on five acres along Tanwax Creek; improving a riparian buffer along the Nisqually
26 River at Wilcox Flat by planting 1,400 native trees and shrubs in an area cleared of
27 blackberries and other weeds; planting former open lawn space with 145 native plants at
28 Foss High School in Tacoma to further enhance the Snake Lake watershed, and stenciling
29 more than 1,100 storm drains and catch basins were stenciled with "Dump No Waste
30 Drains to Stream" markings to discourage non-point source pollution caused by
31 stormwater runoff.
32

33 11. Part of the regulations and controls under both federal and state law regarding water
34 pollution is the establishment and maintenance of appropriate measures for education and
35 implementation of best management practices. See 33 U.S.C. § 1251, et seq.; 40 C.F.R.
36 § 122.26(d)(2)(iv) (required measures for State NPDBS programs including education and
37 planning to implement best management practices and control techniques to reduce
38 pollutants); and Washington Department of Ecology Phase I Municipal Stormwater Permit
39 for Pierce County (requiring education and outreach program). The District provides such
40 service, both independently and together with Pierce County and cities within the District.
41 Pierce County has contracts with the District to provide several elements of the mandated
42 education and outreach programs.
43

44 12. Certain properties within the District receive direct or indirect benefit from District
45 Conservation Projects. Direct benefits are those arising out of projects conducted on site.
46 Indirect benefits are those benefits received at other locations (e.g., downstream or on
47 adjacent property) but arising out of Conservation Projects conducted on other property.
48

49 13. It is appropriate for property owners within the District who benefit either directly or
50 indirectly from the Conservation Projects to pay for the cost of carrying out the
51 Conservation Projects.
52



- 1 14. The District engaged FCS Group ("FCS"), an independent financial consulting firm that
2 provides economic, public finance, management consulting and financial (rates, charges
3 and fees) services to public sector entities throughout the country, including city and
4 county governments, utilities, municipal corporations and ports, special purpose districts
5 and state agencies. FCS has evaluated the services provided by the District and has
6 developed a rate structure as part of a Pierce Conservation District Rate Study (FCS
7 Group, 2012) that allocates the costs of District services to classes of property.
8
- 9 15. In approving the rate structure proposed by the District, the Council has also considered
10 the discretionary factors set forth by the Legislature in Chapter 60, Laws of 2012,
11 including: Services furnished, to be furnished, or available to landowners in the District;
12 Benefits received, or to be received, or available to property in the District; Character and
13 use of land in the District; Nonprofit public benefit status of land users in the District;
14 Income level of persons served or provided benefits, including senior citizens and disabled
15 persons; Other matters that present a reasonable difference as a grounds for distinction
16 among properties.
17
- 18 16. The Council finds that seven classes or categories of property are appropriate: residential,
19 commercial, agricultural, institutional/public, vacant/undeveloped, open space and forest.
20 There is a rational basis for distinguishing land within the District into classes on the basis
21 of property use and the variation of properties within these classes is found to reflect
22 differences in services and/or benefits received, to be received or available from the
23 Conservation Projects.
24
- 25 17. The Council finds that it is appropriate to assign weighting factors to each class of property
26 that reflect distinctions among those properties relating to the services and/or benefits
27 received, to be received or available from the District. The weighting factors include (1)
28 services and/or benefits received, to be received or available that are insignificant or
29 immeasurable to certain property; (2) services and/or benefits received, to be received or
30 available to classes of property to a lesser degree; and, (3) services and/or benefits
31 received, to be received or available that more fully support property (compared to other
32 classes of property). There is a rational basis for distinguishing services/benefits received
33 or available from District services and Conservation Projects with the use of such
34 weighting factors; the variation of services/benefits within these factors is found to be
35 minor and to reflect only minor differences in services and benefits received or available
36 from the Conservation Projects.
37
- 38 18. The administrative cost of calculating the charge for each individual property and
39 maintaining accurate information would be very high. A flat charge for each parcel within
40 each property class is less costly to administer than calculating a separate charge for each
41 parcel and is equitable because of the similarities of the characteristics and uses within
42 each property class. The District considered a per acre charge but determined that it could
43 result in miscalculations and confusion among ratepayers and was not appropriate for use
44 at the current time.
45
- 46 19. The rates approved by this Ordinance were calculated within the parameters of a rate
47 model from the FCS Rate Study. Under the rate model, the estimated annual costs of
48 each Conservation Project were allocated to ratepayers as follows: Number of parcels in
49 each of the property categories; Direct and indirect services/benefits received by or
50 available to property within each property category, as generally described in this
51 Ordinance; A weighting factor reflecting the degree of services/benefits received by or



1 available to each property class for each Conservation Project as described in paragraph
2 17, above.

3
4 20. The FCS Rate Study calculated rates per parcel per year for six of the classifications, as
5 follows: residential (\$6.9432), commercial (\$6.9297), agricultural (\$5.7658),
6 institutional/public (\$6.9339), vacant/undeveloped (\$5.4876), and open space (\$5.4944).
7 The rate model provides a reasonable basis for establishing the rates approved in this
8 Ordinance. As adjusted proportionally: residential (\$5.0000), commercial (\$4.9884),
9 agricultural (\$4.1521), institutional/public (\$4.9934), vacant/undeveloped (\$3.9518), and
10 open space (\$3.9567), such rates do not exceed the maximum rates permitted under
11 Chapter 60, Laws of 2012. These rates are an allocable share of the costs of services,
12 benefits received or available to the property owners in the District from District services,
13 programs and Conservation Projects, all for the preservation of natural resources,
14 protection of public lands and waters, and protection and promotion of the health, safety
15 and general welfare of the lands and people of the District.

16
17 21. The rates approved herein to pay the costs of carrying out the Conservation Projects are
18 fees for which the federal government is liable under the Clean Water Act to the same
19 extent as any other classification of land (33 U.S.C. § 1323(a), and Pub. L. 111-378, § 1,
20 124 Stat. 4128 (2011)); and *United States v. America v. City of Renton, et al.*, Western
21 District of Washington Cause No. CII-1156JLR (2012)). However, the Council determines
22 that Mount Rainier National Park and the extensive federal forests and other resource
23 lands within Pierce County contribute substantially to the conservation of natural resources
24 and are thereby excluded from the system of rates. Additionally, Joint Base Lewis
25 McChord ("JBLM") property is not identified in the Pierce County Assessor database of
26 properties, and efforts to identify and classify parcels within JBLM are not currently
27 warranted in light of the speculative revenue that may be generated from imposing rates
28 on JBLM.

29
30 22. Land classified as forest as described in this Ordinance provides benefits to the programs
31 of the District and is also served by District programs, but the cost to administer a rate
32 program regarding such land does not appear warranted. The cost to administer would be
33 in excess of likely revenues under formula set out in Chapter 60, Laws of 2012. Therefore
34 there is a reasonable basis to exempt such forest land from the rates approved herein.

35
36 23. The consideration, development, adoption and implementation of the rates approved
37 herein follows the public hearing held on July 19, 2012, held by the District pursuant to
38 RCW 89.08.400(2), public notice of which was properly provided by postings throughout
39 the District and through publication.

40
41 24. By Resolution No. 2012-07-02, the District has established a process providing for
42 landowner appeals of the individual rates as may be applicable to a parcel or parcels.



PROCLAMATION OF THE MAYOR OF THE CITY OF GIG HARBOR

WHEREAS, a recent Harris poll found that 79% of Americans support community planning; and

WHEREAS, the same poll found that 75% of all Americans agree that engaging citizens through local planning is essential to economic recovery and job creation; and

WHEREAS, community planning provides an opportunity for all our citizens to be meaningfully involved in making choices that determine the future of our community; and

WHEREAS, the month of October is designated as National Community Planning Month throughout the United States of America and its territories, and

WHEREAS, the American Planning Association and its professional institute, the American Institute of Certified Planners, endorse National Community Planning Month as an opportunity to highlight the many contributions that community planning and implementation make to the quality of life, economic prosperity and environmental quality of American communities; and

WHEREAS, the celebration of National Community Planning Month gives us the opportunity to publicly recognize and thank our citizens who serve our community as members of our planning commission/planning board; and

WHEREAS, this celebration also provides the opportunity to recognize and thank our professional planning staff for their technical competence, ethical commitment, and dedication to public service; and

WHEREAS, this celebration also provides an opportunity to encourage our citizens to learn about and engage with the city's planning efforts that will keep our community a great a great place to live, work, and play.

Now therefore, I, Chuck Hunter, Mayor of the City of Gig Harbor on behalf of the City Council and our community do hereby proclaim the month of October, 2012 as

COMMUNITY PLANNING MONTH

in the City of Gig Harbor.

In Witness Whereof, I have hereunto set my hand and caused the Seal of the City of Gig Harbor to be affixed this 8th day of October, 2012.

Mayor Chuck Hunter, City of Gig Harbor

Date



Business of the City Council
City of Gig Harbor, WA

Subject: MRSC Rosters - Small Works and Consultant Roster Annual Contract Renewal

Dept. Origin: Public Works-Engineering

Prepared by: Maureen Whitaker *MW*
Asst. City Clerk

For Agenda of: October 8, 2012

Exhibits: MRSC Rosters Washington Public Agency Contract

Proposed Council Action: Approve and Authorize the Mayor to execute the MRSC Rosters Washington Public Agency Contract In the not-to-exceed amount of \$600.00.

Initial & Date

Concurred by Mayor: *CH 10/2/12*
Approved by City Administrator: *2-10/2/12*
Approved as to form by City Atty: *by email 10/1/12*
Approved by Finance Director: *[Signature] 10/2/12*
Approved by Department Head: *[Signature] 10/1/12*

Expenditure	Amount	Appropriation
Required: \$600 annually	Budgeted: \$600.00	Required: \$0

INFORMATION / BACKGROUND

The city currently contracts with Municipal Research and Service Center (MRSC) Rosters as adopted by Resolution 884 that provides a collective Small Public Works and Consultant Roster that is managed and operated by a team at MRSC Rosters. Many cities and agencies in Washington have recognized that this online data base provides an efficient, cost-effective tool to search statewide and contact potential bidders thus providing a greater pool of contractors and consultants to select from as well as a thorough comprehensive screening process.

FISCAL CONSIDERATION

An annual fee of \$600 is required.

BOARD OR COMMITTEE RECOMMENDATION

N/A

RECOMMENDATION / MOTION

Approve and authorize the Mayor to execute the MRSC Rosters Washington Public Agency Contract In the not-to-exceed amount of \$600.00.



Washington Public Agency Contract Small Works Roster and Consultant Roster

This contract (the "Contract") is made by and between Municipal Research and Services Center of Washington ("MRSC"), a Washington not-for-profit corporation, and City of Gig Harbor (the "Public Agency").

Public Agency Information

Public Agency City of Gig Harbor
Mailing Address 3510 Grandview Street
Gig Harbor, WA 98335
County Pierce
Website www.cityofgigharbor.net

1. Purpose. The purpose of this Contract is to provide the Public Agency with membership in MRSC Rosters which will host its individual Small Public Works Roster ("Small Works Roster") and Consultant Roster ("Consultant Roster") in an online database (collectively, "MRSC Rosters"). MRSC is making membership in the MRSC Rosters available to a number of local government agencies in Washington State to provide them with more efficient and cost effective services.

2. Scope of Services. MRSC shall create and maintain the MRSC Rosters as allowed to the Public Agency and other Public Agency members by RCW 39.04.155 and Chapter 39.80 RCW, respectively. MRSC shall advertise at least biannually for the Small Works Roster and Consultant Roster in accordance with statutory requirements on behalf of all Public Agency members. MRSC will receive and review small works and consultant business (collectively, "business") applications for compliance with basic statutory eligibility requirements, and will maintain business applications.

3. Use of MRSC Rosters by Public Agency. As of the date of the first MRSC biannual legal notice in January or June by occurring after the signing of the membership contract by both parties, the Public Agency will use the Small Works Roster and Consultant Roster hosted in MRSC Rosters as their official rosters.

(a) Small Works Roster. The Public Agency will use the Small Works Roster to select businesses for public work projects up to \$300,000 in value or as otherwise limited by statutes, ordinances, and laws applicable to the Public Agency. The Public Agency shall be independently responsible for its own and the selected business' compliance with all additional or varying laws and regulations governing purchases, including all selection laws, retainage and bonds, prevailing wages, and any other appropriate requirements.

The Public Agency shall be independently responsible, consistent with applicable laws and its own policies and practices, for the determination that the selected businesses are responsible bidders. The Public Agency also shall be independently responsible to conduct a quotation or bid process consistent with applicable statutes, ordinances, and the requirements of the Public Agency and to enter into a contract directly with the business thus selected.

(b) Consultant Roster. The Public Agency will use the Consultant Roster to select businesses for consultant projects, and will do so in accord with all applicable laws and regulations. The Public Agency shall be independently responsible for its own and the selected business' compliance with all additional or varying laws and regulations governing services, including all selection laws, and any other requirements as appropriate.

The Public Agency shall be independently responsible, consistent with applicable laws and its own policies and practices, for the determination that the selected businesses are responsible. The Public Agency also shall be independently responsible to conduct a consultant selection process consistent with applicable statutes, ordinances, and the requirements of the Public Agency and to enter into a contract directly with the business thus selected.

(c) Access to MRSC Rosters. MRSC shall make the MRSC Rosters and associated applications and qualifications for each available to the Public Agency by providing it with a user name and password for access to MRSC's online database MRSC Rosters.

4. Compensation of Businesses. The Public Agency shall be independently responsible for payments to any business that is selected as a result of its use of MRSC Rosters. The Public Agency shall make all such payments directly to the businesses selected by the Public Agency.

5. Effective Date and Term. This Contract shall be effective for a period of one year as of the publication date for the first MRSC biannual advertisement in January or June after the signing of the membership contract by both parties. MRSC will notify the Public Agency of the publication dates of each biannual legal notice the week prior to the publication dates. This Contract may be cancelled by either party as provided in Section 10.

6. Compensation of MRSC. The Public Agency will pay MRSC an annual membership fee in the amount of ~~\$600~~ based on the Public Agency's total capital expenditures for the most recent complete fiscal year for the services under this Contract. Total capital expenditures for cities are the total of BARS code lines 594 and 595 and similar BARS codes for other public agencies. The amount will be paid in full prior to the publication by MRSC of the first biannual legal notice after the signing of the Contract, which will be either in January or June for the MRSC Rosters, and on the subsequent anniversary dates of the publication date.

Total Capital Expenditures*	Annual Membership Fee
Less than 5	\$120
5 to 10	\$240
10 to 15	\$360
15 to 25	\$480
25 to 50	\$600
More than 50	\$900

**Total capital expenditures in millions*

7. Relationship of Parties. MRSC agrees that it will perform the services under this Contract as an independent contractor and not as an agent, employee, or servant of the Public Agency. Nothing in this Contract shall be construed to render the parties partners or joint venturers.

8. Limitation of MRSC Liability. MRSC shall not be, directly or impliedly, a party to any contract with small works, consulting, or vendor businesses into which the Public Agency may enter as a result of the Public Agency's use of the MRSC Rosters. MRSC does not accept responsibility or liability for the performance of any business used by the Public Agency as a result of its use of the MRSC Rosters.

9. Hold Harmless and Indemnification. Each party shall defend, indemnify, and hold the other party harmless from any and all claims, injuries, damages, losses, or suits, including attorney fees, arising from any negligent act or omission that party's officers, employees, volunteers, and agents in connection with the performance of this Contract.

10. Termination. This Contract may be terminated, with or without cause, by written notice of either party to the other. Termination shall be effective thirty (30) days after written notice. Termination of the contract by the Public Agency does not entitle the Public Agency to a refund of the membership fee prorated as to the time remaining in the contract term following termination.

11. Non-assignment. MRSC shall not subcontract or assign any of the rights, duties, or obligations imposed upon it by this Contract without the prior express written consent of the Public Agency.

12. Governing Law and Venue. This Contract shall be governed by the laws of the State of Washington.

13. Authority. Each signatory to this Contract represents that he or she has full and sufficient authority to execute this Contract on behalf of MRSC or the Public Agency, as the case may be, and that upon execution of this Contract it shall constitute a binding obligation of MRSC or the Public Agency, as the case may be.

14. Severability. Should any clause, phrase, sentence or paragraph of this Contract be declared invalid or void, the remaining provisions of this Contract shall remain in full force and effect.

15. Complete Agreement. This Contract constitutes the entire understanding of the parties. Any written or verbal agreements that are not set forth herein or incorporated herein by reference are expressly excluded.

16. Contacts. For purposes of Contract administration, the Public Agency designates the following contacts:

Primary Contact:

Name: Maureen Whitaker
Title: Asst. City Clerk
Email: whitakerm@cityofgig Harbor.net
Telephone: (253) 853-7618
Facsimile: (253) 853-7697

Alternative Contact:

Name: Stephen Misiurak
Title: City Engineer
Email: misiuraks@cityofgig Harbor.net
Telephone: (253) 853-7626
Facsimile: (253) 853-7697

17. Signatures. By signing this Contract, the signatories below certify that they have the authority to enter into this Contract, that they agree to payment of fees in accordance with the stated Public Agency Fee Structure and that they agree that the Public Agency shall be bound by and adhere to the Terms and Conditions stated.

MRSC

PUBLIC AGENCY

[Signature]

[Signature]

Executive Director

[Title]

[Title]

[Date]

[Date]

Submit signed contract with annual membership fee to:
MRSC Rosters
Municipal Research and Services Center
2601 Fourth Avenue
Suite 800
Seattle, WA 98121-1280



Business of the City Council
City of Gig Harbor, WA

Subject: Washington State Department of Transportation (WSDOT) Reimbursable Agreement for State Materials Lab Engineering and/or Testing Services.

Proposed Council Action: Approve and authorize the Mayor to execute an agreement between WSDOT and the City of Gig Harbor for a term of ten years that allows WSDOT to perform work on an as-needed basis when requested by the City of Gig Harbor.

Dept. Origin: Public Works/Engineering

Prepared by: Stephen Misiurak, P.E. City Engineer

For Agenda of: October 8, 2012

Exhibits: Agreement No. JM1118

Concurred by Mayor: Initial & Date
Approved by City Administrator:
Approved as to form by City Atty:
Approved by Finance Director:
Approved by Department Head:

Table with 6 columns: Expenditure Required, \$ Per attached Rate Sheet, Amount Budgeted, \$ Per Project, Appropriation Required, \$ 0

INFORMATION / BACKGROUND

This Agreement provides for on-call WSDOT inspection fabrication inspection services as requested by the City. Specifically, WSDOT will be providing factory fabrication inspection services for the new reinforced concrete "Bulb tee" Donkey Creek bridge.

FISCAL CONSIDERATION

Payment for WSDOT services will be in accordance with the attached testing rate schedule and will be paid from the specific project capital funds.

BOARD OR COMMITTEE RECOMMENDATION

N/A.

RECOMMENDATION / MOTION

Approve and authorize the Mayor to execute an agreement between WSDOT and the City of Gig Harbor for a term of ten years that allows WSDOT to perform work on an as-needed basis when requested by the City of Gig Harbor.



Reimbursable Agreement for State Materials Lab Engineering and/or Testing Services

Reimbursable Agreement for State Materials Lab Engineering and/or Testing Services	Entity Name City of Gig Harbor		Agreement Number JM1118
	Entity Billing Address 3510 Grandview Street, Gig Harbor, WA 98335-1214		
	Contact Name Stephen Misiurak		Contact Phone 253-853-7626
			Contact Email <i>Misiuraks@cityofgigharbor.net</i>
	Federal Tax ID# 916001435	Agreement Title Fabrication Inspection Services	
Description of Work Upon request by City of Gig Harbor, WSDOT Materials Laboratory will provide Engineering Services & Testing.			

This AGREEMENT is made and entered into by and between the Washington State Department of Transportation, hereinafter "WSDOT," and the above named entity, hereinafter the "ENTITY."

Whereas, the WSDOT Materials Lab performs engineering and/or testing services related to proposals by other entities, either to ensure that materials proposed by those entities for use within WSDOT highway right of way comply with applicable WSDOT standards, or to determine whether existing state highway infrastructure can withstand impacts from proposed actions by other entities within WSDOT highway right of way, and

Whereas, WSDOT also provides engineering and/or testing services upon request by local governmental agencies related to local agency roadway infrastructure at the local agency's cost, and

Whereas, the ENTITY has requested WSDOT to perform certain materials engineering and/or testing services as described above in the Description of Work (hereinafter "Work"), and

Whereas, WSDOT has the necessary personnel and equipment available and is willing to perform the Work, subject to the terms and conditions herein.

NOW, THEREFORE, pursuant to RCW 47.01.260 and/or Chapter 39.34 RCW, the above recitals that are incorporated herein as if set forth below, and in consideration of the terms, conditions, provisions, and Exhibit A which is attached hereto and by this reference made a part of this Agreement,

IT IS HEREBY AGREED AS FOLLOWS:

1. SCOPE OF WORK

- 1.1 The term "Work," as used herein, includes any and all work by WSDOT in its performance of the engineering and/or testing services specified in the "Description of Work," above. Subject to the terms and conditions herein, WSDOT agrees to perform the Work using WSDOT labor, equipment, and materials.

2. TERM

2.1 Check one of the following as applicable to this Agreement:

- The term of this Agreement shall begin upon the date of execution by both Parties and shall remain in effect until WSDOT has completed the Work detailed in Exhibit A; OR should the ENTITY terminate this Agreement pursuant to Section 5, this Agreement shall terminate when the ENTITY has made full payment for all WSDOT-incurred costs up to the date of termination.

This selection may only be used if the ENTITY is a public agency

- The term of this Agreement shall begin upon the date of execution by both Parties and shall remain in effect for ten (10) years, subject to renewal by the Parties. This Agreement may be terminated pursuant to Section 5. In the event of termination, this Agreement shall terminate when the ENTITY has made full payment for all WSDOT-incurred costs up to the date of termination.

3. PAYMENT

3.1 Check one of the following as applicable to this Agreement:

For Public Agency ENTITIES

- A cost estimate for the Work is detailed in Exhibit A. WSDOT will invoice the ENTITY monthly for the actual direct and related indirect costs incurred by WSDOT in the performance of the Work completed during the previous month. The cost estimates in Exhibit A are based on established WSDOT Materials Lab cost recovery rates. These rates are periodically recalculated and are subject to change without notice. Current rate schedules are published at: <http://www.wsdot.wa.gov/business/materialslab/>.

The Parties agree that any estimated costs for the Work may be exceeded by up to twenty five percent (25%) before an amendment to this Agreement is required. Once the costs reach the estimate in Exhibit A plus the 25% overrun allowance, WSDOT shall stop all Work until an amendment has been executed increasing the maximum dollar amount payable under this Agreement, or a decision is reached to terminate this Agreement.

- The Term of this Agreement is ten (10) years; during which time WSDOT agrees to perform Work on an as-needed basis when requested by the ENTITY. During the Term of this Agreement, WSDOT will invoice the public agency ENTITY for the actual direct and related indirect costs incurred by WSDOT in the performance of the Work according to the WSDOT Materials Lab cost recovery rates and WSDOT indirect cost recovery rate in effect when the Work is performed. The current WSDOT Materials Lab cost recovery rate schedule is detailed in Exhibit A; however, these rates are periodically recalculated and subject to change without notice. Current rate schedules are published at: <http://www.wsdot.wa.gov/business/materialslab/>.

For Private ENTITIES

- A cost estimate for the Work is detailed in Exhibit A. Upon execution of this Agreement by both Parties, the ENTITY shall provide advance payment to WSDOT for the full estimated amount in Exhibit A. WSDOT will not begin the Work until receipt of said payment from the ENTITY. The cost estimates in Exhibit A are based on established WSDOT Materials Lab cost recovery rates. These rates are periodically recalculated and are subject to change without notice. Current rate schedules are published at: <http://www.wsdot.wa.gov/business/materialslab/>.

WSDOT will monitor its expenditures for the Work and will provide an updated cost estimate to the ENTITY in the event that WSDOT believes that the cost of the Work will exceed the costs detailed in Exhibit A. In such an event, the ENTITY shall pay WSDOT additional costs for the Work as detailed in the updated cost estimate in order for the Work to proceed after WSDOT has expended the ENTITY's initial advance payment. The Parties acknowledge that WSDOT cannot perform any Work after it has expended the ENTITY's initial advance payment until such time that the ENTITY has provided additional payment as described in this section.

In the event that the actual cost of the Work is less than the estimated amount in Exhibit A, WSDOT will refund the difference between the ENTITY's advance payment described above and the actual cost of the Work within thirty (30) calendar days following completion of the Work.

3.2 The ENTITY agrees to reimburse the WSDOT for the actual direct and related indirect costs for the Work within thirty (30) calendar days of receipt of a WSDOT invoice. The ENTITY agrees further that if payment is not made to the WSDOT as herein agreed, WSDOT may charge late fees, interest or refer the debt to a collection agency, all in accordance with Washington State Law.

4. TERMINATION

4.1 Either Party may terminate this Agreement upon thirty (30) calendar days written notice to the other Party. If this Agreement is terminated by either Party prior to completion of the Work specified herein, the ENTITY agrees to and shall reimburse WSDOT for all actual direct and related indirect expenses and costs incurred up to the date of termination associated with the Work.

5. MODIFICATIONS

5.1 This Agreement may be amended by the mutual agreement of the Parties. Such amendments or modification shall not be binding unless they are in writing and signed by persons authorized to bind each Party.

