

## MINUTES OF GIG HARBOR CITY COUNCIL MEETING – October 28, 2013

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

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

**PLEDGE OF ALLEGIANCE:**

### **CONSENT AGENDA:**

1. Approval of City Council Minutes Oct 14, 2013.
2. Liquor License Action: Renewals: Maritime Mart, Marketplace Grille, Blue Cannon Pizza, Albertson's, Pioneer 76, Qdoba Mexican Grill, The Wine Studio, and Bartell Drug Co., Tobacco Harbor, and Fuller Greenhouse Restaurant.
3. Correspondence / Proclamations: Letter from Gig Harbor Sportsman's Club.
4. Receive and file: Third Quarter Financial Report.
5. Resolution No. 939 – Surplus Equipment – Public Works.
6. Second Reading of Ordinance No. 1272 – Housekeeping Update to Business License Code.
7. WWTP Phase 2 - Habitat and Stream Buffer Mitigation Plan – Grette and Associates.
8. Approval of Payroll for the month of October, 2013: Checks #7053 through #7070 including direct deposits in the amount of \$360,387.71.
9. Approval of Payment of Bills Oct 28, 2013: Checks #73759 through #73879 in the amount of \$454,490.12.

**MOTION:** Move to adopt the Consent Agenda as presented.  
**Ekberg / Payne** – unanimously approved.

### **PRESENTATIONS:**

1. Outstanding Wastewater Treatment Plant Award. The award was deferred to the next Council Meeting of November 12<sup>th</sup>.

2. Gig Harbor Maritime Playzone Committee / PenMet PEG Grant for the Maritime Playground at Crescent Creek Park. Maritime Playzone Committee Chair, Stephanie Payne, reported that the group has come to the final phase of their fundraising goal. She thanked all the community supporters and introduced Terry Lee, Executive Director for PenMet Parks.

Terry Lee introduced John Ortgeisen, Chair of the Board, and Fred Oldenburg, active participant in PenMet Parks. Mr. Lee presented the city a check for \$20,000 from PenMet Parks to help with the Maritime Playzone. He recognized Stephanie Payne for the amazing work she has done on this project and the Sehmel Park Boundless Playzone.

Mayor Hunter accepted the check and thanked Mr. Lee and Ms. Payne for the

contribution toward the Playzone.

Ms. Payne presented Mayor Hunter with another check for \$84,000 on behalf of the Maritime Playzone Committee. She read the names of the members who worked so hard on this project: Jennifer Flint Nelson, Norma Dompier, Fred Oldenburg, Kelly Perrow, Brett Desantis, Tracey Johnson, Arville Olde, Rebekah Vittori, Rennie Walker, Michael Behrens, and city staff, Terri Reed and Marco Malich. She said that they appreciate the opportunity for the whole community to come together to raise this playground.

**OLD BUSINESS:**

1. Second Reading of Ordinance No. 1273 – Updates to Public Works Standards. Public Works Director Jeff Langhelm presented an overview of this update to the Public Works Standards. He explained that Peninsula Light submitted a recommendation for an amendment that would allow Peninsula Light to participate in the decision to underground utilities. Mr. Langhelm said that it isn't just a matter of cost but of safety, timing, and operational challenges for the light company.

Because the amendment came in last minute and the city would be ceding some authority if the language is incorporated, Councilmember Young asked that this come back for a third reading to allow for further review.

**MOTION:** Move to bring this back for a third reading.  
Ekberg / Young – unanimously approved.

Councilmember Kadzik announced that there were several empty seats up front, and invited those standing in the back to come up and be seated.

2. Second Reading of Ordinance No. 1274 - Land Use Permit Extensions. Planning Director Jennifer Kester presented this ordinance to extend certain land use permits. She addressed Councilmember Malich's questions on the number of extensions already granted (2); and the total years of the extensions (6). He spoke against granting a third extension. Councilmember Ekberg said that he understands the reasoning, but said he also has concerns, and this would be the last extension he would be in favor of granting.

**MOTION:** Move to adopt Ordinance No. 1274.  
**Guernsey / Payne** – six voted in favor. Councilmember Malich voted no.

3. Second Reading of Ordinance – Downtown Waterfront Building Size and Height Amendments. Planning Director Kester presented the background for this ordinance to address building size and height amendments in the downtown waterfront. After a brief history, she explained that Council could 1) adopt the ordinance as written; 2) adopt the ordinance with portions removed; 3) deny the amendments; or 4) direct staff to bring back all or a portion of the ordinance for third reading on November 12th for continued deliberation.

Ms. Kester then responded to the request by Councilmember Malich, who asked for a sightline of the impacts to the field of vision as the result of the front setbacks being moved forward. She explained that an example of three, 30 foot wide homes on 50 foot wide lots was used to illustrate the visual impacts if the homes were moved closer to the street. Some view would be lost per the illustration, she said.

Councilmember Kadzik said that he has a PowerPoint presentation to show after deliberation on the ordinance.

**MOTION:** Move we deny both amendments.  
**Malich /**

The motion died for lack of a second.

