

Gig Harbor City Council Meeting

**February 10, 2014
5:30 p.m.**



**AGENDA FOR
GIG HARBOR CITY COUNCIL MEETING
Monday, February 10, 2014 – 5:30 p.m.**

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

SWEARING IN CEREMONY: Councilmember Rahna Lovrovich

CONSENT AGENDA:

1. Approval of City Council Minutes Jan. 13, 2014.
2. Liquor License Action: a) Renewals: El Pueblito, Discovery Village, Finholm's Grocery Deli, 7 Seas Brewing, Gig Harbor Liquor & Wine, Domo Sushi, and Blazing Onion.
3. Receive and File: a) Tacoma Narrows Airport Advisory Commission Minutes: September 26th and November 14th, 2013; b) Lodging Tax Advisory Committee Minutes Jan. 9, 2014; c) Boards and Candidate Review Minutes Jan. 21, 2014; d) Finance December Quarterly Report.
4. Appointments to Parks Commission.
5. Re-Appointments to Lodging Tax Advisory Committee.
6. Second Reading of Ordinance No. 1283 – Expiration of Utility Capacity Reservation Certificates for Utility Service Outside City Limits.
7. Tourism Promotion Activities Contracts: Tacoma Regional Convention Visitors Bureau; Kitsap Convention Bureau, and Tacoma South Sound Sports.
8. Maritime Pier – Dept. of Natural Resources (DNR) Aquatic Lands Lease Amendments.
9. Public Works Operations Center Geotechnical Study – Consultant Services Contract.
10. Resolution No. 950 – Equipment Purchase Reimbursement Obligation.
11. General Facilities and Rate Analysis – Consultant Services Contract.
12. Point Fosdick Drive Sidewalk Extension – Consultant Services Contract.
13. Critical Area Review – Amendment to Consultant Services Contract.
14. Cushman Trail Phase 3 - Constructability Review Assistance / Consultant Services Contract.
15. WWTP Phase 2 Habitat and Stream Buffer Mitigation Plan – Consultant Services Contract Amendment #1.
16. Approval of Payment of Bills Jan. 27, 2014: Checks #74462 through #74567 in the amount of \$685,308.36.
17. Approval of Payment of Bills Feb 10, 2013: Checks #74568 through #74724 in the amount of \$801,119.86.
18. Approval of Payroll for the month of January: Checks #7106 through #7126 and direct deposits in the amount of: \$347,850.69.

OLD BUSINESS:

1. Second Reading of Ordinance – Waterfront Millville (WM) Residential Setback and Height Regulations.

NEW BUSINESS:

1. Public Hearing and First Reading of Ordinance – Adoption of Interim Regulations re: Separation of Marijuana Retail Establishments.
2. Initiation of Amendment No. 2 of Harbor Hill Development Agreement.
3. Gig Harbor Arts Commission Recommendation for Bogue Viewing Platform.
4. Resolution No. 951 Setting a Public Hearing Date – Rust Street Vacation / Colvos Trust.

STAFF REPORT:

PUBLIC COMMENT:

MAYOR'S REPORT / COUNCIL COMMENTS:

1. Maritime Pier Extension / Fuel Facility Update.
2. Ancich Waterfront Park Committee Update.
3. Boat Show Update.

ANNOUNCEMENT OF OTHER MEETINGS:

1. Boards and Candidate Review: Tue. Feb. 18th at 4:00 p.m.
2. Operations Committee Meeting: Thur. Feb. 20th at 3:00 p.m.
3. Council Retreat – Saturday, February 22nd 8:00 a.m. – 12:00 p.m.
4. See City Website for other meeting information.

ADJOURN TO WORKSTUDY SESSION: Tacoma Pierce County Economic Development Board.

MINUTES OF GIG HARBOR CITY COUNCIL MEETING – January 13, 2014

PRESENT: Councilmembers Ekberg, Arbenz, Perrow, Malich, Payne, Kadzik and Mayor Guernsey.

CALL TO ORDER: 5:32 p.m.

PLEDGE OF ALLEGIANCE:

CONSENT AGENDA:

1. Approval of City Council Minutes Dec. 9, 2013.
2. Liquor License Action: a) Special Occasion Liquor License: Kiwanis Club at Gig Harbor Eagles; b) Renewals: Thai Hut, The Inn at Gig Harbor, Brix 25 Restaurant, Fondi Pizza, The British Connection, Lunchbox Laboratory, Lele's; c) Change of LLC – Lunchbox Laboratory; d) Application – Olive Branch; e) Assumption – Tokyo Teriyaki.
3. Receive and File: Finance – Safety Committee Meeting Minutes Dec. 16, 2013.
4. Second Reading of Ordinance – Municipal Judge Compensation.
5. Municipal Judge Contract Renewal.
6. Court Security Contract.
7. Approval of Payment of Bills Dec. 23, 2013: Checks #74211 through #74342 in the amount of \$761,615.10.
8. Approval of Payment of Bills Jan. 13, 2014: Checks #74343 through #74461 in the amount of \$1,088,446.81.
9. Approval of Payroll for the month of December, 2013: Checks #7090 through #7105 and direct deposits in the amount of \$348,670.19.

Councilmember Arbenz recused himself from voting due to items numbers 4 and 5 of the agenda.

MOTION: Move to adopt the Consent Agenda as presented.
Ekberg / Payne – five voted yes. Councilmember Arbenz abstained.

OLD BUSINESS: None scheduled.

NEW BUSINESS:

1. Public Hearing and First Reading of Ordinance – Expiration of Utility Capacity Reservation Certificates for Utility Service Outside City Limits. Mayor Guernsey opened the public hearing at 5:32 p.m. No one came forward to speak and the hearing closed.

Public Works Director Jeff Langhelm presented an overview and background for this ordinance. This will return for second reading on the January 27th Consent Agenda.

2. Public Hearing and First Reading of Ordinance – Waterfront Millville (WM) Residential Setback and Height Regulations. Planning Director Jennifer Kester presented the background and used a PowerPoint presentation for this ordinance that would allow homes to be built closer to the sidewalk and to allow the building height to be measured at the property line. She answered Council questions.

Mayor Guernsey opened the public hearing at 5:47 p.m.

Jeni Woock – Citizens for the Preservation of Gig Harbor. Ms. Woock said that it's obvious that the majority of Gig Harbor citizens want to save every water view possible and keep our small, unique, charming fishing village flavor. This zoning problem runs deeper. During a meeting we heard one of our councilmembers say that if you want a view of the harbor you should go buy it. In December, a councilmember said he would vote for this zoning issue before this public hearing tonight. In a Gateway article on January 8th discussing the amendments, our Mayor is quoted as saying it's not a popularity contest; under the law community displeasure is not a basis to deny a project. Obviously, popular means the majority of Gig Harbor citizens. History has proven that just because government has power to do something that doesn't make it right to do, she continued to say. The basic principles of democracy say that elected and appointed officials are to be accountable to the people. Officials must make decisions and perform their duties according to the will and wishes of the people. This is not a popularity contest; these are the principles of democracy you uphold or you don't, she said. In a democracy, people are the most important thing. The purpose of government is to serve the needs of the people not vice versa. This is what we teach our children in school and it's good enough for all of us. There are American men and women standing up and dying for freedom and democracy all over the world. The very least we can do is to protect these principles here at home. Ms. Woock said that tonight she was presenting 1,594 signatures of Gig Harbor citizens for no new zoning changes anywhere on Harborview Drive. In addition, 53 residents from Millville signed this petition. Four Millville residents are in favor of the proposed changes. Two Councilmembers, one Planning Commissioner, one city employee, and about eight residents who were not home were not approached. She then suggested that Ms. Kester describe the two basic house designs allowed in Millville; the standard and the basic unit house design.

Bob Ingram. Mr. Ingram said he signed up to talk on another topic.

Jim Franich – 3702 Harborview Drive. Mr. Franich said he hopes Council was able to review the letter he submitted, and that he hopes Council will reject this ordinance or at the least amend it as suggested in his letter.

Randy Mueller – 3514 Harborview Drive. Mr. Mueller read from his letter submitted earlier opposing the amendments. He said that none of the Millville properties of concern that he has personally observed would be adversely affected by being held to the current regulations. The only parcel prejudiced by current regulations is the Ancich property, which is now owned by the city. The topographic properties of all current parcels of concern do not present any conditions that would warrant special variances to make residential building feasible, and he does not feel that crowding residences closer to sidewalks, plus increasing structure heights, is conducive to increasing the walking-friendly feeling in this heavily traveled zone. He said that if a particular Millville property experiences a prejudicial issue during development, then it should be resolved through a variance. He thanked Council for consideration of his concerns.

Bob Frisbie – 9720 Woodworth Ave. Mr. Frisbie announced that he would be speaking for Richard Allen as well. Mr. Frisbie said that he and Mr. Allen own the marina at 3521 Harborview and that they are against these amendments. He said there are primarily three properties that this could be

used; part of Stan Stearns' property, their property, and the Bujacich Dock. He explained that one of the things that make the Millville area special is the zone was created by the people who asked for it 30 years ago rather than it coming from the Planning Department or Planning Commission. The people put in the conditions that have worked for approximately 30 years, and he asked that the zone be left alone. He used the example of how a car parked in front of a garage would stick out onto the sidewalk if the setbacks are changed to 18 feet. He continued to say that when the height in this zone was set up it was based upon an average elevation of the property. That was eroded by a change to use the highest point of the footprint of the house. Now you want to move it off the sidewalk which will further erode the intent to preserve views by keeping the size and height down. He offered to work with Council and other credentialed people to lessen the 35 foot buffer, but stressed "do not push the houses up on the road." The last issue he addressed was the 60 foot right of way on Harborview and the city's desire to add another 5 feet to sidewalks, which will leave you "kissing" the front porch. He stressed again that they are against these amendments.

M.L. Kellogg – 13321 Muir Drive NW. Ms. Kellogg, explained that she is new to the area, and so perhaps her view is more objective than some. Trust is at the core of this meeting, she said. The Council has the right to make changes to city-owned properties, and to residential. Considering that there are two sides to every story, perhaps the residents deserve a better explanation. Is this happening because of tax needs? Is this happening because of a developer? As the gentleman before talked about the terrible parking problem, she has lived with that in Seattle, she added. We all want to keep the character of the City of Gig Harbor while accomplishing rebuilding and remodeling. As time goes by, that becomes a necessity, however there is not a city she knows of where the people want to move the setbacks closer to the street. In every city people have fought against that. You have only one street in Gig Harbor, she said; one street only that represents the essence, the soul, the spirit of this Normal Rockwell sort of destination. The harbor, the boats, the mountain, and the mystic harbor appeal of the East Coast are things that visitors come to see. In fact there is a large population of people that relocated here because of that one street, Harborview Drive. Your offer to give back eight feet to waterfront property owners and developer sounds like there's another agenda here and she said she is disappointed that this discussion even has to take place, and she doesn't want to see this city compromised.

Marilyn Lepape – 10408 Kopachuck Drive NW. Ms. Lepape said she is not in favor of the proposed changes to the residential setback and height regulations in the Millville area. She said that Gig Harbor belongs to more than those who reside within the city limits. She asked if you would exclude those who would like to visit, shop, or enjoy a walk along the harbor. If not, you should consider carefully any sweeping action that would diminish the qualities enjoyed by the larger community who feel they belong here too. Some have referred somewhat derisively to Millville homes as "houses in a hole." They really aren't in a hole, but rather are sited on a natural slope, she said. They don't look stupid as one builder noted; they fit in with the contour of the land. Allowing homes to move close to the sidewalk would make a noticeable difference because the houses would now be in your face, perceived as taller, and would seem as an abrupt barrier or interruption of the natural slope toward the harbor. Those who bought property in Millville knew the restrictions and maintaining the status quo doesn't change anything for them. It's not the City Council's job to find a remedy for the grievances of Millville property owners affected by the Shoreline Master Program, but it is their job to maintain the ambience and the unique quality of

Gig Harbor. Previously, Councilmembers have insisted that you listen to members of the community, she said. You must listen to them; that is what you were elected to do. Please, don't just listen with your minds made up, she finalized.

Peter Stanley – Tides Tavern, 2925 Harborview Drive. Mr. Stanley spoke in favor of the ordinance as presented as perfectly appropriate and moderate. He said that we have to remember that this has already gone through a lot of discussion through various commissions and the city bringing it to this point. Those commissions do take into account the voices and responses of the citizens. He said that he thinks it is very important that the Gig Harbor City has offered a way to give back to property owners a small part that was taken by the State of Washington. He said he also thinks it's important that this makes the residential zoning equal and in alignment with the commercial zoning. Someone mentioned the status quo, but that has changed significantly through the new comprehensive land and buffer zone, and as a property owner, he would be encouraged and appreciative of an opportunity to get back and use a little more of his property. He again said he is in favor of this.

Jim Eustace – 8601 Goodman Drive NW. Mr. Eustace said he was confused by prior statements, but had a number of his questions answered this evening. He said that there seems to be a total different thinking since some of the statements made at the April 25, 2012 meeting and it concerns him. People were scolded when they made statements regarding to developers but when minds are changed so drastically it leads people to think in that direction. Mr. Eustace said he has been around here on and off since the early '80's. He then read from the visioning statement and then asked about maintaining humble and livable homes, and not opening it up wide for commercial. He said we have a great many beautiful homes that could possibly be unable to see the water, unable to see the view, or unable to see what they've seen for the past 50 years if we start building up across the street. We all know challenges to some of these ordinances sometime make them go down the drain. He would hate to see Gig Harbor be turned into a cross-town, other side of the freeway, Gig Harbor North, a Bellevue, or something like that. We've got a beautiful area and he thinks we need to do everything, listen to the people that live in the area, and preserve what we can because once you build a 27 foot building it's there forever, or for a long time.

Greg Hoeksema – 9105 Peacock Hill Avenue. Mr. Hoeksema said he isn't clear how many lots would be made unbuildable by the changes in the Shoreline Management Plan. Ms. Kester has indicated that the amendments would mostly affect vacant parcels, tear-downs and rebuilds, and substantial remodels. When he purchased his home in the historic district in 2000, he did research to ensure that his investment would be protected and to know what changes he could make within the historic district. He said he hopes the people who purchased the vacant parcels, intend to tear down, rebuild, or do a substantial remodel, also have done their due diligence and understood that the historic nature of a turn of the century home is not a 3500 square foot home fronting the sidewalk. With recent amendments, we are gradually whittling away at the very vision that this Council worked so hard for our town. He said he read from Mayor Guernsey's election statement regarding the "three-legs" to Gig Harbor: Uptown, Gig Harbor North, and Downtown. He said he's not sure this is necessarily the case anymore; there are two thriving, rapidly growing areas that need to be controlled and planned. These two areas are cradling the very essence of what Gig Harbor is about; our sacred Downtown area. He said he is not anti-growth or anti-development,

that there is a difference between development and developers, and a difference between the interests of the city and how we develop Millville and the interests of the developers. Those two will always clash to some degree. Houses in a hole are present all over Gig Harbor; that's a part of the look of Gig Harbor, he said. We want to maintain the turn of the century look of downtown, but right now it seems we are worried more about how Gig Harbor looks in the 21st Century. Residential zoning should not equal commercial zoning; that would put us behind what this Council and staff has worked to achieve. Look across the harbor to see what Millville could look like with big homes on small lots. That is not what Millville was meant to be, nor is it the vision. He warned Council that this change will be forever, saying you can't unscramble an egg.

Drea Solen – 3416 135th St. Ct. NW. Mr. Solan gave kudos to the previous speaker, saying he is glad Gig Harbor North was mentioned. This is the area he lives and the out of control growth has been shocking. This impacts the harbor because people are dying for a place to breath. All the talk about rejuvenating and commerce; people just want to enjoy the view and the quaintness. He moved here because of Harborview, the netsheds, everything that he remembers from 15 years ago. He said he can't see the "why" for taller buildings and setbacks. Everyone here is speaking for the greater community, but during the vote, nothing was said about what is good for the community. Councilmen said the views are good enough up Pioneer; talked about wanting larger shops, to be able to walk to buy their clothes. What next, waterbeds and campers? He said he doesn't know where that's going, and that's where you get the overtones of it being about being in bed with the developers. He said he would love to hear what's going on in your minds as to why this is so good. The people have provided eloquent arguments, discussions, and pleas and the one Councilmember who spoke against the amendments was attacked for his views and that's not how you do it. He said he would like to bring it all back to Gig Harbor and the waterfront; don't touch it.

Carlene Salazar – 13018 144th Street, KPN. Ms. Salazar said she moved here over 25 years ago because of what Gig Harbor was, and the beautiful views along the waterfront and all that it implies. She said she understands and feel comfortable with the idea of homeowners being able to do buildings and renovations, but again, this is an historical district. Those people bought that property knowing that, and she feels this is the essence of Gig Harbor. Frankly, she said, she and her husband are now looking at moving because of this Council and the way it has been acting and not listening to the people of Gig Harbor and the region.

There were no further public comments and the hearing closed at 6:17 p.m. Mayor Guernsey said this will return for second reading on January 27th.

Councilmember Payne asked for clarification on the ability to remodel or rebuild an existing historical home. Ms. Kester explained that most of the homes that aren't within the Shoreline buffer zone do not comply with the existing 18 foot height limitations and could not be rebuilt.

Councilmember Malich asked Ms. Kester to elaborate on the right to build 27 feet on the downhill side of any house on the waterfront. Ms. Kester responded that 18 feet is the uphill height limitation. Built into the same section of code is a 27 foot downhill limit so no portion of any building can exceed 27 feet. There is a code provision called the basic structure unit which allows a 27 foot high, 25 foot wide, 40 foot deep residence with significant roof pitch and porch

requirements. The 27 feet is measured at the lowest end of the site / setback. Because of how it's measured, when you have sloped sites with 10 feet or more grade change between the street and where the property ends, the advantage gained by the provision would be lost. The proposed amendments do not change the basic structure unit provisions nor do they provide any advantage. In her 11 years of dealing with this area, property owners have never used this provision and that is why she has not discussed them during the amendment process; she doesn't believe they are applicable on sloped, waterfront properties.

Councilmember Kadzik continued with the discussion on rebuilding, and said there may be six existing houses that are still residential or originally residential that are all fairly close to the property line. He asked if Ms. Kester had a "feel" for how close these houses are to the property line. She responded that in her recollection, they are in the 10 – 15 foot range before you hit a part of the house structure. The two newest homes built between Ancich and Eddon Boat are an example of what the existing residential height requirements, minus the shoreline setback, can achieve in that zone. She addressed his question regarding the two condominium complexes, saying the setback at these sites could be anywhere from 10 to 35 feet. They do not meet exceed the density allowance and so they couldn't get the same number of units if they were to rebuild. Furthermore, the parking lots along Harborview serve the marinas and so the property would have to be "scraped clean" in order to see the fruits of this amendment.

Mayor Guernsey announced that this will return for second reading at the next meeting.

3. Appointment of Mayor Pro Tem.

MOTION: Move to appoint Steve Ekberg to Mayor Pro Tem for 2014.
Payne / Kadzik - unanimously approved.

4. Appointments to Pierce County Regional Council. Mayor Guernsey explained that former Councilmember Derek Young was the city's representative. She offered to serve in his place, and Councilmember Perrow has offered to be the alternate.

MOTION: Move to appoint Mayor Jill Guernsey to serve as the city' representative on the Pierce County Regional Council, and for Councilmember Michael Perrow to act as second.
Malich / Payne - unanimously approved.

STAFF REPORT: None.

PUBLIC COMMENT:

Bob Ingram – 507 Foxfire Road, Fox Island. Mr. Ingram said he would like to see a resolution honoring his friend who recently passed, Vernon Young. He explained that Mr. Young was very active with creating so many of the parks we enjoy, and asked that April 26th be named "Vernon Young Parks Appreciate Day" in his honor. He said that Terry Lee is working to name a pavilion at Sehmel Homestead Park in his honor. Mayor Guernsey asked him to work with the City Clerk for a resolution.

Mayor Guernsey announced a short break at 6:30 p.m. The meeting reconvened at 6:40 p.m.

INTERVIEW FOR COUNCIL VACANCY: Mayor Guernsey announced that the City Administrator would draw names for the order each candidate for the vacant city council seat would be interviewed. She then explained that she would ask a set of predetermined set of questions of each candidate. Each candidate was asked to respond to each of the following questions:

1. Why do you want to serve on the City Council?
2. What experiences, talents or skills do you bring to the Council and community that you would like to highlight?
3. Do you want to be on the Council because of a particular local issue(s) on which you want to work, or are your interests more broadly distributed?
4. Are there any regional issues or forums in which you have a particular interest or expertise? (e.g. transportation, water, finance, parks, etc.)
5. As a member of the Council you would be expected to participate in government activities outside of the regular City Council meetings. Do you have any particular scheduling problems that would preclude your participation?
6. If appointed, would you run for election to a new term in 2015?
7. Given a range from 1 to 8, 1 being historic preservation or no change and 4 being changes in zoning for growth, increased business and development; where would you position yourself and why?