6. RECORDS

6.1 All records for performance of the Work, including labor, material and equipment records in support of all WSDOT costs shall be maintained by WSDOT for a period of six (6) years from the date of termination of this Agreement. The ENTITY shall have full access to and right to examine said records during normal business hours and as often as it deems necessary, and should the ENTITY require copies of any records, it agrees to pay the costs thereof. The Parties agree that the work performed herein is subject to audit by either or both Parties and/or their designated representatives and/or state and federal government.

7. DISPUTES AND VENUE

7.1 In the event that a dispute arises under this Agreement, it shall be resolved as follows: The WSDOT's appropriate administrator or designee and the ENTITY's head or designee shall review the applicable facts, contract terms, statutes and rules affecting the dispute to in good faith resolve the matter.

7.2 In the event that either Party deems it necessary to institute legal action or proceedings to enforce any right or obligation under this Agreement, the Parties hereto agree that any such action or proceedings shall be brought in a court of competent jurisdiction situated in Thurston County, Washington. Each Party further agrees that it shall be solely responsible for the payment of its attorney fees and costs.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Party's date last signed below.

**STATE OF WASHINGTON
DEPARTMENT OF TRANSPORTATION**

ENTITY

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A
 Washington State
 Department of Transportation
 Materials Lab

Basic Accounting and Testing System
 Schedule of Billing Rates for Services and Testing
 Effective Date: 07/01/2012

Service Code	Description	Hourly Rate	O.T. Rate	DSTR Flag
S002	HOURLY LAB TESTING (MISC SAMPLES)	93.49	104.28	Y
S003	DRAFTING	96.65	109.86	Y
S004	DESIGN REVIEW & INVESTIGATION	107.46	115.74	Y
S005	PS&E REVIEW	107.46	115.74	Y
S006	LANDSLIDE ANALYSIS	107.46	115.74	Y
S007	CONST. PROJ. REVIEW: FIELD & SPEC	107.46	115.74	Y
S008	PAINT INSPECTION	107.46	115.74	Y
S009	PROJECT DOCUMENTATION & CERTIFICATION	107.46	115.74	Y
S010	RESEARCH ANALYSIS & REPORT WRITING	107.46	115.74	Y
S011	SUPERVISION OF REVIEW CODES 04 THRU 10	107.46	115.74	Y
S012	BUILDING MAINTENANCE & REPAIR	95.80	108.60	Y
S013	MTP DATA TRANSFER	107.46	115.74	Y
S021	TRAINING AND PREPARATION	107.46	115.74	Y

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Service Code	Description	Hourly Rate	O.T. Rate	DSTR Flag
S102	HOURLY LAB TESTING (MISC SAMPLES)	93.49	104.28	Y
S103	DRAFTING	96.65	109.86	Y
S104	DESIGN REVIEW & INVESTIGATION	107.46	115.74	Y
S105	PS&E REVIEW	107.46	115.74	Y
S106	LANDSLIDE ANALYSIS	107.46	115.74	Y
S107	CONST. PROJ. REVIEW : FIELD & SPEC	107.46	115.74	Y
S108	PAINT INSPECTION	107.46	115.74	Y
S109	PROJECT DOCUMENTATION & CERTIFICATION	107.46	115.74	Y
S110	RESEARCH ANALYSIS & REPORT WRITING	107.46	115.74	Y
S111	SUPERVISION OF REVIEW CODES 04 THRU 10	107.46	115.74	Y

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Test Code	Description	Test Time	Test Rate	DSTR Flag	Method
T100	NOT TEST HANDLING CHARGE (LIQUID LAB)	1.00	93.49	Y	
T101	RESIDUE EVAPORATION LATEX MODIFIED EMULSIFIED	2.00	186.98	Y	CAL 331
T102	RECOVERY FROM DEFORMATION LATEX MODIFIED ASPHALT E	1.00	93.49	Y	CAL 332
T103	MULTIPLE STRESS CREEP RECOVERY WITH DSR SPECIFICAT	.50	46.75	Y	TP70
T104	MULTIPLE STRESS CREEP RECOVERY WITHOUT DSR SPECS	1.00	93.49	Y	TP70
T105	REGION DEVICE CALIBRATION & PAPERWORK (THERMOMETER)	1.00	93.49	Y	
T106	NUCLEAR GAUGE CALIBRATION MODEL 3430	3.00	280.47	Y	
T107	NUCLEAR GAUGE CALIBRATION MODEL 3450	4.00	373.96	Y	
T108	CLEANING OF NUCLEAR DENSITY GAUGE	1.00	93.49	Y	
T109	REPAIR ON NUCLEAR DENSITY GAUGE	1.00	93.49	Y	
T117	ELASTIC RECOVERY BY MEANS OF DUCTILOMETER	1.00	93.49	Y	T301
T118	ELASTIC RECOVERY	2.00	186.98	Y	CAL 331, CAL 332
T119	DYNAMIC SHEAR RHEOMETER	1.00	93.49	Y	T315
T120	FLEXURAL CREEP(BBR)	1.00	93.49	Y	T313
T121	PAV AGING AND BINDER	.50	46.75	Y	R28
T123	SP. GR. AND DENSITY SEMI SOLID BITUMEN	2.00	186.98	Y	T228
T124	VISCOSITY, BROOKFIELD	1.00	93.49	Y	T316
T125	VISCOSITY, SAYBOLT	1.00	93.49	Y	T59
T126	VISCOSITY, KINEMATIC	1.00	93.49	Y	T201
T127	PENETRATION, CONE	3.00	280.47	Y	D217
T129	FLOAT TEST	2.00	186.98	Y	T50
T130	RTFO TEST (CONDITION ONLY)	1.00	93.49	Y	T240
T131	RTFO TEST (LOSS ON HEAT)	1.00	93.49	Y	T240
T132	PENETRATION	1.00	93.49	Y	T49
T133	VISCOSITY (ABSOLUTE)	1.00	93.49	Y	T202
T134	FLASH POINT (COC)	1.25	116.86	Y	T48
T135	DUCTILITY, STANDARD METHOD TEST	1.50	140.23	Y	T51
T137	SOFTENING POINT	2.00	186.98	Y	T53
T138	PARTICLE CHARGE	.50	46.75	Y	T59
T139	PH CHARGE	1.00	93.49	Y	T200

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Test Code	Description	Test Time	Test Rate	DSTR Flag	Method
T141	SOLUBILITY	1.00	93.49	Y	T44
T145	DISTILLATION - EMULSIFIED ASPHALT	2.00	186.98	Y	T59
T146	EMULSION RESIDUE BY EVAPORATION	2.00	186.98	Y	T59
T150	ANTI-STRIP EVALUATION (CONFORMATION)	1.25	116.86	Y	T718, T712, T312, T166
T15A	BULK SPECIFIC GRAVITY OF COMPACTED ASPHALT MIX	.25	23.37	Y	T166, T275
T15B	BULK SPECIFIC GRAVITY OF COMPACTED ASPHALT (CONF)	.75	70.12	Y	T166, T275, T712, T312
T15C	BULK SPECIFIC GRAVITY OF COMPACTED ASPHALT (LAB)	1.25	116.86	Y	T166, T275, T724, T726, R30, T312
T162	MIX DESIGN (RECORD REFERENCE)	3.50	327.21	Y	
T165	'NO TEST' HANDLING CHARGE (BIT MIX)	.50	46.75	Y	
T166	HOURLY LAB TESTING (BIT MIX)	1.00	93.49	Y	
T167	GRADATION (RECOVERED AGGREGATE)	.75	70.12	Y	T27/11
T16A	MAXIMUM SPECIFIC GRAVITY OF BITUMINOUS PAVE MIX	1.00	93.49	Y	T209
T16B	MAXIMUM SPECIFIC GRAVITY OF BITUMINOUS PAVE (CONF)	1.25	116.86	Y	T209, T712
T16C	MAXIMUM SPECIFIC GRAVITY OF BITUMINOUS PAVE (LAB)	1.75	163.61	Y	T209, T724, T726, R30
T173	HOURLY LAB TESTING (LIQUID)	1.00	93.49	Y	
T174	'NO TEST' HANDLING CHARGE (LIQUID)	.50	46.75	Y	
T176	ADDITIONAL SUPPLIER ANTISTRIP EVALUATION	8.50	794.67	Y	T718, T724, T166, T726, R30, T312
T177	ANTISTRIP EVALUATION	36.25	3389.01	Y	R30, T312, T209, T166, T726, T718, T724, SOP7
T17A	ASPHALT CONTENT DETERMINATION	1.00	93.49	Y	T308, T329
T17B	ASPHALT CONTENT DETERMINATION (CONFORMATION)	1.50	140.23	Y	T308, T712, T329
T17C	ASPHALT CONTENT DETERMINATION & GRADATION (PER)	2.25	210.35	Y	T308, T27/11, T329
T184	SHORT AND LONG-TERM AGING OF HMA	.25	23.37	Y	R30
T185	IGNITION FURNACE CALIBRATION FACTOR SAMPLE PREP	.50	46.75	Y	T724, T726, SOP728
T186	IGNITION FURNACE (BURN ONLY)	.50	46.75	Y	T308
T187	MOISTURE CONTENT OF HMA	.50	46.75	Y	T329
T188	REDUCING HMA TO TEST SIZE (CONFORMATION SAMPLE)	.50	46.75	Y	T712
T189	AGGREGATE PREPARATION (PER SAMPLE)	.25	23.37	Y	T724
T18A	GYRATORY COMPACTION (LAB FABRICATED SAMPLE)	1.00	93.49	Y	T312, T724, T726, R30

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Test Code	Description	Test Time	Test Rate	DSTR Flag	Method
T18B	GYRATORY COMPACTION (CONFORMATION SAMPLE)	.50	46.75	Y	T312,T712
T190	MIXING PROCEDURE FOR HMA	.25	23.37	Y	T726
T191	HMA CONFORMATION SAMPLE TESTING (COMPLETE)	9.00	841.41	Y	T712,T312,T166,T209,T718,T308,T329,T27
T192	HAMBURG SPECIMEN PREPARATION (CUTTING)	.50	46.75	Y	
T193	HAMBURG CONFORMATION TEST (INCL PREP,SET UP,CLEAN)	5.50	514.19	Y	T712,T312,T166,T324
T194	HAMBURG MIX DESIGN VERIFY (INCL PREP,SETUP,CLEAN)	12.00	1121.88	Y	T724,T726,R30,T312,T166,T324
T195	HAMBURG ROADWAY CORE TESTING (PREP,SETUP,CLEAN)	3.00	280.47	Y	T324
T196	DYNAMIC ANGLE VALIDATOR (DAV) CALIBRATION	2.00	186.98	Y	

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Service Code	Description	Hourly Rate	O.T. Rate	DSTR Flag
S202	HOURLY LAB TESTING (MISC SAMPLES)	93.49	104.28	Y
S203	DRAFTING	96.65	109.86	Y
S204	DESIGN REVIEW & INVESTIGATION	107.46	115.74	Y
S205	PS&E REVIEW	107.46	115.74	Y
S206	LANDSLIDE ANALYSIS	107.46	115.74	Y
S207	CONST. PROJ. REVIEW : FIELD & SPEC	107.46	115.74	Y
S208	PAINT INSPECTION	107.46	115.74	Y
S209	PROJECT DOCUMENTATION & CERTIFICATION	107.46	115.74	Y
S210	RESEARCH ANALYSIS & REPORT WRITING	107.46	115.74	Y
S211	SUPERVISION OF REVIEW CODES 04 THRU 10	107.46	115.74	Y

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Test Code	Description	Test Time	Test Rate	DSTR Flag	Method
T25E	TIME OF SET/VICAT	1.00	93.49	Y	T131
T25F	AIR CONTENT OF MORTAR	1.50	140.23	Y	T137
T25G	SPECIFIC SURFACE	1.50	140.23	Y	T153
T25M	CEMENT/LATEX COMPATABILITY	3.00	280.47	Y	W313
T25N	PERCENT SOLIDS	.50	46.75	Y	D4758
T25Q	CEMENT/COMPLETE PHYSICAL ANALYSIS	8.00	747.92	Y	T106, T107, T131, T153, T129, T133, T160
T25R	CEMENT/LOG IN AND HANDLING	.50	46.75	Y	
T25S	CEMENT/TESTING NOT OTHERWISE CODED	1.00	93.49	Y	
T25T	CURING COMPOUND COMPLETE	5.25	490.82	Y	W814
T25U	CURING COMPOUND-WT/GAL	1.00	93.49	Y	D1475
T25V	CURING COMPOUND/VISCOSITY	1.00	93.49	Y	D562
T2A5	NEOPRENE BEARING PAD - COMPLETE	5.50	514.19	Y	D412, D395, D573, D624, D1149, D2137, D2240
T2A6	FLY ASH	8.50	794.67	Y	C311, C114
T2B0	CONCRETE MIXING WATER, TOTAL SOLIDS	1.25	116.86	Y	W408
T2B1	CONCRETE MIXING WATER, CHLORIDES AND SULFATES	4.25	397.33	Y	T260A
T2B2	BRIDGE DECK - CHLORIDES	.33	30.85	Y	T260A
T2B3	PORTLAND CEMENT - COMPLETE	8.50	794.67	Y	T105
T2B4	PORTLAND CEMENT - ALKALI CONTENT	2.00	186.98	Y	
T2B5	PAINT - I.R. SCAN	2.25	210.35	Y	E168, E1252
T2B6	PAINT - COMPLETE TRAFFIC PAINT	2.25	210.35	Y	D562, D1475
T2B7	PAINT - COMPLETE BRIDGE PAINT	4.75	444.08	Y	FTMS 141: 4061, 4411, D1475, D562
T2B8	PAINT - WT./GAL.	1.25	116.86	Y	D1475
T2B9	PAINT - VISCOSITY	1.00	93.49	Y	D562
T2C0	PAINT - SAG INDEX	1.00	93.49	Y	
T2C1	PAINT - GRIND	1.00	93.49	Y	FTMS 141: 4411
T2C2	PAINT - DRYING TIME	1.00	93.49	Y	FTMS 141: 4061
T2C3	PAINT - REFLECTANCE	1.25	116.86	Y	
T2C7	PAINT - PIGMENT CONTENT	2.25	210.35	Y	FTMS 141: 4021
T2C8	PAINT - NON-VOLATILE CONTENT	2.50	233.73	Y	FTMS 141: 4053, D2369, D1208
T2C9	FERTILIZER - ANALYSIS PER ELEMENT	2.00	186.98	Y	W415
T2D0	SULFUR CONTENT	3.00	280.47	Y	
T2D1	ORGANIC CONTENT BY LOI	2.25	210.35	Y	T267

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Test Code	Description	Test Time	Test Rate	DSTR Flag	Method
T2D3	LANE MARKERS/BUTTONS - MEASUREMENTS	1.25	116.86	Y	
T2D5	RUMBLE BAR MEASUREMENTS	2.25	210.35	Y	
T2D9	REINFORCING STEEL - CARBON CONTENT	2.00	186.98	Y	
T2E1	P.V.C. WATERSTOP - TENSILE STRENGTH	5.25	490.82	Y	D412, D624
T2E2	WATER PIPE: GALVANIZED	1.25	116.86	Y	T65, E376
T2E3	WATER PIPE P.V.C.	.75	70.12	Y	
T2F1	EPOXY NITROGEN CONTENT (KJELDAHL)	2.25	210.35	Y	LECO
T2F2	EPOXY BONDING SHEAR STRENGTH	5.50	514.19	Y	C881
T2F3	EPOXY COMPRESSIVE SHEAR (DOUBLE) STRENGTH (3 CUBES)	2.00	186.98	Y	C881
T2F7	EPOXY POT LIFE	1.00	93.49	Y	
T2F8	EPOXY I.R. SCAN	1.25	116.86	Y	E168
T2F9	SIGNING MG++ CONTENT	4.00	373.96	Y	
T2G0	CONDUIT: GALVANIZED	1.25	116.86	Y	T65, E376
T2G1	CONDUIT PVC - MEASUREMENTS	.75	70.12	Y	
T2G2	FENCING: GALVANIZED	1.25	116.86	Y	T65, E376
T2G3	FENCING - MEASUREMENTS	.75	70.12	Y	
T2G4	PREMOLDED JOINT FILLER - COMPLETE	3.50	327.21	Y	T42
T2G6	PREMOLDED JOINT FILLER - BITUMEN CONTENT	1.00	93.49	Y	T42
T2G8	HOT Poured JOINT SEALER - COMPLETE	10.50	981.65	Y	W412, T48, D5167, D5329
T2G9	HOT Poured JOINT SEALER - PENETRATION	.75	70.12	Y	
T2H1	POURED RUBBER JOINT SEALER -COMPL	10.50	981.65	Y	W412, D2240, D5329
T2H6	NEOPRENE COMPRESSION SEAL	4.50	420.71	Y	D2628
T2H7	PH	.75	70.12	Y	D1293
T2H8	ATOMIC ABSORPTION - PER ELEMENT	2.25	210.35	Y	PERKINS-ELMER
T2H9	I. R. SPEC.	2.25	210.35	Y	E168, E1252
T2J1	CHLORIDE CONTENT	2.00	186.98	Y	T260A
T2J3	NITROGEN CONTENT (KJELDAHL)	2.25	210.35	Y	LECO
T2J4	TENSILE STRENGTH	2.00	186.98	Y	
T2J5	CALORIFIC DETERMINATION (BTU)	3.25	303.84	Y	D2015
T2J6	MEASUREMENTS:	.75	70.12	Y	
T2J7	GALVANIZING	1.25	116.86	Y	T65, E376
T2J8	MOISTURE LOSS	2.25	210.35	Y	

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Test Code	Description	Test Time	Test Rate	DSTR Flag	Method
T2J9	CARBON ANALYSIS (LECO)	2.25	210.35	Y	LECO
T2K0	WT./GAL.	1.25	116.86	Y	
T2K2	VICOSITY (K.U.)	1.25	116.86	Y	D1475
T2K3	DUROMETER	1.50	140.23	Y	D2240
T2K4	NON-VOLATILES	2.50	233.73	Y	
T2K5	DENSITY	1.25	116.86	Y	
T2K7	TOTAL SOLIDS	1.25	116.86	Y	
T2K8	IMPACT RESISTANCE (REBAR FEET)	1.00	93.49	Y	W419
T2K9	'NO TEST' LOGGING IN AND HANDLING CHARGE	.75	70.12	Y	
T2L0	HOURLY LAB TESTING	1.00	93.49	Y	
T2M1	COMPRESSIVE STRENGTH, CUBES	2.25	210.35	Y	C579
T2M2	COMPRESSIVE STRENGTH, FABRIC PADS	1.25	116.86	Y	
T2M3	STEEL ANALYSIS - PER ELEMENT	2.25	210.35	Y	

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Service Code	Description	Hourly Rate	O.T. Rate	DSTR Flag
S302	HOURLY LAB TESTING (MISC SAMPLES)	93.49	104.28	Y
S303	DRAFTING	96.65	109.86	Y
S304	DESIGN REVIEW & INVESTIGATION	107.46	115.74	Y
S305	PS&E REVIEW	107.46	115.74	Y
S306	LANDSLIDE ANALYSIS	107.46	115.74	Y
S307	CONST. PROJ. REVIEW : FIELD & SPEC	107.46	115.74	Y
S308	PAINT INSPECTION	107.46	115.74	Y
S309	PROJECT DOCUMENTATION & CERTIFICATION	107.46	115.74	Y
S310	RESEARCH ANALYSIS & REPORT WRITING	107.46	115.74	Y
S311	SUPERVISION OF REVIEW CODES 04 THRU 10	107.46	115.74	Y
S313	REVIEW AND APPROVAL OF SHOP DRAWINGS	107.46	115.74	Y
S314	TRAFFIC CONTROLLER ASSEMBLY	93.49	104.28	Y
S315	CEMENT CERTIFICATION REVIEW	107.46	115.74	Y
S389	NUCLEAR GAUGE WIPE TEST (NWR)	48.10	48.10	Y

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Test Code	Description	Test Time	Test Rate	DSTR Flag	Method
T333	FLEXIBILITY (HOT & COLD)	1.25	116.86	Y	D4956
T334	IMPACT RESISTANCE	.75	70.12	Y	D4956
T335	SHEETING (COMPLETE) (INCLUDES: (T333),	3.25	303.84	Y	D4956, T257
T336	REFLECTIVE SHEETING LEGEND	1.25	116.86	Y	T257
T341	PRELIMINARY SAMPLE : UNDERGROUND CONDUCTOR	3.00	280.47	Y	D470, D2633
T343	LUMINAIRE SAMPLES	1.50	140.23	Y	
T344	LAMPS	1.00	93.49	Y	
T346	LANE MARKERS - TYPE II	.75	70.12	Y	T257
T347	COPPER WIRE & CABLE (PER SAMPLE)	.50	46.75	Y	D470, D2633
T348	PRISMATIC PAVEMENT MARKERS	1.00	93.49	Y	T257
T350	'NO TEST' LOGGING IN AND HANDLING CHARGE	.50	46.75	Y	
T351	HOURLY LAB TESTING	1.00	93.49	Y	
T352	TRAFFIC CONTROLLER TESTING (PER HOUR)	1.00	93.49	Y	T421, T422, T423, T424, T425, T427, T428, SOP429

**Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012**

Service Code	Description	Hourly Rate	O.T. Rate	DSTR Flag
S402	HOURLY LAB TESTING (MISC SAMPLES)	93.49	104.28	Y
S403	DRAFTING	96.65	109.86	Y
S404	DESIGN REVIEW & INVESTIGATION	107.46	115.74	Y
S405	PS&E REVIEW	107.46	115.74	Y
S406	LANDSLIDE ANALYSIS	107.46	115.74	Y
S407	CONST. PROJ. REVIEW : FIELD & SPEC	107.46	115.74	Y
S408	PAINT INSPECTION	107.46	115.74	Y
S409	PROJECT DOCUMENTATION & CERTIFICATION	107.46	115.74	Y
S410	RESEARCH ANALYSIS & REPORT WRITING	107.46	115.74	Y
S411	SUPERVISION OF REVIEW CODES 04 THRU 10	107.46	115.74	Y
S412	SUPERVISION OF MATERIALS INSPECTION	107.46	115.74	Y
S416	MATERIALS INSPECTION - NO TRAVEL	108.52	115.91	Y
S417	MATERIALS INSPECTION - IN-STATE	120.74	128.14	Y
S418	MATERIALS INSPECTION - OUT-OF-STATE	120.74	128.14	Y
S419	REPORT COPYING & DISTRIBUTION	96.65	109.86	Y
S421	CONCRETE MIX DESIGN EVALUATION	107.46	115.74	Y
S424	PIT AND QUALIFIED PRODUCT TEST RESULT PROCESS	107.46	115.74	Y
S426	COMPLIANCE REVIEW & QUALIFIED SOURCES	107.46	115.74	Y
S428	DOCUMENTATION INVESTIGATION AND REVIEW	107.46	115.74	Y
S429	P, S & E PROCESSING (2 HOUR CHARGE)	214.92	231.48	Y
S430	RECORD OF MATERIALS	107.46	115.74	Y
S431	REQUEST FOR APPROVAL OF MATERIALS SOURCE, CATALOG	107.46	115.74	Y
S432	QUALIFIED PRODUCTS LIST/AGGREGATE SOURCE APPROVAL	537.31	578.71	Y
S433	REGION AD & AWARD ROUTING (2 HR CHARGE)	214.92	231.48	Y
S489	PRESTRESS PLANT INSPECTION IN STATE W/TRAVEL	109.93	123.66	Y
S491	PRESTRESS PLANT INSPECTION, HQ NO TRAVEL	97.71	111.43	Y
S492	PRESTRESS PLANT INSPECTION W/TRAVEL, OUT-OF-STATE	109.93	123.66	Y
S493	CROSSHOLE SONIC LOGGING	117.56	130.72	Y
S494	CROSSHOLE SONIC LOGGING W/TRAVEL	129.78	142.94	Y