Councilmember Kadzik said that there has been input from a lot of people and spoke to the wealth of misinformation, innuendo, accusations, inferences of malfeasance, and more recently, a lack of basic civility. He said he was going to talk about why he is going to vote the way he is; something which the public deserves to know.

He began by addressing Amendments A and B, which he said are not controversial, and have to do with rebuilding or remodeling within the basic envelope of an existing structure. He continued to say that Amendment C; the 27 foot height amendment, has been very controversial and that he has changed his mind since first wanting to remove it in July. He said he thinks that it's not much of a problem at all because there are very few sites in the waterfront commercial district that this would affected; possible 3 or 4. The Threshold / Russell building owners would be insane to tear down their 8 million dollar, 32,000 square foot building to build two-story, 6,000 square foot buildings, he said. The Queen's Cabinet is also a much larger building than what would be allowed today; which also would make no sense. The third Haub property or old Egg Building behind the Green Turtle, and the forest behind it, have been the topic of development in conjunction with other surrounding properties. Knowing the people involved, he expects a development agreement, adding that these amendments would have nothing to do with those properties. He said the city would like larger properties to come in with a negotiable process whereby the developer makes a proposal, and then what actually happens is negotiated.

What this leaves is Emily's Boutique, Emerald Bay Yacht Sales, the Bait Shop, and the possibility of Spiro's Parking Lot that would be affected by this ordinance. He continued to say that the majority of "logical" amendments for the downtown were adopted a couple of meetings ago, and he doesn't think we will lose anything if adopted for the waterside.

Councilmember Kadzik then explained that the reason the city is considering these amendments is for economic development and to eliminate barriers for reinvestment downtown; to create an environment for small restaurants, small cafes, and small boutiques, which our current buildings can't facilitate because they lack the square

footage and they are tired. He again stressed that there are no nefarious intentions or lining of the city's pockets for some big project. He said we are trying to stimulate some reinvestment downtown. A lot of small towns have people living above shops in small apartments where people can eat, shop, and support the downtown.

Another objection he hears are about the views, which can be looked at two different ways, he said: residential views and pedestrian views. The pedestrian views are those you have as you walk down the street and see the spaces between the buildings; not over the buildings. If you have a taller building, then yes, you will see less sky or treetops but you are not significantly altering the view. We protect that pedestrian view in many ways, he stressed. Often times the city has purchased property; another way has been to require view corridors and public access to the water during development. The residential views are protected by height regulations. Downtown has no residential views because there are no residences on the opposite side of Harborview, he explained. Within 100 feet of going up the hill on Pioneer, Soundview or Stinson, you would be looking over the top of a 27 foot height building. He said that he doesn't see loss of views as a valid argument.

Maintaining the unique and quirky small town ambience is the one thing he is concerned with the most, he explained. To make sure that it is the right growth and not some prefabricated look of a lifestyle center. Our job as Council and you as citizens is to make sure that we keep on that task, but it's not our job to not allow anything to happen in the rest of downtown.

He finalized by saying he will be voting in favor of A, B, and C, but he has a problem with Amendment D. The whole idea behind D is to eliminate the "house in a hole," which on Harborview Drive, in the more historic Millville area, is a problem. He cited the home adjacent to Eddon Boatyard where you look into the second story as an example. Bringing the house closer and making it taller won't solve this problem. If this proposal would address the house in a hole concern, and if it was limited to the Millville area, he would be in favor of the amendment. He continued to say that the city needs to promote the traditional look of the Millville. But on both ends of Harborview Drive by the ferry dock and past Anthony's, the traditional streetscape *is* a "house in a hole" and has been that way. The architects, engineers, and the city have found ways to solve the problems. He continued to say that when we change regulations and codes, there has to be a gain for the city; not just for the property owner. If this amendment is allowed in Millville, the city would gain a traditional streetscape. If allowed in these other areas, he said he thinks the city would lose some views and so, he isn't in favor of this in other residential areas.

Councilmember Young asked if his intent was to strip Amendment D completely from the ordinance or to limit it to the Millville area. Councilmember Kadzik responded that even if it is limited to Millville, we have to address the house in a hole as well as the bringing the houses forward. He added that he doesn't know if there is a solution, and we need to know how many properties would affect. He then said that this doesn't address the loss of buildable lot size, only the house in a hole.

The four amendments were posted on the screen, and Councilmember Guernsey read them aloud. She then made a motion to remove amendment D.

**MOTION:** Move to adopt amendments A, B, and C as presented, but not amendment D.  
**Guernsey / Kadzik –**

Councilmember Guernsey then offered her comments. She first thanked everyone for coming back again and saying she knows it's because people are passionate about Gig Harbor, particularly downtown. She assured everyone that every single Councilmember is passionate about downtown as well. This is the lifeblood of Gig Harbor, she said, and that throughout this process she has found it quite offensive that people would think that Council would want to do something that would "wall-up," for lack of a better term, the waterfront area. This is ludicrous; we do not want to do that, and it would not be allowed under our regulations, she stressed, adding that Jennifer Kester has explained this extensively and in detail on many occasions. She explained that the Planning Commission has worked very hard on this, and some of the suggestions and innuendos that they, or Council, or staff, is "in pocket of the developer" is offensive. We may have a difference of opinion and we can respectfully agree to disagree, but the cheap shots are uncalled for, uncivil, and unprofessional, and she hopes they will stop.