The candidates were asked the questions above and given several minutes to respond. They were interviewed in the order their names were drawn:

1. James Hagman
2. Rahna Lovrovich
3. Douglas Pfeffer
4. Kenneth Christian, Jr.
5. Spencer Hutchins
6. Jim Pasin
7. Greg Hoeksema

At 7:47 p.m. and the conclusion of the interviews, Council adjourned to executive session for approximately 20 minutes to discuss the qualifications of the candidates per RCW 42.30.110(H).

They returned to regular session at 8:07 p.m. and the Mayor opened the floor for nominations.

Councilmember Malich nominated Rahna Lovrovich.

Councilmember Payne nominated Spencer Hutchins.

Councilmember Arbenz nominated James Hagman.

MOTION: Move to close the nominations for the vacant city council position No. 4.
Ekberg / Payne – unanimously approved.

Councilmembers took turns thanking the candidates for submitting their applications. It was noted that the candidates are all well-qualified in several different areas, and they were encouraged to apply for other boards and commissions that become available.

Mayor Guernsey asked if Council was prepared to vote. City Clerk Towslee passed out polling strips and Council was directed to write their name and their preferred candidate on the slip. She then collected the slips and read the results into the record.

Councilmember Ekberg:	Rahna Lovrovich
Councilmember Arbenz:	Spencer Hutchins
Councilmember Malich:	Rahna Lovrovich
Councilmember Perrow:	Spencer Hutchins
Councilmember Payne:	Spencer Hutchins
Councilmember Kadzik:	Rahna Lovrovich

Due to the tie, Clerk Towslee passed out a second set of polling strips. The results of the vote were once again read into the record.

Councilmember Ekberg:	Rahna Lovrovich
Councilmember Arbenz:	Spencer Hutchins
Councilmember Malich:	Rahna Lovrovich
Councilmember Perrow:	Spencer Hutchins
Councilmember Payne:	Spencer Hutchins
Councilmember Kadzik:	Rahna Lovrovich

Because of the second tie, the Mayor was given a slip to complete to break the tie. The results of her vote was read into the record.

Mayor Guernsey:	Rahna Lovrovich
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Mayor Guernsey then declared Rahna Lovrovich the new City Councilmember and asked that she be sworn in at the next meeting of January 27th.

MAYOR'S REPORT / COUNCIL COMMENTS: None.

ANNOUNCEMENT OF OTHER MEETINGS:

1. Operations Committee: ~~Thu. Jan 16th at 3:00 p.m.~~ **CANCELLED.**
2. Civic Center Closed for Martin Luther King Holiday – Mon. Jan 20th.
3. Intergovernmental Affairs Committee: Tue. Jan 21st at 4:30 p.m.
4. Boards and Candidate Review Committee: Tue. Jan 21st at 4:00 p.m.

ADJOURN:

MOTION: Move to adjourn at 8:18 p.m.
Payne / Kadzik – unanimously approved.

CD recorder utilized: Tracks 1002 – 1046

Jill Guernsey, Mayor

Molly Towslee, City Clerk

C091080-2

WASHINGTON STATE LIQUOR CONTROL BOARD

DATE: 01/06/2014

LICENSED ESTABLISHMENTS IN INCORPORATED AREAS CITY OF GIG HARBOR
(BY ZIP CODE) FOR EXPIRATION DATE OF 20140430

	LICENSEE	BUSINESS NAME AND ADDRESS	LICENSE NUMBER	PRIVILEGES
1.	LA FAMILIA LOPEZ, INC.	EL PUEBLITO FAMILY MEXICAN RESTAURANT 3226 HARBORVIEW DR STE 7 GIG HARBOR WA 98332 2182	358890	SPIRITS/BR/WN REST LOUNGE +
2.	DISCOVERY VILLAGE, LLC	DISCOVERY VILLAGE 4835 BORGES BLVD # 1 GIG HARBOR WA 98332 8702	409218	BEER/WINE REST - BEER/WINE
3.	UPRISE CORPORATION	FINHOLM'S GROCERY & DELI 8812 N HARBORVIEW DR GIG HARBOR WA 98335 0000	351392	BEER/WINE REST - BEER/WINE OFF PREMISES
4.	7 SEAS BREWING LLC	7 SEAS BREWING 3006 JUDSON ST GIG HARBOR WA 98335 1226	408765	MICROBREWERY
5.	PREMIUM RETAIL GROUP, LLC	GIG HARBOR LIQUOR & WINE 4814 PT FOSDICK DR NW GIG HARBOR WA 98335 1711	409664	SLS SPIRITS RETAILER
6.	SHIN & LEE LLC	DOMO SUSHI 4901 POINT FOSDICK DR NW B-100 GIG HARBOR WA 98335 1841	411737	BEER/WINE REST - BEER/WINE
7.	D & L JONES, INC.	BLAZING ONION, BEER, WINE, AND SPIRITS 4701 POINT FOSDICK DR NW GIG HARBOR WA 98335 2319	405241	SPIRITS/BR/WN REST LOUNGE +



Pierce County

Public Works and Utilities

2702 South 42nd Street, Suite 201
Tacoma, Washington 98409-7322
(253) 798-7250 • Fax (253) 798-2740

Brian J. Ziegler, P.E.

Director
Brian.Ziegler@co.pierce.wa.us

TACOMA NARROWS AIRPORT ADVISORY COMMISSION

MEETING SUMMARY

September 26, 2013

The regular meeting of the Pierce County Tacoma Narrows Airport Advisory Commission (TNAAC) was held on Thursday, September 26, 2013 from 6:30 to 8:30 p.m. The meeting was held at Goodman Middle School, Commons, located at 3701 38th Avenue NW, Gig Harbor, WA 98335.

I. CHAIR ROGER GRUENER CALLED THE MEETING TO ORDER AT 6:32 P.M. AND WELCOMED ALL ATTENDEES

II. COMMISSION MEMBERS, COUNTY STAFF, AND GUESTS INTRODUCED THEMSELVES

TNAAC VOTING MEMBERS	
Present:	Roger Gruener, Chair Bob Felker Laura Fox, Vice Chair Beckie Krantz Hal Cline Terry Lee Dennis Cunneen Brad Pattison
Excused:	Brian Durham and Bill Sehmel
TNAAC NON-VOTING MEMBERS	
Present:	Stan Flemming, Pierce County Council District 7 Ken Malich, City of Gig Harbor
Excused:	Deb Wallace, Airport and Ferry Administrator
PIERCE COUNTY STAFF	
Present:	Jay Simons, Operations and Maintenance Supervisor Warren Hendrickson, Aviation and Ferry Planner Justin Van Slyke, Facilities Maintenance Technician
VISITORS	
Present:	Joe Wearn

III. APPROVAL OF PRIOR MEETING SUMMARY

Motion to approve the July 11, 2013 Meeting Summary by: Hal Cline
Seconded by: Dennis Cunneen
Approved unanimously.

IV. VISITORS AND PETITIONS

Joe Wearn: Pleased with the new runway and great communications.

V. PIERCE COUNTY STAFF REPORTS

- **Warren Hendrickson reporting on behalf of Deb Wallace:**
 - a. Budget/Grants – Standing Report:**
 - Two new tenants this month.
 - b. Control Tower Closure Update:**
 - No change from the FAA on closing tower.
 - Waiting to find out if Federal Government shuts down next week.
 - Business as usual for now.
 - c. Other Items of Interest:**
 - Harbor History Museum event was excellent.
 - Basket Brigade will return in November.
 - Retreat: tabled until further notice.

- **Jay Simons**
 - a. Operations and Maintenance Report:**
 - Introduced Justin Van Slyke, the new Facilities Maintenance Technician replacing Don Woodcock. Background: was summer intern at TIW in 2012, has his pilot's license, and worked at Horizon Airlines.
 - The Hub at Gig Harbor opened at TIW on September 16th. Busy every day from 11:30 a.m. – 11 p.m.
 - Looking to improve restaurant parking lot lighting.
 - b. Stormwater Report:**
 - The report two years ago from Pierce County Public Works and Utilities, Surface Water Management, listed 30 catch basins that needed maintenance, now only five require additional follow-up.
 - c. Security:**
 - Gate access and cards should arrive by the end of October.
 - Security cameras are also in the works.
 - d. Power Outage:**
 - Automatic generator supports all airfield lighting except rotating beacon. Thought the beacon would also be supported by the generator, so contacting an electrical contractor to fix.
 - Tunnel went into "alarm status" during the recent power outage. Tunnel lights operate on battery backup for about 1-2 hours.
 - Fire pumps came on automatically.
 - Airport access was an issue. All gates locked, without power the gates would not open. Code boxes would not work. Subsequently, it was learned that the Tower Gate (Gate E) can simply be manually opened with a power outage; the South Ramp Gate (Gate B) has a manual disconnect level on the gate motor box to allow manual gate operation.
 - e. Other Items of Interest:**
 - Closing runway for sweeping on October 8 from 4 – 8 a.m.

Discussion:

- Brad Pattison suggested bike racks are needed at the restaurant.
- Concern about losing control tower funding at TIW. If lost, may not get back. If the County could fund for a few years, may bridge the gap until funding is available.

- **Warren Hendrickson**
 - a. **TIW Master Plan Update:**
 - Third meeting held on September 4th.
 - Discussed requirements of a potential runway.
 - Very well attended with many questions/discussion on runway extension.
 - Have received e-mails and questions on departure/arrival procedures.
 - Sent postcard and half the audience indicated they attended as a result of that mailing.
 - The meetings will also be advertised in the Peninsula Gateway business meetings section on Page 2.
 - Next section will be “alternatives”. Staff and consultant will meet in October for brainstorming session.
 - Fourth meeting in January 2014 – date not yet set.
 - b. **Runway Rehabilitation Project Update:**
 - Minor issues remaining – 98% complete.
 - Taxiway lights: found shorts in wiring.
 - Signage: installed and continues to be installed.
 - Fence repairs needed.
 - Windsocks to be reinstalled.
 - Taxiway reconfiguration is planned; Taxiway B will be removed.
 - c. **Compass Rose:**
 - New pavement required.
 - To be located south of existing Taxiway C.
 - Completion planned for spring 2014.
 - d. **TNPTA Meeting:**
 - Discuss taxiway changes.
 - Discuss security gate changes.
 - Tentative date October 23.
 - e. **Seismic Grant Resubmission:**
 - Reapplied for FEMA grant; waiting to hear if we receive.

Discussion on Master Plan Update:

- Terry Lee observed that the September 4th meeting focused on runway issues and not other potential airport development.
- The Conditional Use Permit and the Gig Harbor Community Plan would need to be amended for runway extension.

VI. COMMISSION REPORTS

a. Friends of Tacoma Narrows Airport (FOTNA) Project:

- Committee met to develop proposed plan for viewing area by tower. Designing proposal to apply for Gig Harbor Rotary grant for \$25,000.
- Fence height and type area of concern for observation area.

b. Other Items of Interest: None

VII. NEW BUSINESS

- a. Council:** The Pierce County Council Economic and Infrastructure Development Committee (EIDC) is meeting at TIW in late September.
- b. Real Estate Excise Tax (REET) funding:** Council will consider increasing REET from 3% to 6%. This will be split between the two airports and double airport funding.
- c. Transportation Issue:** Brain Durham could not attend but submitted a motion for the TNAAC to explore transportation alternatives to provide access to and from the Tacoma Narrows Airport for the employees and the aviation community.

Roger Gruener stated that it is not clear whether a motion can be made by an absent commission member, so this will be a discussion of transportation alternatives:

- Gig Harbor PT Trolley will not go to TIW. Only 30-minute interval was requirement, couldn't even get to Gig Harbor North.
- Taxis: call if needed.
- Pierce Transit: demand not sufficient for airport runs, and users are not bus oriented.
- Use airport as a bus terminal.
- Crew cars are available at Executive Terminal.
- Rental car: Enterprise rentals available and they will deliver vehicle.
- Is transportation to/from airport needed?
- Airport courtesy car?
- Dealership sponsorship?
- Zip car? Car 2 Go?
- Airporter bus from Kitsap – is that an option?
- Terry Lee offered to work with Brian to evaluate options.

VIII. CONFIRMATION OF ACTION ITEMS

- a. TNAAC reappointments**
- b. TIW Transportation options (Terry & Brian)**

IX. MEETING ADJOURNED AT 8:23 P.M.

Motion to Adjourn: Hal Cline
Seconded by: Dennis Cunneen
Approved unanimously

NEXT MEETING:

Date: Thursday, November 14, 2013
Time: 6:30 – 8:30 p.m.
Location: Goodman Middle School
Commons Area
3701 38th Ave NW
Gig Harbor, WA 98335



TACOMA NARROWS AIRPORT ADVISORY COMMISSION

MEETING SUMMARY

November 14, 2013

The regular meeting of the Pierce County Tacoma Narrows Airport Advisory Commission (TNAAC) was held on Thursday, November 14, 2013 from 6:30 to 8:30 p.m. The meeting was held at Goodman Middle School, Commons, located at 3701 38th Avenue NW, Gig Harbor, WA 98335.

I. CHAIR ROGER GRUENER CALLED THE MEETING TO ORDER AT 6:36 P.M. AND WELCOMED ALL ATTENDEES

II. COMMISSION MEMBERS, COUNTY STAFF, AND GUESTS INTRODUCED THEMSELVES:

a. Status of four commission members whose terms expired October 31, 2013:

The Resolution to reappoint four (4) members is at the Executive's Office for approval, which will then be forwarded to the Pierce County Council for confirmation. Expect confirmation of the following voting members in early December: Hal Cline, Bob Felker, Laura Fox and Brad Pattison.

b. Verification of Quorum:

Of the remaining six (6) active voting members, a quorum of four (4) active voting members is required to conduct business. Only three (3) active voting members are present; therefore, no formal business will be conducted at this meeting.

TNAAC ACTIVE MEMBERS	
Present:	Roger Gruener, Chair Dennis Cunneen Bill Sehmel
Excused:	Brian Durham, Beckie Krantz, Terry Lee
TNAAC INACTIVE MEMBERS	
Present:	Hal Cline, Bob Felker, Brad Pattison
Excused:	Laura Fox
TNAAC NON-VOTING MEMBERS	
Present:	Deb Wallace, Ken Malich
Excused:	Stan Flemming
PIERCE COUNTY STAFF	
Present:	Jay Simons, Warren Hendrickson
VISITORS	
Present:	Larry Bielstein

III. APPROVAL OF PRIOR MEETING SUMMARY

No quorum, so will defer to the January 2014 meeting.

IV. VISITORS AND PETITIONS

No comments offered.

V. PIERCE COUNTY STAFF REPORTS

- **Deb Wallace:**

- a. Budget/Grants – Standing Report:**

- Good news for 2014.
 - REET approved. Doubled from 3% to 6%. In 2014 estimated will be \$254,000 or more split between the two airports (was \$90,000 in 2013).
 - Plan to improve gateway signage at Stone Drive.
 - Airport lease rates approved.
 - Deb will e-mail budget documents.

- b. Lease:**

- HeliTrak wants to lease entire building. Trying to get funding to build stand-alone bathroom so the entire building can be leased.
 - Hangar occupancy at 71% at TIW. Up from under 50% from two years ago.
 - At 100% capacity at Thun Field with nine people on waiting list.
 - Hangars at PLU are so dilapidated that it rains inside some hangars. Going to repair and build 10 new hangars. Once improvements are made, rental rates will increase.
 - Evaluating Executive Terminal building for surplus. Public process would be used that will include redevelopment of a new building.

- c. Other Items of Interest:**

- George Swift is new owner of Tacoma Narrows Aviation.
 - Jet traffic has increased on a daily basis. Traffic has averaged two jets per day over the last 90 days.
 - TNPTA meeting was good. Some tenants are storing motor homes or sports cars in hangars, and support was received for using hangars strictly for aviation. Thun Field has the same issue with hangars. Have received letters from the FAA that we need to be in compliance for aviation use.

- **Jay Simons**

- a. Operations and Maintenance Report:**

- The hole in the runway was paved today.
 - Issued approximately 325 security gate access cards so far at TIW. New pedestrian gate lock to be installed November 15th.
 - Received bids for new taxiway configuration painting. May not have to wait until spring.
 - Gate G to be redesigned.
 - New lawn mower to be delivered next week.

- **Warren Hendrickson**
 - a. **TIW Master Plan Update:**
 - Next meeting is January 29, 2014.
 - Planning meeting 2 – 4 p.m. at Cottesmore.
 - Public meeting 6:30 – 8 p.m. at Goodman Middle School.
 - This next meeting’s purpose is to discuss alternatives and determine a preferred alternative. An internal staff workshop was held on October 24th to talk about policies and how to approach the development of alternatives.
 - Identified what we can do in the near term with an eye toward planning long-term development.
 - Distributed three airport alternatives handouts (Overall Airport, Runway 17 Threshold, and Runway 35 Threshold) and reviewed each.

VI. COMMISSION REPORTS

- a. **Friends of Tacoma Narrows Airport (FOTNA) Project:**
 - Received a \$25,000 grant from the Gig Harbor Rotary for the observation area.
 - Monday, November 18th from 6 – 7:30 p.m. is the launch of the 2014 calendar at the Best Western Wesley Inn. The Hub is providing appetizers and beer. Need sponsor for the wine. A silent auction is planned.
 - Considering an auction next summer in an airport hangar as another fund raiser.
- b. **TIW Transportation Plan:**
 - Tabled until Brian Durham and Terry Lee are present.
- c. **Other Items of Interest:**
 - Potential safety hazard: two gates from the Hub’s patio allow direct access to the ramp. The southern gate needs to remain unlocked for a fire exit. Jay Simons is aware of need and working with the Hub for possible signage.

VII. NEW BUSINESS

- a. Lighted boat parade in Gig Harbor on December 14th.

VIII. CONFIRMATION OF ACTION ITEMS

- a. Latest TIW O&M Budget Report will be e-mailed to TNAAC after the meeting.

IX. MEETING ADJOURNED AT 8:05 P.M.

- a. No formal motion to adjourn (no quorum)

NEXT MEETING:

Date: Thursday, January 9, 2014
Time: 6:30 – 8:30 p.m.
Location: Goodman Middle School
Commons Area
3701 38th Ave NW
Gig Harbor, WA 98335



LODGING TAX ADVISORY COMMITTEE MINUTES

DATE: January 9, 2014
TIME: 7:30 am
LOCATION: Gig Harbor Civic Center Executive Conference Room
SCRIBE: Maria Tobin
MEMBERS PRESENT: Sue Braaten, Mary DesMarais, Tom Drohan, Kathy Franklin, Lindsey Munson, Councilmember Tim Payne, Mona Sarrensen, Warren Zimmerman
MEMBERS ABSENT: Jannaie Mitton
OTHERS PRESENT: Karen Scott, Ted Smith, Maria Tobin

INTRODUCTION

Councilmember Tim Payne called the meeting to order at 7:38 am. Presented to the committee was a packet including October Lodging Tax Report, informative handouts on Go West Summit and Washington Tourism Alliance Summit, 2014 Events Calendar draft, 2013 Yearend Marketing Summary Report and Plan for 2014.

1. October 2013 lodging tax results

- a. Tim commenced the discussion with the excellent year Gig Harbor has had overall with lodging taxes collected. Most months had double digit increases closing out October for an overall taxes collected increase of 18% for the year. This was credited due to a great year of weather, marketing efforts and positive collaboration with the LTAC committee.
- b. On a side note, it was brought to the attention of the committee that both Tom Drohan and Jannaie Mitton had terms that were to expire in January 2014, renewed their membership with the LTAC committee.

2. Go West Summit scheduled for February 24th-27th and Two Nations for March 9th & 10th, 2014

- a. Karen advised the committee that Gig Harbor is on the agenda to meet with the entire group of 250 tour operators from all over the world to include Europe, Asia and Australia. They will be coming over on the Argosy cruise ship and will have Tom Drohan as their guide. The large group of tour operators will be porting at Jerisich dock. Upon their disembarking, they will board a coach to visit and tour the Harbor History Museum; further on to Heritage Distillery Company, to finish off with small bits provided by the Heritage at the INN of Gig Harbor.
- b. The following day is an evening off for the group. Karen and the hoteliers will attempt to capitalize on the group's free hours in the evening by inviting them back for another excursion. Mary suggested putting out a Gig Harbor restaurant list. Karen advised that there is one already in process and Karen will also be producing a one-sheet information handout on Gig Harbor for each tour operator. A quick link to the restaurants on the website was added as suggestion. Tim also suggested a welcome video from the Mayor.

- c. Karen suggested that she could make a page specifically for Go West that could be accessed from www.gigharborguide.com homepage. Karen stated that she will also be meeting with all of the downtown restaurants and making them aware of the Go West Summit and how important it is to accommodate these tour operators to create a lasting first impression. Warren suggested Uptown should be on the tour as well.
- d. Tim asked about the need for LTAC to meet before the Go West summit. The hoteliers and Karen confirmed that they are already meeting on a regular basis to discuss Go West.
- e. Two Nations- Karen informed the group that she will attend March 9 in Portland and 10th in Seattle to represent Gig Harbor. The theme of Two Nations for 2014 is Canada and U.S.
- f. WTA –Karen advised the group that Washington Tourism Alliance is inviting people to attend Tourism Day, the 28th of January. Karen will be attending this event.