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Test Code	Description	Test Time	Test Rate	DSTR Flag	Method
T428	MAT'LS ACCEPTANCE REPORTS & MANUFACTURING CERTIFIC	1.00	93.49	Y	
T42G	PIT & QUALIFIED PRODUCT LIST UPDATE	.50	46.75	Y	
T432	COARSE GRADING-LOS ANGELES ABRASION	2.75	257.10	Y	101
T43A	PRELIMINARY SAMPLE/CRSE GRDNG	2.50	233.73	Y	T248
T43B	OTHER SAMPLES-CRSE GRDNG	1.00	93.49	Y	T27/11
T43C	FRACTURE COUNT/COARSE	1.00	93.49	Y	TM-1
T43D	LOS ANGELES ABRASION	2.75	257.10	Y	T-96
T43E	MULCH	1.00	93.49	Y	T123
T43F	BARK MULCH	1.50	140.23	Y	T123
T43G	SEED	.50	46.75	Y	
T43H	STABILOMETER PREPARATION	1.00	93.49	Y	T611
T43J	MAX DENSITY PREPARATION	.50	46.75	Y	T606
T43L	COARSE GRADING/LOG IN AND HANDLING	.50	46.75	Y	
T43M	COARSE GRADING/TESTING NOT OTHERWISE CODED	1.00	93.49	Y	
T43N	ACP PREPARATION	.25	23.37	Y	T724
T43P	FLAT & ELONGATED PARTICLES	1.00	93.49	Y	D4791
T44A	SIEVE ANALYSIS-FINE	1.50	140.23	Y	T27/11
T44B	SAND EQUIVALENT	1.50	140.23	Y	T-176
T44C	FRACTURE COUNT-FINE	.75	70.12	Y	TM-1
T44D	SPECIFIC GRAVITY, BULK SSD, COARSE	1.00	93.49	Y	T-85
T44E	SPECIFIC GRAVITY, BULK SSD, FINE	2.50	233.73	Y	T-84
T44F	ORGANIC CONTENT OF AGGREGATE	.50	46.75	Y	T-21
T44H	DEGRADATION	1.75	163.61	Y	T113
T44J	LIQUID AND PLASTIC LIMITS	1.50	140.23	Y	T89,T90
T44K	TOP SOIL/COMPLETE, 2 HR. HYDRO	4.00	373.96	Y	T124
T44N	SOILS TEST/COMPLETE(MR)	2.00	186.98	Y	T-292
T44P	RESISTIVITY TEST	1.00	93.49	Y	T417,T288
T44Q	SP. G. AND ABSORPTION, COARSE	1.50	140.23	Y	T-85
T44R	SP. G. AND ABSORPTION, FINE	2.50	233.73	Y	T-84
T44S	MOISTURE CONTENT/AGGREGATE	.50	46.75	Y	T-255
T44T	FINE GRADING/LOG IN AND HANDLING	.50	46.75	Y	
T44U	FINE GRADING/TESTING NOT OTHERWISE CODED	1.00	93.49	Y	

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Test Code	Description	Test Time	Test Rate	DSTR Flag	Method
T44V	PH SOIL	1.00	93.49	Y	T417, T289
T44W	UNCOMPACTED VOID CONTENT	1.00	93.49	Y	T-304
T44Y	LOGIN AND HANDLING/AGGREGATE TESTING	.50	46.75	Y	
T44Z	TESTING NOT OTHERWISE CODED	1.00	93.49	Y	
T45A	FINE AGGRIGATE/MORTAR STRENGTH TEST	3.25	303.84	Y	T-71
T45B	CUBE FABRICATION, MORTAR OR GROUT SET OF 3	2.50	233.73	Y	T813, T106
T45C	CUBE COMPRESSION TEST/ SET OF THREE	1.00	93.49	Y	T106
T45D	FLOW CONE TEST/MORTAR OR GROUT	3.00	280.47	Y	T939
T45E	TIME OF SET/VICAT	1.00	93.49	Y	T-131
T45F	AIR CONTENT OF MORTAR	1.50	140.23	Y	T-137
T45G	SPECIFIC SURFACE	1.50	140.23	Y	T-153
T45H	FINENESS / WET SIEVING	1.00	93.49	Y	T-192
T45J	FLY ASH TESTING/CEMENT	4.00	373.96	Y	C-311
T45K	SILICA FUME TESTING/CEMENT	4.00	373.96	Y	
T45L	JOINT SEALER/CONCRETE PATTIES SAWING	2.00	186.98	Y	
T45M	CEMENT/LATEX COMPATABILITY	3.00	280.47	Y	T313
T45N	% SOLIDS	.50	46.75	Y	
T45P	EXPERIMENTAL TESTING	1.00	93.49	Y	
T45Q	CEMENT/COMPLETE PHYSICAL ANALYSIS	8.00	747.92	Y	T-106, T-107, T129, T131, T-137, T-153, T-154
T45R	CEMENT/LOG IN AND HANDLING	.50	46.75	Y	
T45S	CEMENT/ TESTING NOT OTHERWISE CODED	1.00	93.49	Y	
T45T	CURING COMPOUND COMPLETE	5.25	490.82	Y	T413, T314
T45U	CURING COMPOUND-WT/GAL	1.00	93.49	Y	
T45V	CURING COMPOUND/VISCOSITY	1.00	93.49	Y	
T45W	ALKALI SILICA REACTIVITY	5.00	467.45	Y	T303
T46A	FORM RELEASE AGENTS	2.50	233.73	Y	T816
T46B	PCC COMPARISION/CYLINDERS	40.00	3739.60	Y	
T46C	PCC COMPARISON/BEAMS	45.00	4207.05	Y	
T46D	PCC COMPARISON/CYLINDERS AND BEAMS	75.00	7011.75	Y	
T46E	PCC COMPRESSIVE STRENGTH	.50	46.75	Y	T-22
T46F	PCC MIX DESIGN	40.00	3739.60	Y	
T46G	SPECIAL CONCRETE MIX DESIGN	80.00	7479.20	Y	

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Test Code	Description	Test Time	Test Rate	DSTR Flag	Method
T46H	PCC CYLINDER CUT OR CAP	.50	46.75	Y	T231
T46J	PCC OVERLAY TEST	2.50	233.73	Y	
T46K	PCC BLOCK FABRICATION	2.50	233.73	Y	
T46L	SPLIT CYLINDER SHEAR	2.50	233.73	Y	
T46M	CONCRETE ADHESION TEST	4.00	373.96	Y	
T46N	PCC CORES/COMPRESSIVE STRNTH	2.00	186.98	Y	T24
T46P	PCC CORES/HEIGHT MEASUREMENT	.50	46.75	Y	T812
T46Q	DOBIE SPECIMEN TESTING - SET OF 2	1.00	93.49	Y	
T46R	SLOPE PROTECTION BLOCKS	.50	46.75	Y	
T46T	FLY ASH TESTING/CONCRETE	4.00	373.96	Y	
T46V	PCC BEAM TESTING	1.50	140.23	Y	T808
T46W	UNIT WEIGHT OF AGGREGATE	1.00	93.49	Y	T121
T46X	CONCRETE/LOG IN AND HANDLING	.50	46.75	Y	
T46Y	CONCRETE/TESTING NOT OTHERWISE CODED	1.00	93.49	Y	
T46Z	RAPID CHLORIDE PERM TESTING EACH BISCUIT	3.00	280.47	Y	T-277
T47A	MESSENGER CABLE	1.50	140.23	Y	T244
T47B	POSTTENSION STRAND	1.25	116.86	Y	T244
T47C	WIRE ROPE	3.00	280.47	Y	T244
T47D	WIRE MESH	1.50	140.23	Y	T244
T47E	FENCING WIRE	2.00	186.98	Y	T244
T47F	GABION WIRE	1.50	140.23	Y	T244
T47G	DOWELL BARS	1.25	116.86	Y	T244
T47H	RE-BAR TESTING	1.00	93.49	Y	T244
T47J	THREADED DYWIDAG BARS	2.00	186.98	Y	T244
T47K	WELD TEST	2.00	186.98	Y	T244
T47L	WELD ACID ETCH TEST	3.00	280.47	Y	T244
T47M	ANCHOR BOLT	2.50	233.73	Y	T244, F606
T47N	OTHER BOLTS	2.00	186.98	Y	T244, F606
T47P	REINFORCING STEEL, SPLICING	1.00	93.49	Y	T244
T47Q	STRUCTURAL STEEL COUPONS	4.00	373.96	Y	T244
T47R	IRON AND STEEL SHAFTING	4.00	373.96	Y	
T47U	CULVERT/SEAM STRENGTH	3.00	280.47	Y	
T47V	HARDNESS/ALL STEEL	1.00	93.49	Y	T244

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Test Code	Description	Test Time	Test Rate	DSTR Flag	Method
T47W	STEEL - LOG IN AND HANDLING	.50	46.75	Y	
T47X	STEEL - NOT OTHERWISE CODED	1.00	93.49	Y	
T47Y	PRESTRESS STRAND	1.25	116.86	Y	T244
T47Z	PLASTIC CULVERT PIPE NOT OTHERWISE CODED	1.00	93.49	Y	
T48A	GEOTEXTILE GRAB STRENGTH	2.00	186.98	Y	D4632
T48B	WIDE WIDTH TENSILE STRENGTH	9.50	888.16	Y	D4595
T48D	TEARING STRENGTH	2.50	233.73	Y	D4533
T48E	BURSTING STRENGTH	1.50	140.23	Y	D3786
T48F	PUNCTURE STRENGTH	1.50	140.23	Y	D4833
T48H	GEOTEXTILE LOG IN AND HANDLING	.50	46.75	Y	
T48J	GEOTEXTILE TESTING NOT OTHERWISE CODED	1.00	93.49	Y	
T48K	APPARENT OPENING SIZE	6.00	560.94	Y	D4751
T48L	PERMEABILITY	1.50	140.23	Y	D4491
T48P	MEASUREMENT/THICKNESS, I	.50	46.75	Y	T923
T49T	FINE AGGREGATE ANGULARITY (SHRP)	2.00	186.98	Y	T304
T49U	COARSE AGGREGATE ANGULARITY (SHRP)	1.00	93.49	Y	D4791

**Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012**

Service Code	Description	Hourly Rate	O.T. Rate	DSTR Flag
S502	HOURLY LAB TESTING (MISC SAMPLES)	93.49	104.28	Y
S504	DESIGN REVIEW & INVESTIGATION	107.46	115.74	Y
S505	PS&E REVIEW	107.46	115.74	Y
S506	LANDSLIDE ANALYSIS	107.46	115.74	Y
S507	CONST. PROJ. REVIEW : FIELD & SPEC	107.46	115.74	Y
S510	RESEARCH ANALYSIS & REPORT WRITING	107.46	115.74	Y
S511	SUPERVISION OF REVIEW CODES 04 THRU 10	107.46	115.74	Y
S512	GEOLOGIC STUDIES - DESIGN	107.46	115.74	Y
S513	LINE REVIEW - DESIGN	107.46	115.74	Y
S514	FOUNDATION REVIEW - DESIGN & CONSTRUCTION	107.46	115.74	Y
S516	EQUIPMENT MAINTENANCE & REPAIR	95.80	108.60	Y
S517	TRAFFIC CONTROL GEOTECHNICAL/FIELD EXPLORATION	90.96	101.38	Y
S518	GEOTECHNICAL DATA COMPILATION	96.65	109.86	Y
S519	GEOTECHNICAL DESIGN & REVIEW CONSULTANT PROJECTS	107.46	115.74	Y
S520	GEOTECHNICAL GIS SERVICES	96.65	109.86	Y
S521	DRAFTING	96.65	109.86	Y
S522	BORING LOG PRODUCTION	96.65	109.86	Y
S523	REPORT COPYING & DISTRIBUTION	96.65	109.86	Y
S524	REVIEW & EVALUATION OF COST REDUCTION INCENTIVE	107.46	115.74	Y
S526	DESIGN BUILD PREPARATION, REVIEW & OVERSIGHT	107.46	115.74	Y
S572	TEST DRILLING, TRUCK MTD-NO TRAVEL	119.69	131.25	Y
S573	TEST DRILLING, DUTCH CONE-NO TRVL	152.45	164.01	Y
S574	TEST DRILLING, SKID DRILL-NO TRVL	116.61	128.17	Y
S575	TEST DRILLING, WATER WORK-NO TRAVEL	117.96	129.53	Y
S576	TEST DRILLING, DRLLNG INSP-NO TRAVL	94.23	105.79	Y
S577	TEST DRILLING, FIELD EXPLOR SUPV - NO TRAVEL	97.50	109.06	Y
S578	TEST DRILLING, EXTRA PERS-NO TRAVEL	94.23	105.79	Y
S586	TEST DRILLING, TRUCK MTD, W/TRAVEL	131.91	143.48	Y
S587	TEST DRILLING, DUTCH CONE, W/TRAVEL	164.67	176.24	Y
S588	TEST DRILLING, SKID DRILL, W/TRAVEL	128.83	140.40	Y
S589	TEST DRILLING, WATER WORK, W/TRAVEL	130.18	141.75	Y
S590	TEST DRILLING, DRILL INSPECTOR, W/TRAVEL	106.45	118.02	Y

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Service Code	Description	Hourly Rate	O.T. Rate	DSTR Flag
S591	TEST DRILLING, FIELD EXPLORE SUPV, W/TRAVEL	109.72	121.29	Y
S592	TEST DRILLING, EXTRA PERSON, W/TRAVEL	106.45	118.02	Y
S594	TEST DRILLING, HEAVY DUTY DRILL, W/TRAVEL	127.04	138.61	Y
S595	TEST DRILLING, HEAVY DUTY DRILL, NO TRAVEL	114.82	126.38	Y
S596	TEST DRILLING, DRILLER STANDBY-NO TRVL	116.61	128.17	Y
S597	TEST DRILLING, INSP STANDBY - NO TRVL	94.23	105.79	Y
S598	TEST DRILLING, DRILLER STANDBY-WITH TRVL	128.83	140.40	Y
S599	TEST DRILLING, INSP STANDBY-WITH TRVL	106.45	118.02	Y

**Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012**

Test Code	Description	Test Time	Test Rate	DSTR Flag	Method
T529	COMP. STR. ROCK CORE PREP	.75	70.12	Y	
T530	SOIL MOISTURE CONTENT	.25	23.37	Y	T265
T531	UNCONFINED COMPRESSION	1.50	140.23	Y	T208
T532	TRIAXIAL COMPRESSION UU	2.00	186.98	Y	T297, D4767
T533	TRIAXIAL COMPRESSION CU (PER POINT)	2.00	186.98	Y	T297
T535	Soil Permeability (1 point)	3.00	280.47	Y	
T537	DIRECT SHEAR REMOLDED (PER POINT)	1.75	163.61	Y	T236
T538	DIRECT SHEAR UNDISTURBED (PER POINT)	1.50	140.23	Y	T236
T539	INCREMENTAL LOAD CONSOLIDATION (PER SAMPLE)	5.00	467.45	Y	T216, D2435
T53A	TRIAXIAL COMPRESSION CD SOIL (PER POINT)	4.00	373.96	Y	ASTM D7181
T53C	UNIAXIAL COMPRESSION ROCK	.50	46.75	Y	D7012
T53D	HYDRAULIC CONDUCTIVITY (FLEXIBLE WALL)	2.00	186.98	Y	D5084
T53G	CONSTANT RATE OF STRAIN CONSOLIDATION	5.00	467.45	Y	D4186
T541	SAMPLE LOGIN, STORAGE, & DISPOSAL (PER HOLE)	1.00	93.49	Y	
T542	HOURLY LAB TESTING	1.00	93.49	Y	
T549	SIEVE ANALYSIS	1.00	93.49	Y	T265, D2487, T27/11
T54A	ATTERBERG LIQUID LIMIT (1 POINT, METHOD A)	.35	32.72	Y	T89, D4318
T54B	ATTERBERG LIQUID LIMIT (3 POINT, METHOD B)	.60	56.09	Y	T89, D4318
T54C	ATTERBERG PLASTIC LIMIT	.35	32.72	Y	T90, D4318
T54D	#200 WASH	1.00	93.49	Y	T11, C117
T552	POINT LOAD TEST	.25	23.37	Y	
T553	ROCK DIRECT SHEAR TEST	4.00	373.96	Y	
T555	ROCK CORE PHOTOGRAPHY AND STORAGE (PER CORE BOX)	.25	23.37	Y	
T556	SONIC CORE PHOTOGRAPHY AND STORAGE (PER BOX)	2.00	186.98	Y	
T55G	HYDROMETER	3.25	303.84	Y	T100
T55H	HYDROMETER, (ADD TO SPECIALIZED TEST)	1.00	93.49	Y	T100
T561	CYCLIC TRIAXIAL (MODULUS & DAMPING)	3.00	280.47	Y	D3999
T562	SOIL UNIT WEIGHT	.25	23.37	Y	D7263
T563	DIRECT SIMPLE SHEAR CU (NO PP)	3.00	280.47	Y	D6528
T564	TORSIONAL RING SHEAR TEST (PER POINT)	1.50	140.23	Y	D7608
T565	SPECIFIC GRAVITY OF SOILS	1.00	93.49	Y	D854
T566	CYCLIC SIMPLE SHEAR (WITH PP)	8.00	747.92	Y	

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Test Code	Description	Test Time	Test Rate	DSTR Flag	Method
T567	CYCLIC SIMPLE SHEAR (NO PP)	6.00	560.94	Y	
T568	SLAKE TEST	1.50	140.23	Y	D4644
T56A	CYCLIC TRIAXIAL (LIQUIFACTION POTENTIAL)	3.00	280.47	Y	D5311
T56B	DIRECT SIMPLE SHEAR CU (WITH PP)	5.00	467.45	Y	D6528

**Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012**

Service Code	Description	Hourly Rate	O.T. Rate	DSTR Flag
S602	HOURLY LAB TESTING (MISC SAMPLES)	93.49	104.28	Y
S603	DRAFTING	96.65	109.86	Y
S604	DESIGN REVIEW & INVESTIGATION	107.46	115.74	Y
S605	PS&E REVIEW	107.46	115.74	Y
S606	LANDSLIDE ANALYSIS	107.46	115.74	Y
S607	CONSTRUCTION PROJECT REVIEW : FIELD & SPEC	107.46	115.74	Y
S608	PAINT INSPECTION	107.46	115.74	Y
S609	PROJECT DOCUMENTATION & CERTIFICATION	107.46	115.74	Y
S610	RESEARCH ANALYSIS & REPORT WRITING	107.46	115.74	Y
S611	SUPERVISION OF REVIEW CODES 04 THRU 10	107.46	115.74	Y
S613	TRAFFIC CONTROL-PAVEMENTS	90.96	101.38	Y
S615	EQUIPMENT REPAIR & MAINTENANCE	95.80	108.60	Y
S616	PAVEMENT MANAGEMENT	107.46	115.74	Y
S617	PAVEMENT SURVEY	107.46	115.74	Y
S618	GEOTECH & ENGINEERING REVIEW	110.09	110.09	Y
S624	FWD DEFLECTION TESTING	168.84	186.10	Y
S628	PAVEMENT FRICTION TESTING	136.75	148.11	Y
S629	PAVEMENT FRICTION-TESTING INVENTORY	136.75	148.11	Y
S631	PAVEMENT ROUGHNESS, PROFILOMETER, DOUBLE OPERATOR	186.13	199.08	Y
S632	PAVEMENT ROUGHNESS-INVENTORY, PROFILOMETER, DOUBLE	186.13	199.08	Y
S633	PAVEMENT ROUGHNESS, PROFILOMETER, SINGLE OPERATOR	263.93	276.88	Y
S634	PAVEMENT ROUGHNESS-INVENTORY, PROFILOMETER, SINGLE	263.93	276.88	Y
S635	'EVER' PAVEMENT ANALYSIS SOFTWARE CONSULTATION	107.46	115.74	Y
S636	PAVEMENT RATING	92.27	103.33	Y
S640	FWD DEFLECTION TESTING, NO TRAVEL	156.61	173.87	Y
S641	PAVEMENT FRICTION TESTING, NO TRAVEL	124.53	135.89	Y
S642	PAVEMENT FRICTION TESTING-INVENTORY, NO TRAVEL	124.53	135.89	Y
S643	PAVEMENT ROUGHNESS, PROFIL, DBL OPER, NO TRAVEL	173.90	186.85	Y
S644	PAVE ROUGHNESS-INVENTORY, PROFIL, DBL OPER,NO TRAV	173.90	186.85	Y

Basic Accounting and Testing System
 Schedule of Billing Rates for Services and Testing
 Effective Date: 07/01/2012

Service Code	Description	Hourly Rate	O.T. Rate	DSTR Flag
S645	PAVEMENT ROUGHNESS, PROFILOMETER, 1 OPER, NO TRAVE	251.70	264.65	Y
S646	PAVE ROUGHNESS-INVENTORY, PROFILOMETER, 1 OPER, NO TR	251.70	264.65	Y
S647	PAVEMENT FRICTION, SIG OPER, W/TRAVEL	168.42	179.78	Y
S648	PAVEMENT FRICTION, SIG OPER, NO/TRAVEL	156.19	167.55	Y

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Test Code	Description	Test Time	Test Rate	DSTR Flag	Method
T633	MAXIMUM DENSITY CURVE	5.00	467.45	Y	T606
T634	(PROCTOR)	4.00	373.96	Y	T99
T635	(MODIFIED PROCTOR)	5.00	467.45	Y	T180
T638	'NO TEST' LOGGING IN AND HANDLING CHARGE	.50	46.75	Y	
T639	HOURLY LAB TESTING	1.00	93.49	Y	
T640	RESILIENT MODULUS OF SOIL/ AGGREGATE	6.00	560.94	Y	T307
T641	RESILIENT MODULUS OF ASPHALT CONCRETE CORES	3.00	280.47	Y	

**Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012**

Service Code	Description	Hourly Rate	O.T. Rate	DSTR Flag
S802	HOURLY LAB TEST (MISC SAMPLES)	93.49	104.28	Y
S803	DRAFTING	96.65	109.86	Y
S804	DESIGN REVIEW & INVESTIGATION	107.46	115.74	Y
S805	PS AND E REVIEW	107.46	115.74	Y
S806	LANDSLIDE ANALYSIS	107.46	115.74	Y
S807	CONSTRUCTION PROJECT REVIEW: FIELD AND SPEC.	107.46	115.74	Y
S808	RADIATION DOCUMENTATION & COMPLIANCE REVIEW	107.46	115.74	Y
S809	PROJECT DOCUMENTATION AND CERTIFICATION	107.46	115.74	Y
S810	RESEARCH ANALYSIS AND REPORT WRITING	107.46	115.74	Y
S811	SUPERVISION OF REVIEW 04 THROUGH 10	107.46	115.74	Y
S812	MATERIAL INSPECTION (REGION)	103.07	119.35	Y
S813	ASSURANCE INSPECTION & SAMPLES	99.34	113.88	Y
S814	PLANT INSPECTION (PRODUCTION)	95.73	108.50	Y
S816	GEOTECHNICAL FIELD WORK	97.08	109.84	Y
S817	FIELD SOILS INVESTIGATION (WITHOUT EQUIPMENT)	100.74	112.30	Y
S818	MEMBRANE RESISTIVITY, SOIL PH, SOIL RESISTIVITY	105.11	122.37	Y
S822	TRAFFIC CONTROL	90.96	101.38	Y
S823	TRAINING AND PREPARATION	107.46	115.74	Y
S824	GEOTECHNICAL & ENGINEERING REVIEW	110.09	110.09	Y
S825	PRESTRESS INSPECTION (REGION)	97.71	111.43	Y
S826	PROJECT SUPPORT: TRANSPORT OF EQUIPMENT, SUPPLIES	90.96	101.38	Y
S827	PLANT INSPECTION, PRELIMINARY PCC AND ACP	96.53	109.69	Y
S831	TESTER QUALIFICATION	99.34	113.88	Y
S832	PRESTRESS INSPECTION (REGION) W/TRAVEL	109.93	123.66	Y
S833	ASA WITNESS OF SAMPLING	99.34	113.88	Y
S834	MATERIALS INSPECTION (REGION) W/TRAVEL	115.29	131.57	Y
S835	PAVEMENT CORING, ONE OPERATOR	157.01	169.63	Y
S836	PAVEMENT CORING, TWO OPERATORS	136.48	149.10	Y
S837	PAVEMENT INVESTIGATION W/O EQUIP	107.46	115.74	Y
S838	SOILS INVESTIGATION W/EQUIP, (TWO OPER)	136.48	149.10	Y
S839	NUCLEAR GAUGE WIPE TEST (NWR)	48.10	48.10	Y
S840	NUCLEAR BADGE BADGE TEST (NWR)	39.96	39.96	Y

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Service Code	Description	Hourly Rate	O.T. Rate	DSTR Flag
S843	PLANT INSP W/TRAILER, ONE OPERATOR	149.48	160.98	Y
S844	PLANT INSP W/TRAILER, TWO OPERATORS	121.32	132.82	Y
S878	TEST DRILLING, TRUCK MTD-NO TRAVEL	119.69	131.25	Y
S879	TEST DRILLING, SKID DRILL-NO TRVL	116.61	128.17	Y
S880	TEST DRILLING, WATER WORK-NO TRAVEL	117.96	129.53	Y
S881	TEST DRILLING, DRLLNG INSP-NO TRVL	94.23	105.79	Y
S882	TEST DRILLING, FIELD EXPLOR SUPV - NO TRVL	97.50	109.06	Y
S883	TEST DRILLING, EXTRA PERSON, NO TRAVEL	94.23	105.79	Y
S890	TEST DRILLING, TRUCK MTD, W/TRAVEL	131.91	143.48	Y
S891	TEST DRILLINGK, SKID DRILL, W/TRAVEL	128.83	140.40	Y
S892	TEST DRILLING, WATER WORK, W/TRAVEL	130.18	141.75	Y
S893	TEST DRILLING, DRLLNG INSPECTR, W/TRAVEL	106.45	118.02	Y
S894	TEST DRILLING, FIELD EXPLOR SUPV, W/TRAVEL	109.72	121.29	Y
S895	TEST DRILLING, EXTRA PERSON, W/TRAVEL	106.45	118.02	Y
S897	TEST DRILLING, HEAVY DUTY DRILL, W/TRAVEL	127.04	138.61	Y
S898	TEST DRILLING, HEAVY DUTY DRILL, NO TRAVEL	114.82	126.38	Y