Councilmember Guernsey continued to say that we need more people downtown working, playing, and being; it's the only way to bring back a grocery store. It's the only way we can bring the vibrancy that countless people have talked about; the need for downtown. We love it; we walk there, and love the views, the buildings, and everything about it. But, as a professor once said, you can love a city to death; and that has happened to a degree in downtown Gig Harbor over the years. Over the 30 or so years she has lived here, it seems the general consensus was that we weren't paying enough attention to our history or our character. But then things started to happen that would ruin the town, and so we kind of went the other way; we cared too much about it. Now we are starting to recognize the need for balance so that we maintain the character and vibrancy, and we become the best community we can. She said that this ordinance will get us on that track. It's not the "be all, end all," she said, but it also is not a decision of great magnitude as Councilmember Kadzik pointed out. There are only a few buildings or lots that are really going to take advantage of this. She continued to say that this ordinance sends a message that Gig Harbor wants to be a vibrant downtown. This message needs to be sent so that we get our grocery store back; we get shops and services back. Councilmember Ekberg once said that 30 years ago downtown had everything he needed. We don't have that now and we need to get it back, and this is the way to do it. She explained that she does not think this is a big change, nor will it lead to wall-to-wall buildings, but it will allow property owners to do more without destroying character. None of us want to destroy the character of this town, and that's why she is going to vote for this, she said.

Councilmember Ekberg said that he's spent over 30 years on this Council trying to bring

a common sense approach to balancing the needs of growth and development with that of preserving the uniqueness and quality of life we all value in Gig Harbor; and we have succeeded, he added. In almost all of the correspondence he has received on this issue, somewhere in the e-mail the writer said that no matter when they moved to town, whether it was 20 years ago, or 5, or even 2 years, they all moved here for the same reason he and his wife moved here over 41 years ago; the uniqueness and quality of life in Gig Harbor. He continued to say that we must be doing something right because there has been lots of growth and the city has changed, but it still attracts new people for these same reasons. This Council and previous councils have invested heavily in preserving open space and access to our waterfront, with 9 public spaces alone on Harborview Drive. He made an assurance that he would not vote for anything that he thought might damage the progress we have made so far. This ordinance does not damage that progress, he stressed. This ordinance, when combined with the changes already in place for the Downtown Business zone, will bring people and vitality to our downtown core while design review, building size limitations, view corridors, and setback requirements will preserve the qualities we all cherish.

Councilmember Perrow said he has only been on the Council for two years, but people often ask him what it is like. He explained that he tells them that the Staff, the Mayor, and the Council listen to people. Although someone may not get what they want, they are heard. This is an example of that, he continued to say. We postponed adoption of Amendments A through D on the waterside to allow more input, and here we are again. Unfortunately, the preservation group took the low road, he said. If the “adobe canyon” pictures that were distributed were even a possibility, everyone up here would have signed the petition to prevent it. It was ridiculous, it was preposterous, and when pointed out that it was completely false, it just continued. The other things that have been said are also disheartening. He continued to say that there have been some who have wanted meaningful conversations, and we have tried to engage with those people.

Councilmember Perrow continued to say that Amendments A, B, and C are definitely about economic development. As was pointed out, nothing happened for years, and then things started to change. The vice grips clamped down to keep things from changing, and so everything stayed the same. But, he continued, things keeps getting older, the rents drop, and because people can't redevelop or don't have the money from rent to reinvest, it becomes a vicious circle. There needs to be opportunities for people to reinvest, but as has been suggested, the city's not going to unless it's a park bathroom or sewer lift station. The city can only create an environment for reinvestment to occur. We all really want the downtown character, heritage, and the quality of life we have to remain. These amendments, along with development agreements, are a very controlled way to approach the three or four properties that will be affected by this. He then addressed the concern with blocking views by saying the best way to prevent that from happening is to buy the property, which isn't realistic for most. So, then it turns to the government to buy the property. To illustrate that point, he read a list of properties that the city has purchased since 1999, depicted in this table:

LOCATION	ACRES	Feet of Waterfront	PURCHASE PRICE	AQUIRED
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Borgen	0.48	0	\$ 345,000.00	1999
Borgen	0.23	0	\$ -	1999
Borgen	0.33	0	\$ 80,000.00	2008
Skansie	3.15	310	\$ 2,880,000.00	2002
Eddon Boat	0.84	137	\$ 3,750,000.00	2005
Eddon Boat	0.98	160	\$ -	2005
Austin/Scofield	7.07	285	\$ 1,600,000.00	2006
City Park	0.58	234	\$ 140,000.00	2008
City Park	0.49	0	\$ -	2008
Maritime Pier	0.43	100	\$ 871,000.00	2011
Ancich	0.31	96	\$ 1,674,532.00	2012
Ancich	0.22	48	\$ -	2012
Ancich	0.23	48	\$ -	2012
<b>TOTALS</b>	<b>15.34</b>	<b>1418</b>	<b>\$ 11,340,532.00</b>	

NEW Eddon	0.28	67	\$ 634,000.00	2014?
New Eddon	0.35	100		2014?