3. Video progress update and new advertising for 2014

- a. Karen advised the group that there are three interested parties in the video production. Tim inquired if an interview process with LTAC and the production companies was possible. Karen said that she will provide samples and information to present at the next April 3rd meeting. Ted Smith suggested St. Johns Episcopal Church did an excellent video that may be used as a model and that it was also very affordable (found on Vimeo). Tim suggested that information on each production team be provided ahead of time to the LTAC committee so that an educated decision can be made. Guidelines should also be provided to the production teams so that comparisons can be made apples to apples. Tim suggested that the LTAC committee have some input on the requirements and guidelines for the video production. Tim requests that input and draft RFP be cc'd to everyone.
- b. Karen suggested there be two separate videos; one for a 3-minute and another for the 15 and 30 seconds. The idea is to make it potentially fit all the hotels by keeping the video content in the middle same but, the video would vary at the beginning and end to appeal to each hotel and/or organization who wishes to use the video.
- c. Tim also asked that the LTAC make all suggestions and discussions cc'd to everyone, so as to make quarterly LTAC meetings more efficacious.
- d. Karen informed the group of Gig Harbor's latest marketing campaigns which includes print ads in both Groups Today and 425 magazines using the slogan "Gig Harbor, Gorgeous!" and a redesigned ad to make it more eye catching to the reader.

4. Website updates second quarter 2014

- a. Karen informed the group that website coding is in need of upgrade from our web developer, Sitecrafting, in order to keep the sites functioning. The municipal website and tourism site share code, that code will have to be re-written. This allows us the opportunity to freshen and update slightly. Because it will be done in conjunction with www.cityofgigharbor.net, it will be a cost savings to LT; Karen would like feedback from the group on any website suggestions to be emailed to her. Mary suggested the calendar of events be revamped because it is cumbersome and the hard to find specific events. Karen advised that due date for website inputs are due by the next LTAC meeting on April 3rd, 2014.

5. Trolley returns 26 May 2014/ Event Listing for 2014

- a. It was reported to the group that the Get Around Gig Harbor Trolley will begin its service on Memorial Day 2014 and serve Gig Harbor tourists and citizens alike throughout the summer months. Karen informed the committee that \$25K is budgeted from marketing dollars to assist in subsidizing the trolley. To keep the cost for ridership at \$.50 per ride, the community must still collectively commit to \$15K in contributions. Mary stated the Gig Harbor Waterfront Alliance has tentatively committed \$2500 and Warren said the Chamber of Commerce has discussed possible \$6K. Tim suggested that the committee be provided with a 2013 report on contributions, and when available, a 2014 list of contributions.
- b. Karen passed out a rough draft of the 2014 events press release and asked members to review and revise if needed.

6. Distribution of Yearend Report 2013 and Plan 2014

- a. A hard copy of the 2013 Yearend Report and 2014 Plan were supplied to the LTAC for review. Karen also passed out to the hoteliers their respective rack cards for updates for the 2014 rack card printing.
- b. Tim advised the group that he has connections to Danny Sink, the 2015 US Open Director, and Tim is aiming to meet with him and possibly have him come to meet with LTAC. Other very viable possibilities for Gig Harbor include talks about a passenger ferry from Seattle to Gig Harbor and creating a satellite location for West Sound Wild Life Refuge in Gig Harbor within the next six months, an excellent possible attraction to Gig Harbor.

7. Tacoma Regional Convention & Visitor Bureau Annual meeting

Kathy asked if anybody has information for the TRCVB Retreat on January 30th & 31st please get that to her.

8. Meeting adjourned at 8:48 am and the next LTAC meeting is scheduled for April 3rd at 7:30 am at the Gig Harbor Civic Center.

Respectfully submitted,



Maria Tobin, Marketing Assistant



BOARDS AND COMMISSIONS CANDIDATE REVIEW COMMITTEE

DATE: January 21, 2014
TIME: 4:10 p.m.
LOCATION: Executive Conference Room
SCRIBE: Molly Towslee, City Clerk
PRESENT: Councilmembers Kadzik, and Malich.
Rahna Lovrovich, Parks Commission Chair, Shawna Wise, Executive Assistant.

New Business:

1. Review Candidates for Park Commission

Christine Hewitson talked about her involvement with the St. Nicholas School Auction Committee as an example of her involvement with volunteering in the community; something she strongly believes in. Ms. Hewitson said she was part of the Harbor Hill Park Property Stakeholders group. She said she sees this park as an active, urban use for all ages due to the proximity to the YMCA, retirement community, and apartment dwellers. She said she likes the example of the KLM Park with its various uses and central location.

Ms. Hewitson said that she spends quite a bit of time in all the city parks, except the BMX and Sand Volleyball park. She runs on the Cushman trail, loves the Music in Skansie Park program, and is active in the Parks Appreciation Day program.

When asked if she had anything that would interfere with attendance, she said that her time is fairly flexible and she would have no problem with a few extra meetings to work on a parks policy.

Sara McDaniel. Ms. McDaniel could not attend the interview in person and responded to questions through a conference call.

When asked about her experience with the city's parks, she said she has lived in the area for 17 years, and raised her children here. In the beginning there weren't many parks, but as they were added, she and her family used them frequently. She mentioned Donkey Creek, City Park, and Cushman Trail as favorites. She offered that now that her children are off to college, she has more time to volunteer to the Parks Commission.

She talked about her involvement with the Crisfield State Game Refuge in Alaska where she volunteered with educational and recreational groups helping with maintenance, and volunteer coordination.

Ms. McDaniel said she is familiar with the acreage by the YMCA and loves that there is so much area for trails and a natural area. She added that there is also the opportunity for some more formal uses.


When the interviews concluded Councilmembers discussed the candidates and made a decision to forward a recommendation to appoint Ms. Hewitson to the vacant position that expires in 2016, and Ms. McDaniel to the vacant position that expires in 2015. The recommendations for these appointments will be forwarded to Council at the January 27, 2014 City Council meeting.

2. Review Candidates for Lodging Tax Advisory Committee. The incumbents for both positions that are going to expire asked to be re-appointed. The Councilmembers decided to forward a recommendation to Council on January 27, 2014 to reappoint both Tom Drohan and Jannae Mitton to both serve another two-year term.

3. Discussion on permanently moving meeting date to 3rd Monday of the month. Clerk Towslee explained that having the Boards and Commission Candidate Review meeting on the same Monday as the second council meeting often created problems with expiring terms. Because there may be new members on the committee after the February Council retreat, it was decided to hold off on any changes until after then. The next meeting is scheduled for February 18th.

There were no further comments; the meeting adjourned.



To: Mayor Guernsey and City Council
From: David Rodenbach, Finance Director 
Date: January 27, 2014
Subject: Fourth Quarter Financial Report

The quarterly financial reports for the fourth quarter of 2013 are attached.

Total resources; including all revenues and beginning cash balances, finished at 70 percent of the annual budget. Total revenues (across all funds) were 86 percent of budget. The shortfall in revenues is due to grants that were budgeted for 2013 but either reimbursement did not occur or the grant was not received.

General fund resources came in at 89 percent of total resources budgeted. General Fund revenues at year-end came in three percent (\$332,000) over budget. Taxes exceeded budget by one percent or \$77,000. As was the case in 2012, this was largely due to a large property tax refund levy exceeding \$200,000. Sales and utilities taxes came in right on budget at \$4.9 and \$1.4 million respectively; while permit revenues exceeded the 2013 budget by 32 percent or \$287,000.

General fund expenditures are 93 percent of budget. All general fund departments are within budget.

Water, Sewer and Storm Sewer revenues are 109 percent, 108 percent and 102 percent of budget; while expenditures for these three funds are at 78 percent, 88 percent and 58 percent of budget.

Cash balances are adequate in all funds. 2013 year-end total cash and investment balance across all funds is \$17.9 million.

CITY OF GIG HARBOR
CASH AND INVESTMENTS
YEAR TO DATE ACTIVITY
AS OF DECEMBER 31, 2013

FUND NO.	DESCRIPTION	BEGINNING BALANCE	REVENUES	EXPENDITURES	OTHER CHANGES	ENDING BALANCE
001	GENERAL GOVERNMENT	\$ 1,639,423	\$ 10,777,395	\$ 10,385,239	\$ (60,656)	\$ 1,970,922
101	STREET FUND	273,754	1,505,167	1,734,677	(28,184)	16,060
102	STREET CAPITAL FUND	266,404	3,308,786	3,564,365	16,872	27,697
105	DRUG INVESTIGATION FUND	7,836	191	-	-	8,028
106	DRUG INVESTIGATION FUND	28,209	33	6,708	-	21,534
107	HOTEL-MOTEL FUND	102,431	269,475	225,968	(8,636)	137,302
108	PUBLIC ART CAPITAL PROJECTS	92,075	119	-	-	92,195
109	PARK DEVELOPMENT FUND	102,829	647,923	903,628	156,517	3,640
110	CIVIC CENTER DEBT RESERVE	1,162,028	72,372	-	-	1,234,400
111	STRATEGIC RESERVE FUND	1,009,217	81,412	-	-	1,090,630
112	EQUIPMENT RESERVE FUND	100,236	50,195	-	-	150,431
113	CONTRIBUTIONS/DONATIONS	-	92,170	-	(92,170)	-
208	LTGO BOND REDEMPTION	73,880	980,065	1,049,964	8	3,989
209	2000 NOTE REDEMPTION	39,878	558	-	-	40,436
210	LID NO. 99-1 GUARANTY	95,536	124	-	-	95,660
211	UTGO BOND REDEMPTION	232,003	209,687	265,811	-	175,879
301	PROPERTY ACQUISITION FUND	223,829	290,317	150,000	-	364,146
305	GENERAL GOVT CAPITAL IMPR	175,594	281,701	150,000	-	307,295
309	IMPACT FEE TRUST	684,176	755,170	-	8,340	1,447,687
310	HOSPITAL BENEFIT ZONE	2,555,454	2,072,788	1,150,000	-	3,478,243
401	WATER OPERATING	486,077	1,414,641	1,439,203	20,012	481,527
402	SEWER OPERATING	702,405	3,751,860	3,375,461	(56,863)	1,021,941
403	SHORECREST RESERVE FUND	56,412	29,922	2,606	(1,052)	82,676
407	UTILITY RESERVE	1,360,755	13,814	409	3	1,374,163
408	UTILITY BOND REDEMPTION	5,408	2,077,110	2,079,564	-	2,954
410	SEWER CAPITAL CONSTRUCTION	4,755,410	2,901,022	1,534,930	(20,579)	6,100,924
411	STORM SEWER OPERATING FUND	157,253	847,850	602,878	15,168	417,393
412	STORM SEWER CAPITAL	301,272	945,108	1,194,872	(12,639)	38,868
420	WATER CAPITAL ASSETS	1,204,075	1,669,685	2,807,092	(64,478)	2,191
605	LIGHTHOUSE MAINTENANCE TRUST	2,114	3	902	622	1,837
631	MUNICIPAL COURT	-	115,183	115,183	-	-
		<u>\$ 17,895,975</u>	<u>\$ 35,161,847</u>	<u>\$ 32,739,462</u>	<u>\$ (127,715)</u>	<u>\$ 20,190,645</u>

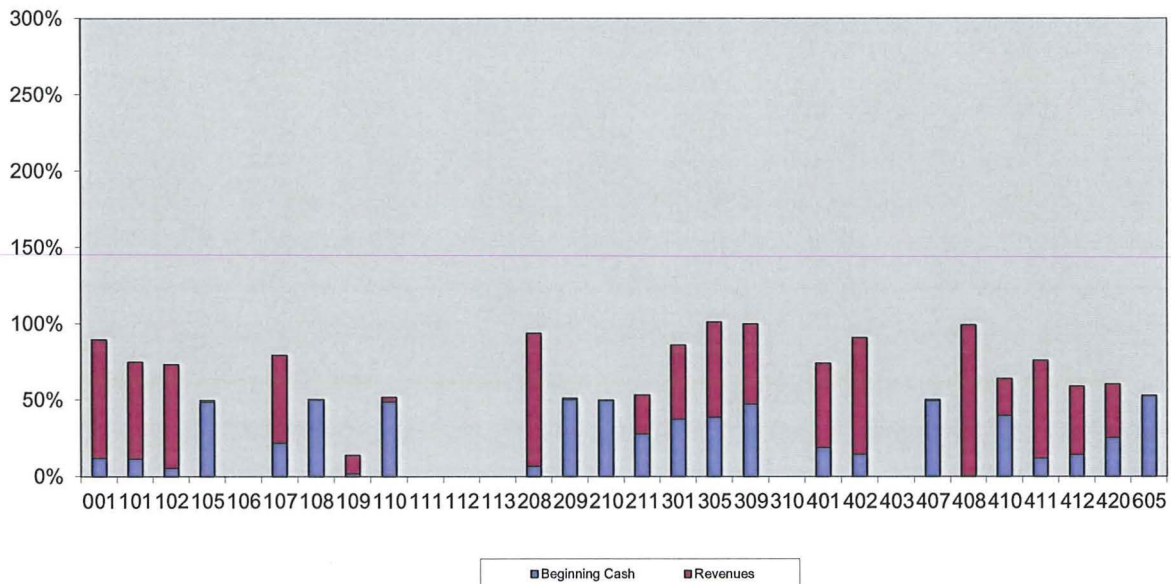
COMPOSITION OF CASH AND INVESTMENTS
AS OF DECEMBER 31, 2013

	MATURITY	RATE	BALANCE
CASH ON HAND			300
CASH IN BANK			145,379
INVESTMENTS/US BANK			318,978
INVESTMENTS/CD COLUMBIA BANK	May 2014	0.5000%	1,000,000
WSDOT ESCROW/CD COLUMBIA BANK			2,000
INVESTMENTS/US BANK	July 2017	0.1250%	1,004,048
LOCAL GOVERNMENT INVESTMENT POOL		0.1807%	17,719,940
			<u>\$ 20,190,645</u>

CITY OF GIG HARBOR
YEAR-TO-DATE RESOURCE SUMMARY
AND COMPARISON TO BUDGET
AS OF DECEMBER 31, 2013

FUND NO.	DESCRIPTION	ESTIMATED RESOURCES	ACTUAL Y-T-D RESOURCES	BALANCE OF ESTIMATE	PERCENTAGE (ACTUAL/EST.)
001	GENERAL GOVERNMENT	\$ 13,905,348	\$ 12,416,818	\$ 1,488,530	89%
101	STREET FUND	2,385,064	1,778,921	606,143	75%
102	STREET CAPITAL FUND	4,899,204	3,575,190	1,324,014	73%
105	DRUG INVESTIGATION FUND	16,192	8,028	8,165	50%
106	DRUG INVESTIGATION FUND	58,643	28,242	30,401	48%
107	HOTEL-MOTEL FUND	470,415	371,906	98,509	79%
108	PUBLIC ART CAPITAL PROJECTS	184,230	92,195	92,036	50%
109	PARK DEVELOPMENT FUND	5,467,814	750,751	4,717,062	14%
110	CIVIC CENTER DEBT RESERVE	2,388,677	1,234,400	1,154,277	52%
111	STRATEGIC RESERVE FUND	2,098,594	1,090,630	1,007,965	52%
112	EQUIPMENT RESERVE FUND	250,575	150,431	100,144	60%
113	DONATIONS/CONTRIBUTIONS	-	92,170	(92,170)	
208	LTGO BOND REDEMPTION	1,126,993	1,053,945	73,048	94%
209	2000 NOTE REDEMPTION	79,404	40,436	38,968	51%
210	LID NO. 99-1 GUARANTY	192,951	95,660	97,291	50%
211	UTGO BOND REDEMPTION	832,979	441,690	391,289	53%
301	PROPERTY ACQUISITION FUND	598,801	514,146	84,655	86%
305	GENERAL GOVT CAPITAL IMPR	453,235	457,295	(4,060)	101%
309	IMPACT FEE TRUST	1,445,894	1,439,347	6,548	100%
310	HOSPITAL BENEFIT ZONE	6,374,248	4,628,243	1,746,006	73%
401	WATER OPERATING	2,576,082	1,900,719	675,364	74%
402	SEWER OPERATING	4,917,424	4,454,265	463,159	91%
403	SHORECREST RESERVE FUND	72,949	86,334	(13,385)	118%
407	UTILITY RESERVE	2,754,180	1,374,569	1,379,611	50%
408	UTILITY BOND REDEMPTION	2,106,186	2,082,518	23,668	99%
410	SEWER CAPITAL CONSTRUCTION	12,001,867	7,656,432	4,345,435	64%
411	STORM SEWER OPERATING FUND	1,328,462	1,005,103	323,359	76%
412	STORM SEWER CAPITAL	2,118,474	1,246,379	872,094	59%
420	WATER CAPITAL ASSETS	4,771,693	2,873,761	1,897,933	60%
605	LIGHTHOUSE MAINTENANCE TRUST	4,022	2,117	1,905	
631	MUNICIPAL COURT	-	115,183	(115,183)	
		\$ 75,880,602	\$ 53,057,822	\$ 22,822,780	70%

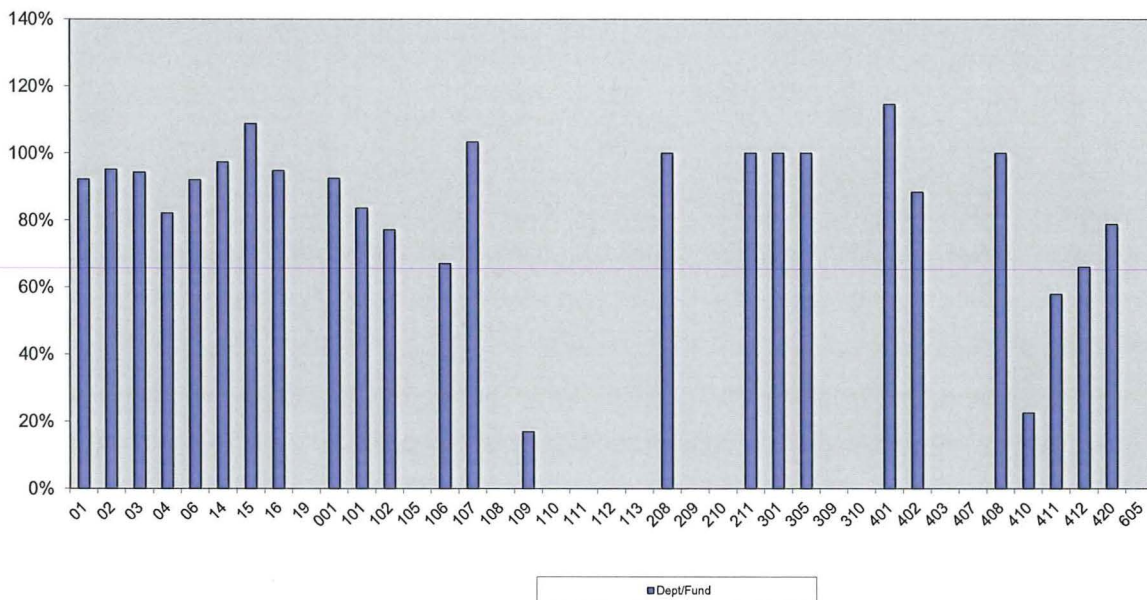
Resources as a Percentage of Annual Budget



CITY OF GIG HARBOR
YEAR-TO-DATE EXPENDITURE SUMMARY
AND COMPARISON TO BUDGET
FOR PERIOD ENDING DECEMBER 30, 2013

FUND NO.	DESCRIPTION	ESTIMATED EXPENDITURES	ACTUAL Y-T-D EXPENDITURES	BALANCE OF ESTIMATE	PERCENTAGE (ACTUAL/EST.)
001	GENERAL GOVERNMENT				
01	NON-DEPARTMENTAL	\$ 3,715,722	\$ 3,426,041	\$ 289,681	92%
02	LEGISLATIVE	59,492	56,624	2,869	95%
03	MUNICIPAL COURT	376,000	354,527	21,473	94%
04	ADMINISTRATIVE/FINANCIAL	1,619,850	1,329,824	290,026	82%
06	POLICE	3,130,050	2,879,073	250,977	92%
14	COMMUNITY DEVELOPMENT	1,298,925	1,264,726	34,199	97%
15	PARKS AND RECREATION	745,075	810,261	(65,186)	109%
16	BUILDING	278,800	264,163	14,637	95%
19	ENDING FUND BALANCE	-	-	-	
001	TOTAL GENERAL FUND	11,223,914	10,385,239	838,675	93%
101	STREET FUND	2,073,218	1,734,677	338,541	84%
102	STREET CAPITAL FUND	4,622,100	3,564,365	1,057,735	77%
105	DRUG INVESTIGATION FUND	7,500	-	7,500	
106	DRUG INVESTIGATION FUND	10,000	6,708	3,292	67%
107	HOTEL-MOTEL FUND	218,650	225,968	(7,318)	103%
108	PUBLIC ART CAPITAL PROJECTS	-	-	-	
109	PARK DEVELOPMENT FUND	5,354,600	903,628	4,450,972	17%
110	CIVIC CENTER DEBT RESERVE	-	-	-	
111	STRATEGIC RESERVE FUND	648,000	-	648,000	
112	EQUIPMENT RESERVE FUND	-	-	-	
113	DONATIONS/CONTRIBUTIONS	-	-	-	
208	LTGO BOND REDEMPTION	1,050,163	1,049,964	199	100%
209	2000 NOTE REDEMPTION	39,000	-	39,000	
210	LID NO. 99-1 GUARANTY	97,000	-	97,000	
211	UTGO BOND REDEMPTION	265,811	265,811	(0)	100%
301	PROPERTY ACQUISITION FUND	150,000	150,000	-	100%
305	GENERAL GOVT CAPITAL IMPR	150,000	150,000	-	100%
309	IMPACT FEE TRUST	350,000	-	350,000	
310	HOSPITAL BENEFIT ZONE	2,625,000	1,150,000	-	
401	WATER OPERATING	1,256,317	1,439,203	(182,886)	115%
402	SEWER OPERATING	3,817,259	3,375,461	441,798	88%
403	SHORECREST RESERVE FUND	2,700	2,606	94	
407	UTILITY RESERVE	200	409	(209)	
408	UTILITY BOND REDEMPTION	2,079,159	2,079,564	(405)	100%
410	SEWER CAPITAL CONSTRUCTION	6,808,000	1,534,930	5,273,070	23%
411	STORM SEWER OPERATING FUND	1,040,729	602,878	437,851	58%
412	STORM SEWER CAPITAL	1,809,400	1,194,872	614,528	66%
420	WATER CAPITAL ASSETS	3,564,700	2,807,092	757,608	79%
605	LIGHTHOUSE MAINTENANCE TRUST	-	902	(902)	
631	MUNICIPAL COURT	-	115,183	(115,183)	
		\$ 49,263,420	\$ 32,739,462	\$ 15,048,958	66%