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Test Code	Description	Test Time	Test Rate	DSTR Flag	Method
T802	QUICK MOISTURE CONTENT IN MIX (T150)	1.00	93.49	Y	TM-6
T805	DENSITY OF ACP MIXTURE (WT/CU.FT.) (T154)	.75	70.12	Y	T166, T275
T806	MAX DENSITY OF BIT MIX (RICE VAC.PY(T155	1.00	93.49	Y	T209
T807	MIXUTRE; EXTRACTION AND GRADING (T157)	1.75	163.61	Y	T287, W723, T30, W713
T808	MIXTURE - ASPHALT CONTENT ONLY (T158)	1.00	93.49	Y	T308, TM-6
T809	MIXTURE - GRADING ONLY (T167)	.75	70.12	Y	T27/11
T810	STRIPPING (STATIC IMMERSION) (T159)	.75	70.12	Y	T706
T811	RECORD & CONTROL SAMPLE CORES AC & A(T163)	2.00	186.98	Y	T720
T813	BRIDGE DECK-CHLORIDE CONTENT(SAMPLING)	1.00	93.49	Y	T260
T820	WATER PIPE, GALVANIZED (T2E2)	1.25	116.86	Y	T65
T821	FENCING, GALVANIZED (T2G2)	1.25	116.86	Y	T65
T822	GALVANIZING (T2G2)	1.25	116.86	Y	T65
T830	COARSE GRADING (T43B)	1.00	93.49	Y	T27/11
T831	FINE GRADING (T44A)	1.50	140.23	Y	T27/11
T832	SAND EQUIVALENT (T44B)	1.50	140.23	Y	T176
T833	FRACTURE, COARSE & FINE, EACH (T43C)(T44C)	1.00	93.49	Y	T103
T834	SPECIFIC GRAVITY - BULK SSD COARSE (T44D)	1.00	93.49	Y	T85
T835	SPECIFIC GRAVITY BULK SSD FINE (T44E)	2.50	233.73	Y	T84
T836	SPECIFIC GRAVITY 50 ML PYCNOMETER	2.50	233.73	Y	T100
T837	SPECIFIC GRAVITY 1 QT PYNCOMETER	1.25	116.86	Y	T606
T838	ORGANIC CONTENT:FINE CONCRETE AGG(T44F)	.50	46.75	Y	T21
T839	PARTICLE SIZE ANALYSIS (HYDROMETER)(T44G)	5.75	537.57	Y	T88
T840	DEGRADATION (T44H)	1.75	163.61	Y	T113
T841	SAND EQUIVALENT WITH S(T44B)	1.50	140.23	Y	T176
T842	LIQUID LIMIT & PLASTICITY INDEX (T44J)	1.50	140.23	Y	T89, T90
T844	WELD TEST (EACH) (T47K)	2.00	186.98	Y	T244
T845	RE STEEL NO. 3 TO NO. 11 (T47H)	1.00	93.49	Y	T244
T846	RE STEEL #14 & #18 (T47H)	1.00	93.49	Y	T244
T847	RE STEEL SPIRAL WIRE (T47D)	1.50	140.23	Y	T244
T848	RE STEEL: 1' GAUGE WIRE (T458)	1.25	116.86	Y	T244
T849	RE STEEL: NO. 3 TO NO. 11 BEND	.50	46.75	Y	T244
T850	PRESTRESSING STEEL & CABLE (T47Y)	1.25	116.86	Y	T244
T851	CONCRETE AGGREGATE ABSORPTION (T44L)	1.00	93.49	Y	T85

Basic Accounting and Testing System
Schedule of Billing Rates for Services and Testing
Effective Date: 07/01/2012

Test Code	Description	Test Time	Test Rate	DSTR Flag	Method
T852	PCC COMPRESSIVE STRENGTH (T46E)	.50	46.75	Y	T22
T853	4" CONCRETE CORES, COMPRESSIVE STRENGTH(T46N)	2.00	186.98	Y	T22
T854	MORTAR - GROUT CUBES: FABRICATION	2.50	233.73	Y	T106, T813
T855	MORTAR/GROUT CUBES TESTING- SET OF 3 (T45C)	1.00	93.49	Y	T106
T857	PCC BEAM TESTING (T46V)	1.50	140.23	Y	T177, T808
T860	FLAT & ELONGATED PARTICLES(T43P)	1.00	93.49	Y	D4791
T861	UNCOMPACTED VOID CONTENT (T44W)	1.00	93.49	Y	T-304
T870	PH TESTS, SOIL (T44V)	.75	70.12	Y	T289
T871	RESISTIVITY, SOIL (T44P)	1.00	93.49	Y	T288
T872	MOISTURE CONTENT AND ID (T530)	.33	30.85	Y	T265
T873	PRELIMINARY SAMPLE / COARSE GRADING (T43A)	2.50	233.73	Y	T248
T874	LOS ANGELES ABRASION (T43D)	2.75	257.10	Y	T-96
T880	INFILTRATION DETERM	2.50	233.73	Y	
T881	MAX DENSITY CURVE (T633)	5.00	467.45	Y	T606
T882	(PROCTOR) (T634)	4.00	373.96	Y	T99
T883	(MODIFIED PROCTOR)(T635)	5.00	467.45	Y	T180
T884	IF, ASPHALT CONTENT/MOISTURE(T158)	1.00	93.49	Y	T308, TM-6
T885	SAMPLE PREP FOR IGNITION FURNACE CALIBRATION	4.50	420.71	Y	T724, T726
T886	IF, CALIBRATION VERIFICATION, PER EACH(T158)	1.00	93.49	Y	T308, TM-6
T887	IGNITION FURNACE CALIBRATION	6.25	584.31	Y	T308, TM-6, T27/11, SOP728, T724, T726
T888	GRADATION (RECOVERED AGGREGATE) (T167)	.75	70.12	Y	T27/11
T889	SHORT & LONG TERM AGING (SHRP)(T180)	1.50	140.23	Y	R28
T890	NO TEST - HANDLING	.50	46.75	Y	
T891	HOURLY LAB TESTING	1.00	93.49	Y	
T893	PCC CORES/HEIGHT MEASUREMENT(T46P)	.50	46.75	Y	T148
T894	DENSITY OF PCC PAVEMENT CORES	.75	70.12	Y	T810
T895	IF ASPH CONTENT, MOIST & GRADATION(T182)	1.75	163.61	Y	T308, TM-6, T27/11
T896	GYRATORY COMPACTOR (SHRP) (179)	.75	70.12	Y	T312
T897	FINE AGGREGATE ANGULARITY (SHRP) (T49T)	2.00	186.98	Y	T304
T898	COARSE AGGREGATE ANGULARITY (SHRP) (T49U)	1.00	93.49	Y	D4791
T899	SP.G. AND ABSORPTION COARSE (T44Q)	1.50	140.23	Y	T85



Gig Harbor City Council

Justin D. Leighton
Government Relations Officer
Pierce Transit



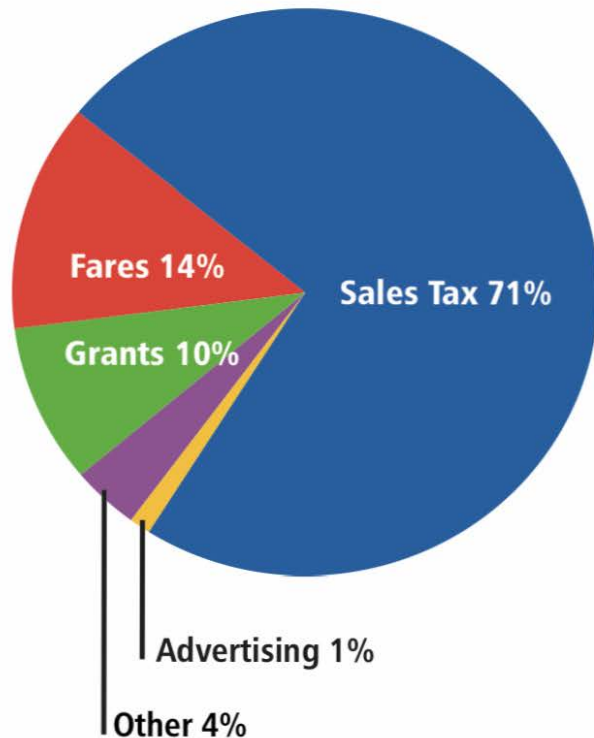
October 8, 2012

Pierce Transit Proposition 1

Why No - Declining Revenues

OPERATING REVENUES

Historic Average 2006–2011
(Excludes Sound Transit)



SALES TAX COLLECTION

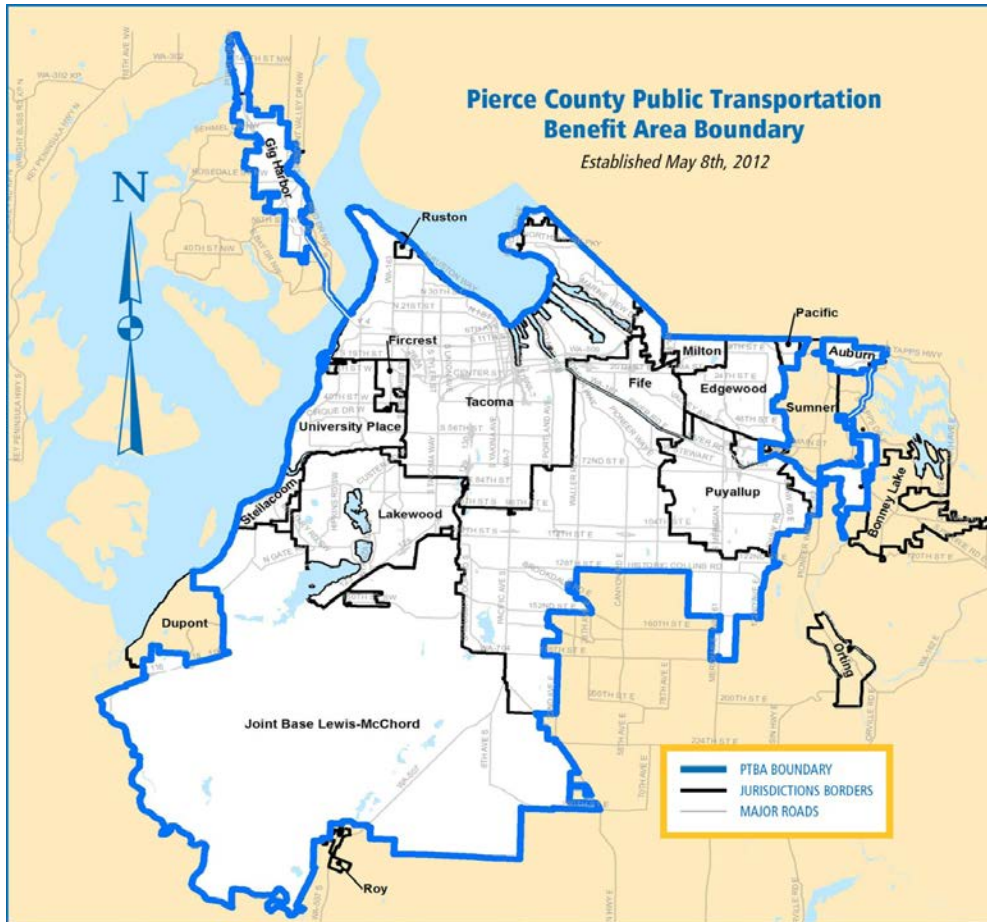
In Millions



As of August 2012
4 years of sale tax revenue declines
due to economic recession



Why Now - Boundary Revision



Service Area

Jurisdictions

Before Revision	19
Today	14

Square Miles

Before Revision	414
Today	292

Population

Before Revision	760,000
Today	556,908

\$8 Million sales tax loss
annually starting
October 1, 2012





What cuts have already been made?

- **31% reduction in management**
- **43% reduction in bus and paratransit services**
- **2 fare increases in two years**
- 3 rounds of layoffs
- Eliminated community event service to the Puyallup Fair, Fourth of July Freedom Fair, and others
- Freeze on cost of living and wages for management and non-union employees
- Non-union employees pay more medical and dental costs
- Capital facility projects eliminated or delayed

\$111 Million - 2008 through the end of 2012





Lost value to the community



<u>Fixed Route</u>	<u>2007</u>	<u>2012 projection</u>
Total Boardings	13.3 Million	10.9 Million
Avg. Weekday Boardings	51,055	35,588*
Service Miles	8.3 Million	4.7 Million



<u>SHUTTLE Paratransit</u>	<u>2007</u>	<u>2012 projection</u>
Total boardings	423,539	384,111
SHUTTLE eligible clients	7,233	5,632*

* YTD as of Aug 2012

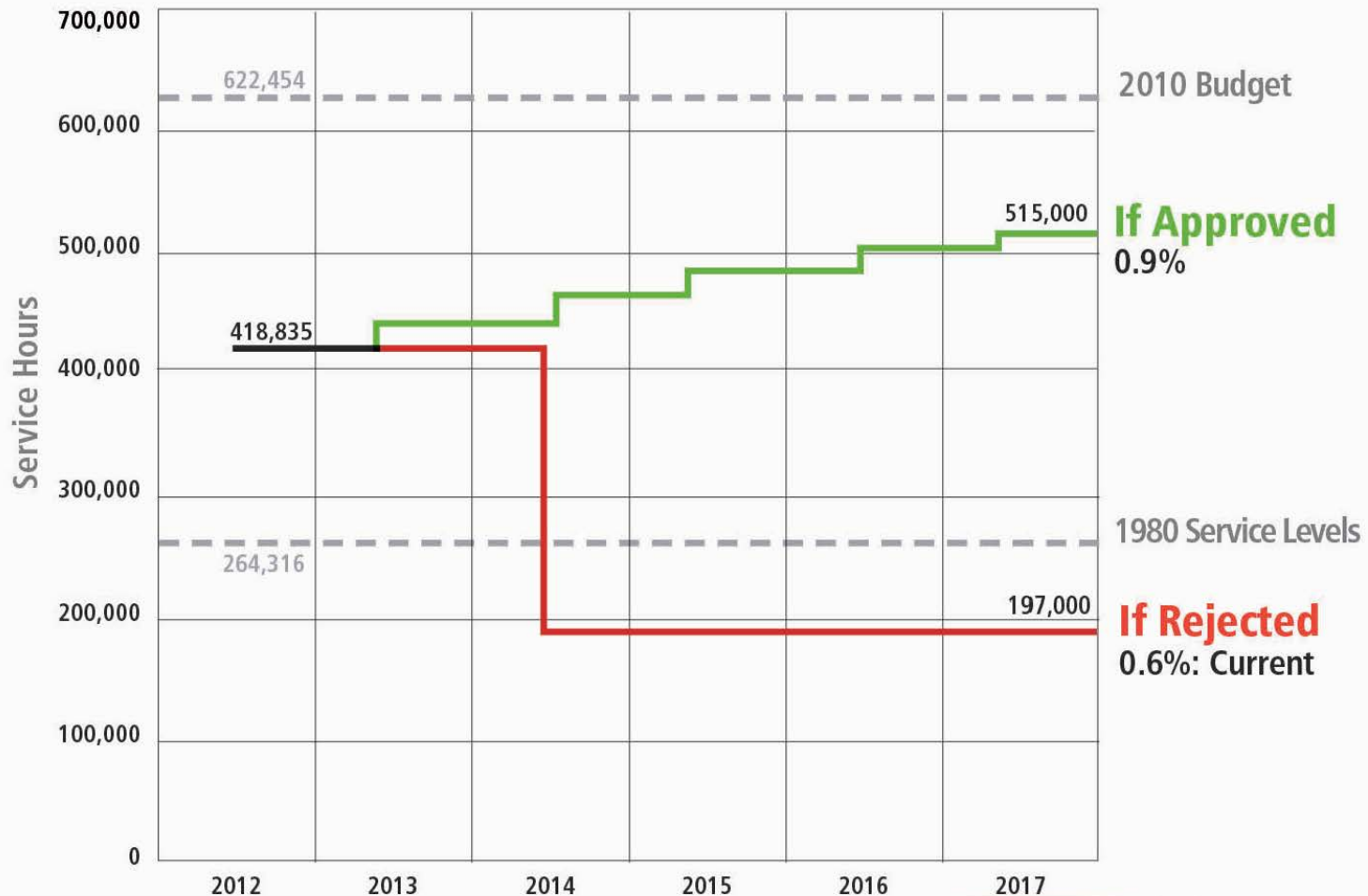


Who rides the bus?

- 56% of Pierce Transit riders come from households with annual incomes below \$20,000
- 45% do not have a working vehicle
- 64% have been impacted by previous cuts or knows someone who has
- 23% work
- 22% appointments
- 20% school or college
- 16% shopping and errands
- 16% recreation and social



What will Proposition 1 do?



What will Proposition 1 do?

- If Approved:**
- 23% Service Improvement over 6 years
 - 0.3% Additional Sales Tax within service area

If Proposition 1 PASSES on Nov. 6th:

- Provide service during morning and evening hours on weekends
- Buses more often to connect to work, school, appointments and shopping
- Service begins earlier in the mornings and continues later at night
- More direct connections between Pierce County urban centers
- Restored service to community events like the Puyallup Fair and the Fourth of July Freedom Fair



What will Proposition 1 do?

If Rejected:

- 53% Service Reduction by 2014
- Current Sales Tax

If Proposition 1 FAILS on Nov. 6th:

- Elimination of Saturday and Sunday service for buses and paratransit service for people with disabilities
- No service on holidays
- No service past 7pm
- Longer wait times – buses arrive less often
- No restoration of special express service to events like the Puyallup Fair and the Fourth of July Freedom Fair



For more information visit
www.piercetransit.org/prop1



Justin D. Leighton
Government Relations Office
253-984-8166
jleighton@piercetransit.org

Pierce Transit Proposition 1



Business of the City Council
City of Gig Harbor, WA

Subject: Proposed Amendment to the Development Agreement with Harbor Hill LLC

Proposed Council Action:
 Initiate further processing of the proposed Amendment to the development agreement with Harbor Hill LLC.

Dept. Origin: Planning Department

Prepared by: Jennifer Kester *JK*
 Senior Planner

For Agenda of: **October 8, 2012**

Exhibits: Application, Draft Amendment, Approved Agreement

Initial & Date

Concurred by Mayor: *ckh 10/3/12*
Approved by City Administrator: *R - 10/3/12*
Approved as to form by City Atty: *by email 10/3/12*
Approved by Finance Director: *N/A*
Approved by Department Head: *TD 10/3/12*

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

INFORMATION / BACKGROUND

In 2010, the Council approved a development agreement between the City and Harbor Hill LLC which allowed deviations in the development standards for property owned by Harbor Hill LLC in the Gig Harbor North area and allowed 20 years of vesting for the preliminary plat within the area. A copy of the approved agreement is attached.

In September of this year, Harbor Hill LLC applied for an amendment to the development agreement. A copy of the application and draft amendment is attached. The amendment to the development agreement is being proposed in order to:

1. Allow retirement uses on a proposed enlarged M2 parcel, just south of Borgen Boulevard, east of the wetland trail system.
2. Update the phasing plan
3. Allow modification of the approved preliminary plats and preliminary PRD without submitting new plat and PRD applications.
4. Allow development of the M2 parcel (retirement community) to receive site plan, design review and SEPA approval/determination prior to final plat of the M2 parcel.

The process for review of this amendment is outlined in GHMC 19.08, which allows projects in the planned community development land use designation to deviate from the allowed uses, minimum and maximum densities, maximum gross floor area, or maximum structure height allowed in the underlying zoning district if a majority of the City Council plus one approved a

development agreement. Before approving such amended development agreement the City Council must: 1) vote to initiate consideration of the development agreement; 2) require that the Planning and Building Committee meet and make a recommendation to the Council as a whole; 3) conduct two properly noticed public hearings on the development agreement.

NOTE: Voting to initiate consideration of the proposed development agreement will start a public process that will include a review and recommendation by the Planning and Building Committee and two public hearings by the full City Council.

STAFF ANALYSIS

Staff and the City Attorney have done an initial review of the proposed amendment language and believe that the documents submitted are sufficient enough to begin review. However, we expect significant discussion to occur on the legal language for this agreement prior to final recommendation by the Planning and Building Committee and as such, the language of the attached amendment should be considered DRAFT only. Staff recommends that the Council initiate further consideration of the development agreement in the manner set forth by GHMC 19.08.

BOARD OR COMMITTEE RECOMMENDATION

None. The Planning and Building Committee will be meeting later in October to review the amendment.

RECOMMENDATION / MOTION

Initiate further processing of the proposed amendment to the development agreement with Harbor Hill LLC.



19245 Tenth Ave NE 4423 Point Feedick Drive NW, Suite 302
Poulsbo, WA 98370 Gig Harbor, Washington 98335
P 253-851-7009
F 253-851-7101
www.harbor-hill.com
www.orm.com

September 19, 2012

City of Gig Harbor
Attn: Jennifer Kester
3510 Grandview Street
Gig Harbor, WA 98335

RECEIVED
CITY OF GIG HARBOR
SEP 20 2012
COMMUNITY
DEVELOPMENT

Re: Harbor Hill Residential – Amended Development Agreement

Dear Jennifer:

We are submitting the proposed amendment to the existing Harbor Hill development agreement, consistent with the discussions we have had with the City regarding modifications to the approved Harbor Hill Preliminary Plat and PRD.

The purpose of the proposed development agreement is to modify the current agreement to:

- Allow additional uses on the proposed enlarged Parcel M-2.
- Approve an updated version of the Phasing Plan
- Modify the definition of “Minor Modifications” allowing them to be approved as a Type II application.
- Allow for Site Plan Approval, Design Review Approval, and SEPA determination on the proposed Parcel M-2 prior to a final plat approval segregating Parcel M-2 from its parent parcels.

We understand that, pending staff and City Attorney review, this will be on the October 8th City Council meeting where we would expect that the Council would refer the draft agreement to the Planning and Building Committee. We appreciate your assistance and efforts to get us onto the City Council agendas on a timely basis. If you have any questions or concerns, please do not hesitate to contact me, or Bill Lynn at 253-620-6416.

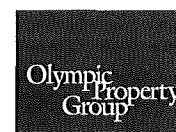
Sincerely,

John Chadwell
General Manager - Harbor Hill

Cc: Bill Lynn, Gordon Thomas Honeywell

A subsidiary of Olympic Property Group, a Pope Resources company.

Excellence in Northwest Master Planned Communities:
Port Gamble; Port Ludlow; Broadmoor, Seattle; West Hills, Bremerton;
Arborwood, Kingston; Harbor Hill, Gig Harbor.



A Pope Resources Company

CITY OF GIG HARBOR GENERAL APPLICATION		CITY USE ONLY	
<input type="checkbox"/> Conditional Use Permit <input type="checkbox"/> Major Site Plan Review <input type="checkbox"/> Variance <input type="checkbox"/> Rezone <input type="checkbox"/> Performance Based Height Exception	<input type="checkbox"/> Alternative Landscape Plan <input type="checkbox"/> Binding Site Plan <input type="checkbox"/> Land Clearing <input type="checkbox"/> Planned Unit Development	Case Number: <u>PL-DEV-12-0001</u> Date Received: <u>9/19/12</u> By: <u>[Signature]</u> Receipt: <u>20127706</u> By: _____	
Name of project/proposal: <u>Amendment to Development Agreement</u>			
Applicant: <u>Harbor Hill LLC</u> <small>(Name)</small>		Property Location:	
<u>19245 Tenth Ave NE</u> <small>Street Address</small>		Address: _____ Section: <u>30, 31</u> Township: <u>22 N</u> Range: <u>2 E</u>	
<u>Poulsbo, WA 98370</u> <small>City & State</small>		Assessor's Tax Parcel Number: <u>See Attached</u>	
<u>360-697-6626</u> <small>Phone</small>		Full Legal Description (attach separate sheet if too long) <u>See Attached</u>	
Owner: <u>OPG Properties LLC</u> <small>(Name)</small>			
<u>19245 Tenth Ave NE</u> <small>Street Address</small>			
<u>Poulsbo, WA 98370</u> <small>City & State</small>			
<u>360-687-6626</u> <small>Phone</small>			
(We): <u>John Chadwell, General Mgr Harbor Hill</u> <small>(Name)</small>		Utilities:	
<u>John Chadwell</u> <small>Signature</small>		1. Water Supply (Name of Utility if applicable) a. Existing: <u>City of Gig Harbor</u> b. Proposed: _____	
<u>9-18-12</u> <small>Date</small>		2. Sewage Disposal: (Name of Utility if applicable) a. Existing: <u>City of Gig Harbor</u> b. Proposed: _____	
I do hereby affirm and certify, under penalty of perjury, that I am one (or more) of the owners or owner under contract of the herein described property and that the foregoing statements and answers are in all respects true and correct on my information and belief as to those matters, I believe it to be true.		3. Access: (name of road or street from which access is or will be gained.) <u>Borgen Blvd.</u>	
Property Information:			
Existing Zoning Designation: _____		Wetlands on site? _____	
Existing land use: Describe (or illustrate separately) existing land use, including location of all existing structures and setbacks (in feet) from property lines. _____		Slopes exceeding 15% _____	
Fee Deposits: <input type="checkbox"/> "I acknowledge that I have applied for a permit which requires a deposit for future services to be rendered, as required by section F of the City's adopted Fee Schedule. I understand that, as the applicant, I (we) shall bear all of the costs of these services and will be billed the actual costs in excess of the deposit. If the actual costs are below the deposit, I will be refunded the difference." _____ (initials)			
Consolidated Permit Processing: <input type="checkbox"/> "As the applicant, I (we) elect to have all planning permits submitted concurrently and associated with our project processed collectively under the highest numbered permit procedure per GHMC 19.01.002(B)" _____ (Initials)			

RECEIVED BY
SEP 19 2012
CITY OF GIG HARBOR

AMENDMENT TO DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF GIG HARBOR AND HARBOR HILL LLC AND OPG PROPERTIES,
LLC
FOR THE HARBOR HILL DEVELOPMENT

This Amendment to Development Agreement is made and entered into this _____ day of _____, 2012 by and between the CITY OF GIG HARBOR, a Washington municipal corporation (the "City") and HARBOR HILL LLC, a Washington limited liability company, and OPG PROPERTIES LLC, a Washington limited liability company (sometimes jointly referred to as the "Developer").