He stressed that this equals a total of 15.34 acres; 1,408 linear feet of waterfront; and 11 million dollars that the city, the voters, and the county have invested in to preserve property.

Councilmember Perrow continued to explain that you have to allow a property owner the opportunity to do something with their property. He then addressed the comment that Amendment D was to prevent “houses in a hole,” but it’s also about the shoreline regulations forced on us by the state that are squeezing down the buildable lot size. The owner still has to pay property taxes on an unusable portion of the property and it lowers the value, and so an opportunity to move the house towards the road to address what’s being taken from the other side gives value to this amendment. He said that he is supporting Amendments A, B, C, *and* D. He finalized by saying that he appreciates those folks that came forward with meaningful comments and encouraged them to continue to be engaged.

Councilmember Malich said that he doesn’t think that Amendments A and B are particularly important, and since he is the only Councilmember opposed to both C and D, he thinks they can be separated out. He thanked the people who petitioned, spoke, and expressed themselves because, he added, sometimes it feels lonely up here when you are the only one sharing an opinion. We voted for people that are intelligent, concerned, and want to do the right thing, but he said that he believes they are wrong. He doesn’t believe that the 27 foot height will make any difference whatsoever economically. The reason the downtown has become more vacant and less popular is because of Uptown and Gig Harbor North. All that development has drawn the people out of downtown into these outlying areas, so downtown is weak and not as popular, he said. We have a history of changing rules, and said he wonders if the 6,000 square foot rule will hold for much longer. He explained that in the case of Gig Harbor North, when Costco wanted to come in the Council voted to rezone the land to allow it. He admitted

that he shops at Costco like everyone else, but said it goes to show you that rules change all the time. That's why we need to hold the lid where we are at now; the 6,000 square foot rule for gross floor area restricts something like the Russell Building or a whole chain of giant buildings. But the future depends on who is on the Council. He said he is going to vote against the motion as it stands and that he feels it's his responsibility to represent the community; not just business.

Councilmember Young said that he wouldn't add too much more to what has already been said. He said he thought differently on Amendment D but appreciates the comments made by Councilmember Kadzik. He said we need to do something there, and perhaps there is a better approach than a blanket change, and maybe to get some relief to property owners who are getting squeezed. He addressed the 6,000 square foot and fear that there will be "big-box" buildings along the waterfront. He said it is never going to happen, and agreed that it shouldn't. But for the rest of the DB zone, it's economic suicide and you might as well admit you will never have a grocery downtown again. Council needs to deal with building size in a more intelligent manner throughout the area, separating out areas where that size limit isn't appropriate. He cited the old Thriftway site, saying that not only is 27 feet a no-brainer, but if you want to keep the area healthy, it simply has to be done. Keep in mind, he said, 6,000 square feet was a stop-gap while we were supposed to give it further consideration. Eight years later we still have done nothing about it partly because it's a difficult decision and what's acceptable to one person seems atrocious to another. He pointed out that the most historic and treasured buildings would not exist if the current regulations had been in place and so remember that when you talk about preserving the character of the community. In terms of economic development, to encourage businesses to be as healthy as possible, you need a lot of activity. He continued on to say that the reason cities thrive is because they have lots of customers roaming around at all times. Restaurants and retailers locate near and compete against each other because it creates more activity. If we want downtown to be healthy, these amendments are a step in the right direction; a very cautious and careful step.

Councilmember Young explained that the height amendment is based on the height of the existing historic buildings that people said they liked during the visioning process. This change reflects the character rather than changes it and he thinks it's important to move forward. He commented that he doesn't care what people say about him or when they disagree with him; it comes with the territory. But, he said, Staff and the Planning Commission have done nothing wrong. He reminded everyone that the Planning Commissioners are volunteers who give their time to the community. The insinuations are frustrating. Staff is just doing their job in trying to figure out what the Mayor and the Council want and the Planning Commission must come up ideas. He made it clear that he appreciates everything that they've done and said he is sorry that the process turned ugly.

Councilmember Payne agreed that most of downtown was built when there were no regulations and that it's charming, its wonderful, and the buildings added throughout the years have given it a patina and a variety that we can all cherish. Five of the



Councilmembers live downtown, and asked the question, "Why in the world we would want to destroy a place we cherish so much?" He explained that those two weeks ago we heard a long-time business owner say that he has watched it continue to die. You can blame the city because it allowed Uptown and Gig Harbor North, he added; but there is only so much that government should be allowed to control. If Costco, Albertson's, or Home Depot wants to build, and are within the rules, they should be allowed; that's what our U.S. Constitution is all about. But the rules downtown are very restrictive as you heard from Mr. Stanley who owns the Tides Tavern. Councilmember Payne said we are kind of proud of that reputation, but added that he also recognizes he can no longer buy a suit, shirt, or tie downtown. Other than Suzanne's, he can no longer buy fresh bread, a gallon of milk, or have a prescription filled.