Expenditures as a Percentage of Annual Budget



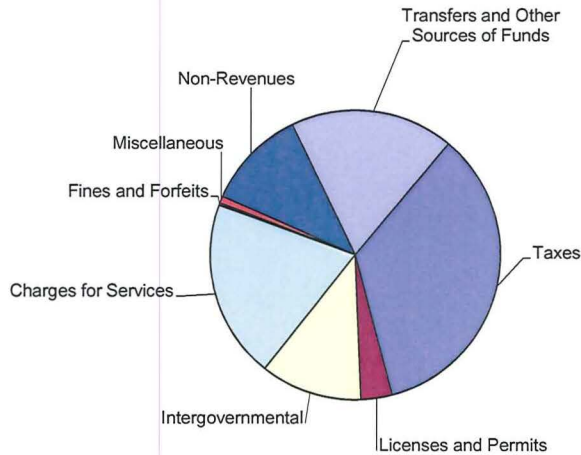
**CITY OF GIG HARBOR
YEAR-TO-DATE REVENUE SUMMARY
BY TYPE
FOR PERIOD ENDING DECEMBER 31, 2013**

<u>TYPE OF REVENUE</u>	<u>AMOUNT</u>
Taxes	\$ 12,218,562
Licenses and Permits	1,221,269
Intergovernmental	3,984,993
Charges for Services	7,006,257
Fines and Forfeits	97,964
Miscellaneous	264,958
Non-Revenues	3,942,371
Transfers and Other Sources of Funds	6,425,474
Total Revenues (excludes Court Pass Thru)	<u>35,161,847</u>
Beginning Cash Balance	17,895,975
Total Resources	<u>\$ 53,057,822</u>

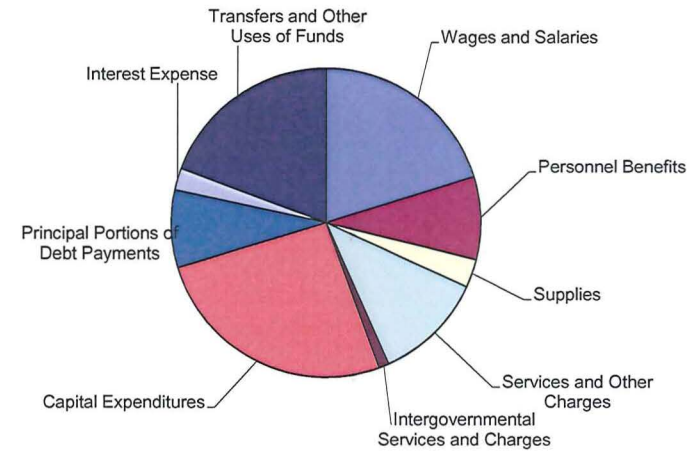
**CITY OF GIG HARBOR
YEAR-TO-DATE EXPENDITURE SUMMARY
BY TYPE
FOR PERIOD ENDING DECEMBER 31, 2013**

<u>TYPE OF EXPENDITURE</u>	<u>AMOUNT</u>
Wages and Salaries	\$ 6,613,786
Personnel Benefits	2,814,019
Supplies	980,515
Services and Other Charges	3,770,453
Intergovernmental Services and Charges	345,228
Capital Expenditures	8,478,530
Principal Portions of Debt Payments	2,648,187
Interest Expense	747,152
Transfers and Other Uses of Funds	6,318,578
Total Expenditures (excludes Court Pass Thru)	<u>32,716,449</u>
Ending Cash Balance	20,190,645
Total Uses	<u>\$ 52,907,094</u>

Revenues by Type - All Funds



Expenditures by Type - All Funds





Business of the City Council
City of Gig Harbor, WA

Subject: Appointment to Parks Commission

Proposed Council Action:

A motion for the appointment of Christine Hewitson to the vacant term ending March, 2016 and the appointment of Sara McDaniel to the vacant term ending March, 2015.

Dept. Origin: Administration
Prepared by: Boards/Commission Review Committee
For Agenda of: ~~January 27, 2014~~
February 10, 2014

Exhibits:
Concurred by Mayor: Initial & Date
JH 1/22/14
Approved by City Administrator: *R 1/23/14*
Approved as to form by City Atty: _____
Approved by Finance Director: _____
Approved by Department Head: _____

Expenditure Required	\$0	Amount Budgeted	\$0	Appropriation Required	\$0
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INFORMATION / BACKGROUND

We received two applications for the two vacant positions on the Parks Commission; Christine Hewitson and Sara McDaniel. Both applicants were interviewed by Councilmembers Malich and Kadzik, and Chair of the Parks Commission, Rahna Lovrovich.

FISCAL CONSIDERATION

N/A

BOARD OR COMMITTEE RECOMMENDATION

The Boards and Candidate Review Committee recommends the appointments of both Christine Hewitson and Sara McDaniel to serve the remainders of the two vacancies.

RECOMMENDATION / MOTION

Move to: A motion for the appointment of Christine Hewitson to the vacant term ending March, 2016 and the appointment of Sara McDaniel to the vacant term ending March, 2015.



Business of the City Council
City of Gig Harbor, WA

**Subject: Appointment to the
Lodging Tax Advisory Committee**

**Proposed Council Action: Move to re-appoint
Jannae Mitton and Tom Drohan
to both serve another two-year term.**

Dept. Origin: Administration

Prepared by: Board and Candidate Review

For Agenda of: ~~January 27, 2014~~

February 10, 2014

Exhibits:

Initial & Date

Concurred by Mayor:

File 1-22-14

Approved by City Administrator:

R 1/23/14

Approved as to form by City Atty: _____

Approved by Finance Director: _____

Approved by Department Head: _____

Expenditure Required	\$0	Amount Budgeted	\$ 0	Appropriation Required	0
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INFORMATION / BACKGROUND

The Lodging Tax Advisory Committee forwarded a recommendation to re-appoint both Jannae Mitton and Tom Drohan to serve another term on the LTAC.

FISCAL CONSIDERATION

None

BOARD OR COMMITTEE RECOMMENDATION

The Committee concurred with the recommendation by the LTAC.

RECOMMENDATION / MOTION

Move to: Re-appoint Jannae Mitton and Tom Drohan to both serve another two-year term.



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

Subject: Second Reading of Ordinance - Expiration of Utility Capacity Reservation Certificates for Utility Service Outside City Limits.

Proposed Council Action: Adopt Ordinance No. 1283 establishing new expiration provisions for water and sewer capacity reservation certificates related to utility extension agreements.

Dept. Origin: Public Works

Prepared by: Jeff Langhelm, PE 
Public Works Director

For Agenda of: ~~January 27, 2014~~

Exhibits: February 10, 2014 Ordinance

	Initial & Date
Concurred by Mayor:	 1/17/14
Approved by City Administrator:	 1/14/14
Approved as to form by City Atty:	VIA EMAIL 1/15/14
Approved by Finance Director:	 1/15/14
Approved by Department Head:	 1/16/14

Expenditure Required	\$ 0	Amount Budgeted	\$ 0	Appropriation Required	\$ 0
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INFORMATION/BACKGROUND

RCW 35.67.310 and RCW 35.92.200 authorize the City to provide water and sewer utility services to property beyond the City limits. The extensions of City of Gig Harbor water and sewer utilities beyond City limits were provided until November 2007 when the City Council adopted Ordinance No. 1112. This ordinance required annexation of a property prior to providing water and sewer utilities.

In March 2012 the City Council approved Ordinance No. 1235 that reinstated the City's ability to allow the extension water and sewer utilities to properties within the Urban Growth Areas of the City without the requirement to first annex. Ordinance No. 1235 provided conditions in Chapter 13.34 of the Gig Harbor Municipal Code (GHMC) for connection to such utility services.

Section 13.34.030 GHMC requires the property owner seeking a utility extension to enter into a utility extension agreement with the City as a condition of a utility extension. GHMC 13.34.030 further requires property owners seeking a utility extension to request an actual hook-up or connection to the City's system within one year from the date of issuance of a water or sewer capacity reservation certificate.

Based on comments from property owners, any utility extension will likely need more than one year from issuance of the capacity reservation certificate to request hook-up or actually connect due to permitting durations or other processes. City Staff concurs that a one-year time frame is unrealistic in most cases. The proposed ordinance removes the one-year time frame and conditions the expiration similar to the expiration of city-issued capacity reservation certificates.

FISCAL CONSIDERATION

N/A

BOARD OR COMMITTEE RECOMMENDATION

The Planning and Building Committee originally recommended the adoption of the March 2012 ordinance.

RECOMMENDATION/MOTION

Adopt Ordinance No. 1283 establishing new expiration provisions for water and sewer capacity reservation certificates related to utility extension agreements.

ORDINANCE NO. 1283

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO THE PROVISION OF WATER AND SEWER SERVICE OUTSIDE THE CITY LIMITS; AMENDING SECTION 13.34.030 OF THE GIG HARBOR MUNICIPAL CODE TO ESTABLISH NEW EXPIRATION PROVISIONS FOR WATER AND SEWER CAPACITY RESERVATION CERTIFICATES; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, RCW 35.67.310 and RCW 35.92.200 authorize the City to provide water and sewer service to property beyond the City limits, and City has adopted conditions for such service in chapter 13.34 of the Gig Harbor Municipal Code; and

WHEREAS, Section 13.34.030 of the Gig Harbor Municipal Code requires the property owner seeking a utility extension to enter into a utility extension agreement with the City for such extension; and

WHEREAS, Section 13.34.030 of the Gig Harbor Municipal Code further requires property owners seeking a utility extension to request an actual hook-up or connection to the City's system within one year from the date of issuance of a water or sewer capacity reservation certificate; and

WHEREAS, property owners outside the City requesting a utility extension may need more than one year from issuance of the capacity reservation certificate to request hook-up or actually connect due to permitting durations or other processes, and the City Council desires to revise chapter 13.34 of the Gig Harbor Municipal Code to allow a greater timeframe to request hook-up or actually connect; and

WHEREAS, the City has determined this amendment is categorically exempt from SEPA threshold determinations per WAC 197-11-800; and

WHEREAS, the Gig Harbor City Council considered the Ordinance at first reading and public hearing on January 13, 2014; Now, therefore,

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

Section 1. Section 13.34.030 - Amended. Section 13.34.030 of the Gig Harbor Municipal Code is hereby amended as follows:

13.34.030 Water and sewer service application.

Any person owning property outside the city limits and desiring to have their property connected to the city's water supply system or sewer system shall make application to the Public Works Director ~~at the office of the city clerk for both a concurrency capacity reservation certificate and the actual connection,~~ on the appropriate form. Every such application shall be made by the owner of the property to be connected and supplied the service, or by his/her authorized agent. The property owner must state fully the purposes for which the water and/or sewer service is required and for properties outside the urban growth area, must also describe the manner in which the application satisfies the requirements in GHMC 13.34.020. In addition, the property owner must agree to sign a utility extension agreement with the all of the elements set forth in this chapter, and conform to the city's regulations concerning water and sewer service set forth in this title, as the same now exists or may be amended in the future. If the city receives such application, approves it under the procedures set forth herein, and subsequently issues a water or sewer ~~concurrency capacity reservation~~ certificate, such certificate shall expire ~~within one year of the date of issuance if the applicant does not pay the required fees and request an actual hook up or connection to the subject property within that time period.~~ upon the occurrence of any one of the following conditions:

- A. The applicant does not timely pay the required capacity commitment payments or general facilities charges; or
- B. The underlying development application expires; or
- C. The underlying development approval expires; or
- D. The corresponding utility extension agreement expires.

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

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

PASSED by the Council and approved by the Mayor of the City of Gig Harbor, this 10th day of February, 2014.

CITY OF GIG HARBOR

Mayor Jill Guernsey

ATTEST/AUTHENTICATED:

Molly M. Towslee, City Clerk

APPROVED AS TO FORM:
Office of the City Attorney

Angela G. Summerfield

FILED WITH THE CITY CLERK: 01/02/14
PASSED BY THE CITY COUNCIL: 02/10/14
PUBLISHED: 02/15/14
EFFECTIVE DATE: 02/20/14
ORDINANCE NO: 1283



Business of the City Council
City of Gig Harbor, WA

Subject: Approval for Hotel/Motel 2014 contracts for services through

- Tacoma Regional Convention and Visitor Bureau (TRCVB)
- Visit Kitsap Peninsula
- Tacoma South Sound Sports

Proposed Council Action: Approve and authorize the Mayor to execute the Agreements to provide support to the TRCVB, Tacoma South Sound Sports and Visit Kitsap Peninsula each in the amount of \$5,000.00

Dept. Origin: Administration - Marketing

Prepared by: Karen Scott

For Agenda of: ~~January, 27 2014~~
February 10, 2014

Exhibits:
3 referenced contracts

Concurred by Mayor:

Approved by City Administrator:

Approved as to form by City Atty:

Approved by Finance Director:

Approved by Department Head:

Initial & Date
BS 1/17/14
R 1/16/14
approved by email
1-16-14

Expenditure Required	\$15,000.00	Amount Budgeted	\$ 15,000.00	Appropriation Required	0
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INFORMATION / BACKGROUND

As outlined in the 2014 Narrative of Objectives, the Marketing Office has budgeted to contract with the Tacoma Regional Convention and Visitor Bureau (\$5,000), Tacoma South Sound Sports (\$5,000) and Visit Kitsap Peninsula (\$5,000) to establish a partnership with Visit Kitsap Peninsula and continue a partnership with the TRCVB and Tacoma South Sound Sports. These partnerships capitalize on shared resources for leisure travel, tour operators, meetings and conventions, and advertising and promotion opportunities.

FISCAL CONSIDERATION

These items have already been approved in the 2014 Marketing Budget from Lodging Tax dollars and will not exceed the budgeted amount of \$15,000.00.

BOARD OR COMMITTEE RECOMMENDATION

Recommend that Council authorize and accept the contracts for Tacoma Regional Convention and Visitor Bureau, Tacoma South Sound Sports and Visit Kitsap Peninsula.

RECOMMENDATION / MOTION

Move to: Approve and authorize the Mayor to execute the Agreement to support the Tacoma Regional Convention and Visitor Bureau in the amount of \$5,000, Tacoma South Sound Sports in the amount of \$5,000 and Visit Kitsap Peninsula in the amount of \$5,000.

**CONSULTANT SERVICES CONTRACT
BETWEEN THE CITY OF GIG HARBOR AND
Tacoma Regional Convention and Visitor Bureau**

THIS AGREEMENT is made by and between the City of Gig Harbor, a Washington municipal corporation (the "City"), and Tacoma Regional Convention and Visitor Bureau, a corporation organized under the laws of the State of Washington (the "Consultant").

RECITALS

WHEREAS, the City is presently engaged in tourism promotion activities and desires that the Consultant perform services necessary to provide the following consultation services; and

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

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

TERMS

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

2. Payment.

A. The City shall pay the Consultant an amount based on time and materials, not to exceed five thousand dollars and no cents (\$5,000.00) paid in equal quarterly installments upon receipt of invoice for the services described in Section 1 herein. This is the maximum amount to be paid under this Agreement for the work described in **Exhibit A**, and shall not be exceeded without the prior written authorization of the City in the form of a negotiated and executed supplemental agreement.

B. The total funding provided to the City to Tacoma Regional Convention and Visitor Bureau under this Agreement shall not exceed Five Thousand Dollars (\$5,000.00) and will be paid quarterly upon receipt of invoice from the Tacoma Regional Convention and Visitor Bureau. Tacoma Regional Convention and Visitor Bureau shall expend the funds prior to December 31, 2014. The City shall pay the full amount of an invoice within forty-five (45) days of receipt. If the City objects to all or any portion of any invoice, it shall

so notify the Consultant of the same within fifteen (15) days from the date of receipt and shall pay that portion of the invoice not in dispute, and the parties shall immediately make every effort to settle the disputed portion.

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

4. Duration of Work. The City and the Consultant agree that work will begin on the tasks described in **Exhibit A** immediately upon execution of this Agreement. The parties agree that the work described in **Exhibit A** shall be completed by December 31, 2014; provided however, that additional time shall be granted by the City for excusable days or extra work.

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

6. Non-Discrimination. The Consultant agrees not to discriminate against any customer, employee or applicant for employment, subcontractor, supplier or materialman, because of race, color, creed, religion, national origin, marital status, sex, sexual orientation, age or handicap, except for a bona fide occupational qualification. The Consultant understands that if it violates this provision, this Agreement may be terminated

by the City and that the Consultant may be barred from performing any services for the City now or in the future.

7. Indemnification.

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

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

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

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

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

8. Insurance.

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

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

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

2. Commercial General Liability insurance no less than \$1,000,000 per occurrence with a \$2,000,000 aggregate. Coverage shall include, but is not limited to, contractual liability, products and completed operations, property damage, and employers liability, and
3. Professional Liability insurance with no less than \$1,000,000 per occurrence. All policies and coverages shall be by an 'A' rated company licensed to conduct business in the State of Washington. If such coverage is written on a claims made form, then a minimum of a three (3) year extended reporting period shall be included with the claims made policy, and proof of this extended reporting period provided to the City of Gig Harbor.

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

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

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

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

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

10. City's Right of Inspection. Even though the Consultant is an independent contractor with the authority to control and direct the performance and details of the work

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

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

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

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

14. Resolution of Disputes and Governing Law.

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

B. If any dispute arises between the City and the Consultant under any of the provisions of this Agreement which cannot be resolved by the City Administrator determination in a reasonable time, or if the Consultant does not agree with the City's decision on the disputed matter, jurisdiction of any resulting litigation shall be filed in Pierce County Superior Court, Pierce County, Washington. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The prevailing party in any such litigation shall be entitled to recover its costs, including reasonable attorney's fees, in addition to any other award.

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

CONSULTANT:
Tacoma Regional Con. & Vis. Bureau
ATTN: Bennish Brown, President & CEO
1119 Pacific Ave., Ste. 500
Tacoma, WA 98402
(253) 284-3250

City of Gig Harbor
ATTN: Karen Scott
3510 Grandview Street
Gig Harbor, WA 98335
(253) 853-3554

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

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

IN WITNESS WHEREOF, the parties have executed this Agreement this _____ day of _____, 20____.

CONSULTANT

CITY OF GIG HARBOR

By: Bennish B. Brown
Its: PRESIDENT / CEO

By: _____
Mayor Jill Guernsey

Tacoma Regional Con. & Vis. Bureau
ATTN: Bennish Brown, President & CEO

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Exhibit A. Scope of Activities. The City shall provide Five Thousand Dollars (\$5,000.00) in funding to the Tacoma Regional Convention and Visitor Bureau to perform the following activities:

- A. The Convention and Visitor Bureau staff will support Gig Harbor in marketing to and selling to small meetings and convention operators for our city and region.
- B. Promotion and Marketing- The Convention and Visitor Bureau Staff will market Gig Harbor and include Gig Harbor as part of the following aspects of the Convention and Visitors Bureau; website, Tacoma - Pierce County Visitors Guide 2014.
- C. Web Presence – The Convention and Visitor Bureau staff will provide Gig Harbor focused visitor information and links from www.traveltacoma.com, and Gig Harbor representatives will be able to add and update current events listings on the Convention and Visitor Bureau website.
- D. New Projects- The Convention and Visitor Bureau Staff will provide Gig Harbor the opportunity to participate in new projects as appropriate and available and as agreed upon with the Gig Harbor Marketing Director, including but not limited to tour operator fams, travel writer and editor visits and co-op advertising opportunities.
- E. Results- The Convention and Visitor Bureau Staff will produce a 2014 Annual Report with complete details of activities for presentation at the Gig Harbor Lodging Tax Advisory Committee by April 2015.