RECITALS

A. RCW 36.70B.170 authorizes the execution of a development agreement between a local government and a person having ownership or control of real property within its jurisdiction. Pursuant to Resolution No. 845 adopted by the City Council, the City agreed to a Development Agreement dated _____, 2010, concerning the development of the property legally described on Exhibit "A" to this amendment (the "Property") and generally located north and south of Borgen Boulevard between Harbor Hill Drive and Peacock Hill Avenue N.W. in the City of Gig Harbor, Pierce County, Washington.

B. By a subsequent Joinder Agreement dated _____, OPG Properties, LLC, which was the owner of a portion of the Property, joined in and agreed to be bound by the Development Agreement. Both Harbor Hill LLC and the City consented to the Joinder Agreement.

C. The City and Developer wish to amend the Development Agreement to permit some additional uses, to modify the site plan, and to add provisions for future amendments to the Harbor Hill development plan.

D. This amendment is made under the authority of the City's police power, contracting authority, and other authority, including the authority granted to the City under RCW 36.70B.170 et seq to make development agreements, and GHMC Chapter 19.08 as amended. This amendment establishes development standards for the Property and other provisions that apply to and govern and vest the development, use and mitigation of the development of the Property. Actual construction of improvements on the Property requires approval of subsequent City permits, which will be issued in accordance with the standards and procedures described in the Development Agreement as amended by this amendment.

Now, therefore, the parties hereto agree as follows:

1. Additional Residential Uses. The following additional residential uses are permitted within parcel M-2 as depicted on the Phasing Plan attached as Exhibit B to this amendment: an "assisted living facility" as defined in GHMC 17.04.438; an "independent living facility" as defined in GHMC 17.04.439, and a "skilled nursing facility" as defined in GHMC 17.04.630.

2. Revised Phasing Plan. The Phasing Plan attached as Exhibit I to this amendment is hereby substituted for Exhibit I to the Development Agreement.

3. Minor Modifications. The following is hereby substituted for Section 9 of Development Agreement:

"Section 9. **Minor Modifications.** Minor modifications from the approved permits or the exhibits attached hereto, including without limitation modifications proposed between preliminary plat and final plat decisions, may be approved in accordance with the provisions of the City's code, including without limitation GHMC 16.05.006, 17.89.120, and Chapter 19.01, and shall not requirement an amendment to this Agreement. Further, and notwithstanding the foregoing:

(a) Any modification of an approved preliminary plat that reconfigures parcels and/or roads in a manner consistent with the plans and other exhibits attached to this Development Agreement, as it may be amended, shall be considered a minor revision under GHMC 16.05.006, and approved by the Director administratively under the terms of that section; and

(b) Any minor amendment under GHMC 17.89.120A shall be processed in accordance with that provision. Any other modification of an approved final PRD shall be considered a minor amendment of the final PRD under GHMC 17.89.120 and shall be approved as a Type II application under GHMC Title 19, provided the Director makes the findings required for a PRD under GHMC 17.89.070B."

4. New Section 13.K. The following new section is added to the Development Agreement:

"K. Parcel M-2 Review. Site plan approval and design review approval for the parcel identified as M-2 on the Preliminary

Plat of Harbor Hill, as it may be amended, may occur prior to final plat approval. Any site plan and design review approval for Parcel M-2 shall require final plat approval prior to issuance of a certificate of occupancy for any building on that parcel."

5. Revised Exhibit H. Exhibit H attached to this amendment is hereby substituted for Exhibit H to the Development Agreement.

6. Other Provisions. All other provisions of the Development Agreement shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have caused this amendment to Development Agreement to be executed as of the dates set forth below:

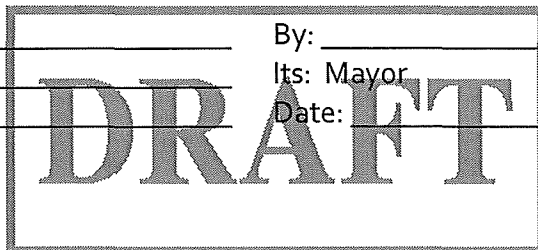
HARBOR HILL LLC

CITY OF GIG HARBOR

By: _____

Its: _____

Date: _____



By: _____

Its: Mayor

Date: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Printed: _____
NOTARY PUBLIC in and for Washington
Residing at: _____
My appointment expires: _____

DRAFT

RECEIVED BY
SEP 19 2012
CITY OF GIG HARBOR

EXHIBIT A

Legal Description of the Property

RESIDENTIAL AREA

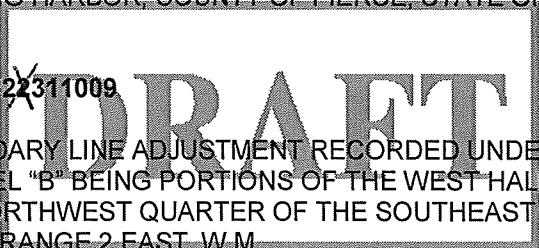
TAX PARCEL NUMBER 0222308002

LOT 2 OF THE CITY OF GIG HARBOR SHORT PLAT PL-SP-07-005, RECORDED UNDER PIERCE COUNTY AFN 200902135006, SAID LOT 2 BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 22 NORTH, RANGE 2 EAST, W.M., PIERCE COUNTY, WASHINGTON.

TAX PARCEL NUMBER 0222311000

THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER AND THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN. EXCEPT ROADS. SITUATE IN THE CITY OF GIG HARBOR, COUNTY OF PIERCE, STATE OF WASHINGTON.

TAX PARCEL NUMBER 0222311009



PARCEL "B" OF THE BOUNDARY LINE ADJUSTMENT RECORDED UNDER PIERCE COUNTY AFN 200407275004, SAID PARCEL "B" BEING PORTIONS OF THE WEST HALF OF THE NORTHEAST QUARTER AND OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST, W.M. SITUATE IN THE CITY OF GIG HARBOR, COUNTY OF PIERCE, STATE OF WASHINGTON.

COMMERCIAL AREA

TAX PARCEL NUMBER 4002470011

THAT PORTION OF LOT 1, BUSINESS PARK AT HARBOR HILL, PER THE PLAT THEREOF RECORDED UNDER AUDITOR'S FILE NUMBER 200605235007, SAID LOT 1 BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST, W.M., PIERCE COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF SAID LOT 1 LYING 287.61 NORTHERLY OF THE SOUTHEAST CORNER OF SAID LOT 1, AS MEASURED ALONG THE EAST LINE OF SAID LOT 1, THENCE NORTH 77°06'13" WEST 644.52 FEET TO AN ANGLE POINT IN THE WEST LINE OF SAID LOT 1;
THENCE ALONG THE BOUNDARY OF SAID LOT 1 THE FOLLOWING COURSES:
THENCE NORTH 88°22'24" WEST 110.70 FEET;
THENCE NORTH 05°55'53" EAST 181.58 FEET;
THENCE SOUTH 88°22'24" EAST 33.73 FEET;
THENCE NORTH 14°26'00" EAST 232.65 FEET;
THENCE SOUTH 48°15'42" EAST 247.61 FEET;

THENCE NORTH 77°19'55" EAST 95.23 FEET;
THENCE NORTH 37°16'34" EAST 168.29 FEET;
THENCE SOUTH 88°22'24" EAST 177.38 FEET TO A POINT ON A 766.00 FOOT CURVE TO THE RIGHT, THE RADIUS OF WHICH BEARS SOUTH 64°21'11" WEST
THENCE SOUTHERLY ALONG SAID CURVE, AN ARC DISTANCE OF 358.65 FEET, THROUGH A CENTRAL ANGLE OF 26°49'36";
THENCE SOUTH 01°10'47" WEST 189.56 TO THE POINT OF BEGINNING.

TAX PARCEL NUMBER 4002470012

THAT PORTION OF LOT 1, BUSINESS PARK AT HARBOR HILL, PER THE PLAT THEREOF RECORDED UNDER AUDITOR'S FILE NUMBER 200605235007, SAID LOT 1 BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST, W.M. PIERCE COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF SAID LOT 1 LYING 287.61 NORTHERLY OF THE SOUTHEAST CORNER OF SAID LOT 1, AS MEASURED ALONG THE EAST LINE OF SAID LOT 1;
THENCE ALONG THE BOUNDARY OF SAID LOT 1 THE FOLLOWING COURSES:
THENCE SOUTH 01°10'47" WEST 287.61 FEET;
THENCE NORTH 88°22'24" WEST 631.54 FEET;
THENCE NORTH 01°15'21" EAST 412.28 FEET TO AN ANGLE POINT IN SAID BOUNDARY;
THENCE DEPARTING SAID BOUNDARY SOUTH 77°06'13" EAST 644.52 FEET TO THE POINT OF BEGINNING.

TAX PARCEL NUMBER 4002470030

LOT 3, BUSINESS PARK AT HARBOR HILL, PER THE PLAT THEREOF RECORDED UNDER AUDITOR'S FILE NUMBER 200605235007, SAID LOT 3 BEING PORTIONS OF THE NORTHWEST QUARTER AND THE SOUTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST, W.M. PIERCE COUNTY, WASHINGTON.

TAX PARCEL NUMBER 4002470042

THE NORTHERLY 5.3367 ACRES OF THE REVISED LOT 4 OF THE PLAT OF THE BUSINESS PARK AT HARBOR HILL PER BOUNDARY LINE ADJUSTMENT RECORDED IN PIERCE COUNTY, WASHINGTON, AUDITOR'S FILE NUMBER 200710195003 FURTHER DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHWEST CORNER OF SAID PARCEL ADJACENT TO HARBOR HILL DRIVE, THENCE N 01°10'47" E ALONG THE EASTERLY MARGIN OF HARBOR HILL DRIVE 514.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING N 01°10'47" E ALONG THE EASTERLY MARGIN OF HARBOR HILL DRIVE 428.04 FEET TO THE NORTHERLY BOUNDARY OF THE PARCEL;
THENCE S 88°15'35" E ALONG THE NORTHERN BOUNDARY 585.60 FEET TO THE EASTERN BOUNDARY OF THE PARCEL;
THENCE S 05°02'54" W, 12.02 FEET;
THENCE S 27°57'14" W, 112.58 FEET;
THENCE S 01°33'50" E, 199.54 FEET;
THENCE S 00°23'25" W, 110.52 FEET TO THE SOUTHERN BOUNDARY OF THE PARCEL;
THENCE N 88°49'13" W, 545.12 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

ACCORDING TO REQUEST OF SEGREGATION AS PER CITY OF GIG HARBOR, DATED
02/06/2008.

TAX PARCEL NUMBER 4002470051

PARCEL "B" OF THE BOUNDARY LINE ADJUSTMENT RECORDED UNDER PIERCE COUNTY
AUDITOR'S FILE NUMBER 200710195003, SAID PARCEL "B" BEING PORTIONS OF THE
NORTHEAST QUARTER AND OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 22
NORTH, RANGE 2 EAST, W.M. PIERCE COUNTY, WASHINGTON.

DRAFT

EXHIBIT H

List of Modified City Development Standards

Item No.	Description	GHMC Section	Agreement Section
1	Increased vesting periods for Project approvals	Various	6.D
2	Simplification of process for review and approval of certain preliminary plat revisions	16.05.006	9.A
3	Simplification of process for review and approval of certain final PRD amendment	17.89.120	9.B
4	Reduction of Harbor Hill Business Park open space requirements from 20 percent to 15 percent of lot area based on dedication of Lot 3 for public park	17.54.030.C	13.H.iii
5	Director approval of certain revisions to Phasing Plan	19.01.003	13.A
6	No setbacks under GHMC 17.54.030.B required along certain boundaries of Lot 3 (future public park) of Harbor Hill Business Park	17.54.030.B	
7	Allowing clustering of residential density	Title 17	17
8	Allocations of capacity reservations	Chapter 19.10	15

After Recording, Return To:

City Clerk
3510 Grandview Street
Gig Harbor, WA 98335

JOINDER AGREEMENT

Grantor: OPG Properties, LLC, a Washington limited liability company
Harbor Hill LLC, a Washington limited liability company

Grantee: City of Gig Harbor, Washington

Abbreviated Legal Description:

Portions of SE quarter of Section 30, NE quarter of Section 31,
SE quarter of Section 31, NW quarter of Section 31, and SW quarter of
Section 31, all in Township 22 North, Range 2 East, W.M., Pierce County,
Washington.

Assessor's Property Tax Parcel Account Numbers:

OPG: 0222308002, 0222311000, 0222311009
HH: 4002470011, 4002470012, 4002470030, 4002470042, 4002470051

Reference Numbers of Related Documents:

201011241249 (Harbor Hill Development Agreement)

JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this "Joinder Agreement") dated and effective as of this 22 day of November, 2010, is made by OPG Properties, LLC, a Washington limited liability company ("OPG"), and Harbor Hill LLC, a Washington limited liability company ("Harbor Hill") (collectively, "Developer"), in reference to that certain "Development Agreement by and Between the City of Gig Harbor and Harbor Hill LLC" dated November 8th, 2010 (the "Development Agreement"), between Harbor Hill as the "Developer" or "Harbor Hill" and the City of Gig Harbor as the "City," relating to the real property located in the City of Gig Harbor, Pierce County, Washington, legally described on Exhibit A attached hereto (the "Property"), which was recorded in the real property records of Pierce County, Washington, under Auditor's File No. 201011241249 Capitalized terms not otherwise defined in this Joinder Agreement shall have the meanings given them in the Development Agreement.

Harbor Hill is a wholly-owned subsidiary of OPG. Harbor Hill owns the Commercial Area of the Property and OPG owns the Residential Area of the Property, as such terms are defined in the Development Agreement. Due to a drafting error, OPG was not identified in the Development Agreement as the developer and owner of a portion of the Property. OPG desires to join in the Development Agreement as a party and as an additional Developer, to be bound under the Development Agreement to the same extent as Harbor Hill.

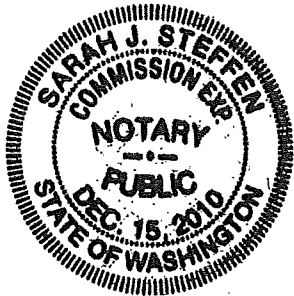
Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, OPG and Harbor Hill hereby agree as follows:

1. **Joinder.** OPG affirms, agrees to, confirms, consents to, and ratifies the Development Agreement. OPG shall be a party to the Development Agreement to the same extent that Harbor Hill is a party to the Development Agreement. All references in the Development Agreement to "Developer" and "Harbor Hill" shall mean both OPG and Harbor Hill.
2. **Joint and Several Liability.** OPG and Harbor Hill shall be jointly and severally liable to the City for all obligations of the Developer under the Development Agreement.
3. **Miscellaneous.** This Joinder Agreement shall be effective as of the date on which it is made, but the obligations of OPG under the Development Agreement shall relate back to the date on which the Development Agreement was made. This Joinder Agreement is made for the sole purpose of adding OPG as an additional Developer under the Development Agreement and shall not change any term or condition of the

STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

I certify that I know or have satisfactory evidence that JON ROSE is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of HARBOR HILL LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 11/16/2010



Sarah J. Steffen

Printed: SARAH J. STEFFEN
NOTARY PUBLIC in and for Washington
Residing at: Poulsbo, Kitsap County
My appointment expires: 12/15/2010

CONSENT OF CITY OF GIG HARBOR

The City of Gig Harbor hereby consents to the foregoing Joinder Agreement and the joinder of OPG Properties LLC as an additional Developer under the development agreement described therein, provided, however, that this consent shall not change any term or condition of the Development Agreement nor limit any right of or impose any new obligation on the City of Gig Harbor.

CITY OF GIG HARBOR, a Washington
municipal corporation

By: Charles L Hunter
CHARLES L. HUNTER
Its: Mayor

Date: NOV 23, 2010

ATTEST:

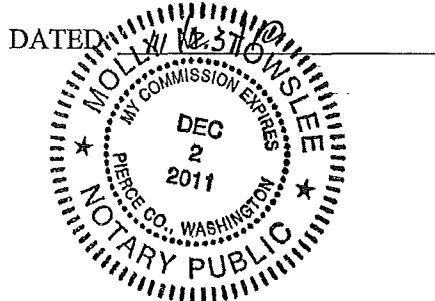
Molly M Towselee
City Clerk

APPROVED AS TO FORM:

Angela Bellum
City Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that CHARLES L. HUNTER is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Mayor of the City of Gig Harbor, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



Molly M Towselee
Printed: Molly Towselee
NOTARY PUBLIC in and for Washington
Residing at: Gig Harbor
My appointment expires: 12/2/11

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

RESIDENTIAL AREA

Owned by OPG Properties LLC

TAX PARCEL NUMBER 0222308002

LOT 2 OF THE CITY OF GIG HARBOR SHORT PLAT PL-SP-07-005, RECORDED UNDER PIERCE COUNTY AFN 200902135006, SAID LOT 2 BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 22 NORTH, RANGE 2 EAST, W.M., PIERCE COUNTY, WASHINGTON.

TAX PARCEL NUMBER 0222311000

THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER AND THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN.
EXCEPT ROADS.
SITUATE IN THE CITY OF GIG HARBOR, COUNTY OF PIERCE, STATE OF WASHINGTON.

TAX PARCEL NUMBER 0222311009

PARCEL "B" OF THE BOUNDARY LINE ADJUSTMENT RECORDED UNDER PIERCE COUNTY AFN 200407275004, SAID PARCEL "B" BEING PORTIONS OF THE WEST HALF OF THE NORTHEAST QUARTER AND OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST, W.M.
SITUATE IN THE CITY OF GIG HARBOR, COUNTY OF PIERCE, STATE OF WASHINGTON.

COMMERCIAL AREA

Owned by Harbor Hill LLC

TAX PARCEL NUMBER 4002470011

THAT PORTION OF LOT 1, BUSINESS PARK AT HARBOR HILL, PER THE PLAT THEREOF RECORDED UNDER AUDITOR'S FILE NUMBER 200605235007, SAID LOT 1 BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST, W.M., PIERCE COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF SAID LOT 1 LYING 287.61 NORTHERLY OF THE SOUTHEAST CORNER OF SAID LOT 1, AS MEASURED ALONG THE EAST LINE OF SAID LOT 1, THENCE NORTH 77°06'13" WEST 644.52 FEET TO AN ANGLE POINT IN THE WEST LINE OF SAID LOT 1;
THENCE ALONG THE BOUNDARY OF SAID LOT 1 THE FOLLOWING COURSES:
THENCE NORTH 88°22'24" WEST 110.70 FEET;

THENCE NORTH 05°55'53" EAST 181.58 FEET;
THENCE SOUTH 88°22'24" EAST 33.73 FEET;
THENCE NORTH 14°26'00" EAST 232.65 FEET;
THENCE SOUTH 48°15'42" EAST 247.61 FEET;
THENCE NORTH 77°19'55" EAST 95.23 FEET;
THENCE NORTH 37°16'34" EAST 168.29 FEET;
THENCE SOUTH 88°22'24" EAST 177.38 FEET TO A POINT ON A 766.00 FOOT CURVE TO
THE RIGHT, THE RADIUS OF WHICH BEARS SOUTH 64°21'11" WEST
THENCE SOUTHERLY ALONG SAID CURVE, AN ARC DISTANCE OF 358.65 FEET, THROUGH
A CENTRAL ANGLE OF 26°49'36";
THENCE SOUTH 01°10'47" WEST 189.56 TO THE POINT OF BEGINNING.

TAX PARCEL NUMBER 4002470012

THAT PORTION OF LOT 1, BUSINESS PARK AT HARBOR HILL, PER THE PLAT THEREOF
RECORDED UNDER AUDITOR'S FILE NUMBER 200605235007, SAID LOT 1 BEING A
PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE
2 EAST, W.M. PIERCE COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF SAID LOT 1 LYING 287.61 NORTHERLY OF
THE SOUTHEAST CORNER OF SAID LOT 1, AS MEASURED ALONG THE EAST LINE OF SAID
LOT 1;

THENCE ALONG THE BOUNDARY OF SAID LOT 1 THE FOLLOWING COURSES:

THENCE SOUTH 01°10'47" WEST 287.61 FEET;
THENCE NORTH 88°22'24" WEST 631.54 FEET;
THENCE NORTH 01°15'21" EAST 412.28 FEET TO AN ANGLE POINT IN SAID BOUNDARY;
THENCE DEPARTING SAID BOUNDARY SOUTH 77°06'13" EAST 644.52 FEET TO THE POINT
OF BEGINNING.

TAX PARCEL NUMBER 4002470030

LOT 3, BUSINESS PARK AT HARBOR HILL, PER THE PLAT THEREOF RECORDED UNDER
AUDITOR'S FILE NUMBER 200605235007, SAID LOT 3 BEING PORTIONS OF THE
NORTHWEST QUARTER AND THE SOUTHWEST QUARTER OF SECTION 31, TOWNSHIP 22
NORTH, RANGE 2 EAST, W.M. PIERCE COUNTY, WASHINGTON.

TAX PARCEL NUMBER 4002470042

THE NORTHERLY 5.3367 ACRES OF THE REVISED LOT 4 OF THE PLAT OF THE BUSINESS
PARK AT HARBOR HILL PER BOUNDARY LINE ADJUSTMENT RECORDED IN PIERCE
COUNTY, WASHINGTON, AUDITOR'S FILE NUMBER 200710195003 FURTHER DESCRIBED
AS FOLLOWS:


COMMENCING AT THE SOUTHWEST CORNER OF SAID PARCEL ADJACENT TO HARBOR
HILL DRIVE, THENCE N 01°10'47" E ALONG THE EASTERLY MARGIN OF HARBOR HILL
DRIVE 514.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING N 01°10'47" E ALONG THE EASTERLY MARGIN OF HARBOR HILL
DRIVE 428.04 FEET TO THE NORTHERLY BOUNDARY OF THE PARCEL;

THENCE S 88°15'35" E ALONG THE NORTHERN BOUNDARY 585.60 FEET TO THE EASTERN BOUNDARY OF THE PARCEL;
THENCE S 05°02'54" W, 12.02 FEET;
THENCE S 27°57'14" W, 112.58 FEET;
THENCE S 01°33'50" E, 199.54 FEET;
THENCE S 00°23'25" W, 110.52 FEET TO THE SOUTHERN BOUNDARY OF THE PARCEL;
THENCE N 88°49'13" W, 545.12 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

ACCORDING TO REQUEST OF SEGREGATION AS PER CITY OF GIG HARBOR, DATED 02/06/2008.

TAX PARCEL NUMBER 4002470051

PARCEL "B" OF THE BOUNDARY LINE ADJUSTMENT RECORDED UNDER PIERCE COUNTY AUDITOR'S FILE NUMBER 200710195003, SAID PARCEL "B" BEING PORTIONS OF THE NORTHEAST QUARTER AND OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST, W.M. PIERCE COUNTY, WASHINGTON.


201011241249 39 PGS
11/24/2010 03:12:42 PM \$100.00
PIERCE COUNTY, WASHINGTON

Return Address:
City Clerk
City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335

Please print legibly or type information.

Document Title(s) (Or transaction contained therein):

1. Harbor Hill Development Agreement
- 2.
- 3.

Grantor(s) (Last name first, then first name and initials):

1. CITY OF GIG HARBOR
- 2.
- 3.

Grantee(s) (Last name first, then first name and initials):

1. HARBOR HILL LLC
- 2.
- 3.

Legal Description (Abbreviated: i.e., lot, block, plat; or section, township, range):

LOT 2 OF THE CITY OF GIG HARBOR SHORT PLAT PL-SP-07-005...

Additional Legal Description on Page 25, 26, 27 of Document

Reference Number(s) (Of documents assigned or released):

Files No. 201011160780; 200902135006; 200605235007; 9704040094; 200308140667
and 200308140668

Additional Reference numbers on Pages 3,4,6 of Document.

Assessor's Property Tax Parcel/Account Number

0222308002; 0222311000; 0222311009; 4002470011; 4002470012; 4002470030;
4002470042; 4002470051

The Auditor/Recorder will rely on the information provided on this cover sheet. The staff will not read the Document to verify the accuracy or completeness of the indexing information provided

201011160780 38 PGS
11/16/2010 02:11:31 PM \$99.00
PIERCE COUNTY, WASHINGTON

Return Address:
City Clerk
City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335

Please print legibly or type information.

Document Title(s) (Or transaction contained therein):

1. Harbor Hill Development Agreement
- 2.
- 3.

Grantor(s) (Last name first, then first name and initials):

1. CITY OF GIG HARBOR
- 2.
- 3.

Grantee(s) (Last name first, then first name and initials):

1. HARBOR HILL LLC
- 2.
- 3.

Legal Description (Abbreviated: i.e., lot, block, plat; or section, township, range):

LOT 2 OF THE CITY OF GIG HARBOR SHORT PLAT PL-SP-07-005...