Councilmember Payne then responded to Councilmember Malich's comment about being glad he represents the people. He stressed that he too represents the people, *and* his children who he hopes will be able to afford to live in this community one day. He said we have to create an opportunity and an environment for residential, business, as well as retail. Some may feel that these amendments are the ruination of our downtown, but if we continue to coddle and smother the downtown, it will continue to die. Councilmember Payne said that not enough people are spending their money downtown, and so, we have to create "churn" to give people a reason to be there. Frankly, he said, we have tired buildings, and old infrastructure. A large architectural firm or financial investment firm isn't coming in unless they can build something that allows them to house their business. There aren't enough businesses or residents located downtown to spend money or else we would still have a grocery, drugstore, and other basic services downtown. So this council continues to struggle with what is best for the community. He said that he hasn't appreciated the tone coming from some folks, particularly with the citizen's group, but he does appreciate the e-mails he has received and has invited everyone to come and visit with him; but only two have followed through. He said that he will be supportive of Amendments A, B, and C, and voiced concern with D, but said we must find a solution for this issue of taking property per state mandate. He added that he feels the Planning Commission has done a yeoman's job thus far, but agrees "D" could be more limited in impact. He then said that one of the few people that came to meet with him was primarily concerned that there would be a building spree and with all the same architectural era. This is not something that Council can control, he said. The other concern was that downtown would all be residential, which made him think, because he has always envisioned this as bringing residential, Class A business, as well as retail. Part of the direction he would like to discuss after the vote is to ask the Planning Commission to look at use zoning; vertical zoning.

Councilmember Ekberg asked for clarification on Amendment D. He said that he agrees that something needs to be done to address the shoreline issue. He said that the amendment fits nicely in the Waterfront Millville area and there is very little left "in the hole." He asked if it would be appropriate to move forward with D in only the Waterfront Millville zone.

Councilmember Kadzik said it was his opinion to send this back to the Planning Commission to come up with options. He said he has the feeling this was an add-on, and attached to the ordinance after the fact.

Planning Director Kester responded that the Planning Commission added this to their review process in January of this year, after it was referred by the Planning / Building Committee. Councilmember Kadzik said that because of all the concerns being brought up he again recommended that the Planning Commission take another look at this amendment.

Councilmember Young suggested changes to the variance process to allow a property that is encumbered by the shoreline regulations to apply. The properties that are the most constrained are also the most sensitive, he added.

Councilmember Kadzik narrated a PowerPoint presentation he created in response to many e-mails with comments based upon the Russell Building. The photos showed the property as it currently exists, and outlines of what could have been built on that property. He said the current view is gorgeous and credited both the Russell Family and the city. He said that many comments came to him regarding the “poor judgment by the city” for allowing the Russell Building. He said he and the Mayor were both on the Design Review Board when this project came through, and they took a leap of faith. The size and height fit the code existing at that time, but the design was very modern.

Councilmember Young pointed out that at that time there were no size restrictions, only a 16 foot height limit. Councilmember Kadzik agreed and continued to explain that all the nice things you see are a result of a deal in which the Russells gave the city a park and the city allowed them to build their project. He used photos of what could have been built if the city would have allowed a developer to construct a 16 foot high building right up to the sidewalk, with no space between buildings. He toggled between photos of what there is now to what could have been constructed and continued to explain that the property was for sale for \$750,000 in the mid 90's. When it was purchased in 1988, a plan came through for condos with shops. Steve Osguthorpe, Planning Director at that time, put an article in the newspaper with drawings of the proposed project, and everyone was happy with the project. Architecturally it was very nice, but what we got with the Russell Building is much nicer, and in his opinion the city came out on top. He said he doesn't know what it is people don't like about this park, but as a town, we need to get over it and just go out there and enjoy it.

Councilmember Payne said another concern we heard was flat-roofed buildings. On a recent walk he counted 25 two or three-story buildings in the Downtown Business and Waterfront Commercial zones. Out of those, 21 of them have flat roofs; so flat roofs are very much a part of Gig Harbor's history and charm. It's usually the gingerbread they put on top that makes you think it's not a flat roof. He then pointed out that in late August, an e-mail was sent to Lita Dawn Stanton from Nicholas Van, a State of Washington Historical Architect with the Department of Archeology and Historic Preservation. In that e-mail Mr. Van, an expert in his field, stated: “Historic preservation

is not meant to stagnate historic districts in a period of time. Rather, its intentions are to provide continued, urban life and pedestrian activity to an historic district. This often is possible through rehabilitation of historic structures as well as sensitivity designed in-fill construction. By allowing the increase in zoning height, the city would be matching many of the existing building heights as well as promoting in-fill development that can economically benefit the city, while giving the historic district additional support. This is a very sustainable approach and is very economically viable.” Councilmember Payne continued to say that we have to balance and preserve, but we also have to live and grow and continue this community.