**CONSULTANT SERVICES CONTRACT
BETWEEN THE CITY OF GIG HARBOR AND
Visit Kitsap Peninsula**

THIS AGREEMENT is made by and between the City of Gig Harbor, a Washington municipal corporation (the "City"), and Visit Kitsap Peninsula, a corporation organized under the laws of the State of Washington (the "Consultant").

RECITALS

WHEREAS, the City is presently engaged in tourism promotion activities and desires that the Consultant perform services necessary to provide the following consultation services; and

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

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

TERMS

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

2. **Payment.**

A. The City shall pay the Consultant an amount based on time and materials, not to exceed Five Thousand Dollars (\$5,000.00) paid in equal quarterly installments upon receipt of invoice for the services described in Section 1 herein. This is the maximum amount to be paid under this Agreement for the work described in **Exhibit A**, and shall not be exceeded without the prior written authorization of the City in the form of a negotiated and executed supplemental agreement.

B. The total funding provided to the Visit Kitsap Peninsula under this Agreement shall not exceed Five Thousand Dollars (\$5,000.00) and will be paid quarterly upon receipt of invoice from the Visit Kitsap Peninsula. Visit Kitsap Peninsula shall expend the funds prior to December 31, 2014. The City shall pay the full amount of an invoice within forty-five (45) days of receipt. If the City objects to all or any portion of any invoice, it shall so notify the Consultant of the same within fifteen (15) days from the date of receipt and shall

pay that portion of the invoice not in dispute, and the parties shall immediately make every effort to settle the disputed portion.

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

4. Duration of Work. The City and the Consultant agree that work will begin on the tasks described in **Exhibit A** immediately upon execution of this Agreement. The parties agree that the work described in **Exhibit A** shall be completed by December 31, 2014; provided however, that additional time shall be granted by the City for excusable days or extra work.

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

6. Non-Discrimination. The Consultant agrees not to discriminate against any customer, employee or applicant for employment, subcontractor, supplier or materialman, because of race, color, creed, religion, national origin, marital status, sex, sexual orientation, age or handicap, except for a bona fide occupational qualification. The Consultant understands that if it violates this provision, this Agreement may be terminated

by the City and that the Consultant may be barred from performing any services for the City now or in the future.

7. Indemnification.

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

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

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

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

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

8. Insurance.

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

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

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

2. Commercial General Liability insurance no less than \$1,000,000 per occurrence with a \$2,000,000 aggregate. Coverage shall include, but is not limited to, contractual liability, products and completed operations, property damage, and employers liability, and
3. Professional Liability insurance with no less than \$1,000,000 per occurrence. All policies and coverages shall be by an 'A' rated company licensed to conduct business in the State of Washington. If such coverage is written on a claims made form, then a minimum of a three (3) year extended reporting period shall be included with the claims made policy, and proof of this extended reporting period provided to the City of Gig Harbor.

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

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

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

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

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

10. City's Right of Inspection. Even though the Consultant is an independent contractor with the authority to control and direct the performance and details of the work

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

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

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

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

14. Resolution of Disputes and Governing Law.

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

B. If any dispute arises between the City and the Consultant under any of the provisions of this Agreement which cannot be resolved by the City Administrator determination in a reasonable time, or if the Consultant does not agree with the City's decision on the disputed matter, jurisdiction of any resulting litigation shall be filed in Pierce County Superior Court, Pierce County, Washington. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The prevailing party in any such litigation shall be entitled to recover its costs, including reasonable attorney's fees, in addition to any other award.

Exhibit A. Scope of Activities. The City shall provide Five Thousand Dollars (\$5,000.00) in funding to the Visit Kitsap Peninsula to perform the following activities:

- A. Meeting Marketing and Direct Sales – Visit Kitsap Peninsula Staff will market and sell Gig Harbor to professional meeting planners throughout the year through inclusion in VisitKitsap Conferences and Meetings webpage.
- B. Promotion and Marketing- Visit Kitsap Peninsula will continue to market Gig Harbor in all aspects of VKP promotional opportunities which includes a listing on the cover of the VKP Visitor Guide, on the map, and have a short paragraph on the inside of the brochure. The City of Gig Harbor will also have access to post tourism related events on the VKP self posting online VKP Calendar and have major tourism related events featured in the VKP and eNewsletter.
- C. Web Presence – Visit Kitsap Peninsula will include the City of Gig Harbor in the pull-down menu under Communities on the VKP website and provide a landing page that lists VKP Gig Harbor members, and links including one to City of Gig Harbor Tourism website (www.gigharborguide.com).
- D. Other Marketing Opportunities: Visit Kitsap Peninsula will offer the City of Gig Harbor the opportunity to participate in co-op regional marketing opportunities such as the Kitsap Peninsula Water Trails program, including being part of the Kitsap Peninsula Water Trails Alliance, 2015 US Open Chambers Bay promotion, boating, agri-tourism, culinary and micro-brew promotions, eco-recreation promotions such as the Kitsap Peninsula Water Trails Festival, biking and running events, and other promotions that will strengthen the VKP/City of Gig Harbor partnership, and support regional efforts to market the Kitsap Peninsula region as a major destination for visitors and events.
- E. The City of Gig Harbor will make every effort to include a reference to the Kitsap Peninsula region online and in print materials and when appropriate include the VKP name logo in co-op marketing materials as a tourism marketing partner.
- F. Results- Visit Kitsap Peninsula will produce a 2014 Annual Report with complete details of activities for presentation at the Gig Harbor Lodging Tax Advisory Committee by April 2015.

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

CONSULTANT:	City of Gig Harbor
Visit Kitsap Peninsula	ATTN: Karen Scott
ATTN: Patty Graf-Hoke, Executive Director	3510 Grandview Street
9481 Silverdale Way NW STE 281	Gig Harbor, WA 98335
Silverdale, WA 98383	(253) 853-3554
(360) 908-0088	

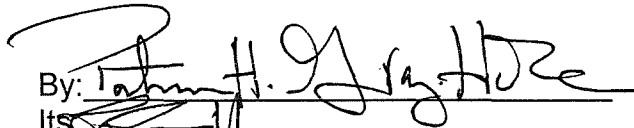
16. Subcontracting or Assignment. The Consultant may not assign or subcontract any portion of the services to be provided under this Agreement without the express written consent of the City. If applicable, any subconsultants approved by the City at the outset of this Agreement are named on **Exhibit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

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

IN WITNESS WHEREOF, the parties have executed this Agreement this _____ day of _____, 20____.

CONSULTANT

CITY OF GIG HARBOR

By: 
Its _____

By: _____
Mayor Jill Guernsey

Visit Kitsap Peninsula
ATTN:Patty Graf-Hoke, Executive Director

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

**CONSULTANT SERVICES CONTRACT
BETWEEN THE CITY OF GIG HARBOR AND
Tacoma South Sound Sports**

THIS AGREEMENT is made by and between the City of Gig Harbor, a Washington municipal corporation (the "City"), and Tacoma South Sound Sports, a corporation organized under the laws of the State of Washington (the "Consultant").

RECITALS

WHEREAS, the City is presently engaged in tourism promotion activities and desires that the Consultant perform services necessary to provide the following consultation services; and

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

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

TERMS

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

2. Payment.

A. The City shall pay the Consultant an amount based on time and materials, not to exceed five thousand dollars and no cents (\$5,000.00) for the services described in Section 1 herein. This is the maximum amount to be paid under this Agreement for the work described in **Exhibit A**, and shall not be exceeded without the prior written authorization of the City in the form of a negotiated and executed supplemental agreement

B. The total funding provided by the City to Tacoma South Sound Sports under this Agreement shall not exceed Five Thousand Dollars (\$5,000.00) and will be paid quarterly upon receipt of invoice from the Tacoma South Sound Sports. Tacoma South Sound Sports shall expend the funds prior to December 31, 2014. The City shall pay the full amount of an invoice within forty-five (45) days of receipt. If the City objects to all or any portion of any invoice, it shall so notify the Consultant of the same within fifteen (15)

days from the date of receipt and shall pay that portion of the invoice not in dispute, and the parties shall immediately make every effort to settle the disputed portion.

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

4. **Duration of Work.** The City and the Consultant agree that work will begin on the tasks described in **Exhibit A** immediately upon execution of this Agreement. The parties agree that the work described in **Exhibit A** shall be completed by December 31, 2014; provided however, that additional time shall be granted by the City for excusable days or extra work.

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

6. **Non-Discrimination.** The Consultant agrees not to discriminate against any customer, employee or applicant for employment, subcontractor, supplier or materialman, because of race, color, creed, religion, national origin, marital status, sex, sexual orientation, age or handicap, except for a bona fide occupational qualification. The Consultant understands that if it violates this provision, this Agreement may be terminated by the City and that the Consultant may be barred from performing any services for the City now or in the future.

7. Indemnification.

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

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

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

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

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

8. Insurance.

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

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

1. Business auto coverage for any auto no less than a \$1,000,000 each accident limit, and
2. Commercial General Liability insurance no less than \$1,000,000 per occurrence with a \$2,000,000 aggregate. Coverage shall include, but

- is not limited to, contractual liability, products and completed operations, property damage, and employers liability, and
3. Professional Liability insurance with no less than \$1,000,000 per occurrence. All policies and coverages shall be by an 'A' rated company licensed to conduct business in the State of Washington. If such coverage is written on a claims made form, then a minimum of a three (3) year extended reporting period shall be included with the claims made policy, and proof of this extended reporting period provided to the City of Gig Harbor.

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

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

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

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

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

10. City's Right of Inspection. Even though the Consultant is an independent contractor with the authority to control and direct the performance and details of the work authorized under this Agreement, the work must meet the approval of the City and shall be

subject to the City's general right of inspection to secure the satisfactory completion thereof. The Consultant agrees to comply with all federal, state, and municipal laws, rules, and regulations that are now effective or become applicable within the terms of this Agreement to the Consultant's business, equipment, and personnel engaged in operations covered by this Agreement or accruing out of the performance of such operations.

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

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

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

14. Resolution of Disputes and Governing Law.

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

B. If any dispute arises between the City and the Consultant under any of the provisions of this Agreement which cannot be resolved by the City Administrator determination in a reasonable time, or if the Consultant does not agree with the City's decision on the disputed matter, jurisdiction of any resulting litigation shall be filed in Pierce County Superior Court, Pierce County, Washington. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The prevailing party in any such litigation shall be entitled to recover its costs, including reasonable attorney's fees, in addition to any other award.

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

CONSULTANT:
Tacoma South Sound Sports
ATTN: Tim Waer, CEO & President
1119 Pacific Ave., Ste. 500
Tacoma, WA 98402
(253) 284-3260

City of Gig Harbor
ATTN: Karen Scott
3510 Grandview Street
Gig Harbor, WA 98335
(253) 853-3554

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

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

IN WITNESS WHEREOF, the parties have executed this Agreement this 13
day of JANUARY, 2014.

CONSULTANT

CITY OF GIG HARBOR

By: [Signature]
Its: Executive Director

By: _____
Mayor Jill Guernsey

Tacoma South Sound Sports
ATTN: Tim Waer, CEO & President

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Exhibit A. Scope of Activities. The City shall provide Five Thousand Dollars (\$5,000.00) in funding to Tacoma South Sound Sports to perform the following activities:

- A. Tacoma South Sound Sports staff will support Gig Harbor in marketing and selling to sports promoters and sporting event organizers as well as sports related tour operators for our city and region. Tacoma South Sound Sports will market and promote Gig Harbor venues, facilities, hotels, attractions, businesses, and the city in general as a destination for amateur sports events, conferences, competitions, tournaments, and tours etc.
- B. Promotion and Marketing – Tacoma South Sound Sports will market Gig Harbor to include Gig Harbor as part of the following aspects of the Tacoma Sports Commission; website, collateral materials, familiarization tours where appropriate. As part of our regional effort to attract visitors and visitor spending through amateur sports, Gig Harbor will be represented and promoted at event marketplaces, conferences, collateral materials, website, as a destination for sports events. Gig Harbor lodging facilities will be marketed and promoted to all events that TSSS attracts throughout the region.
- C. Web Presence – Tacoma South Sound Sports staff will provide Gig Harbor focused information and links from (TSSSC website) and represent Gig Harbor on said website. TSSSC will include all Gig Harbor venues, clubs, schools, hotels, restaurants, and attractions.
- D. Projects- Tacoma South Sound Sports will continue its support for the Gig Harbor Paddlers' Cup and Expo 2014. Additional events will be developed when possible. Tacoma South Sounds Sports will work with the City of Gig Harbor Marketing Department on development new ideas to generate overnight rooms such as sports related tours, Triathlons, and other events.
- E. The Tacoma South Sound Sports will produce a 2014 annual report for with complete detail of activities for presentation at the Gig Harbor Lodging Tax Advisory Committee by April 2015.



Business of the City Council
City of Gig Harbor, WA

Subject: Maritime Pier – Dept. of Natural Resources (DNR) Aquatic Lands Lease Amendments

Proposed Council Action:

Approve and Authorize the Mayor to sign DNR Aquatic Lands Agreement Amendments for Harbor Area Lease No. 22-077100 and Tideland Lease No. 20-080894.

Dept. Origin: Public Works

Prepared by: Jeff Langhelm, PE
Public Works Director *AL*

For Agenda of: ~~January 27, 2014~~
February 10, 2014

Exhibits: DNR Aquatic Lands Agreement Amendments (2)
Survey

Initial & Date

Concurred by Mayor:

Approved by City Administrator:

Approved as to form by City Atty:

Approved by Finance Director:

Approved by Department Head:

Bill 1-22-14
2 1/22/14
via email 1/16/14
1/20/14
AL 1/21/14

Expenditure Required	\$0	Amount Budgeted	\$0	Appropriation Required	\$0
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INFORMATION/BACKGROUND

In June 2010, the City of Gig Harbor purchased upland property from Madison Shores Marina adjacent to the Soundview Drive street end for the purpose of developing a public use and access Maritime Pier for the community. In June 2012, the City obtained the final required permit to demolish the existing derelict structure and build the new pier, ramp and float. Approximately 450 square feet of the fully-grated portion of the pier are located within the tideland leasehold. The facility was open to the public on September 24, 2012. The amendments provided by DNR change the use to include public use and access and loading/unloading of fishing and passenger vessels, adds a description of the new improvements on the leasehold, replaces the old survey with the new survey and increases the square footage of the leasehold area from 846 square feet to 30,549 square feet.

FISCAL CONSIDERATION

The City has paid an average of \$1,138 annually to DNR for the limited lease area. The amended lease will become a no-fee lease and the lease area will be increased to include the entire Tidelands Lease Area and Harbor Lease Areas A and B, shown on the survey. The City will receive a refund in the amount of \$449.61, for the rental period of September 24, 2012 to June 27, 2013.

BOARD OR COMMITTEE RECOMMENDATION

None.

RECOMMENDATION/MOTION

Approve and Authorize the Mayor to sign DNR Aquatic Lands Agreement Amendments for Harbor Area Lease No. 22-077100 and Tideland Lease No. 20-080894.

RECORD OF SURVEY FOR AMENDED AQUATIC LEASE NO. 22-0077100 & 20-080894

IN A PORTION OF THE NW1/4 OF THE NE1/4 OF
SECTION 8, TOWNSHIP 21 NORTH, RANGE 2 E., W.M.
PIERCE COUNTY, WASHINGTON

DESCRIPTIONS

TIDELANDS LEASE AREA NO. 20-080894

A PORTION OF STATE OWNED AQUATIC LANDS LOCATED BETWEEN EXTREME LOW TIDE AND THE INNER HARBOR LINE IN FRONT OF GOVERNMENT LOT 2, SECTION 8, TOWNSHIP 21 NORTH, RANGE 2 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 8, ALSO KNOWN AS CITY MONUMENT NO. 85; THENCE NORTH 02°20'21" EAST 107.87 FEET TO CITY MONUMENT NO. 84; THENCE ALONG THE CENTERLINE OF HARBORVIEW DRIVE NORTH 88°18'40" WEST 111.28 FEET; THENCE LEAVING SAID CENTERLINE NORTH 34°28'15" EAST 288.20 FEET TO THE LINE OF EXTREME LOW TIDE AND THE POINT OF BEGINNING; THENCE ALONG SAID TIDE LINE SOUTH 78°28'47" EAST 8.34 FEET; THENCE SOUTH 88°58'07" EAST 28.80; THENCE SOUTH 81°32'20" EAST 35.12; THENCE SOUTH 87°58'37" EAST 21.79; THENCE SOUTH 88°54'44" EAST 17.84 TO THE INNER HARBOR LINE; THENCE ALONG SAID INNER HARBOR LINE NORTH 37°20'40" WEST 113.02 FEET; THENCE SOUTH 34°28'15" WEST 82.22 FEET TO THE POINT OF BEGINNING.

HARBOR LEASE AREA A NO. 22-0077100

A PORTION OF STATE OWNED AQUATIC LANDS LOCATED BETWEEN THE INNER HARBOR LINE AND THE OUTER HARBOR LINE IN FRONT OF GOVERNMENT LOT 2, SECTION 8, TOWNSHIP 21 NORTH, RANGE 2 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 8, ALSO KNOWN AS CITY MONUMENT NO. 85; THENCE NORTH 02°20'21" EAST 107.87 FEET TO CITY MONUMENT NO. 84; THENCE ALONG THE CENTERLINE OF HARBORVIEW DRIVE NORTH 88°18'40" WEST 111.28 FEET; THENCE LEAVING SAID CENTERLINE NORTH 34°28'15" EAST 321.42 FEET TO THE INNER HARBOR LINE AND THE POINT OF BEGINNING; THENCE ALONG SAID INNER HARBOR LINE SOUTH 37°20'40" EAST 108.24 FEET; THENCE NORTH 80°41'21" EAST 148.08 FEET TO THE OUTER HARBOR LINE; THENCE ALONG SAID OUTER HARBOR LINE NORTH 28°32'11" WEST 158.82 FEET; THENCE SOUTH 34°28'15" WEST 182.03 FEET TO THE POINT OF BEGINNING.

HARBOR LEASE AREA B

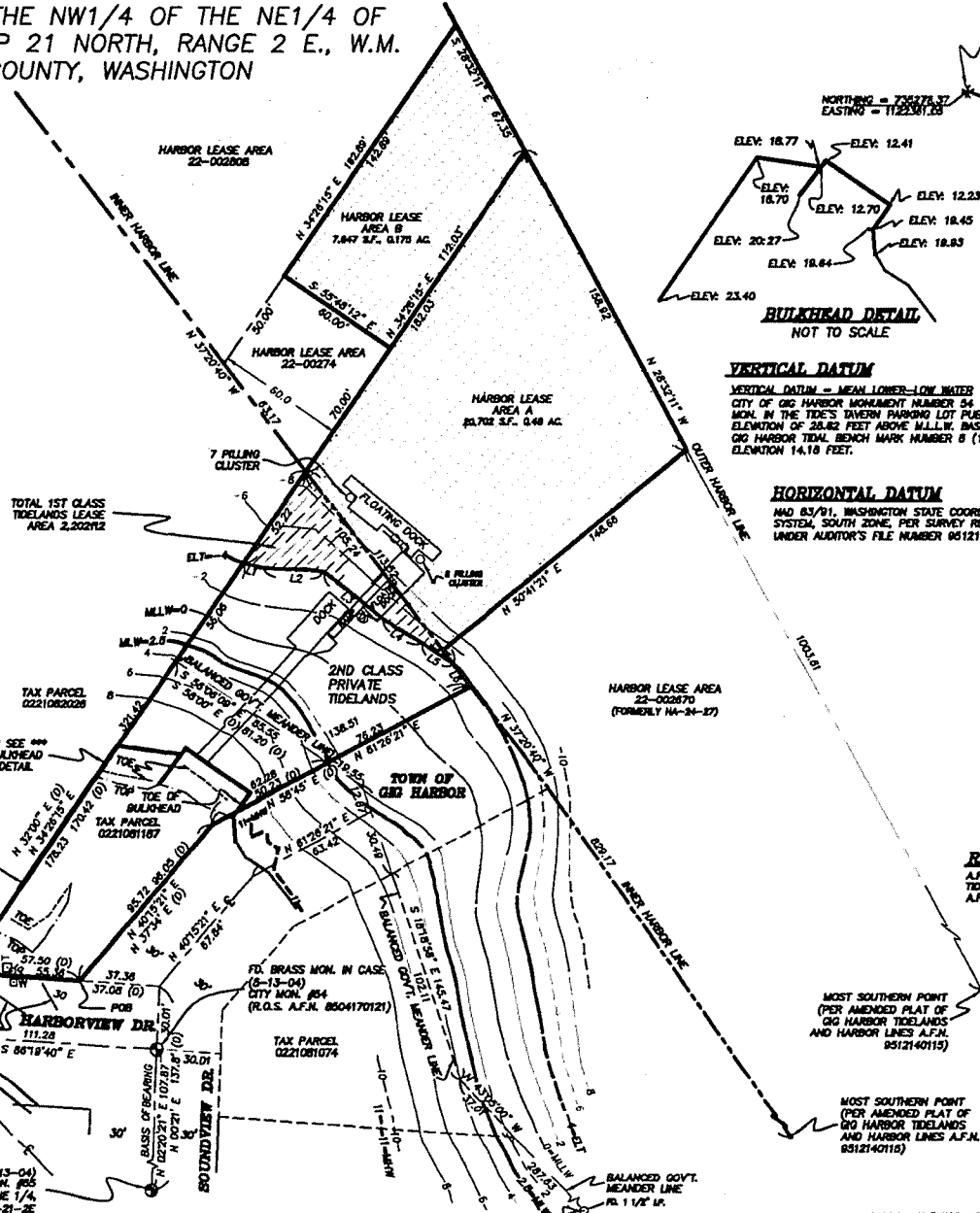
A PORTION OF STATE OWNED AQUATIC LANDS LOCATED BETWEEN THE INNER HARBOR LINE AND THE OUTER HARBOR LINE IN FRONT OF GOVERNMENT LOT 2, SECTION 8, TOWNSHIP 21 NORTH, RANGE 2 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 8, ALSO KNOWN AS CITY MONUMENT NO. 85; THENCE NORTH 02°20'21" EAST 107.87 FEET TO CITY MONUMENT NO. 84; THENCE ALONG THE CENTERLINE OF HARBORVIEW DRIVE NORTH 88°18'40" WEST 111.28 FEET; THENCE LEAVING SAID CENTERLINE NORTH 34°28'15" EAST 321.42 FEET TO THE INNER HARBOR LINE; THENCE CONTINUING NORTH 34°28'15" EAST 70 FEET TO THE NORTHEAST CORNER OF HARBOR LEASE 22-0022704 AND THE POINT OF BEGINNING; THENCE ALONG THE NORTHERLY LINE OF SAID LEASE NORTH 88°48'12" EAST 80.00 FEET TO THE EAST LINE OF HARBOR LEASE 22-0022806; THENCE ALONG SAID EAST HARBOR LEASE LINE NORTH 34°28'15" EAST 142.88 FEET TO THE OUTER HARBOR LINE; THENCE ALONG SAID OUTER HARBOR LINE SOUTH 28°32'11" EAST 87.36 FEET; THENCE SOUTH 34°28'15" WEST 112.03 FEET TO THE POINT OF BEGINNING.