Additional Legal Description on Page 25, 26, 27 of Document

Reference Number(s) (Of documents assigned or released):

**Files No. 200902135006; 200605235007; 9704040094; 200308140667 and
200308140668**

Additional Reference numbers on Pages 3,4,6, of Document.

Assessor's Property Tax Parcel/Account Number

**0222308002; 0222311000; 1222311009; 4002470011; 4002470012; 4002470030;
4002470042; 4002470051**

The Auditor/Recorder will rely on the information provided on this cover sheet. The staff will not read the Document to verify the accuracy or completeness of the indexing information provided

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF GIG HARBOR
AND HARBOR HILL LLC,
FOR THE
HARBOR HILL DEVELOPMENT**

THIS DEVELOPMENT AGREEMENT is made and entered into this 9th day of November, 2010, by and between the CITY OF GIG HARBOR, a Washington municipal corporation, hereinafter the "City," and HARBOR HILL LLC, a Washington limited liability company, hereinafter "Harbor Hill" or "Developer."

RECITALS

A. Introduction

RCW 36.70B.170 authorizes the execution of a development agreement between a local government and a person having ownership or control of real property within its jurisdiction.

A development agreement must set forth the development standards and other provisions that shall apply to, govern and vest the development, use and mitigation of the development of the real property for the duration specified in the agreement.

This Development Agreement relates to the development known as the Harbor Hill property, legally described on Exhibit A attached hereto (the "Property"), and generally located north and south of Borgen Boulevard between Harbor Hill Drive and Peacock Hill Avenue N.W. in the City of Gig Harbor, Pierce County, Washington.

B. Harbor Hill Property Description

Harbor Hill is the successor to OPG Properties LLC (f/k/a Olympic Property Group LLC), a Washington limited liability company, and Pope Resources, a Delaware limited partnership, as the developer and owner of the Property. The Property is located within the incorporated limits of the City.¹ The Property is graphically depicted on the drawing attached hereto as Exhibit B (the "Property Map").

The Property comprises two areas, as shown on the Property Map: (1) the Residential Area, and (2) the Commercial Area.

¹ The Property description does not include those land areas previously conveyed by Harbor Hill to third parties, including Costco Wholesale Corporation, Northwest Capital Investors LLC, YMCA of Tacoma/Pierce County (Lot 2 of Harbor Hill Business Park), International Church of the Foursquare Gospel (Lot 4A of Harbor Hill Business Park), and the City, nor does it include Lot 6 (a/k/a the "Village Center") of Harbor Hill Business Park.

C. Comprehensive Plan Designation and Zoning

The Property is designated on the City's official comprehensive plan map as shown on the drawing attached hereto as Exhibit C and is zoned on the City's official zoning map as shown on the drawing attached hereto as Exhibit D. Neither Exhibit C nor Exhibit D is intended to modify the City's maps, and in the event of any inconsistency between Exhibit C and the City's comprehensive plan map or between Exhibit D and the City's official zoning map, the City's maps shall control.

D. Water, Sewer, and Transportation Facility Capacity

Harbor Hill has reserved with the City, for the benefit of the Property and Lots 2, 4A, and 6 of Harbor Hill Business Park, sewer and water service capacity for 824 ERU's within the Residential Area, sewer and water capacity for 422 ERU's within the Commercial Area and Lots 2, 4A, and 6 of Harbor Hill Business Park, and transportation capacity for 2,013 peak hour vehicle trips within the Property and Lots 2, 4A, and 6 of Harbor Hill Business Park, as evidenced by capacity reservation certificates issued by the City to the Developer (the "Capacity Reservation Certificates"). In addition, the City has prepared a water service, sewer service, and transportation facility capacity evaluation in connection with the development of the Property.

E. Existing Development Within the Property

The Property is undeveloped except for certain utility and transportation infrastructure improvements constructed or installed by Harbor Hill or its affiliates.

F. Pre-Annexation Agreement

The Property was subject to that certain "Preannexation Agreement for Gig Harbor North" dated September 26, 1996 (the "Pre-annexation Agreement"), among Pope Resources, a Delaware limited partnership (an affiliate of and predecessor to Harbor Hill), Tucci & Sons, Inc., a Washington corporation, and the City, which was recorded in the real property records of Pierce County, Washington, under Auditor's File No. 9704040094, Book 325, page 1622. To the actual current knowledge of the parties hereto, all obligations of Pope Resources, OPG Properties LLC, and Harbor Hill arising under the Pre-Annexation Agreement have been fully satisfied.

G. PRD Submittal

On December 2, 2008, Harbor Hill filed with the City a complete application for approval of a planned residential development and preliminary plat within the Residential Area (File Nos. PL-PPLAT-08-0001 and PL-PRD-08-0001) (collectively, the "PRD Application").

H. Prior Development Agreements

The Property is not currently subject to any development agreement. The following real property presently or formerly owned by Harbor Hill or its affiliate OPG Properties LLC (d/b/a Olympic Property Group and f/k/a Olympic Property Group LLC) has been subject to the following two (2) development agreements:

1. "Development Agreement" dated July 23, 2003, between Olympic Property Group LLC (now known as OPG Properties LLC), a Washington limited liability company, and the City, relating to the Village Center, which was recorded in the real property records of Pierce County, Washington, under Auditor's File Nos. 200308140667 and 200308140668. This development agreement has expired.

2. "Development Agreement by and between the City of Gig Harbor and Harbor Hill LLC, for the Costco Shopping Center Residual Parcels" dated November 13, 2006, between Harbor Hill and the City, relating to the real property commonly known as Residual Parcels A, B, and C the Costco Shopping Center. Harbor Hill's interest under this development agreement has been assigned to a third party.

To the actual current knowledge of the parties hereto, OPG Properties LLC and Harbor Hill are not in default of any obligations under the development agreements described above.

I. Existing Environmental Documents

Harbor Hill, OPG Property Group LLC, Pope Resources, the City, and others have investigated the environmental condition of the Property and the environmental impacts that may be caused by the development of the Property and have prepared certain environmental reports and studies, which are listed on Exhibit E attached hereto (the "Environmental Documents"). The Environmental Documents include draft and final environmental impact statements relating to the adoption of the City's comprehensive plan and zoning code and to the making of the Pre-annexation Agreement.

J. City Environmental Review

The City has reviewed the probable adverse environmental impacts of the making of this Agreement, as required by the State Environmental Policy Act, RCW Chapter 43.21C ("SEPA"), by reviewing the Environmental Documents and by making a threshold Determination of Nonsignificance dated October 13, 2010, which has not been appealed or modified, and a copy of which is attached hereto as Exhibit E (the "Threshold Determination"). The parties acknowledge that additional environmental review under SEPA will be required by the City prior to making any other land use or subdivision decisions relating to the Project.

K. City Authority

This Agreement is made under the authority of the City's police power, contracting authority, and other authority, including the authority granted to the City under RCW 36.70B.170 et seq. to make development agreements, and GHMC Chapter 19.08 as amended. This Agreement establishes development standards for the Property and other provisions that apply to and govern and vest the development, use and mitigation of the development of the Property for the term specified in this Agreement. Actual construction of the Project requires issuance of subsequent City permits, which will be issued in accordance with the standards and procedures described in this Agreement.

Now, therefore, the parties hereto agree as follows:

General Provisions

Section 1. The Project. The Project is the development and use of the Property as described in this Agreement. Upon completion of construction, the Project will comprise the facilities and uses described on Exhibit G attached hereto and incorporated herein by this reference.

Section 2. The Property. The Property consists of approximately 235 acres and is legally described in Exhibit A attached hereto and incorporated herein by this reference.

Section 3. Definitions. As used in this Development Agreement, the following terms, phrases and words shall have the meanings and be interpreted as set forth in this Section.

A. "Adopting Resolution" means the resolution which approves this Development Agreement, as required by RCW 36.70B.200.

B. "Certificate of Occupancy" means either a temporary or final certificate of occupancy issued after inspections by the City, authorizing a person in possession of property to dwell or otherwise use a specified building or dwelling unit.

C. "City Engineer" means the City's Engineer and his or her designee.

D. "Civil Permit" means any ministerial, nondiscretionary City permit approved by the City Engineer and authorizing clearing and grading, landscaping improvements, the construction of roads, bridges, storm water facilities, or utility facilities, or other construction work, such as those issued under the authority of GHMC Chapters 12.06 and 12.08, except any building permit. "Civil Permit" does not include any landscaping improvements required by GHMC Titles 16, 17, or 18 and approved by the Director.

E. "Commercial Area" means the portion of the Property designated "Commercial Area" on the Property Map, also known as Lots 1A, 1B, 3, 4B, and 5 of Harbor Hill Business Park, which comprises areas for commercial development and appurtenant streets, parks, storm water management areas, and other appurtenant areas. The Commercial Area does not include Lots 2 (YMCA), 4A (International Church of the Foursquare Gospel), and 6 (a/k/a Village Center) of Harbor Hill Business Park.

F. "Design Guidelines" means the Gig Harbor Design Manual, as adopted by the City.

G. "Development Standards" include, but are not limited to, all of the standards listed in RCW 36.70B.170(3), as established or modified by this Agreement. The Development Standards applicable to the Project are described in Section 8 below.

H. "Director" means the City's Planning Director and his or her designee.

I. "Effective Date" means the effective date of the Adopting Resolution.

J. "ERU" means equivalent residential unit as defined in the most current version of the City of Gig Harbor Wastewater and Water Utility Comprehensive Plan.

K. "Existing Land Use Regulations" means the ordinances adopted by the City Council of Gig Harbor in effect on the Effective Date, including the adopting ordinances that govern the permitted uses of land, the density and intensity of use, and the design, improvement, construction standards and specifications applicable to the development of the Property, including, but not limited to the Comprehensive Plan, the City's Official Zoning Map and development standards, Design Guidelines, Public Works Standards, SEPA Regulations, Concurrency Ordinance for water, wastewater and transportation facilities, park regulations, and all other ordinances, codes, rules and regulations of the City establishing subdivision and land use standards, as modified or varied by the City to the extent authorized under the Existing Land Use Regulations for planned residential developments, planned unit developments, and otherwise, provided, however, that Existing Land Use Regulations does not include building codes, clearing and grading codes, storm water management codes and storm water management and site development manuals, regulations governing taxes and impact fees, and regulations defining the term "ERU."

L. "Finished Residential Lot" means a developable legal lot, tract, or parcel within the Residential Area, which has been cleared and rough graded and is preliminarily compacted and ready for construction by Homebuilder, with all utility lines stubbed to the property line, functional, connected to a main utility line, and

ready for use, and all transportation improvements constructed or bonded in accordance with the approved civil engineered drawings and this Agreement.

M. "Harbor Hill Business Park" means the Plat of Harbor Hill Business Park, City of Gig Harbor Final Subdivision No. SUB 06-1208, recorded in the real property records of Pierce County, Washington, under Auditor's File No. 200605235007, as amended, subject to subsequent tax parcel segregations, including without limitation the tax parcel segregations of Lot 1 (creating Lots 1A and 1B) and Lot 4 (creating Lots 4A and 4B).

N. "Homebuilder" means any person who holds a contractual right to purchase Finished Residential Lots within the Property and to construct and install model homes within such lots either before or after completing such purchase. Notwithstanding the foregoing, a Homebuilder shall not be a party to this Agreement, shall not be a successor or assign of the Developer, and shall have no rights regarding the amendment or termination of this Agreement, unless the Developer shall assign such rights to such Homebuilder in an instrument recorded in the real property records of Pierce County, Washington.

O. "Landowner" is any person who has acquired any portion of the Property from the Developer who, unless otherwise released as provided in this Agreement, shall be subject to the applicable provisions of this Agreement. Notwithstanding the foregoing, a Landowner shall not be a party to or beneficiary of this Agreement, shall not be a successor or assign of the Developer, and shall have no rights regarding the enforcement, interpretation, amendment, or termination of this Agreement, unless the Developer shall assign such rights to such Landowner in an instrument recorded in the real property records of Pierce County, Washington.

P. "Residential Area" means the portion of the Property designated "Residential Area" on the Property Map, which comprises areas for single-family and multi-family development and appurtenant streets, parks, storm water management areas, and other appurtenant areas.

Q. "Village Center" means Lot 6 of Harbor Hill Business Park, upon which the Developer intends to establish a retail commercial village center.

Section 4. Exhibits. Exhibits to this Agreement are attached hereto and incorporated herein, including the following:

- Exhibit A – Legal Description of the Property
- Exhibit B – Property Map
- Exhibit C – Comprehensive Plan Map
- Exhibit D – Zoning Map
- Exhibit E –List of Environmental Documents
- Exhibit F – SEPA Threshold Determination

Exhibit G – Project Description
Exhibit H – List of Modified City Development Standards
Exhibit I – Phasing Plan

Section 5. Project Is a Private Undertaking. It is agreed among the parties that the Project is a private development and that the City has no interest therein except as authorized in the exercise of its governmental functions.

Section 6. Term of Agreement; Vesting Periods.

A. This Agreement shall commence upon the Effective Date of the Adopting Resolution approving this Agreement and shall continue in force for a period of 20 years unless terminated as provided herein. Following the termination of this Agreement, this Agreement shall have no force and effect, subject however, to post-termination obligations of the Developer or Landowner.

B. The Development Standards designated in this Agreement shall remain unchanged and apply in full force and effect for the term of this Agreement (the "Development Period").

C. During the Development Period, Harbor Hill shall have the right to obtain approvals and permits, including without limitation final plat and final planned residential development approvals of development phases within the Residential Area, and develop the Property in accordance with the Development Standards.

D. Within the Residential Area, the following time periods otherwise applicable to City approvals and permits shall be extended for the term of the Development Period: (1) the duration of preliminary and final binding site plan approval, preliminary and final plat approval, PRD approval, and other land use approvals and permits, (2) deadlines for filing final binding site plans, final plats, and other applications and designs, and (3) deadlines for commencing and completing the development of an approved final binding site plan, final plat, or other project. This subsection shall not apply to any Civil Permit or building permit. Notwithstanding the foregoing, the City reserves the right during the Development Period to modify the Development Standards to the extent required by a serious threat to public health and safety.

E. Within the Commercial Area, any City land use approval or permit relating to Lots 1A and 1B, including without limitation any design approval, site plan approval, or binding site plan approval, shall not expire or terminate until the date that is ten (10) years after the issuance of such approval or permit. This subsection shall not apply to any Civil Permit or building permit. Notwithstanding the foregoing, the City reserves the right during the Development Period to modify the Development Standards to the extent required by a serious threat to public health and safety.

F. Within both the Commercial Area and Residential Area, any Civil Permit shall not expire or terminate until the date that is two (2) years after the issuance of such approval or permit. This subsection shall not apply to any building permit. Notwithstanding the foregoing, the City reserves the right during the Development Period to modify the Development Standards to the extent required by a serious threat to public health and safety.

Section 7. Vested Rights of Developer. During the term of this Agreement, unless sooner terminated in accordance with the terms hereof, in developing the Property consistent with the Project described herein, Developer is assured, and the City agrees, that the development rights, obligations, terms and conditions specified in this Agreement, are fully vested in the Developer and may not be changed or modified by the City, except as may be expressly permitted by, and in accordance with, the terms and conditions of this Agreement, including the exhibits hereto, or as expressly consented thereto by the Developer.

Section 8. Permitted Uses and Development Standards. The permitted uses, the density and intensity of use, the maximum height and size of proposed buildings, provisions for reservation and dedication of land or payment of fees in lieu of dedication for public purposes, the construction, installation and extension of public improvements, development guidelines, and other Development Standards for development of the Property shall be (a) the Project description set forth on Exhibit G attached hereto and incorporated herein by this reference, (b) the Existing Land Use Regulations, (c) the building codes and clearing and grading codes under which the review of the Project is vested under RCW 19.27.095, RCW 58.17.033, and other applicable laws, (d) the storm water management code and storm water management and site development manual in effect on December 2, 2008, (e) the permits and approvals identified herein, (f) the Development Standards expressly set forth in this Agreement, and (g) the Development Standards expressly set forth in all other exhibits incorporated herein. The parties have used reasonable efforts to identify on Exhibit H attached hereto the City development standards that are modified by this Agreement, but Exhibit H is not intended to govern to the extent that it either omits any modified development standard or conflicts with any other provision of this Agreement.

Section 9. Minor Modifications. Minor modifications from the approved permits or the exhibits attached hereto, including without limitation modifications proposed between preliminary plat and final plat decisions, may be approved in accordance with the provisions of the City's code, including without limitation GHMC 16.05.006, 17.89.120, and Chapter 19.01, and shall not require an amendment to this Agreement.

Section 10. Further Discretionary Actions. Developer acknowledges that the Existing Land Use Regulations contemplate the exercise of further discretionary powers by the City. These powers include, but are not limited to, review of additional

permit applications under SEPA. Nothing in this Agreement shall be construed to limit the authority or the obligation of the City to hold legally required public hearings, or to limit the discretion of the City and any of its officers or officials in complying with or applying Existing Land Use Regulations.

Section 11. Financing of Public Facilities.

A. The City may pursue the use of a local improvement district and other similar project-related public financing mechanism for financing the construction, improvement, or acquisition of public infrastructure, facilities, lands, and improvements to serve the Property, whether located within or outside the Property. Developer acknowledges and agrees that it shall pay its pro-rata share of the costs of public improvements to be financed thereby.

B. For reimbursement of expenses incurred by Developer associated with the Project, the Developer may apply for a latecomer reimbursement agreement in accordance with the state law and local ordinances. Nothing in this Agreement prevents all or any portion of the Property from being included in a benefit assessment area under a latecomer reimbursement agreement if requirements under applicable state law and local ordinances are met.

Section 12. Existing Land Use Fees, Impact Fees, and General Facility Charges.

A. Land use fees adopted by the City by ordinance as of the Effective Date may be increased by the City from time to time, and applicable to permits and approvals for the Property, as long as such fees apply to similar applications and projects in the City.

B. Except as provided in subsection C below, all impact fees and general facility charges shall be paid as set forth in the approved permit or approval, or as addressed in Chapter 19.12 of the Gig Harbor Municipal Code. The parties agree that payment of any impact fee or general facility charge relating to the development of the Property shall be required at the later of (i) the time the City issues a building permit for the construction of the building to which the impact fee or facility charge relates, or (ii) the time required by the City in its regulations.

C. In consideration of the Developer's dedication to the City of Lot 3 of Harbor Hill Business Park, park impact fees otherwise payable to the City under Chapter 19.12 of the Gig Harbor Municipal Code shall be waived by the City as to each of the 824 dwelling units within the Residential Area. If the Developer builds fewer than 824 dwelling units within the Residential Area, the City shall have no obligation to reimburse or otherwise compensate the Developer to the extent that the Developer's dedication of Lot 3 to the City may have exceeded the Developer's legal obligation to mitigate park impacts. In the event Lot 3 of Harbor Hill Business Park is

not accepted by the City as set forth in Section 13.H.ii below, then this Section 12.C shall be null and void.

Section 13. Phasing of Development.

A. Generally; Phasing Plan. The Project may be completed in phases, as set forth on Harbor Hill's phasing plan, which is attached hereto as Exhibit I (the "Phasing Plan") and is hereby approved by the City. The Phasing Plan is subject to compliance with the requirements of SEPA regarding phased environmental review. Harbor Hill shall develop only complete phases, not portions of any phase. Harbor Hill is authorized to propose revisions to the Phasing Plan from time to time. Revisions that would increase the number of phases by more than 25 percent, modify any Development Standard, or terminate the Phasing Plan require City Council approval in the form of an amendment to this Agreement. The Director is authorized to approve all other revisions to the Phasing Plan, without an amendment to this Agreement, if the revised Phasing Plan is consistent with other provisions of this Agreement and the Development Standards, and if it makes adequate provision for reallocating among the phases the Project conditions, mitigation measures, and other requirements of the City to the satisfaction of the Director. The Developer may construct or install greater infrastructure improvements than are described in the Phasing Plan in its discretion, as where greater infrastructure improvements may give the Developer an economy of scale.

B. Allocation of Conditions and Mitigation Measures Among Phases. With respect to any Project conditions, mitigation measures, and other requirements that are not incorporated within the Phasing Plan, the City and Harbor Hill shall discuss and use reasonable efforts to negotiate the conditions, mitigation measures, and other requirements applicable to each phase, if the Phasing Plan is changed as to any phase for which the City has granted preliminary but not final plat approval, subject, however, to the authority of the City to exercise its legal authority to allocate such conditions, mitigation measures, and other requirements among the phases. The parties acknowledge that, because the Development will be phased, certain amenities associated with the Project must be available to all phases of the Project, in order to address health, safety and welfare of the residents and other occupants of the Project.

C. Transportation Improvements. Transportation improvements required as a condition of City approval of any Project permit shall be completed prior to the date on which the City approves the final plat of the phase for which the transportation improvements are required, but if no plat is required, then the improvements shall be completed prior to issuance of a Certificate of Occupancy for any building authorized under the Project permit.

D. Potable Water and Fire Flow Facilities.

i. Off-site potable water and fire flow facilities required as a condition of approval of any Project permit shall be completed prior to the date on which the City approves the final plat of the phase for which the facilities are required, but if no plat is required, then the facilities shall be completed prior to issuance of a Certificate of Occupancy for any building authorized under the Project permit, provided, however, that off-site fire flow facilities shall be completed before the City issues a building permit for any combustible structure.

ii. On-site potable water and fire flow facilities required as a condition of approval of any Project permit shall be completed before the City issues a Certificate of Occupancy for any building for which the facilities are required, provided, however, that on-site fire flow facilities shall be completed before the City issues a building permit for any combustible structure.

E. Sewer Facilities.

i. Off-site sewer facilities required as a condition of approval of any Project permit shall be completed prior to the date on which the City approves the final plat of the phase for which the facilities are required, but if no plat is required, then the facilities shall be completed prior to issuance of a Certificate of Occupancy for any building authorized under the Project permit.

ii. On-site sewer facilities required as a condition of approval of any Project permit shall be completed before the City issues a Certificate of Occupancy for any building for which the facilities are required.

F. Storm Water Improvements. Storm water improvements required as a condition of City approval of any Project permit shall be completed prior to the date on which the City approves the final plat of the phase for which the storm water improvements are required, but if no plat is required, then the improvements shall be completed prior to issuance of a Certificate of Occupancy for any building authorized under the Project permit.

G. Utilities. Utility facilities, other than sewer, storm sewer and water facilities, required as a condition of approval of any Project permit, shall be completed before the City issues a Certificate of Occupancy for any building for which the facilities are required.

12

H. Parks and Open Space.

i. Parks and open space facilities required as a condition of approval of any Project permit shall be completed or bonded prior to the date on which the City approves the final plat of the phase for which the facilities are required, but if no plat is required, then the facilities shall be completed prior to issuance of a Certificate of Occupancy for any building authorized under the Project permit.

ii. The parties intend that Lot 3 of Harbor Hill Business Park will be developed by the City as a public park and owned by the City in perpetuity. Within ninety (90) days after the later of the Effective Date and the date on which the City has issued a final appealable decision approving the PRD Application and either all appeal periods relating to such decision have expired without the commencement of any appeals or all commenced appeals have been dismissed with prejudice, the Developer shall deliver to the City a Phase I environmental site assessment relating to Lot 3 (the "Phase I"), dated not more than sixty (60) days before the date of delivery, prepared by a qualified consultant at Developer's sole expense. Unless the Phase I discloses a recognized environmental condition ("REC") affecting Lot 3, the City shall approve the Phase I and the environmental condition of Lot 3 within thirty (30) days after the City's receipt of the Phase I. Within ninety (90) days after the City delivers to the Developer written notice that the City approves the environmental condition of Lot 3, as disclosed in the Phase I, the Developer shall (a) dedicate Lot 3 to the City by a quit claim deed that reserves the future use of Lot 3 to public park, roadway, and appurtenant uses only, and (b) pay the City the sum of US\$50,000, which the City shall use only for the preparation of designs and plans for public park facilities within Lot 3. If the City delivers to the Developer written notice that the City does not approve the environmental condition of Lot 3, as disclosed in the Phase I, then the parties shall have one hundred eighty (180) days to reach an agreement to resolve the environmental issues, such as an agreement to undergo Phase 2 analysis and implement a remediation plan. In the event the parties cannot reach agreement to resolve the environmental issues to the City's satisfaction within one hundred eighty (180) days, the waiver of park impact fees under Section 12.C shall be null and void, the Developer shall pay applicable park impact fees in accordance with City regulations, and the Developer shall have no obligation either to dedicate Lot 3 to the City or to pay the City the sum of US\$50,000 as described above. The Developer shall have no other obligations to the City relating to Lot 3 except those obligations described in this subparagraph.

iii. The City hereby agrees that, in consideration of the Developer's dedication to the City of Lot 3 of Harbor Hill Business Park, the City's requirement under GHMC 17.54.030.C that Lots 1A, 1B, 4B, and 5 of Harbor Hill Business Park establish or preserve 20 percent or more of their respective lot areas as open space, with either retained natural vegetation or new landscaping, shall be modified as follows as to each such lot: a minimum of 15 percent (instead of 20 percent) of the

site, excluding setbacks, shall remain in open space, with either retained natural vegetation or new landscaping.