Councilmember Malich defended his comments on the Russell Building saying that he was born and raised here and has seen tremendous change in the community; far beyond any others on the Council. It has changed radically over the years, and he has learned to live with it all; even the Russell Building. At the time it was built he said it represented a decline in the retail spaces in the downtown, and office space taking over the buildings. To have a viable retail area, you need a certain number of stores like you see in Poulsbo, LaConner or Leavenworth; retail that draws a crowd. You need a huge combination of a lot of small retail stores to bring people, and when you only have a handful, like we have today, there’s not enough draw. It would have been nice to have allowed more retail even though it would have been an eyesore; a wall of buildings like what was shown. He said he doesn’t like that either, but the idea of retail stores is important to downtown and that’s how you get the “churn.” So every time a new occupant comes into an existing building it affects the downtown area, and so we need to be concerned. He said we’ve talked about making Gig Harbor more walkable; it’s been a vision of the community and one of the reasons that he is dead set against the 27 foot height. He doesn’t see any economic gain; he doesn’t see it bringing more people downtown; and he doesn’t see how it attracts tourists if we have nothing but office buildings. We need the community to come back. He told the story of back when the downtown died in the 70s, and a group of business women got it going by deciding to form an organization and investing in tiny stores that made it attractive. It worked for a long time. But that’s kind of disappeared and he would like to see it come back. He commented that he doesn’t think we are going to get a grocery back downtown because Kroger made a decision not to have two QFCs side by side, so they shut one down and no one has come in to take its place.

Councilmember Payne clarified that was because they (Kroger’s) were losing \$300,000 in that location. He agreed with the comment that you have to have a mix of business and residential, and if you have too much of one or the other you kill it.

Councilmember Malich said we need another grocery store downtown and we’ve done everything we can to bring it; but we can’t do it as a city. The people who own the shopping center make the decision on what they want in there and until we get active in that shopping center and make some major changes in its design, we are going to have a bunch of empty buildings. The 27 foot height doesn’t make much difference whatsoever. His said the Russell Building didn’t add anything to downtown.

There was no further council deliberation. Legal Counsel Angela Summerfield asked that the changes to the ordinance be read into the record. Ms. Kester read the following:

On page 3 of 12 in the ordinance, the fourth, fifth, sixth, and seventh “Whereas statements” need to be removed. The first is “Whereas, the current height measurement locations...” and the last is “Whereas increasing the front yard setback and height measurement point...” will need to be removed. All of Section 3 would be removed; that’s the front setback section. And then on page 9, in Section 4a, the changes shown as underline / strikeout in items three and four would be removed. She said the revisions would be made and this would not need to come back.

**RESTATED MOTION:** Move to adopt amendments A, B, and C as presented, but not amendment D as read into the record.  
**Guernsey / Kadzik** – six voted yes. Councilmember Malich voted no.

Councilmember Payne clarified for staff that Councilmember Kadzik suggested that the Planning Commission review a solution for the “house is a hole,” and he would like the Planning Department and Planning Commission to review vertical zoning for both the Waterfront Commercial and the Downtown Business zones. He asked if there was support for this.

Councilmember Ekberg said that staff would need to come back with the Planning Commission schedule to determine where these could be fit in. Ms. Kester explained that the Planning / Building Committee has a meeting next Monday and will include this discussion on the agenda. A report will come back to full council after that. She responded that the Planning Commission has been working on policies for vertical zoning in the harbor area, and the implementing regulations was to be included as part of the 2015 GMA Update. She said she will work with Senior Planner Peter Katich on ways to approach relief for the Shoreline Plan updates and how it fits into the schedule. She clarified that there are no specific proposals for the Finholm District.

Councilmember Young clarified for the audience that vertical zoning basically refers to retail or restaurant uses on the first floor with residential and office on the second floor.

**NEW BUSINESS:**

1. Public Hearing on 2014 Revenue Sources. Finance Director David Rodenbach presented the background for this public hearing for revenue sources for the general fund; a state requirement for passing tax levies in 2014. He gave an overview of the revenue summary before answering Councilmember Guernsey’s questions on collection rates now and before the recession.

Mayor Hunter left the meeting briefly and Mayor Pro Tem Ekberg opened the public hearing at 7:14 p.m. No one came forward to speak and the hearing closed.

2. Resolution No. 940 - 2013 Property Tax Levy / Resolution No. 941 – Excess Property Tax. David Rodenbach began with an apology for the confusion in these resolutions due to the format prescribed by the State Department of Revenue and explained the figures.

Mayor Hunter returned to the meeting. Councilmember Young commented that this is very confusing and suggested going back to the state to request it be clarified. Mr. Rodenbach explained that the state is strict in what they require, and Pierce County Assessor wants it back as prescribed by the state. He further clarified that the 0% increase is a direct result of the refunds.

**MOTION:** Move to adopt Resolution no. 940 certifying the 2013 regular tax levy.  
**Ekberg / Malich** – unanimously approved.

**MOTION:** Move to adopt Resolution no. 941 levying the excess property tax.  
**Ekberg / Malich** – unanimously approved.

3. Resolution No. 942 – Open Space at Skansie Brothers Park. Lita Dawn Stanton, Special Projects, presented the background for this resolution in support of preserving the open waters at Skansie Brothers Park.