LEGAL:
PER BLACK CLAIM DEED, PIERCE COUNTY WASHINGTON, APR. NO 200507281085

TAX PARCEL NO: 0221081800; 0221081801 (NOW 0221081187)
COMMENCING AT SOUTHEAST CORNER OF THE NORTHEAST 1/4 OF THE NE 1/4 OF THE NW 1/4 OF SECTION 8, TOWNSHIP 21 NORTH, RANGE 2 EAST, W.M. IN PIERCE COUNTY, WASHINGTON;
THENCE N 00°21' W A DISTANCE OF 137.6 FEET;
THENCE N 89°25' W A DISTANCE OF 37.08 FEET TO POINT OF BEGINNING;
THENCE N 37°34' E A DISTANCE OF 88.05 FEET;
THENCE N 88°48' E A DISTANCE OF 80.23 FEET TO THE GOVERNMENT MEANDER LINES;
THENCE N 80°01' E A DISTANCE 81.20 FEET;
THENCE S 33°01' W A DISTANCE 170.42 FEET;
THENCE S 80°25' E A DISTANCE 87.80 FEET TO POINT OF BEGINNING;
TOGETHER WITH SECOND CLASS TIDELANDS AS CONVEYED BY THE STATE OF WASHINGTON, ADJOINING AND ABUTTING THEREOF.

NOTE
THE LATERAL BOUNDARIES OF THE SECOND CLASS TIDELANDS ARE SHOWN HEREON AS EXTENSIONS OF THE LATERAL BOUNDARIES OF THE TIDELANDS. NO DETERMINATION HAS BEEN MADE AS TO THE LOCATION OF THE ACTUAL LATERAL BOUNDARIES. THIS METHOD IS CONSISTENT WITH LOCAL AND ADJOINING LEASE SURVEYS.



TIES TO WASHINGTON STATE COORDINATE SYSTEM SOUTH ZONE

VERTICAL DATUM

VERTICAL DATUM = MEAN LOWER-LOW WATER
CITY OF GIG HARBOR MONUMENT NUMBER 84 ENCASED MBL IN THE TIDE'S TAVERN PARKING LOT PUBLISHED ELEVATION OF 28.82 FEET ABOVE M.L.L.W. BASED ON GIG HARBOR TIDAL BENCH MARK NUMBER 8 (1944) ELEVATION 14.18 FEET.

HORIZONTAL DATUM

MAD 83/91, WASHINGTON STATE COORDINATE SYSTEM, SOUTH ZONE, PER SURVEY RECORDED UNDER AUDITOR'S FILE NUMBER 0512140115

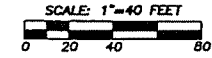
LEGEND

- ⊙ FOUND MONUMENT AS NOTED
- ⊠ FOUND MEANDER CORNER AS NOTED
- EXISTING WOOD PILING
- ⊙ CALCULATED MONUMENT LOCATION
- ⊕ STREET CENTERLINE
- MLW MEAN LOW WATER
- MLW MEAN LOW WATER
- MHW MEAN HIGH WATER
- ELT EXTREME LOW TIDE
- (D) DEED
- ▭ HARBOR LEASE AREA
- ▨ FIRST CLASS TIDELAND
- FWP BLOW OFF
- ⊥ FIRE HYDRANT
- ⊕ WATER METER
- ⊕ WATER VALVE
- ⊕ POWER POLE
- ⊕ TELEPHONE PEDISTAL

REFERENCE SURVEYS
A.F.N. 8512140115 AMENDED PLAT OF GIG HARBOR TIDELANDS & HARBOR LINES
A.F.N. 8504170121 RECORD OF SURVEY

LINE TABLE

NO.	BEARING	DISTANCE
L1	S 78°25'47" E	8.34
L2	S 88°57'07" E	28.80
L3	S 81°32'20" E	35.12
L4	S 87°58'37" E	21.79
L5	S 88°54'44" E	17.84
L6	S 37°20'15" E	12.89



LEASE APPLICATION NO. 22-077100
SHEET 1 OF 1

AUDITOR'S CERTIFICATE

FILED FOR RECORD THIS _____ DAY OF _____, 2013,
AT _____ O'CLOCK _____ M., UNDER AUDITOR'S FEE NUMBER: _____

BY: _____ COUNTY AUDITOR

SURVEYOR'S CERTIFICATE

THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE SURVEY RECORDING ACT AT THE REQUEST OF:

CITY OF GIG HARBOR, WA

GARY A. PROCTOR, REGISTERED PROFESSIONAL LAND SURVEYOR
CERTIFICATE NUMBER 35980 DATE: _____



Thornton Land Surveying, Inc.

P.O. BOX 249
GIG HARBOR, WASHINGTON 98335
TELEPHONE (253) 858-8106 / FAX 858-7466

RECORD OF SURVEY FOR & REQUESTED BY
CITY OF GIG HARBOR, WA
IN A PORTION OF THE NW1/4 OF THE NE1/4 OF
SECTION 8, TOWNSHIP 21 NORTH, RANGE 2 E., W.M.
PIERCE COUNTY, WASHINGTON

DRAWN	DATE	FIELD BOOK
DRM	08 JAN 2013	7-12.8
CHECKED	SCALE	JOB NUMBER
GAP	1" = 40'	100501

201301305002

When recorded, return to:
City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335



WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

AQUATIC LANDS AGREEMENT AMENDMENT

Lease No. 20-080894

Grantor: Washington State Department of Natural Resources
Grantee: CITY OF GIG HARBOR
Legal Description: Section 8, Township 21 North, Range 02 East, W.M.
Assessor's Property Tax Parcel or Account Number: N/A
Assessor's Property Tax Parcel or Account Number for Upland parcel used in conjunction with this Lease: 0221081187

THIS LEASE AMENDMENT is made by and between the STATE OF WASHINGTON, acting through the Department of Natural Resources ("State"), and CITY OF GIG HARBOR a government agency/entity ("Tenant").

BACKGROUND

Lease No. 20-080894 was entered into on the 28th day of June, 2004, by and between MADISON SHORES MARINA, LLC as Tenant and the STATE OF WASHINGTON, acting by and through the Department of Natural Resources, as landlord ("State"), and recorded with the Pierce County Auditor's office under recording number 200707310383 (the "Agreement").

The Agreement was previously amended by assignment- respectively dated June 28, 2010. Copies of the assignment are attached as Exhibit E. Tenant now possesses the rights, duties, and liabilities under the Agreement as amended.

The parties now desire to amend this Agreement under the following terms and conditions:

THEREFORE, the parties agree as follows:

SECTION 1 AMENDMENTS

Sections 2.1, 4.1, 7.2; Exhibit A, Exhibit B "Description of Property and Facility", Exhibit B Section 1 Property, Exhibit B Section 2.1 Permitted Use, Exhibit B 2.2 Restrictions on Use, Exhibit B Section 4 Rent of the Lease is amended to read as specified in Exhibit F attached hereto.

SECTION 2 EFFECTIVE DATE

The amended provisions shall become effective as of September 28, 2012.

SECTION 3 NO RELEASE

State is not releasing any previous Assignor from fully performing the provisions of the Agreement in effect at the time of such assignment or as otherwise agreed in writing between the State, previous Assignor, and the Grantee.

SECTION 4 WARRANTIES

Tenant represents and warrants to State that (i) the Agreement is in full force and effect; (ii) Tenant is not in default or breach of the Agreement; (iii) Tenant has no knowledge of any claims, offsets, or defenses of the Tenant under the Agreement; and (iv) to the best of Tenant knowledge, the Property is in full compliance with all applicable federal, state, and local governmental permits, rules, ordinances, and laws.

SECTION 5 CONFIRMATION OF AGREEMENT

All other terms of the Agreement not inconsistent with this Amendment are hereby affirmed and ratified.

SECTION 6 RECORDATION

At Tenant's expense and no later than thirty (30) days after receiving the fully-executed Agreement, Tenant shall record this Agreement in the county in which the Property is located. Tenant shall include the parcel number of the upland property used in conjunction with the Property, if any. Tenant shall provide State with recording information, including the date of recordation and file number.

THIS AGREEMENT requires the signature of all parties and is executed as of the date of the last signature below.

CITY OF GIG HARBOR

Dated: _____, 20__

By: JILL GUERNSEY

Title: Mayor

Address: 3510 Grandview Street
Gig Harbor, WA 98335

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Dated: _____, 20__

By: MEGAN DUFFY

Title: Deputy Supervisor for Aquatics and
Geology

Address: 950 Farman Avenue North
Enumclaw, WA 98335

Approved as to Form this
This 28 day of September 2011
Janis Snoey, Assistant Attorney General

EXHIBIT E



WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

NOTICE OF AND CONSENT TO ASSIGNMENT OF LEASE

Lease No. 20-080894

THIS AGREEMENT is made by and between MADISON SHORES MARINA, LLC, a limited liability corporation, whose address is P.O. Box 2234, Gig Harbor, Washington ("Assignor") and CITY OF GIG HARBOR, a government agency/entity, whose address is 3510 Grandview Street, Gig Harbor, Washington, 98335 ("Assignee").

BACKGROUND

- A. Lease No. 20-080894 was entered into on the 28th day of June, 2004, by and between MADISON SHORES MARINA, LLC as Tenant and the STATE OF WASHINGTON, acting through the Department of Natural Resources, as landlord ("State"), and recorded with the Pierce County Auditor's office under recording number 200707310383, Volume N/A, Page N/A (the "Lease")
- B. Assignor desires to assign and Assignee desires to assume the rights, duties, and liabilities of Tenant under the amended Lease. Assignor acknowledges the receipt and adequacy of consideration given by Assignee for this assignment. The Lease prohibits an assignment without State's consent. State is willing to give its consent based upon the assurances and agreements made in this Agreement.

THEREFORE, the parties agree as follows:

SECTION 1 NOTICE OF ASSIGNMENT

Assignor gives notice of its intent to assign all of its rights, title, and interest as Tenant under the amended Lease to Assignee effective the 28th day of June, 2010, for the balance of the Lease term as provided in the Lease.

SECTION 2 ACCEPTANCE AND INDEMNIFICATION

Assignee gives notice of its intent to assume the obligations as Tenant under the Lease, and agrees to faithfully perform and discharge those obligations according to the terms of the Lease.

SECTION 3 NO RELEASE

State is not releasing Assignor from fully performing the provisions of the Lease. Assignor remains liable to State to the same extent as if no assignment had been made.

SECTION 4 MODIFICATION OF LEASE AT TIME OF ASSIGNMENT

Assignor agrees that State and Assignee may change, modify, or amend the Lease in any way, including the rent to be paid. The assignment and any modification or amendment to the Lease shall occur contemporaneously. Assignee acknowledges receipt of a copy of the Lease and any previous or contemporaneous amendments. Assignor acknowledges receipt of a copy of the amended Lease. Further assignments may be made, without notice to or consent of Assignor, and without in any manner releasing or relieving Assignor from liability under the Lease. Assignor shall remain liable under all the terms, covenants, and conditions of the Lease as originally executed to the end of the term of the Lease.

Amended clauses will be attached as Exhibit D.

SECTION 5 WARRANTIES

Assignor represents and warrants to State and to Assignee that (i) the Lease is in full force and effect; (ii) Assignor is not in default or breach of the Lease; (iii) Assignor has no knowledge of any claims, offsets, or defenses of any Tenant under the Lease; (iv) rents due subsequent to this assignment have not been paid in advance by any Tenant; and, (v) to the best of Assignor's knowledge, the property is in full compliance with all applicable federal, state, and local governmental permits, rules, ordinances, and laws. Assignor shall defend, indemnify and hold State harmless from any breach of the foregoing warranties and from any claims or causes of action, known or unknown, of Assignor that have or may arise from circumstances that precede this assignment.

SECTION 6 NOTICE

Assignor instructs State to send all future notices to Assignee. Assignee has the obligation to keep Assignor informed about the activities on the property and Assignee's performance of its obligations under the Lease. Assignee shall send to Assignor copies of any notices it receives or sends to State. Assignor has the obligation to remain informed of Assignee's activities on the property, Assignee's performance of its obligations under the Lease, and Assignee's financial condition. State has no obligation to provide Assignor any notice or information concerning the Lease or Assignee and Assignor shall not rely on State to inform Assignor.

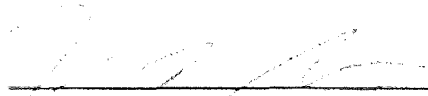
THIS AGREEMENT requires the signature of all parties and is executed as of the date of the last signature below.

ASSIGNOR:

ASSIGNEE:

MADISON SHORES MARINA, LLC

CITY OF GIG HARBOR




JIM M. SULLIVAN
Member/Partner



CHUCK HUNTER
Mayor

Dated: Sept 14, 2019

Dated: Sept 14, 2019



LISA A. TALLMAN
Member/Partner

Dated: Sept 15, 2019

CONSENT TO ASSIGNMENT BY STATE

In consideration of the foregoing, State consents to the Assignment of the Lease to Assignee. However, State expressly conditions this consent on the understanding that neither State's consent nor its collection of rent from Assignee shall be a waiver of the covenant against future assignments or subletting. Furthermore, State's acceptance of Assignee as Tenant shall not be construed as releasing Assignor from full performance of the provisions of the Lease. Except as set forth in this Agreement, no provision of this consent alters or modifies any of the terms and conditions of the Lease, including the requirement that the written consent of the State be obtained before any further assignment of the Lease or subletting of the property occurs.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Dated: 10/3, 20 00


PETER GOLDMARK
COMMISSIONER OF PUBLIC LANDS



Approved as to form this
January, 2004
Mike Grossmann, Assistant Attorney General

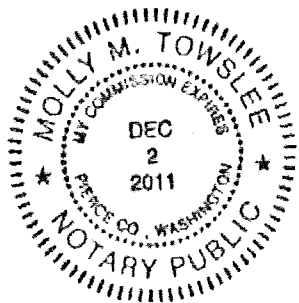
REPRESENTATIVE ACKNOWLEDGMENT

STATE OF WASHINGTON)
)
) ss.
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that ^{Sollman} LISA A. TALLEMAN is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the member/partner of MADISON SHORE'S MARINA, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated 12/10/10

[Signature]
(Signature)



Molly M. Towslee
(Print Name)
Notary Public in and for the State of Washington,
residing at Sig Harbor
My appointment expires 12/2/11

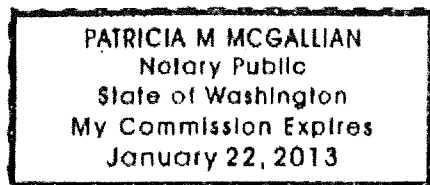
REPRESENTATIVE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF)

I certify that I know or have satisfactory evidence that CHUCK 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

Dated: 4-07-2010

Patricia M. McGallian
(Signature)



Patricia M. McGallian
(Print Name)
Notary Public in and for the State of Washington,
residing at Kitsap County

My appointment expires 1-22-2013

STATE ACKNOWLEDGMENT

STATE OF WASHINGTON)
County of Kingston) ss

I certify that I know or have satisfactory evidence that PETER GOLDMARK 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 Commissioner of Public Lands, and ex officio administrator of the Department of Natural Resources of the State of Washington to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated 10/20/2010

[Signature]
(Signature)

Bonnie Jean Trueswell
(Print Name)

Notary Public in and for the State of Washington,
residing at Chippin

My appointment expires 2-25-12

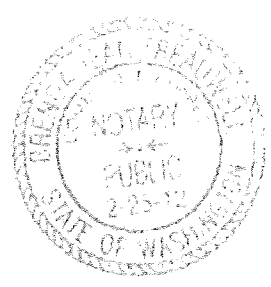


EXHIBIT D

Section 1.1

Exchange Exhibit A dated December 7th, 2006 with new Exhibit A dated July 26, 2010, recording number 201009025001.

4.1 Annual Rent.

- (a) Until adjusted as set forth below, Tenant shall pay to State an annual rent of Three Hundred Seven Dollars and Eighteen Cents (\$ 307.18).

Section 10.2 (a) 1. **Insurance Types and Limits** shall be replaced with the following:

- (a) Insurance Required
 - (1) Tenant certifies that it is self-insured for all the liability exposures, its self-insurance plan satisfies all State requirements, and its self-insurance plan provides coverage equal to that required in this Paragraph 10.2 and by Paragraph 10.3, Insurance Types and Limits. Tenant shall provide to State evidence of its status as a self-insured entity. Upon request by State, Tenant shall provide a written description of its financial condition and/or the self-insured funding mechanism. Tenant shall provide State with at least thirty (30) days' written notice prior to any material changes to Tenant's self-insured funding mechanism.

Section 10.4 shall be replaced with the following:

10.4 Financial Security.

- (a) At its own expense, Tenant shall procure and maintain during the Term of this Lease a corporate security bond or provide other financial security that State, at its option, may approve ("Security"). The Security shall be in an amount equal to Five Hundred Dollars and Zero Cents (\$500.00), which is consistent with RCW 79.105.330, and shall secure Tenant's performance of its obligations under this Lease, with the exception of the obligations under Section 8, Environmental Liability/Risk Allocation. Tenant's failure to maintain the Security in the required amount in force at all times during the Term of this Lease shall constitute a breach of this Lease.

The following paragraph shall be added to "description of property and facility":

In June 2010 City of Gig Harbor purchased the adjacent upland property from Madison Shores Marina LLC. City intends to develop lease area into park for public use and access. Funding has
Notice of and Consent to Assignment of Lease Page 9 of 10 Lease No. 20-080894

yet to be secured and City has not begun redevelopment plans. Lease area has been reduced to square footage of the improvements including 10 foot buffer for access.

Section 17 Tenant Section shall be replaced with the following:

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

New Exhibit A.

Section 2.1 Permitted Use of Exhibit B shall be replaced with the following:

Tenant is permitted to use the 693.82 square foot leasehold for access and planning for potential future development and maintenance of existing improvements.

SECTION 4 RENT of Exhibit B shall be replaced with the following:

4.1 Annual Rent. Rent for the period of June 28, 2010 through June 27, 2011 shall be \$307.18 plus a leasehold tax of \$39.44 for a total due at signing of \$346.62.

SECTION 17 NOTICE Exhibit B shall be replaced with the following:

Tenant shall designate a contact person for the Department of Natural Resources. This person has the responsibility of notifying the DNR of the status of the lease. The current contact person is:

Terri Reed
Operations Assistant
Public Works/Operations
3510 Grandview Street
Gig Harbor, WA 98332
Office: 253-853-7640
Email: reedt@cityofgigharbor.net

The current contact for the Department of Natural Resources is:

Pierce County Natural Resource Specialist
Wynnae Wright
950 Farman Avenue North
Enumelaw, WA 98022
360-825-1631 ext. 2008 cell: 206-909-1304

EXHIBIT F

2.1 “Permitted Use” shall be replaced with the following:

Tenant shall use the Property for public use and access, loading/unloading of fishing and passenger vessels (the “Permitted Use”), and for no other purpose. The Permitted Use is described or shown in greater detail in Exhibit B, the terms and conditions of which are incorporated by reference and made a part of this Lease. This is a water-dependent use.