J. Bonds. Notwithstanding the foregoing, in lieu of the completion of the actual construction of any required improvements prior to the approval of a final plat, final planned residential development, or final binding site plan, the Director or City Council may accept a bond, approved as to form by the City Attorney, in an amount and with surety and conditions satisfactory to it, or other secure method, providing for and securing to the City the actual construction and installation of such improvements within a period specified by the City and expressed in the bond.

Section 14. Dedication of Public Lands.

A. All conveyances of public lands from the Developer to the City shall be by statutory warranty deed subject to all matters of record and matters that a visual inspection and ALTA/ACSM survey would disclose, provided, however, that no conveyance shall be subject to any deed of trust, mortgage, or other monetary lien.

B. The Developer will dedicate to the City the tract described as Item No. 14 (South Wetland/Loop Trail) on the Phasing Plan, as public open space, upon the occupancy of four hundred (400) dwelling units within the Residential Area. The Developer will dedicate to the City the tract described as Item No. 19 (Gateway Park) on the Phasing Plan, as a public park, upon the issuance of a Certificate of Occupancy for any building constructed within Phase M2 as described on the Phasing Plan. The completion of the foregoing conveyances shall fully satisfy the Developer's obligations to establish public parks and open space and to mitigate Project impacts to parks and open space in connection with the development of the Project, provided, however, that such dedications shall not fully satisfy the requirements of GHMC 17.89.110 relating to the establishment of private open space that is owned and maintained by a property owner's association. At the time of the Developer's dedication of the tract described as Item No. 19 (Gateway Park) on the Phasing Plan, the tract will be improved at the Developer's expense with certain facilities and improvements, as described in the PRD Application, including without limitation the following facilities and improvements: landscape improvements including a seating/pedestrian gathering area and a crushed rock walking path through the grass meadow, providing pedestrian connectivity between the Borgen Boulevard sidewalk and the wetland area trails in Tract C.

C. i. The Developer agrees to construct a road, to the standard described in the City's site plan approval relating to Lots 1A and 1B of Harbor Hill Business Park (File No. PL-SPR-08-0009), within the City-approved right-of-way within Lots 1A and 1B of Harbor Hill Business Park, before the City issues a Certificate of Occupancy for any building within either Lot 1A or 1B of Harbor Hill Business Park, regardless whether the Developer already has dedicated the City-approved right-of-way to the City under the following subparagraph.

ii. The Developer agrees to dedicate to the City the City-approved right-of-way within Lots 1A and 1B of Harbor Hill Business Park (with or without the construction of a road within the right-of-way), and the City agrees to accept such dedication from the Developer, within sixty (60) days after first to occur of the following events: (a) completion of construction and dedication to the City of the roadway located within the McCormick Creek project between Burnham Drive and the City-approved right-of-way within Lots 1A and 1B of Harbor Hill Business Park, or (b) the Developer's completion of construction, and the City's approval of its final construction inspection, of a roadway within the City-approved right-of-way within Lots 1A and 1B of Harbor Hill Business Park.

D. The Developer may, at its option from time to time, request the elimination of bike lanes within one or more new public streets within the Residential Area, in exchange for wider public sidewalks along such streets. The City may grant or deny such requests in its discretion.

Section 15. Capacity Reservations.

A. There are 2,013 peak hour vehicle trips reserved by the Developer for the Project and Lots 2 (YMCA), 4A (International Church of the Foursquare Gospel), and 6 (a/k/a Village Center) of Harbor Hill Business Park under the existing Capacity Reservation Certificates. Upon the Effective Date, (1) 641 peak hour vehicle trips shall be reallocated from Harbor Hill Business Park to the Residential Area, and (2) 60 peak hour vehicle trips shall be reserved for Lot 3 (future public park) of Harbor Hill Business Park. The parties acknowledge that 256 peak hour vehicle trips of the 1,312 peak hour vehicle trip balance have been allocated to Lots 1A and 1B of Harbor Hill Business Park in prior land use decisions of the City, and 137 peak hour vehicle trips of the 1,312 peak hour vehicle trip balance have been allocated to Lot 2 (YMCA) of Harbor Hill Business Park in prior land use decisions of the City. The balance, 919 peak hour vehicle trips, shall be reserved for Lots 4A, 4B, 5, and 6 of Harbor Hill Business Park until they are assigned or reallocated either in an amendment to this Agreement, or in a separate agreement between the City and the Developer, or as may otherwise be authorized by law. In addition to other methods of assigning and allocating vehicle trips authorized by this Agreement, the Developer may, as part of a development permit application, designate the amount of remaining capacity to be allocated to portions of the Property, such as lots, blocks, parcels, or tracts included in the application, and remaining capacity may be reassigned or allocated within the boundaries of the original reservation certificate by application to the Director.

B. The Developer covenants to the City that it will either pay City sewer general facility charges and purchase City sewer facility connection rights or partially relinquish its reserved rights under its sewer Capacity Reservation Certificates as to such portions of the Residential Area as the Developer may choose in its discretion,

as to a total of 275 sewer ERU's (in any combination of paid fees or relinquished rights), within ninety days after the seventh (7th) anniversary of the Effective Date. Within the Residential Area, the Developer shall pay City sewer general facility charges and purchase City sewer facility connection rights (and not relinquish its reserved rights) as to all ERU's for which the Developer has either obtained a building permit or final plat, final planned residential development, or final binding site plan approval.

C. The Developer covenants to the City that it will either pay City sewer general facility charges and purchase City sewer facility connection rights or partially relinquish its reserved rights under its sewer Capacity Reservation Certificates as to such portions of the Residential Area as the Developer may choose in its discretion, as to a total of 552 sewer ERU's (including the sewer ERU's purchased or relinquished under Section 15.B above) (in any combination of paid fees or relinquished rights), within ninety days after the fourteenth (14th) anniversary of the Effective Date. Within the Residential Area, the Developer shall pay City sewer general facility charges and purchase City sewer facility connection rights (and not relinquish its reserved rights) as to all ERU's for which the Developer has either obtained a building permit or final plat, final planned residential development, or final binding site plan approval.

D. If the Developer partially relinquishes its reserved capacity under its sewer Capacity Reservation Certificates as described above, and if the Developer holds any preliminary plat, preliminary planned residential development, or preliminary binding site plan approval (a "Preliminary Approval") for development within the Residential Area in excess of its remaining reserved capacity, then either the Developer shall file with the City an application to amend its Preliminary Approvals to reduce the number of proposed ERU's to the number of reserved sewer ERU's or less within one hundred twenty (120) days after the date of such relinquishment or the Developer shall not submit to the City and the City shall not approve any application for final approval of any plat, PRD, or binding site plan within the Residential Area until such time as the Developer files an application to amend its Preliminary Approvals to reduce the number of proposed ERU's to the number of reserved sewer ERU's or less. In no event shall any Preliminary Approval confer upon the Developer a vested right to obtain final plat approval as to any ERU for which the Developer does not hold a valid sewer Capacity Reservation Certificate at the time of final plat approval.

Section 16. Setbacks. Setbacks otherwise required under GHMC 17.54.030.B shall not be required from either the north or west boundaries of Lot 3 of Harbor Hill Business Park.

Section 17. Residential Density. Each phase of the residential development of the Project may contain areas within which residential density is clustered, potentially exceeding residential density limits as to such areas, but such variations

shall be permitted as long as they are offset by corresponding reductions in existing or future residential density in other portions of the Residential Area, so that the aggregate residential density within the Residential Area shall at all times comply with the Existing Land Use Regulations.

Section 18. Model Homes.

A. The parties acknowledge that the most efficient and economic development of the Residential Area depends upon numerous factors, such as market orientation and demand, interest rates, competition, and similar factors, and that generally it will be most economically beneficial to the ultimate purchasers of the Residential Area to allow the Developer or Homebuilder to construct model homes within the Residential Area prior to approval and recording of a final plat. Therefore, the parties agree that the Developer and any Homebuilder shall be entitled to construct model homes within the Residential Area in accordance with the following terms and conditions;

B. The Developer and any Homebuilder may submit building permit applications for up to eight (8) model homes within eight (8) lots per phase, as such phases are described on the Phasing Plan and as such lots are depicted on an approved preliminary plat, prior to recording of the final plat. The City shall review and approve or deny the applications regardless whether the final plat is recorded. Prior to issuance of building permits for the model homes, the following requirements must be satisfied:

i. Retention/detention facilities that serve the model home lots shall be constructed in accordance with the engineered drawings approved by the City of Gig Harbor.

ii. Construction of road improvements necessary to provide safe public access to the model homes from existing public roadways shall be completed. The City Engineer shall have sole discretion to determine the definition of safe public access. The road improvements shall consist of subgrade, curb and gutter, sidewalk and first lift of asphalt in the final roadway alignment, from the existing public roadways to the furthest proposed model home. These improvements shall be in accordance with the engineered drawings approved by the City.

iii. Water and sewer facilities shall be installed to each lot proposed for model homes.

iv. All proposed streets serving the model homes shall be adequately marked with street signs.

v. All impact fees and utility general facility charges for model homes shall be paid prior to the issuance of building permits for the model homes.

vi. Fire protection features, including access, hydrants, and fire flow, must be provided in accordance with GHMC Chapter 15.16 and the approved civil plans prior to any combustible construction on any lot within the development. Such fire protection features may be installed in a phased manner provided that they are in place and approved as prescribed by code for each individual parcel within the plat prior to issuance of a building permit for said parcel.

vii. Traffic mitigation fees for all model homes shall be paid as required by law or as agreed by the City and the Developer as to the Residential Area.

C. In addition to the foregoing requirements, each residential building permit application for a model home shall include the following submittals:

i. Building plot plans showing the locations of the proposed model homes with distances indicated from the proposed final plat lot lines.

ii. Overall site plan showing the temporary improvements specific to the model homes such as the location of signage, flags, banners, fencing, landscaping, and impervious surfaces such as parking areas and sidewalks.

D. A final and complete Certificate of Occupancy shall not be granted for any of the model homes until the final plat has been recorded. However, the applicant may request final inspection and temporary occupancy for model homes prior to final plat recording, provided:

i. The Developer and Homebuilder have complied with applicable state law with regard to any agreements to transfer, sell, or lease property within the preliminary plat prior to final plat recording.

ii. All Building and Fire Safety requirements and Public Works Standards have been met to the satisfaction of the City's Building and Fire Safety Director and City Engineer.

iii. Driveway approaches for each model home requesting occupancy have been installed.

iv. Repairs to the roadway improvements have been completed as necessary due to damage as a result of model home construction.

v. Completion of miscellaneous utility work as necessary to minimize potential for damage to vehicles or tripping hazards.

vi. Completion of miscellaneous work to provide access for maintenance or operation of underground utilities.

E. Prior to final plat approval, either the Developer or Homebuilder shall submit two (2) copies of a plot plan delineating the as-built location of the model home on the lot. The corners of the lot shall be set by a registered professional land surveyor prior to commencement of construction.

F. The model homes and all associated improvements, including any parking lot, shall be removed within six (6) months after the last to occur of the following events:

i. Preliminary plat approval has expired and no extension has been granted, and

ii. The portion of the Residential Area within which the model home is located has been denied final plat approval and either all appeal periods have been exhausted without the commencement of an appeal or all appeals have been dismissed or otherwise resolved.

Section 19. Default.

A. Subject to extensions of time by mutual consent in writing, failure or delay by either party or Landowner not released from this Agreement to perform any term or provision of this Agreement shall constitute a default. In the event of alleged default or breach of any terms or conditions of this Agreement, the party alleging such default or breach shall give the other party or Landowner not less than thirty (30) days notice in writing, specifying the nature of the alleged default and the manner in which said default may be cured. During this thirty (30) day period, the party or Landowner charged shall not be considered in default for purposes of termination or institution of legal proceedings.

B. After notice and expiration of the thirty (30) day period, if such default has not been cured or if a cure is not being diligently pursued, the other party may, at its option, institute legal proceedings and pursue any remedy available under the law. In addition, the City may file an action to enforce the Gig Harbor Municipal Code, and to obtain penalties and costs as provided in the Gig Harbor Municipal Code, for violations of this Development Agreement and the Code.

Section 20. Annual Review. The City shall, at least every twelve (12) months during the term of this Agreement, review the extent of good faith substantial compliance by Developer and Landowner with this Agreement.

Section 21. Termination. This Agreement shall terminate upon the expiration of the term identified in Section 6 or when the Property has been fully developed, whichever first occurs, and all of the Developer's obligations in connection therewith are satisfied as determined by the City. Upon termination of this Agreement, the City shall record a notice of such termination in a form

satisfactory to the City Attorney. Upon the City's issuance of a final and complete Certificate of Occupancy for any building within any portion of the Property, the description of the Property subject to this Agreement shall be deemed amended to exclude such portion, and any successor owner of such portion shall be released from all liabilities, obligations, and other covenants arising under this Agreement, and shall have no rights under this Agreement; provided, however, that the foregoing shall not release the Developer from any liability or obligation arising under this Agreement.

Section 22. Effect of Termination on Developer Obligations. Termination of this Agreement as to the Developer of the Property or any portion thereof shall not affect any of the Developer's obligations to comply with the City Comprehensive Plan and the terms and conditions or any applicable zoning code(s) or subdivision map or other land use entitlements approved with respect to the Property, any other conditions of any other development specified in the Agreement to continue after the termination of this Agreement, or obligations to pay assessments, liens, fees or taxes.

Section 23. Effect of Termination on Developer Rights. Upon any termination of this Agreement as to the Developer of the Property or any portion thereof, the entitlements, conditions of development, limitations on fees and all other terms and conditions of this Agreement shall no longer be vested hereby with respect to the property affected by such termination (provided that vesting of such entitlements, conditions or fees may then be established for such property pursuant to then existing planning and zoning laws).

Section 24. Assignment and Assumption; No Third Party Beneficiaries.

A. Harbor Hill shall have the right to assign all or any portion of its rights, liabilities, and obligations under this Agreement, subject to the conditions of Section 24.B.

B. Harbor Hill shall be released of all liabilities and obligations under this Agreement as to any portion of the Property upon its assignment of all such liabilities and obligations to any successor developer and owner of such portion of the Property if the following conditions are met: (1) Harbor Hill provides 30 days advance written notice of the assignment to the City; (2) the assignee assumes in writing all liabilities and obligations of Harbor Hill under this Agreement as to such portion of the Property, and (3) one of the following exists: (a) Harbor Hill retains a fifty percent (50%) or more equitable interest in the assignee and is the managing entity or actively involved in development of the Project; (b) the assignee is a wholly-owned subsidiary of Harbor Hill, OPG Properties LLC, or Pope Resources; (c) the assignee has a financial net worth that equals or exceeds at least twice the amount of outstanding financial obligations, at the time of the assignment, allocable to the portion of the Property to which the assignment relates as determined by the

Director; (d) substantially all of the on-site and off-site mitigation has been completed or adequate security therefor, as determined by the Director, has been provided; or (e) the City otherwise consents, in its sole discretion. If the conditions for release are met under this subsection, then from and after the date of such assignment, Harbor Hill shall have no further liability or obligation under this Agreement as to the portion of the Property to which the assignment relates (except to the extent Harbor Hill has an equitable interest in assignee) and the assignee shall exercise the rights and perform the obligations of Harbor Hill under this Agreement as to such portion.

C. This Agreement is made and entered into for the sole benefit and protection of Harbor Hill, the City, and their respective successors and assigns, and no other person shall have any right of action based upon any provision of this Agreement, except as expressly provided otherwise in this Agreement. There are no third party beneficiaries of this Agreement.

Section 25. Covenants Running with the Land. The conditions and covenants set forth in this Agreement and incorporated herein by the Exhibits shall run with the land and the benefits and burdens shall bind and inure to the benefit of the parties, their respective successors and assigns.

Section 26. Amendment to Agreement; Effect of Agreement on Future Actions. This Agreement may be amended by mutual consent of all of the parties, provided that any such amendment shall follow the process established by law for the adoption of a development agreement (see, RCW 36.70B.200). However, nothing in this Agreement shall prevent the City Council from making any amendment to its Comprehensive Plan, Zoning Code, Official Zoning Map or development regulations affecting the Property during the term of this Agreement, as the City Council may deem necessary to the extent required by a serious threat to public health and safety. Nothing in this Development Agreement shall prevent the City Council from making any amendments of any type to the Comprehensive Plan, Zoning Code, Official Zoning Map or development regulations relating to the Property after termination of this Agreement.

Section 27. Notices. Notices, demands, correspondence to the City and Developer shall be sufficiently given if dispatched by pre-paid first-class mail to the following addresses:

If to the Developer:
Harbor Hill LLC
Attn: President
19245 Tenth Avenue N.E.
Poulsbo, WA 98370

If to the City:
City of Gig Harbor
Attn: City Administrator
3510 Grandview Street
Gig Harbor, WA 98335

Notices to subsequent Landowners shall be required to be given by the City only for those Landowners who have given the City written notice of their address for such

notice. The parties hereto may, from time to time, advise the other of new addresses for such notices, demands or correspondence.

Section 28. Reimbursement for Agreement Expenses of the City. Developer agrees to reimburse the City for actual expenses incurred over and above fees paid by Developer as an applicant incurred by City directly relating to this Agreement, including recording fees, publishing fees and reasonable staff, legal and consultant costs not otherwise included within application fees. Such payment of all fees shall be made, at the latest, within thirty (30) days from the City's presentation of a written statement of charges to the Developer. In the event Developer fails to pay the fees within the 30-day period, the City may declare the Developer in default and terminate this Agreement after 30 days written notice if the default is not timely cured.

Section 29. Applicable Law and Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. If litigation is initiated to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. Venue for any action shall lie in Pierce County Superior Court or the U.S. District Court for Western Washington.

Section 30. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity other than a party or a Landowner to challenge this Agreement or any provision herein, the City may elect to tender the defense of such lawsuit or individual claims in the lawsuit to Developer and/or Landowner(s). In such event, Developer and/or such Landowners shall hold the City harmless from and defend the City from all costs and expenses incurred in the defense of such lawsuit or individual claims in the lawsuit, including but not limited to, attorneys' fees and expenses of litigation, and damages awarded to the prevailing party or parties in such litigation. The Developer and/or Landowner shall not settle any lawsuit without the consent of the City. The City shall act in good faith and shall not unreasonably withhold consent to settle.

Section 31. Specific Performance. The parties specifically agree that damages are not an adequate remedy for breach of this Agreement, and that the parties are entitled to compel specific performance of all material terms of this Development Agreement by any party in default hereof.

Section 32. Severability. If any phrase, provision or section of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any statute of the State of Washington which became effective after the Effective Date, such invalidity shall not affect the validity of the remainder of this Agreement.

(Remainder of page intentionally left blank.)

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that Timothy Payne is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Mayor of the City of Gig Harbor, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: Nov 9 2010

Molly M Towslee

Printed: Molly Towslee
NOTARY PUBLIC in and for Washington
Residing at: Gig Harbor
My appointment expires: 12/2/11

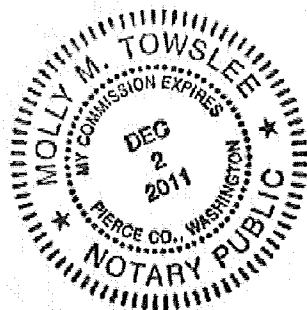


EXHIBIT A

Legal Description of the Property

RESIDENTIAL AREA

TAX PARCEL NUMBER 0222308002

LOT 2 OF THE CITY OF GIG HARBOR SHORT PLAT PL-SP-07-005, RECORDED UNDER PIERCE COUNTY AFN 200902135006, SAID LOT 2 BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 22 NORTH, RANGE 2 EAST, W.M., PIERCE COUNTY WASHINGTON.

TAX PARCEL NUMBER 0222311000

THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER AND THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN.
EXCEPT ROADS.
SITUATE IN THE CITY OF GIG HARBOR, COUNTY OF PIERCE, STATE OF WASHINGTON.

TAX PARCEL NUMBER 02222311009

PARCEL "B" OF THE BOUNDARY LINE ADJUSTMENT RECORDED UNDER PIERCE COUNTY AFN 200407275004, SAID PARCEL "B" BEING PORTIONS OF THE WEST HALF OF THE NORTHEAST QUARTER AND OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST, W.M.
SITUATE IN THE CITY OF GIG HARBOR, COUNTY OF PIERCE, STATE OF WASHINGTON.

COMMERCIAL AREA

TAX PARCEL NUMBER 4002470011

THAT PORTION OF LOT 1, BUSINESS PARK AT HARBOR HILL, PER THE PLAT THEREOF RECORDED UNDER AUDITOR'S FILE NUMBER 200605235007, SAID LOT 1 BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST, W.M., PIERCE COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF SAID LOT 1 LYING 287.61 NORTHERLY OF THE SOUTHEAST CORNER OF SAID LOT 1, AS MEASURED ALONG THE EAST LINE OF SAID LOT 1, THENCE NORTH 77°06'13" WEST 644.52 FEET TO AN ANGLE POINT IN THE WEST LINE OF SAID LOT 1;
THENCE ALONG THE BOUNDARY OF SAID LOT 1 THE FOLLOWING COURSES:
THENCE NORTH 88°22'24" WEST 110.70 FEET;
THENCE NORTH 05°55'53" EAST 181.58 FEET;
THENCE SOUTH 88°22'24" EAST 33.73 FEET;
THENCE NORTH 14°26'00" EAST 232.65 FEET;
THENCE SOUTH 48°15'42" EAST 247.61 FEET;

THENCE NORTH 77°19'55" EAST 95.23 FEET;
THENCE NORTH 37°16'34" EAST 168.29 FEET;
THENCE SOUTH 88°22'24" EAST 177.38 FEET TO A POINT ON A 766.00 FOOT CURVE TO THE
RIGHT, THE RADIUS OF WHICH BEARS SOUTH 64°21'11" WEST
THENCE SOUTHERLY ALONG SAID CURVE, AN ARC DISTANCE OF 358.65 FEET, THROUGH A
CENTRAL ANGLE OF 26°49'36";
THENCE SOUTH 01°10'47" WEST 189.56 TO THE POINT OF BEGINNING.

TAX PARCEL NUMBER 4002470012

THAT PORTION OF LOT 1, BUSINESS PARK AT HARBOR HILL, PER THE PLAT THEREOF
RECORDED UNDER AUDITOR'S FILE NUMBER 200605235007, SAID LOT 1 BEING A PORTION
OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST, W.M.
PIERCE COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF SAID LOT 1 LYING 287.61 NORTHERLY OF THE
SOUTHEAST CORNER OF SAID LOT 1, AS MEASURED ALONG THE EAST LINE OF SAID LOT 1;
THENCE ALONG THE BOUNDARY OF SAID LOT 1 THE FOLLOWING COURSES:
THENCE SOUTH 01°10'47" WEST 287.61 FEET;
THENCE NORTH 88°22'24" WEST 631.54 FEET;
THENCE NORTH 01°15'21" EAST 412.28 FEET TO AN ANGLE POINT IN SAID BOUNDARY;
THENCE DEPARTING SAID BOUNDARY SOUTH 77°06'13" EAST 644.52 FEET TO THE POINT OF
BEGINNING.

TAX PARCEL NUMBER 4002470030

LOT 3, BUSINESS PARK AT HARBOR HILL, PER THE PLAT THEREOF RECORDED UNDER
AUDITOR'S FILE NUMBER 200605235007, SAID LOT 3 BEING PORTIONS OF THE NORTHWEST
QUARTER AND THE SOUTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2
EAST, W.M. PIERCE COUNTY, WASHINGTON.