Councilmember Guernsey voiced a concern that the language in the ordinance would tie the hands of future councils, which can't legally be done. She asked that the word "designating" to "recommends" in the ordinance. She also suggested that the environment there is "natural" and suggested removal of that word in the first paragraph of the second page.

Councilmember Malich agreed. Councilmember Ekberg commented that he recognizes that you can't bind future Councils, but said it's important that in the future people will recognize that at this point, this Council had a vision for this property. He said he has no problem changing the word from designate to recommends, which would have the same end result.

Councilmember Payne asked if any other waterfront park had been considered. Ms. Stanton responded that she isn't aware of discussion on any other park.

Park Commissioner Rhana Lovrovich said that there was no discussion on other parks. The Skansie Brothers Park is considered the city's crown jewel and so this is why the resolution came forward at this site.

Ms. Kester responded to a question from Councilmember Malich by saying that this refers to leased tidelands in front of the park.

**MOTION:** Move to adopt Resolution no. 942 as amended to change the word designate to recommends.

Guernsey / Perrow – unanimously approved.

**STAFF REPORT:**

City Administrator Denny Richards announced that the employees from the Wastewater Treatment Plant were busy closing up the Lift Station No. 4 and couldn't be here tonight to accept the award. He praised their hard work.

**PUBLIC COMMENT:** Mayor Hunter asked if anyone signed up to comment, and the list was forwarded to him.

Jeni Woock – 3412 Lewis Street / Citizens for the Preservation of Gig Harbor Waterfront. Ms. Woock used a pile of Styrofoam cubes to illustrate the over 1500 Gig Harbor citizens who she said are against the changes to the waterfront, and the ten who are in favor. She said that council overturned the will of the people. When asked if the signers on the petition live in city limits, she responded she hopes so.

Councilmember Young responded that the majority don't live in the city and asked how she can say it represents the will of the people. She said that they signed the petition, and others came and spoke and sent e-mails. She said she has some of the e-mails, and mentioned 70 pages of missing from the Freedom of Information Act, so anyway you look at it you did overturn the will of the people.

Charlotte Gerlof – 7712 73<sup>rd</sup> St. Ct. NW. Ms. Gerlof first said the audience is having difficulty in hearing what was said. She voiced her disappointment but said she accepts the vote. She said she takes offense of the use of the term used by Councilmember Kadzik that "logic" was used and how that reflects on other opinions. She then referred to Councilmember Payne's request for examples, and said she would like Council to find out what some examples of businesses that people would use. She said lots of business isn't possible in this economy, and then said there isn't a lot of room because of the topography. She said there are three big grocery stores just up the hill and one little market at Finholm. Uddenberg's is gone and she agreed that the building restrictions completely negate the ability for a grocery store to be down there. She asked that we identify what is needed by the businesses to thrive. Ask what kind of restaurants could compete, why is the bakery gone? Do some studies to find out what people want downtown. She then mentioned the suggestion that to get a view you need to hike up Pioneer, asking if that makes any sense. She said a lot of simple things have been missed and asked to take another view.

Councilmember Payne responded to the assumption that the city hasn't thought this through, stressing that it has. We have talked to commercial real estate folks who are making suggestions. He said that the best way to interact with is to meet with Councilmembers personally. Ms. Gerlof said she plans to do that, emphasizing her love for this place and how she is going to do what she can to understand how to make it better. She challenged Councilmembers, as elected officials with a responsibility, to look

at it both on a personal and professional level, and to be careful with this most amazing community. She said that if there are businesses identified, then let the public know.

Councilmember Perrow spoke of the visioning process spearheaded by Councilmember Guernsey was an extensive effort and early process that led to this point. It was also reflected in the many meetings that have been held on this subject, he added.

Councilmember Kadzik suggested Ms. Gerlof stop by the Gig Harbor Waterfront Alliance who is doing all the things that she has recommended. He said perhaps she could offer to volunteer. She responded that she volunteers quite a bit and has a handle on this community; she has lived here for over 20 years. She agreed there has to be more citizen involvement, but said we have to be careful of the assumptions we make. She said Council was offended, but they get offended personally, adding that she doesn't like to be patronized and no one should be treated with disrespect. She also asked for transparency.

Drea Solan – 3416 135<sup>th</sup> St. Ct. NW. Mr. Solan voiced concern with the process. He said it was good to hear from each Councilmember, saying it should happen up front to help to avoid misinformation, people thinking the worst, or that there are ulterior motives. He said not everyone is misguided. He said he visited the office for Heron's Key and got a map of all Borgen Boulevard which shocked him to realize what all is going to happen there with no balance. He said his point is we exude a "build it and they will come" philosophy with the waterfront, but where is the data. He said you want people, and there will be thousands 1-1/2 miles away that will find their way to get out of their congested areas. He said we don't need taller buildings; and he likes the musty smelling El Pueblito building and he hopes it stays that way. He talks to others who love coming to Gig Harbor who are shocked. They aren't going to come for a 27 foot high nail salon that they can get at home. He said he understands a lot of thinking has gone into this even though we don't agree, he gets that there are great minds trying to make the right decision, but a lot of times it doesn't happen because you aren't asking the right people. He used the remake of the drive-through at the post office as an example of the need for a usability study. Talk to people on the street that will come and spend money. You don't seem to be running into those people who are shocked and dismayed; thousands of them.