4.1 “Annual Rent” (a) shall be replaced with the following:

Until adjusted as set forth below, Tenant shall pay to State an annual rent of zero dollars and zero cents (\$0.00).

7.2 “Existing Improvements” shall be replaced with the following:

The following Improvements are located on the Property: approximately 450 square feet of a wood framed pier with 100% grated surface and four (4) steel piling.

Exhibit A “Legal Description and Survey” shall be replaced:

Replace Exhibit A dated July 26, 2010, recording number 201009025001 with Exhibit A dated January 8, 2013, recording number 201301305002.

Exhibit B “Description of Property and Facility” shall be replaced with the following:

The City of Gig Harbor’s “Maritime Pier” property is located on the southwest shore of Gig Harbor in the City of Gig Harbor, Washington. The lease area occupies 2,202 square feet (0.05 acres) of unplatted first class State owned tidelands. A second lease for the harbor area portion of the lease area has been issued under lease number 22-077100.

The City purchased the property in June 2010 for the purpose of developing a public use and access “Maritime Pier” for the community. In June 2012 the City obtained the final required permit to demolish the existing derelict structure and build the new pier, ramp and float. The new facility consists of a 156-ft x 18-ft timber framed pier with 90% grating, an 80-ft x 6-ft fully grated ramp, a 40-ft x 12-ft timber framed float with 50% grating, thirty three (33) steel support piling, and an existing seven (7) pile treated wood dolphin, of which, four (4) steel piling and approximately four hundred fifty (450) square feet of the fully grated portion of the pier are located within the tideland leasehold. The facility was open to the public on September 24, 2012.

Exhibit B Add: Section 1 “Property”:

Lease area contains 2,202 square feet of first class tidelands.

Exhibit B Section 2.1 “Permitted Use” shall be replaced with the following:

Tenant is permitted to use the 2,202 square foot property for public use and access, loading/unloading of fishing vessels and passenger vessels.

Exhibit B Add: Section 2.2 “Restrictions on Use”:

No non water-dependent uses or activities allowed in the lease area. No commercial activities, except those described in section 2.1, are allowed in the lease area.

Exhibit B Section 4 “Rent” shall be replaced with the following:

Per RCW 79.105.230 the City of Gig Harbor qualifies for a no-fee lease so long as the state-owned aquatic lands and improvements are available to the general public on a first-come, first-served basis and are not managed to produce a profit for the operator or a concessionaire.

When recorded, return to:
City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335



WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

AQUATIC LANDS AGREEMENT AMENDMENT

Lease No. 22-077100

Grantor: Washington State Department of Natural Resources
Grantee(s): CITY OF GIG HARBOR
Legal Description: Section 8, Township 21 North, Range 02 East, W.M.
Assessor's Property Tax Parcel or Account Number: Not Applicable
Assessor's Property Tax Parcel or Account Number for Upland parcel used in conjunction with this Lease: 0221081187

THIS LEASE AMENDMENT is made by and between the STATE OF WASHINGTON, acting through the Department of Natural Resources ("State"), and the CITY OF GIG HARBOR a government agency/entity ("Tenant").

BACKGROUND

Lease No. 22-077100 was entered into on the 28th day of June 2004, by and between MADISON SHORES MARINA, LLC as Tenant and the STATE OF WASHINGTON, acting by and through the Department of Natural Resources, as landlord ("State"), and recorded with the Pierce County Auditor's office under recording number 200707310382 (the "Agreement").

The Agreement was previously amended by Assignment respectively dated June 28, 2010. Copies of the Assignment are attached as Exhibit E. Tenant now possesses the rights, duties, and liabilities under the Agreement as amended.

The parties now desire to amend this Agreement under the following terms and conditions:

THEREFORE, the parties agree as follows:

SECTION 1 AMENDMENTS

Sections 2.1, 4.1, 7.2; Exhibit A, Exhibit B "Description of Property and Facility", Exhibit B Section 1 Property, Exhibit B Section 2.1 Permitted Use, Exhibit B Section 2.2 Restrictions on Use, Exhibit B Section 4 Rent of the Lease is amended to read as specified in Exhibit F attached hereto.

SECTION 2 EFFECTIVE DATE

The amended provisions shall become effective as of September 28, 2012.

SECTION 3 NO RELEASE

State is not releasing any previous Assignor from fully performing the provisions of the Agreement in effect at the time of such assignment or as otherwise agreed in writing between the State, previous Assignor, and the Grantee.

SECTION 4 WARRANTIES

Tenant represents and warrants to State that (i) the Agreement is in full force and effect; (ii) Tenant is not in default or breach of the Agreement; (iii) Tenant has no knowledge of any claims, offsets, or defenses of the Tenant under the Agreement; and (iv) to the best of Tenant knowledge, the Property is in full compliance with all applicable federal, state, and local governmental permits, rules, ordinances, and laws.

SECTION 5 CONFIRMATION OF AGREEMENT

All other terms of the Agreement not inconsistent with this Amendment are hereby affirmed and ratified.

SECTION 6 RECORDATION

At Tenant's expense and no later than thirty (30) days after receiving the fully-executed Agreement, Tenant shall record this Agreement in the county in which the Property is located. Tenant shall include the parcel number of the upland property used in conjunction with the

Property, if any. Tenant shall provide State with recording information, including the date of recordation and file number.

THIS AGREEMENT requires the signature of all parties and is executed as of the date of the last signature below.

CITY OF GIG HARBOR

Dated: _____, 20__

By: JILL GUERNSEY

Title: Mayor

Address: 3510 Grandview Street
Gig Harbor, WA 98335

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Dated: _____, 20__

By: PETER GOLDMARK

Title: Commissioner of Public Lands

Address: 950 Farman Avenue North
Enumclaw, WA 98022

Approved as to Form this
This 28 day of September 2011
Janis Snoey, Assistant Attorney General

REPRESENTATIVE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that JILL GUERNSEY is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she 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: _____

(Signature)

(Print Name)
Notary Public in and for the State of Washington,
residing at _____

My appointment expires _____

EXHIBIT E



WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark, Commissioner of Public Lands

NOTICE OF AND CONSENT TO ASSIGNMENT OF LEASE

Lease No. 22-077100

THIS AGREEMENT is made by and between MADISON SHORES MARINA, LLC, a limited liability corporation, whose address is P.O. Box 2234, Gig Harbor, Washington ("Assignor") and CITY OF GIG HARBOR, a government agency/entity, whose address is 3510 Grandview Street, Gig Harbor, Washington, 98335 ("Assignee").

BACKGROUND

- A Lease No. 22-077100 was entered into on the 28th day of June, 2004, by and between MADISON SHORES MARINA, LLC as Tenant and the STATE OF WASHINGTON, acting through the Department of Natural Resources, as landlord ("State"), and recorded with the Pierce County Auditor's office under recording number 200707310382, Volume N/A, Page N/A (the "Lease").
- B Assignor desires to assign and Assignee desires to assume the rights, duties, and liabilities of Tenant under the amended Lease. Assignor acknowledges the receipt and adequacy of consideration given by Assignee for this assignment. The Lease prohibits an assignment without State's consent. State is willing to give its consent based upon the assurances and agreements made in this Agreement.

THEREFORE, the parties agree as follows:

SECTION I NOTICE OF ASSIGNMENT

Assignor gives notice of its intent to assign all of its rights, title, and interest as Tenant under the amended Lease to Assignee effective the 28th day of June, 2010, for the balance of the Lease term as provided in the Lease.

Notice of and Consent to Assignment of Lease Page 1 of 10

Lease No. 22-077100

SECTION 2 ACCEPTANCE AND INDEMNIFICATION

Assignee gives notice of its intent to assume the obligations as Tenant under the Lease and agrees to faithfully perform and discharge those obligations according to the terms of the Lease.

SECTION 3 NO RELEASE

State is not releasing Assignor from fully performing the provisions of the Lease. Assignor remains liable to State to the same extent as if no assignment had been made.

SECTION 4 MODIFICATION OF LEASE AT TIME OF ASSIGNMENT

Assignor agrees that State and Assignee may change, modify, or amend the Lease in any way, including the rent to be paid. The assignment and any modification or amendment to the Lease shall occur contemporaneously. Assignee acknowledges receipt of a copy of the Lease and any previous or contemporaneous amendments. Assignor acknowledges receipt of a copy of the amended Lease. Further assignments may be made, without notice to or consent of Assignor, and without in any manner releasing or relieving Assignor from liability under the Lease. Assignor shall remain liable under all the terms, covenants, and conditions of the Lease as originally executed to the end of the term of the Lease.

Amended clauses will be attached as Exhibit D.

SECTION 5 WARRANTIES

Assignor represents and warrants to State and to Assignee that (i) the Lease is in full force and effect; (ii) Assignor is not in default or breach of the Lease; (iii) Assignor has no knowledge of any claims, offsets, or defenses of any Tenant under the Lease; (iv) rents due subsequent to this assignment have not been paid in advance by any Tenant; and, (v) to the best of Assignor's knowledge, the property is in full compliance with all applicable federal, state, and local governmental permits, rules, ordinances, and laws. Assignor shall defend, indemnify and hold State harmless from any breach of the foregoing warranties and from any claims or causes of action, known or unknown, of Assignor that have or may arise from circumstances that precede this assignment.

SECTION 6 NOTICE

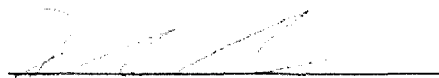
Assignor instructs State to send all future notices to Assignee. Assignee has the obligation to keep Assignor informed about the activities on the property and Assignee's performance of its
Notice of and Consent to Assignment of Lease Page 2 of 10 Lease No. 22-077100

obligations under the Lease Assignee shall send to Assignor copies of any notices it receives or sends to State. Assignor has the obligation to remain informed of Assignee's activities on the property, Assignee's performance of its obligations under the Lease, and Assignee's financial condition. State has no obligation to provide Assignor any notice or information concerning the Lease or Assignee and Assignor shall not rely on State to inform Assignor.

THIS AGREEMENT requires the signature of all parties and is executed as of the date of the last signature below.

ASSIGNOR:

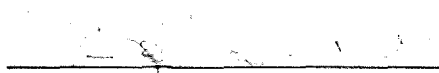
MADISON SHORES MARINA, LLC



JIM M. SULLIVAN

Member Partner

Dated: Sept 29, 2010



LISA A. TALLMAN

Member Partner

Dated: Sept 29, 2010

ASSIGNEE:

CITY OF GIG HARBOR



CHUCK HUNTER

Mayor

Dated: Sept 29, 2010

CONSENT TO ASSIGNMENT BY STATE

In consideration of the foregoing, State consents to the Assignment of the Lease to Assignee. However, State expressly conditions this consent on the understanding that neither State's consent nor its collection of rent from Assignee shall be a waiver of the covenant against future assignments or subletting. Furthermore, State's acceptance of Assignee as Tenant shall not be construed as releasing Assignor from full performance of the provisions of the Lease. Except as set forth in this Agreement, no provision of this consent alters or modifies any of the terms and conditions of the Lease, including the requirement that the written consent of the State be obtained before any further assignment of the Lease or subletting of the property occurs.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Dated:

10/5

2010



PETER GOLDMARK
COMMISSIONER OF PUBLIC LANDS



Approved as to form this
January, 2004
Mike Grossmann, Assistant Attorney General

REPRESENTATIVE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss
COUNTY OF Pierce)

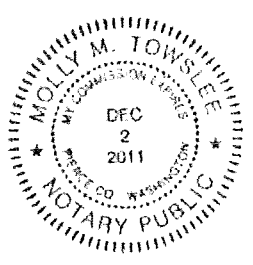
I certify that I know or have satisfactory evidence that LISA A. TALLMAN is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the member partner of MADISON SHORES MARINA, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument

Dated: 07/15/10

Molly M. Towse
(Signature)

Molly M. Towse
(Print Name)
Notary Public in and for the State of Washington,
residing at San Berdo

My appointment expires 12/2/11



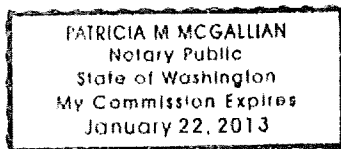
REPRESENTATIVE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that CHUCK 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

Dated: 9/14/2010

Patricia M. McCallian
(Signature)



Patricia M. McCallian
(Print Name)
Notary Public in and for the State of Washington,
residing at Kirkcap Court
My appointment expires 1/22/2013

Exhibit D

Section 1.1

Replace Exhibit A dated December 7th, 2006 with new Exhibit A dated July 26, 2010, recording number 201009025001.

Section 4.1 shall be replaced with the following:

4.1 Annual Rent.

- (a) Until adjusted as set forth below, Tenant shall pay to State an annual rent of One Thousand Seventy Five Dollars and Fourteen Cents (\$1,075.14).

Section 10.2 (a) 1, **Insurance Types and Limits**, shall be replaced with the following:

10.2 Insurance Terms.

- (a) Insurance Required.

- (1) Tenant certifies that it is self-insured for all the liability exposures, its self-insurance plan satisfies all State requirements, and its self-insurance plan provides coverage equal to that required in this Paragraph 10.2 and by Paragraph 10.3, Insurance Types and Limits. Tenant shall provide to State evidence of its status as a self-insured entity. Upon request by State, Tenant shall provide a written description of its financial condition and of the self-insured funding mechanism. Tenant shall provide State with at least thirty (30) days' written notice prior to any material changes to Tenant's self-insured funding mechanism.

Section 10.4 shall be replaced with the following:

10.4 Financial Security.

- (a) At its own expense, Tenant shall procure and maintain during the Term of this Lease a corporate security bond or provide other financial security that State, at its option, may approve ("Security"). The Security shall be in an amount equal to Five Hundred Dollars and Zero Cents (\$500.00), which is consistent with RCW 79.105.330, and shall secure Tenant's performance of its obligations under this Lease, with the exception of the obligations under Section 8, Environmental Liability/Risk Allocation. Tenant's failure to maintain the Security in the required amount in force at all times during the Term of this Lease shall constitute a breach of this Lease.

Section 17 Tenant Section shall be replaced with the following:

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

The following paragraph shall be added to "description of property and facility" of Exhibit B:

In June 2010 City of Gig Harbor purchased the adjacent upland property from Madison Shores Marina LLC. City intends to develop lease area into park for public use and access. Funding has yet to be secured and City has not begun redevelopment plans. Lease area has been reduced to square footage of the improvements including 10 foot buffer for access.

Section 2.1 Permitted Use of Exhibit B shall be replaced with:

Tenant is permitted to use the 2,441.12 square foot leasehold for access and planning for potential future development and maintenance of existing improvements.

SECTION 4 RENT of Exhibit B shall be replaced with the following:

4.1 Annual Rent: Rent for the period of June 28, 2010 through June 27, 2011 shall be \$1,075.14 plus a leasehold tax of \$138.05 for a total due at signing of \$1,213.19.

Exhibit F

2.1 “Permitted Use” shall be replaced with the following:

Tenant shall use the Property for public use and access, loading/unloading of fishing and passenger vessels (the “Permitted Use”), and for no other purpose. The Permitted Use is described or shown in greater detail in Exhibit B, the terms and conditions of which are incorporated by reference and made a part of this Lease. This is a water-dependent use.

4.1 “Annual Rent” (a) shall be replaced with the following:

Until adjusted as set forth below, Tenant shall pay to State an annual rent of zero dollars and zero cents (\$0.00)

7.2 “Existing Improvements” shall be replaced with the following:

The following improvements are located on the Property: Approximately one hundred forty (140) square feet of timber framed pier with 50% grating and four (4) steel support piling; a 6-foot by 80-foot fully grated aluminum gangway; a preexisting seven (7) pile treated wood dolphin; a 13-foot by 40-foot timber framed float with 50% grating and four (4) steel support piling.

Exhibit A “Legal Description and Survey” shall be replaced:

Replace Exhibit A dated July 26, 2010, recording number 201009025001 with Exhibit A dated January 8, 2013, recording number 201301305002.

Exhibit B “Description of Property and Facility” shall be replaced with the following:

The City of Gig Harbor’s “Maritime Pier” property is located on the southwest shore of Gig Harbor in the City of Gig Harbor, Washington. The lease area occupies 28,349 square feet (0.65 acres) of State owned harbor area. A second lease for the tideland portion of the lease area has been issued under lease number 20-080894.

The City purchased the property in June 2010 for the purpose of developing a public use and access “Maritime Pier” for the community. In June 2012 the City obtained the final required permit to demolish the existing derelict structure and build the new pier, ramp and float. The new facility consists of a 156-ft x 18-ft timber framed pier with 90% grating, an 80-ft x 6-ft fully grated ramp, a 40-ft x 12-ft timber framed float with 50% grating, thirty three (33) steel support piling, and an existing seven (7) pile treated wood dolphin, of which, eight (8) steel piling and approximately four hundred fifty (450) square feet of the pier are located within the harbor area leasehold. The facility was open to the public on September 24, 2012.

Exhibit B Add: Section 1 “Property”:

Lease area includes “Harbor Lease Area A” containing 20,702 square feet of harbor area, and “Harbor Lease Area B” containing 7,647 square feet of harbor area.

Exhibit B Section 2.1 “Permitted Use” shall be replaced with the following:

Tenant is permitted to use the 28,349 square foot property for public use and access, loading/unloading of fishing vessels and passenger vessels.

Exhibit B Add: Section 2.2 “Restrictions on Use”:

No non water-dependent uses or activities allowed in the lease area. No commercial activities, except those described in section 2.1, are allowed in the lease area.

Exhibit B Section 4 “Rent” shall be replaced with the following:

Per RCW 79.105.230 the City of Gig Harbor qualifies for a no-fee lease so long as the state-owned aquatic lands and improvements are available to the general public on a first-come, first-served basis and are not managed to produce a profit for the operator or a concessionaire.



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

Subject: Public Works Operations Center Geotechnical Study – Consultant Services Contract

Proposed Council Action: Authorize the Mayor to execute a Consultant Services Contract with Landau Associates, Inc. for permitting and design assistance related to a geotechnical study for the Public Works Operations Center in an amount not to exceed Twenty-two Thousand Nine Hundred Eighty-one Dollars and Zero Cents (\$22,981.00).

Dept. Origin: Public Works

Prepared by: Jeff Langhelm, PE
Public Works Director *ALX*

For Agenda of: ~~January 27, 2014~~

Exhibits: February 10, 2014
Consultant Services Contract with Scope and Fee

Initial &
Date

Concurred by Mayor:

Approved by City Administrator: *R* 1/23/14

Approved as to form by City Atty: VIA EMAIL *1/23/14*

Approved by Finance Director: *1/23/14*

Approved by Department Head: *ALX* 1/24/14

Expenditure Required	\$22,981	Amount Budgeted	See Fiscal Consideration	Appropriation Required	\$0
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INFORMATION/BACKGROUND

The City requested a Statement of Qualifications from three consulting firms for geotechnical services at the City's Operations Center site. The proposed geotechnical work allows for the continuation of design and permitting of the proposed Public Works Operations Center and for finalizing the design for the Well #11 facilities.

Based on the qualifications submittals, Landau Associates, Inc., was selected by staff as the most qualified firm. The proposed consultant services contract from Landau Associates will gather the necessary geotechnical information for the various aspects of the site development and allow the continuation of both the Operations Center and Well #11 projects.

FISCAL CONSIDERATION

Funding for the proposed contract is divided between the following four funds and is noted as such in the 2014 Budget: Parks Development (Fund 109), Streets Capital (Fund 102), Water Capital (Fund 420) and Storm Water Capital (Fund 412).

BOARD OR COMMITTEE RECOMMENDATION

The proposed consultant services contract has not been formally presented to a board or committee but is a continuation of the two projects mentioned. Both projects have been previously approved by the City Council through prior contracts and annual budgets.

RECOMMENDATION/MOTION

Authorize the Mayor to execute a Consultant Services Contract with Landau Associates, Inc. for permitting and design assistance related to a geotechnical study for the Public Works Operations Center in an amount not to exceed Twenty-two Thousand Nine Hundred Eighty-one Dollars and Zero Cents (\$22,981.00).

PROFESSIONAL SERVICES CONTRACT
(Architects, Engineers, Land Surveyors, Landscape Architects)
BETWEEN THE CITY OF GIG HARBOR AND
LANDAU ASSOCIATES

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

RECITALS

WHEREAS, the City is presently engaged in Public Works Operations Center Design and desires that the Consultant perform services necessary to provide the following consultation services; and

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

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

TERMS

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

2. **Payment.**

A. The City shall pay the Consultant an amount based on time and materials, not to exceed Twenty-Two Thousand Nine Hundred Eighty-One Dollars and Zero Cents (\$22,981.00) for the services described in Section 1 herein. This is the maximum amount to be paid under this Agreement for the work described in **Exhibit A**, and shall not be exceeded without the prior written authorization of the City in the form of a negotiated and executed supplemental agreement. The Consultant's staff and billing rates shall be as described in **Exhibit A – Scope of Work**. The Consultant shall not bill for Consultant's staff not identified or listed in **Exhibit A** or bill at rates in excess of the hourly rates shown in **Exhibit A**, unless the parties agree to a modification of this Contract, pursuant to Section 17 herein.