TAX PARCEL NUMBER 4002470042

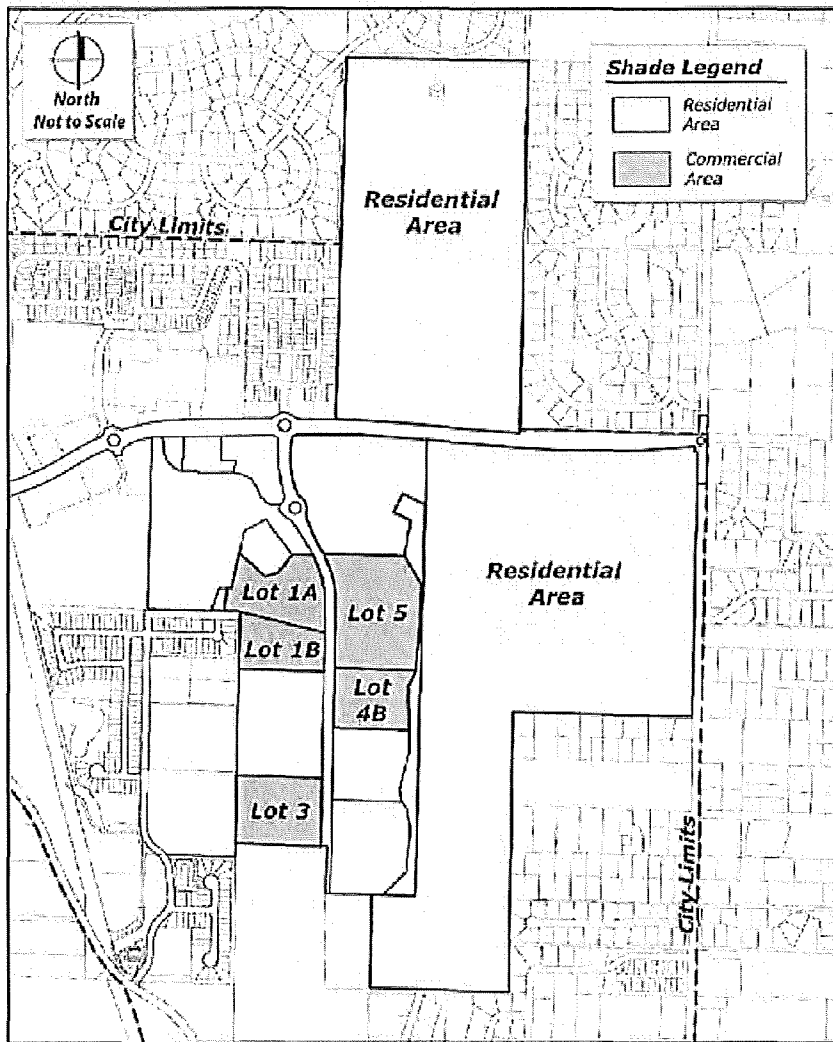
THE NORTHERLY 5.3367 ACRES OF THE REVISED LOT 4 OF THE PLAT OF THE BUSINESS
PARK AT HARBOR HILL PER BOUNDARY LINE ADJUSTMENT RECORDED IN PIERCE COUNTY,
WASHINGTON, AUDITOR'S FILE NUMBER 200710195003 FURTHER DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHWEST CORNER OF SAID PARCEL ADJACENT TO HARBOR HILL
DRIVE, THENCE N 01°10'47" E ALONG THE EASTERLY MARGIN OF HARBOR HILL DRIVE 514.00
FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING N 01°10'47" E ALONG THE EASTERLY MARGIN OF HARBOR HILL DRIVE
428.04 FEET TO THE NORTHERLY BOUNDARY OF THE PARCEL;
THENCE S 88°15'35" E ALONG THE NORTHERN BOUNDARY 585.60 FEET TO THE EASTERN
BOUNDARY OF THE PARCEL;
THENCE S 05°02'54" W, 12.02 FEET;
THENCE S 27°57'14" W, 112.58 FEET;
THENCE S 01°33'50" E, 199.54 FEET;
THENCE S 00°23'25" W, 110.52 FEET TO THE SOUTHERN BOUNDARY OF THE PARCEL;
THENCE N 88°49'13" W, 545.12 FEET TO THE TRUE POINT OF BEGINNING OF THIS
DESCRIPTION.

ACCORDING TO REQUEST OF SEGREGATION AS PER CITY OF GIG HARBOR, DATED
02/06/2008.

TAX PARCEL NUMBER 4002470051

PARCEL "B" OF THE BOUNDARY LINE ADJUSTMENT RECORDED UNDER PIERCE COUNTY
AUDITOR'S FILE NUMBER 200710195003, SAID PARCEL "B" BEING PORTIONS OF THE
NORTHEAST QUARTER AND OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 22
NORTH, RANGE 2 EAST, W.M. PIERCE COUNTY, WASHINGTON.

EXHIBIT B
Property Map



28

EXHIBIT C

Comprehensive Plan Map Designations of Property

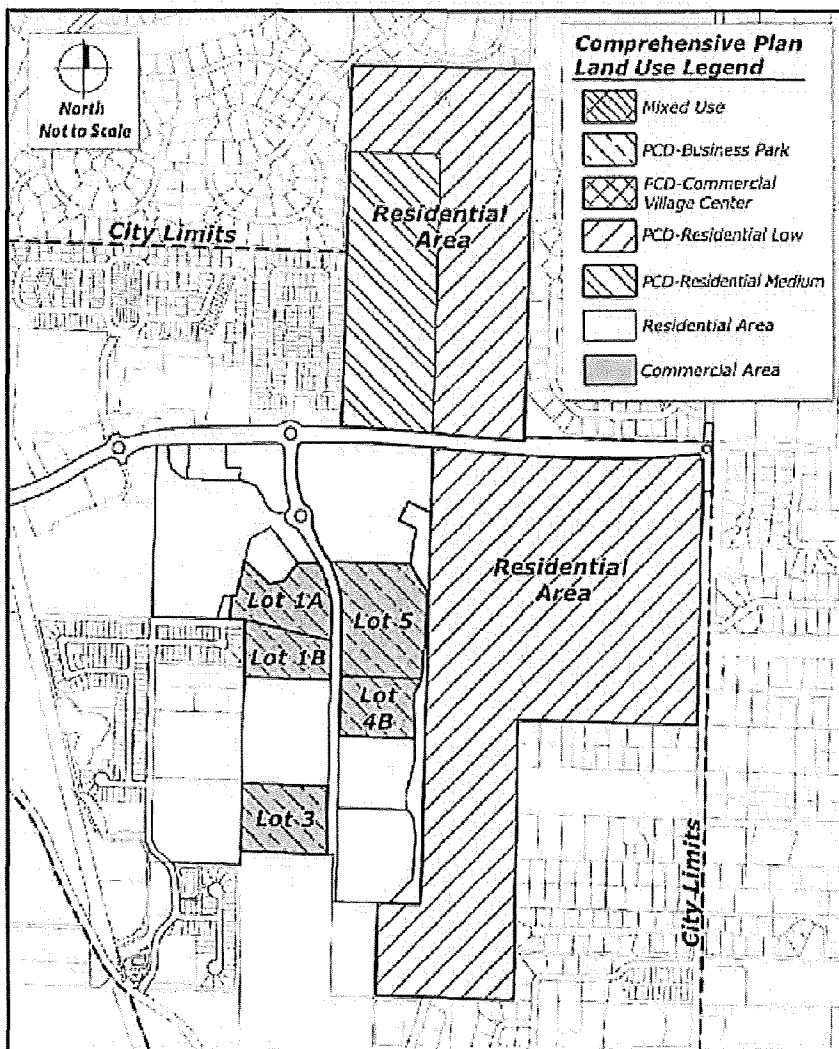


EXHIBIT D

Zoning Map Designations of Property

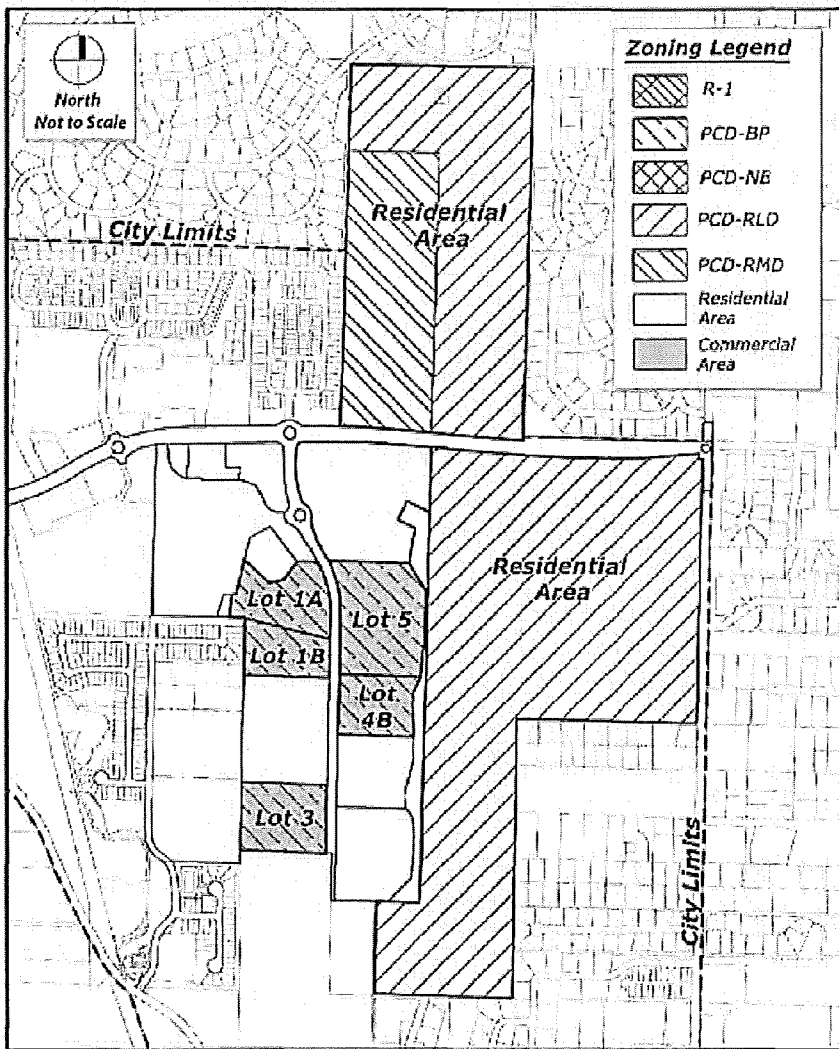


EXHIBIT E

List of Environmental Documents

1. **Harbor Hill Preliminary Drainage Report**, December 2, 2008, REVISED May 27, 2009 – Triad Associates.
2. **Preliminary Plat/PRD Site Plans**, December 2, 2008, REVISED Aug 16, 2010 – Triad Associates
 - a. Grading Plans
 - b. Storm Drainage
 - c. Road and Utilities
 - d. Landscape and Irrigation
 - e. Tree Retention
 - f. Circulation
3. **Harbor Hill Planned Residential Development Plat Project Description**, December 2, 2008, REVISED Aug 16, 2010 – Triad Associates
4. **Wetland Analysis Report**, - May 21, 2007 – Wiltermood Associates, Inc.
5. **Harbor Hill Wetland Mitigation Plan**, - November 21, 2008 – Wiltermood Associates Inc.
6. **Harbor Hill Development - Traffic Impact Analysis**, November 2008, with SUPPLEMENT dated May 27, 2009 – The Transpo Group.
7. **Report Geotechnical Engineering Services Harbor Hill Residential Property**, October 27, 2008 – GeoEngineers.
8. **SEPA Environmental Checklist** dated December 2, 2008, and revised May 27, 2009, and August 16, 2010, relating to the Harbor Hill PRD Application.
9. **SEPA Environmental Checklist** dated October 10, 2010, relating to Harbor Hill Development Agreement.
10. **Gig Harbor North Annexation Plan Draft Environmental Impact Statement** dated October 7, 1992
11. **Gig Harbor North Annexation Plan Final Environmental Impact Statement** dated February 24, 1993

EXHIBIT F

SEPA Threshold Determination



COMMUNITY DEVELOPMENT DEPARTMENT

**Determination of Nonsignificance (DNS)
W.A.C. 197-11-970**

Environmental Review Application No.: SEPA 10-0021

Parcel Number: Pierce County Parcel Numbers: 0222304009,
0222311009, 0222311000, 4002470011, 4002470012,
4002470030, 4002470042, 4002470051, 4002470060

Action: Development Agreement

Proposal: The proposal is a nonproject, legislative action to execute a development agreement between the City of Gig Harbor and Harbor Hill LLC.

The development agreement is associated with a preliminary plat and preliminary planned residential development application (PL-PPLAT-08-0001 and PL-PRD-08-0001) for an 824 dwelling units plat/PRD on 200 acres. The development agreement is also associated with lots 1A, 1B, 3, 4B, 5 and 6 of the Harbor Hill Business Park which received final plat approval in 2006. In general, the development agreement would: grant 20-year vesting of the Harbor Hill residential plat; grant 10-year vesting of the Harbor Hill Business Park Lot 1A/1B site plan; waive park impact fees and reduce nonresidential open space requirements in consideration for the dedication of a 7 acre public park; transfer reserved peak PM traffic trips from the Harbor Hill Business Park to the Harbor Hill Residential Plat in consideration of the construction and dedication of a public road through Lot 1A/1B; allow for model homes prior to final plat approval; require the payment of sewer connection fees in a timely manner or lose reserved sewer capacity; allow the residential project to not meet the minimum residential density and open space requirements on a phase by phase basis, as long as the development in aggregate does meet the required density and open space requirements.

Location: 251 acres both north and south of Borgen Boulevard, east of Costco and The Ridge at Gig Harbor, including some of the Harbor Hill Business Park and all of the proposed Harbor Hill

3510 GRANDVIEW STREET • GIG HARBOR, WASHINGTON 98315 • (253) 851-6170 • WWW.CITYOFGIGHARBOR.WA

residential plat.

Proponent: Harbor Hill LLC
John Chadwell, Senior Project Manager
19245 Tenth Avenue NE
Poulsbo, WA 98370

Lead Agency: City of Gig Harbor

The lead agency for this proposal has determined that it does not have a probable significant adverse impact on the environment. An environmental impact statement (EIS) is not required under RCW 43.21C.030(2)(c). This decision was made after review of a completed environmental checklist and other information on file with the lead agency. This information is available to the public upon request.

[x] This DNS is issued under WAC 197-11-340(2); Comments must be submitted by October 27, 2010.

Phased SEPA Review: The Harbor Hill Residential Plat is undergoing phased SEPA review as allowed by WAC 197-11-060(5). This non-project SEPA threshold determination relates to the proposed development agreement and the development regulations modified within the development agreement. Project SEPA review for the residential plat will occur later in 2010 as part of the preliminary plat review process.

Appeal:

Any interested person may appeal the adequacy of this SEPA Threshold Determination to the Gig Harbor City Council pursuant to the procedures set forth under Chapter 18.04 of the Gig Harbor Municipal Code if a written request for appeal is received within 7 days after the end of the comment period, or November 3, 2010, whichever is later. The written appeal must be submitted with a filing fee of two hundred seventy five dollars (\$275.00).

Contact: Jennifer Kester, Senior Planner; Phone: (253) 851-6170

Responsible Official: Tom Dolan
Position Title: Planning Director Phone: (253) 851-6170

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

Signature  Date: October 13, 2010

EXHIBIT G

Project Description

1. Residential Area

The Residential Area shall comprise the uses and facilities described in that certain "Harbor Hill Planned Residential Development Project Description" October 4, 2010, prepared by Triad Associates, a copy of which is maintained in the files of the Planning Director of the City of Gig Harbor under File Nos. PL-PPLAT-08-0001, PL-PRD-08-0001, PL-REZ-08-0001, PL-DRB 08-0105, PL-SEPA-08-0034.

2. Commercial Area

The Commercial Area shall comprise office uses, retail uses, other commercial uses, institutions, parks and open space, transportation facilities, utility facilities, and storm water facilities.

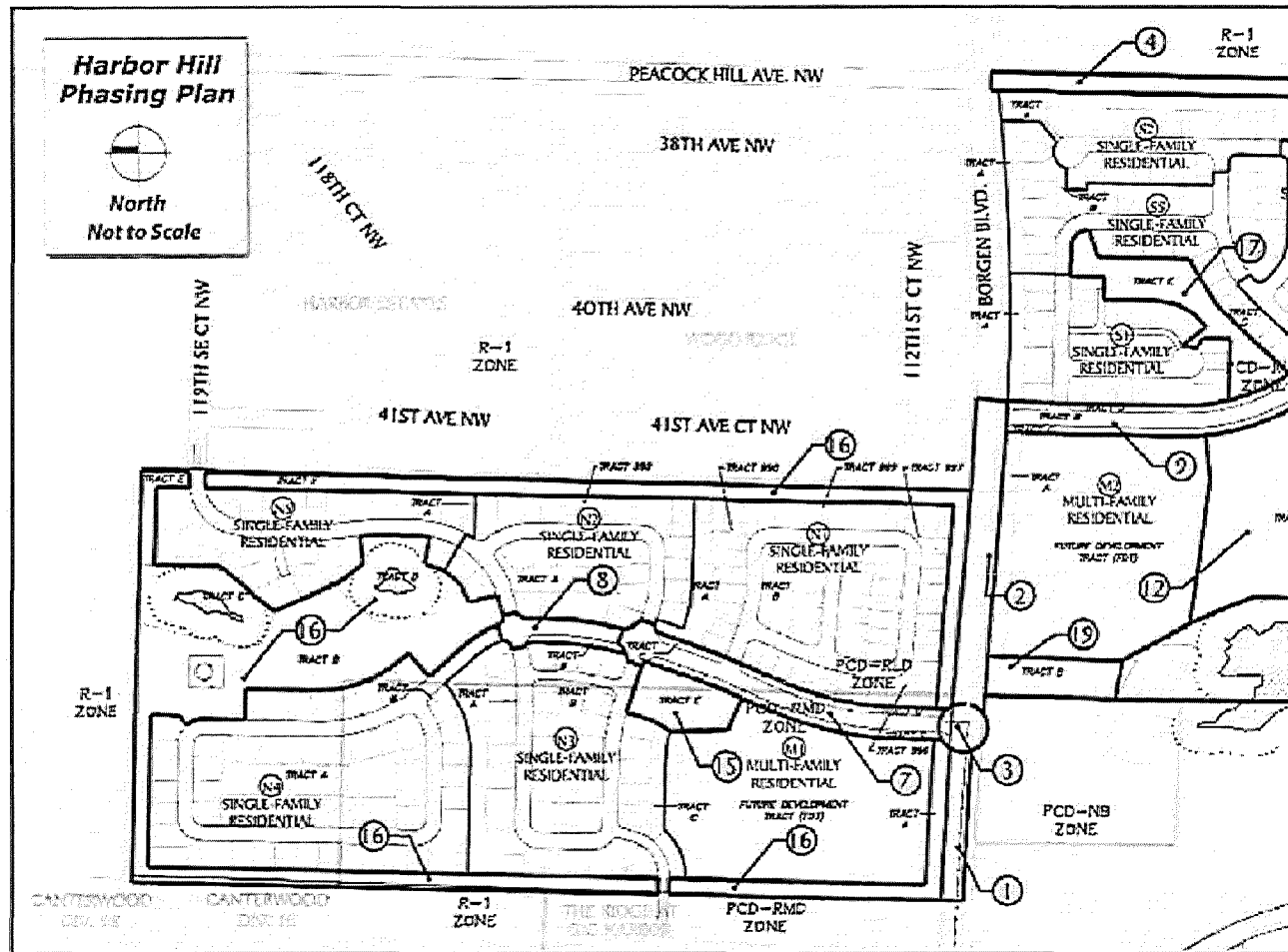
EXHIBIT H

List of Modified City Development Standards

Item No.	Description	GHMC Section	Agreement Section
1	Increased vesting periods for Project approvals	Various	6.D
2	Reduction of Harbor Hill Business Park open space requirements from 20 percent to 15 percent of lot area based on dedication of Lot 3 for public park	17.54.030.C	13.H.iii
3	Director approval of certain revisions to Phasing Plan	19.01.003	13.A
4	No setbacks under GHMC 17.54.030.B required along certain boundaries of Lot 3 (future public park) of Harbor Hill Business Park	17.54.030.B	16
5	Allowing clustering of residential density	Title 17	17
6	Allocations of capacity reservations	Chapter 19.10	15

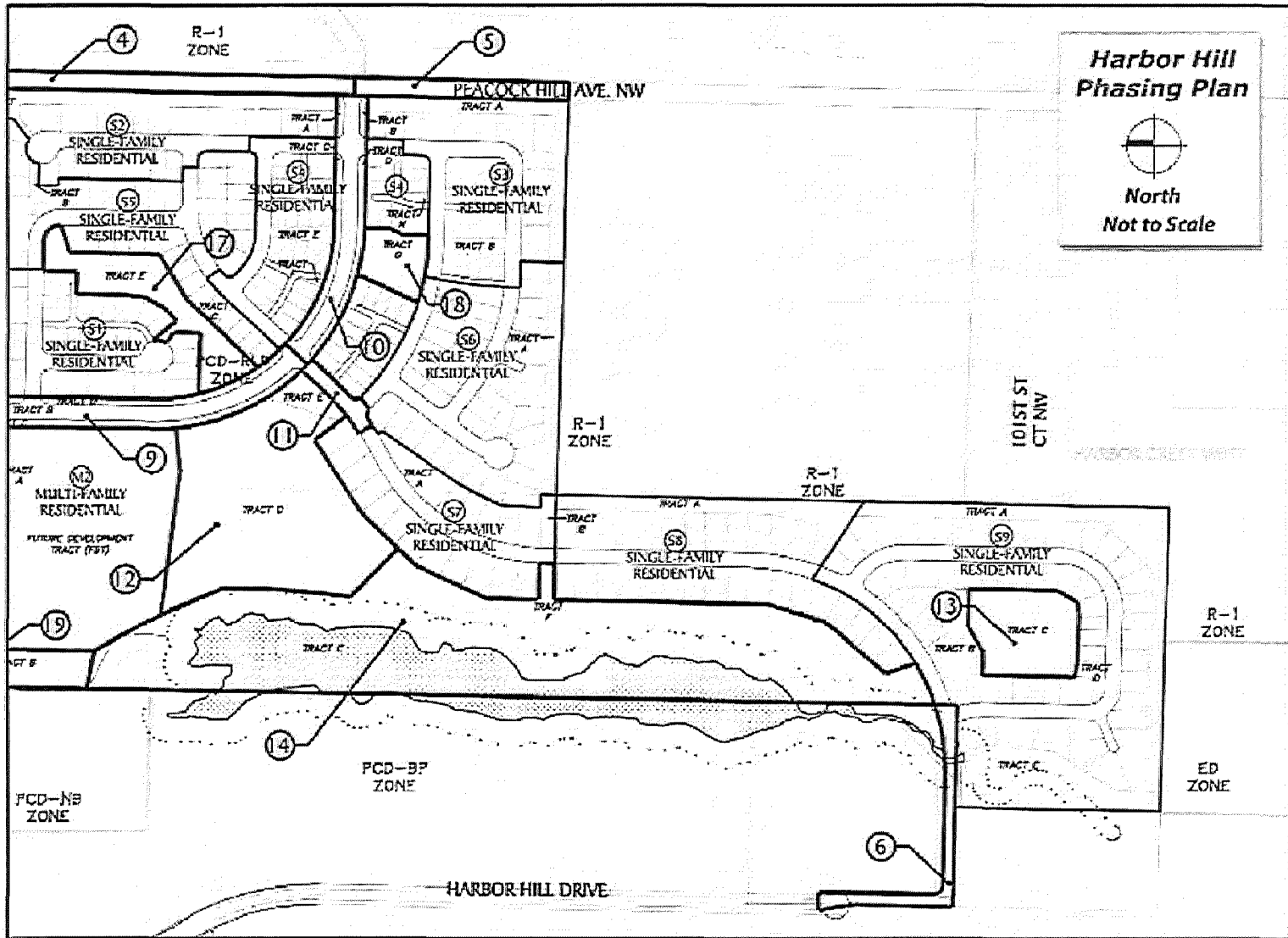
EXHIBIT I

Phasing Plan



319

DWT 15265037v16 0046183-005201



21

DWT 15265037v16 0046183-005201

INFRASTRUCTURE		DEVELOPMENT PHASE															
		FDT		SFR NORTH					SFR SOUTH								
		M1	M2	N1	N2	N3	N4	N5	S1	S2	S3	S4	S5	S6	S7	S8	S9
Dwelling Units		170	100	63	28	38	57	25	38	26	32	50	45	40	17	29	66
ROADS	1. Borgen Blvd Frontage – West	X	--	--	--	--	--	--									
	2. Borgen Blvd Frontage - East		--	X					--	--	--	--	--	--	--		
	3. Roundabout on Borgen	X		X	--	--	--	--									
	4. Peacock Hill Ave Frontage – North									X	--	--					
	5. Peacock Hill Ave Frontage - South									--	X	--					
	6. Harbor Hill Dr Off-Site															X	X
	7. North Parkway south section	X		X	X	X	X	X									
	8. North Parkway north section				--	--	X	X									
	9. South Parkway north section		X						X	--	--	--	X	X	X		
	10. South Parkway south section								--	X	X	X	--	--	--		
	11. South Parcel Collector stub											X		X	X		
STORM PONDS	12. Detention North (M1- Tract D)	X	X	X	X	X	X	X	X	X	X	X	X	X			
	13. Detention South (S9- Tract C)														X	X	X
OPEN SPACE/ PARKS	14. South Wetland /Loop Trail (M2- Tracts C, F)		X						X	X	X	X	X	X	X	X	X
	15. North Central park (N1- Tract E)	X		X	X	X	X	X									
	16. North Wetland Park & Perimeter Open Space (M1- Tracts A, B, C, D, E, F)	X		X	X	X	X	X									
	17. South Connector Park (S1- Tract E)								X				X				
	18. South Central Park (S4- Tract G)										X	X		X			
	19. Gateway Park (M2- Tract B)		X														
Notes		<ol style="list-style-type: none"> 1. "X" means that infrastructure must be completed prior to or concurrent with development phase. 2. "--" means Cumulative Trigger. The noted infrastructure improvement may be triggered by a number of the indicated Parcels coming online ahead of the primary Parcel requiring the improvement. This will be determined in consultation with the City during the pre-application conference for the given parcel application. 3. Development of some phases may depend on completion of other phases for road and utility connections. 4. Numbering of phases does not necessarily indicate sequence of development (i.e. N3 and N4 could develop before N2). 5. Parkway road improvement includes abutting open space tracts. 6. During final engineering design, alternate design solutions may be brought forward. These may be approved if, and only if, staff find that the alternate design solution is functionally equivalent to the preliminary design shown in the Preliminary Plan/PRD plans. For example, temporary storm drainage diversion could be proposed if it provided equivalent first detention mitigation to what was proposed in the Preliminary Plan/PRD as long as there was a means to divert flows to the permanent pond when the phase required it to be converted to permanent detention. 															