Patrick Quigg – (no address given). Mr. Quigg said he is amendment "D." He said that he bought the property in residential Millville in August 2000. He met with the Planning Department in October, 2012. It was his intent then, and now, to improve a dilapidated netshed to the historic standards. He described the dilapidated residence with raw garbage and wine bottles right there in beautiful downtown Gig Harbor, and said he made a commitment to improve it. He described the process to hire an architect to present a plan to the Planning Commission for this amendment, because the variance process would take too long. Now this is referred back to the Planning Commission. He begged for understanding that he doesn't want to wait another year for the process; he is ready to go.

Greg Hoeksema – 9105 Peacock Hill Ave. Mr. Hoeksema said that the decision has been made on Amendment D, but said he hopes there will be a lot of public input to address this house in a hole issue. He agreed it is the historic look in Gig Harbor. He said that he has a spectacular view of the harbor from his home and so a change to allow houses to move forward and up will have a direct impact on him. Just as important, people walk on the waterside of Harborview Drive so the pedestrian experience will be impacted. He referred to properties that lie north of the Waterfront Inn that are waiting for this decision to build. He also talked about a property granted a variance for an out of place, ugly garage that has detracted from people who walk along Harborview. He talked about property owners that sold out and left town, and his fear of these things happening, asking Council to take a keen look as they contemplate the impacts on the future of residential Millville and North Harborview Drive.

Councilmember Guernsey asked Staff to define the process so Mr. Hoeksema could stay involved. Jennifer Kester explained that she doesn't know the process at this time, but the Planning Commission meets the 1<sup>st</sup> and 3<sup>rd</sup> Thursdays of every month at 5:00 p.m. They discuss what's on their work program which is currently the harbor element of the comprehensive plan that looks at the entire harbor area regulations related to use, size, and activity. They are considering an open house in December. Through those policies implementing regulations will be developed. The city's website has all the meeting notices and agendas, she said. There is also a planning department webpage: [gigharborplanning.com](http://gigharborplanning.com) which will house any pertinent information for big initiatives. In addition, if someone has provided an e-mail address, they will be contacted.

Mr. Hoeksema said he is aware of this information. He said his point is that Council needs to step back and try to understand why and how they have lost trust of part of the population of Gig Harbor. He reinforced the comment that it was nice to hear Councilmember speak, and until tonight he didn't know where anyone was coming from on this important and controversial topic. He said he plans to stay involved; he thinks Council made a mistake because there was no economic study to support the decision. His own research of small town revitalizing didn't result in one example of this plan. They did it by what you are already doing: polishing up, creating parks, investing money. You are right saying there dilapidated buildings; these towns found unique funding options through state and federal funding to dress up store fronts.

Councilmember Payne clarified that proposal for Amendment D was for 18 foot height moved closer to the street; not 27 feet as Mr. Hoeksema stated.

Councilmember Kadzik addressed the misconception regarding something he said regarding the walk up Pioneer. He said that his point was that the slope of the view basin is such that a 27 foot high building on Harborview is quickly minimized for residents that live up the hill; not people walking in the harbor.

Larry Johnson – 10302 36<sup>th</sup> Place. Mr. Johnson addressed Resolution No. 942 adopted earlier. He stressed that changing the word from designate to recommend has huge legal impacts; it allows anything. He encouraged Council in the future to not change



critical action words. He said that Pierce County did the same thing by changing "shall" to "should" in the shoreline update, and by doing so it will be less effective when there are appeals to the Hearing Examiner, Judges, and the Court of Appeals.

Councilmember Ekberg responded by saying future Councilmembers could pass another resolution at any time; it's not as binding as the Shoreline Master Plan. Councilmember Young added that this is why we changed the wording; to avoid misleading someone into thinking that it is binding in some way.

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

Councilmember Payne reminded the public of the city's website and invited them if they want to get to know Council, to let them know.


**ANNOUNCEMENT OF OTHER MEETINGS:**

1. Planning/Building Committee: Mon. Nov. 4<sup>th</sup> at 5:15 p.m.
2. Public Hearing / Open House for Ancich Waterfront Visioning: Wed. Nov. 6<sup>th</sup> at 4:00 p.m.
3. Civic Center Closed for Veterans Day – Mon. Nov. 11<sup>th</sup>
4. City Council Meeting on Tue. Nov. 12<sup>th</sup> at 5:30 p.m.
5. Operations Committee – Thur. Nov. 21<sup>st</sup> at 3:00 p.m.

**ADJOURN:**

**MOTION:** Move to adjourn at 8:11 p.m.  
**Perrow/ Payne** – unanimously approved.

CD recorder utilized: Tracks 1002 – 1040

  
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Charles L. Hunter, Mayor

  
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Molly Towslee, City Clerk