B. The Consultant shall submit monthly invoices to the City after such services have been performed, and a final bill upon completion of all the services described in this Agreement. The City shall pay the full amount of an invoice within forty-five (45) days of

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

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

4. **Duration of Work.** The City and the Consultant agree that work will begin on the tasks described in **Exhibit A** immediately upon execution of this Agreement. The parties agree that the work described in **Exhibit A** shall be completed by March 31, 2014; provided however, that additional time shall be granted by the City for excusable days or extra work.

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

6. **Non-Discrimination.** The Consultant agrees not to discriminate against any customer, employee or applicant for employment, subcontractor, supplier or materialman, because of race, color, creed, religion, national origin, marital status, sex, sexual orientation, age or handicap, except for a bona fide occupational qualification. The Consultant understands that if it violates this provision, this Agreement may be terminated by the City and that the Consultant may be barred from performing any services for the City now or in the future.

7. **Indemnification.**

A. The Consultant shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits, including attorney's fees, arising out of or resulting from the acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

B. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees or volunteers, the Consultant's liability hereunder shall be only to the extent of the Consultant's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

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

8. **Insurance.**

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

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

1. Business auto coverage for any auto no less than a \$1,000,000 each accident limit, and
2. Commercial General Liability insurance no less than \$1,000,000 per occurrence with a \$2,000,000 aggregate. Coverage shall include, but is not limited to, contractual liability, products and completed operations, property damage, and employers liability, and
3. Professional Liability insurance with no less than \$1,000,000 per occurrence. All policies and coverages shall be by an 'A' rated

company licensed to conduct business in the State of Washington. If such coverage is written on a claims made form, then a minimum of a three (3) year extended reporting period shall be included with the claims made policy, and proof of this extended reporting period provided to the City of Gig Harbor.

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

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

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

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

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

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

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

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

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

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

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

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

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

CONSULTANT:
Landau Associates

City of Gig Harbor
ATTN: Jeff Langhelm

ATTN: Dennis Stettler, Principal
130 2nd Avenue South
Edmonds, WA 98020
(425) 778-0907

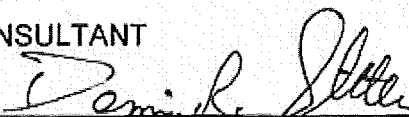
Public Works Director
3510 Grandview Street
Gig Harbor, WA 98335
(253) 851-6170

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

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

IN WITNESS WHEREOF, the parties have executed this Agreement this _____ day of _____, 20____.

CONSULTANT

By: 
Its: Principal

CITY OF GIG HARBOR

By: _____
Mayor Jill Guernsey

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

EXHIBIT A



January 22, 2014

City of Gig Harbor
3510 Grandview Street
Gig Harbor, Washington 98332

Attn: Jeff Langhelm, P.E., Public Works Director

**RE: PROPOSAL FOR GEOTECHNICAL SERVICES
PUBLIC WORKS OPERATIONS CENTER AND WELL #11 FACILITIES
GIG HARBOR, WASHINGTON**

Dear Mr. Langhelm:

Landau Associates is pleased to submit this revised proposal to provide geotechnical engineering services for the proposed Public Works Operations Center and Well #11 facilities located on the 8700 block of Skansie Avenue in the City of Gig Harbor (City). This proposal supersedes our earlier January 17 proposal for this project. In preparing this proposal, we reviewed project background information that you provided to us and we met with you on site on January 13, 2014 to observe existing conditions and discuss project features. Presented below is a summary of our project understanding, a description of our proposed scope of services, and an estimated cost for the scope of services proposed herein.

PROJECT UNDERSTANDING

The City plans to construct a new Public Works Operations Center on property owned by the City located in the 8700 block of Skansie Avenue in Gig Harbor, Washington. Two conceptual site plans were available to us during preparation of this proposal. However, the quantity and types of site improvements as well as the areas of the property being considered for development in both conceptual plans are approximately the same. The proposed Public Works Operations Center consists of the following elements:

- An administration building approximately 55 feet (ft) by 100 ft in plan.
- Three vehicle storage garages – one a structure about 45 ft by 85 ft in plan and the other two structures about 25 ft by 110 ft in plan – to house lightweight and heavyweight vehicles.
- A stormwater detention pond with a top surface area of about 16,000 to 18,000 square ft contained by a soil berm up to 8 ft high.
- A stormwater detention pipe about 6 ft in diameter and 100 ft long located under Skansie Avenue.
- Pervious hot mix asphalt (HMA) pavements to accommodate lightweight and heavyweight vehicles on site.

EXHIBIT A

- Pervious concrete on site.
- Frontage improvements along Skansie Avenue to include a concrete sidewalk, gutter, and curb; landscaping; and impervious HMA pavement for the roadway.
- A two-lane access road constructed at grade or on embankment up to 10 ft high leading from Skansie Avenue to the proposed Operations Center buildings generally located in the western half of the property.

Well #11 is a water supply well that was installed previously on site under direction of the City. It is located on the east side of the property about 100 ft west of Skansie Avenue. Improvements planned for the Well #11 site include a structure to house the well, a generator, associated pumping equipment, and pervious HMA pavement to access Well #11 from the new Operations Center access road.

Wetlands were delineated in the northeast corner of the property in 2008 and 2012. If minimum wetland setback distances are considered, then approximately the northeast quarter of the property is unavailable for site improvements. Therefore, the proposed construction described above is planned for elsewhere on the property.

SCOPE OF SERVICES

The following sections define Landau Associates' proposed tasks for geotechnical engineering services to support design of the proposed Public Works Operations Center and Well #11 facilities.

Task 1: Literature Review and Site Reconnaissance

Landau Associates will review available soil and geologic publications, and conduct a visual reconnaissance in the vicinity of the proposed improvements. The purpose of the reconnaissance will be to collect information on the general nature and physical features of the site and aid in identifying geotechnical factors that might have an impact on the design of the proposed facilities. Locations for proposed subsurface explorations, described below, will be marked in the field during our reconnaissance.

Task 2: Geotechnical Studies for Public Works Operations Center

We propose to advance two exploratory borings in the vicinity of the proposed stormwater detention pipe beneath Skansie Avenue. A drilling contractor under subcontract to Landau Associates will complete the exploratory borings using the hollow stem auger drilling technique and a track-mounted drill rig. The borings will be performed near each end of the proposed detention pipe (about 100 ft apart in plan) and each boring will be advanced to a depth of about 25 ft below pavement surface. It is assumed that the base of the detention pipe is within 15 ft of the existing road surface. We will provide a traffic control plan for their approval to conduct explorations in Skansie Avenue. Flaggers and signage indicated in the traffic control plan will be provided by a company under subcontract to Landau Associates. We

EXHIBIT A

anticipate that the southbound lane of Skansie Avenue will be closed for about 8 hours to allow adequate time for the work and initial concrete setting. The lane closure will require the services of two flaggers.

We also propose to excavate and sample up to seven test pits (8 to 12 ft deep) in the vicinity of the proposed Operations Center improvements described above. Specifically, one test pit will be excavated near Skansie Avenue to characterize subsurface conditions where the tallest embankment for the access road may be constructed, and the remaining six test pits will be excavated in approximately the western half of the property to characterize subsurface conditions for the proposed structures, stormwater detention pond, and pavements. We will also evaluate the suitability of excavated soils for reuse as structural fill on the project site. We understand that the City's public works staff and equipment will be available to perform test pit excavations at the direction of Landau Associates personnel at no cost to Landau Associates.

In an effort to avoid buried utilities, we will coordinate with the City for any known information about existing site utilities and contact the local one-call utility locating service prior to performing field activities.

A geologist or geotechnical engineer from Landau Associates will observe the explorations, obtain soil samples from the borings and test pits, and prepare field logs of conditions encountered in the explorations. Soil samples will be obtained from the exploratory borings on about a 2½- or 5-ft-depth interval using the Standard Penetration Test (SPT) procedure, and will be delivered to our laboratory for further examination and classification. Soil samples obtained from the explorations will be held in our laboratory for 30 days after submittal of the final report. After that date, the soil samples will be disposed of unless arrangements are made to retain them. Groundwater levels observed at the time of drilling will be noted. Upon completion of sampling and logging, the boreholes will be decommissioned in accordance with the requirements of Chapter 173-160 WAC and the test pits will be backfilled with excavated material. At least the upper 12 inches of the boreholes will be backfilled with concrete. Soil cuttings from the borings will be spread out evenly on the ground adjacent to the borehole.

We will complete a geotechnical laboratory testing program consisting of seven natural moisture content, seven combined analyses (mechanical sieve and hydrometer), and ten index tests (grain size and/or Atterberg Limits determinations) on selected soil samples to aid in classifying site soils and to evaluate pertinent engineering properties. We propose to complete seven organic matter and seven cation exchange capacity tests to evaluate the suitability of the onsite soils for stormwater treatment.

Information from the field investigation will be analyzed by a geotechnical engineer from Landau Associates to develop geotechnical engineering conclusions and recommendations for design and construction of the proposed Public Works Operations Center. Our conclusions and recommendations will be presented in a geotechnical report, as described under Task 4 of this proposal.

EXHIBIT A

Task 3: Geotechnical Studies for Well #11 Facility

We propose to advance two exploratory borings in the vicinity of the proposed Well #11 facilities. A drilling contractor under subcontract to Landau Associates will complete the exploratory borings using the hollow stem auger drilling technique and a track-mounted drill rig *on the same day* as borings drilled in Skansie Avenue (Task 2). The borings will be drilled near the proposed pump house and infiltration facility, and each will be advanced to a depth of about 15 ft below ground surface.

As described above for Task 2, we will coordinate with the City for any known information about existing site utilities and contact the local one-call utility locating service prior to performing field activities.

A geologist or geotechnical engineer from Landau Associates will observe the explorations, obtain soil samples from the borings, and prepare field logs of conditions encountered in the explorations. Soil sample collection methods and storage will be conducted as described above for Task 2. Groundwater levels observed at the time of drilling will be noted. Upon completion of sampling and logging, the boreholes will be decommissioned in accordance with the requirements of Chapter 173-160 WAC.

We will complete a geotechnical laboratory testing program consisting of four natural moisture content, two combined analyses (mechanical sieve and hydrometer), and two index tests (grain size and/or Atterberg Limits determinations) on selected soil samples to aid in classifying site soils and to evaluate pertinent engineering properties. We propose to complete two organic matter and two cation exchange capacity tests to evaluate the suitability of the on-site soils for stormwater treatment.

Information from the field investigation will be analyzed by a geotechnical engineer from Landau Associates to develop geotechnical engineering conclusions and recommendations for design and construction of the proposed Well #11 facilities. Our conclusions and recommendations will be presented in a geotechnical report, as described under Task 4 of this proposal.

Task 4: Geotechnical Reporting

The results of our field explorations, laboratory testing, engineering analyses, and our geotechnical engineering conclusions and recommendations will be summarized in a draft written report. Upon receipt of review comments, we will address the comments and submit a signed and sealed geotechnical report. The geotechnical report will include:

- A site plan indicating the approximate locations of the explorations and pertinent existing site features.
- Results of laboratory testing and logs of the soil borings and test pits.

EXHIBIT A

- A summary of subsurface soil and groundwater conditions observed during our field explorations.
- Recommendations regarding site earthwork including: clearing, grubbing, and stripping; temporary and permanent excavation slopes; reuse of site soil for structural fill; import fill requirements; backfill and compaction requirements; and embankment settlement. Included will be a discussion of the effects of weather and/or construction equipment on the native soil.
- Recommendations for underground utilities including: trench excavation and support, construction dewatering, pipe foundation support, pipe bedding and initial backfill, trench backfill and compaction criteria, and buoyancy considerations.
- A summary of site earthquake hazards and their influence on the design of the proposed structures. Recommended site factors for use in seismic design will also be included.
- Recommendations for structures including subgrade preparation, anticipated frost depth, allowable soil-bearing pressures, estimates of settlement, lateral earth pressures for below-grade walls, and soil parameters for lateral load resistance.
- Recommendations related to concrete slabs on grade, including modulus of subgrade reaction, capillary break material specifications, and vapor barrier recommendations.
- Recommendations for the retaining wall that maybe needed to accommodate the widening of Skansie Avenue. It is assumed that the retaining wall will be either a cast-in-place concrete or structural earth wall designed in accordance with the American Association of State Highway and Transportation Officials (AASHTO) *LRFD Bridge Design Manual*.
- Pavement design recommendations for new pervious and impervious flexible and rigid pavements, including material specifications for subgrade, base material, and pavement. We assume the City will provide us with traffic loading information for use in our pavement design.
- A discussion of the suitability of utilizing low-impact development techniques to infiltrate stormwater and a recommended infiltration rate. We do not propose to complete an infiltration receptor characterization or groundwater mounding analysis as part of this task.
- Recommendations for monitoring and testing during construction.

SCHEDULE

We anticipate that we will be able to submit our traffic control plan to you within 1 week after notice to proceed and that we will be able to complete our field investigation program within 1 week after we receive approval of the traffic control plan. The field exploration program will take 2 days to complete. Geotechnical laboratory testing will be completed within 1 to 2 weeks after we complete the field exploration program. We will submit our draft geotechnical report within 2 to 3 weeks after completing the geotechnical field investigation, although verbal recommendations can be provided earlier. We will provide our final geotechnical report within 1 week after receipt of comments from the design team.

EXHIBIT A

COST ESTIMATE

Our services will be provided on a time-and-expense basis in accordance with the attached 2014 Compensation Schedule and the City of Gig Harbor Professional Services Contract, which are hereby made a part of this agreement. The estimated fee for the scope of services described above is \$22,981 as described in Table 1.

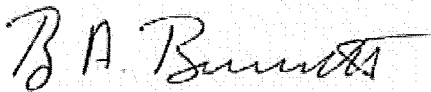
In the event the project requirements change or unexpected conditions are disclosed that appear to require further field effort, study, or analysis, we will bring these to your attention and seek your written approval for an addendum to the scope of services and costs prior to performing additional services. We will not exceed the total estimated fee for our geotechnical engineering services without prior authorization from the City of Gig Harbor. If the above approach, scope, schedule and budget are acceptable, please provide us with written authorization by your preferred method.

We appreciate the opportunity to work with the City of Gig Harbor on this project. Please contact us if you have any questions about our proposed scope of services and budget for this project.

LANDAU ASSOCIATES, INC.



Scott M. Pawling, P.E.
Senior Geotechnical Engineer



Brian A. Bennetts, P.E.
Senior Geotechnical Engineer

SMP/BAB/kes
No. 2014-0500

Attachment: Table 1 - Budget Breakdown
2014 Compensation Schedule

EXHIBIT A

COMPENSATION SCHEDULE – 2014



Personnel Labor	Hourly Rate
Senior Principal	240
Principal	217
Senior Associate	197
Associate	177
Senior	159
Senior Project	144
Project	131
Senior Staff	117
Senior CAD	117
Staff / Senior Technician II	103
CAD / GIS Technician	103
Project Coordinator	95
Assistant / Senior Technician I	90
Technician	75
Support Staff	65

Expert professional testimony in court, deposition, declaration, arbitration, or public testimony is charged at 1.5 times the hourly rate.

Rates apply to all labor, including overtime.

Technical disciplines include: Biologist, Chemist, Engineer, Environmental Planner, Geochemist, Geologist, Hydrogeologist, Hydrologist, Risk Analyst, Scientist.

Equipment

Field, laboratory and office equipment used in the direct performance of authorized work is charged at unit rates. A rate schedule will be provided on request.

Subcontractor Services and Other Expenses

Subcontractor billing and other project expenses incurred in the direct performance of authorized routine services will normally be charged at a rate of cost plus a twelve percent (12%) handling charge. A higher handling charge for technical subconsultants and for high-risk field operations may be negotiated on an individual project basis; similarly, a lower handling charge may be negotiated on projects requiring disproportionately high subconsultant involvement.

Invoices

Invoices for Landau Associates' services will be issued monthly. Interest of 1½ percent per month (but not exceeding the maximum rate allowable by law) will be payable on any amounts not paid within 30 days.

Term

Unless otherwise agreed, Landau Associates reserves the right to make reasonable adjustments to our compensation rates over time (e.g., long-term continuing projects).

EXHIBIT A

**TABLE 1
BUDGET BREAKDOWN
PROPOSED PUBLIC WORKS OPERATIONS CENTER AND WELL #11 FACILITIES
GIG HARBOR, WASHINGTON**

Landau Associates

Scope Items	Hours of Labor by Task						Totals	Total Labor Costs
	Principal	Senior Engineer	Project	Senior Staff Geologist	CAD	Project Coordinator		
Task 1: Literature Review and Reconnaissance		1		4			5	\$ 627
Task 2: Geotechnical Studies for Public Works Operations Center		1		22			23	\$ 2,733
Task 3: Geotechnical Studies for Well #11 Facility		1		4			5	\$ 627
Task 4: Geotechnical Reporting - Public Works Operations Center	5	40		2	4	6	57	\$ 8,661
Task 4: Geotechnical Reporting - Well #11 Facility	1	6		1		2	10	\$ 1,478
	6	49	0	33	4	8	100	\$ 14,126
Rate by Position	\$217.00	\$159.00	\$131.00	\$117.00	\$103.00	\$95.00		
Total Labor Cost	\$1,302	\$7,791	\$0	\$3,861	\$412	\$760	\$ 14,126	
OTHER DIRECT COSTS (PUBLIC WORKS OPERATIONS CENTER)								
Reproduction							\$ 100	
Field Expense/Equipment/Mileage							\$ 150	
Cation Exchange Capacity and Organic Matter Testing							\$ 840	
Geotechnical Laboratory Testing							\$ 2,575	
Total - Other Direct Costs (Public Works Operation Center)							\$ 3,665	
OTHER DIRECT COSTS (WELL #11 FACILITY)								
Cation Exchange Capacity and Organic Matter Testing							\$ 220	
Geotechnical Laboratory Testing							\$ 680	
Total - Other Direct Costs (Well #11 Facility)							\$ 900	
SUBCONTRACTED SERVICES (PUBLIC WORKS OPERATIONS CENTER)								
Geotechnical Drilling Subcontractor Driller							\$ 2,350	
Traffic Control (1 day, two-person crew)							\$ 530	
Subtotal - Subcontracted Services							\$ 2,880	
Administrative Overhead Fee (12%)							\$ 346	
Total - Subcontracted Services (Public Works Operations Center)							\$ 3,226	
SUBCONTRACTED SERVICES (WELL #11 FACILITY)								
Geotechnical Drilling Subcontractor Driller							\$ 950	
Subtotal - Subcontracted Services							\$ 950	
Administrative Overhead Fee (12%)							\$ 114	
Total - Subcontracted Services (Well #11 Facility)							\$ 1,064	
Total							\$ 22,981	



Business of the City Council
City of Gig Harbor, WA

Subject: Equipment Purchases

Dept. Origin: Finance

Proposed Council Action:

Prepared by: David Rodenbach

Pass resolution approving reimbursement for equipment purchases.

For Agenda of: February 10, 2014

Exhibits: Resolution

Initial & Date

Concurred by Mayor:

5/11/28/14

Approved by City Administrator:

1/28/14

Approved as to form by City Atty:

Per E-mail

Approved by Finance Director:

1/28/14

Approved by Department Head:

Expenditure Required	Amount Budgeted	Appropriation Required

INFORMATION / BACKGROUND

The City's 2014 adopted budget authorizes purchase of two police vehicles, one forklift, three pickups/SUVs and a one ton dump truck. Some of these vehicles are on order and will be paid for upon delivery while others will be ordered soon. This resolution is required so that the City can participate in the State Treasurer's Office LOCAL (Local Option Capital Asset Lending) program. In 1989 the Washington State legislature created the LOCAL program to provide the lowest cost financing for state agency purchases by pooling funding needs into larger offerings of securities, and in 1998 the program was expanded to allow local governments access to the program. By participating in the program, the City will be reimbursed the cost of the above noted equipment, and then the City will repay the balance over a five year term.

FISCAL CONSIDERATION

The equipment is expected to cost of approximately \$260,000. Reimbursement from the State Treasurer is expected in August. Payments of approximately \$74,000 per year will begin in December. Payments will be allocated among funds as follows (first payment in December will be one-half):

General Fund	\$46,400
Water Fund	\$ 3,700
Sewer Fund	\$18,900
Storm Fund	\$ 5,000

The term of the loan is five years and the latest interest rate for the August 2013 financing was 1.37 percent.

RECOMMENDATION / MOTION

Move to: Pass resolution approving reimbursement for the purchase equipment.

RESOLUTION NO. 950

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
GIG HARBOR, WASHINGTON APPROVING CERTAIN
EXPENDITURES FOR REIMBURSEMENT FROM THE
PROCEEDS OF DEBT TO BE ISSUED IN THE FUTURE.**

Section 1. The City of Gig Harbor, Washington (the "City") reasonably expects to reimburse the expenditures described herein with the proceeds of a financing contract to be entered into by the City (the "Reimbursement Obligation").

Section 2. The expenditures with respect to which the City reasonably expects to be reimbursed from the proceeds of Reimbursement Obligations are for the purchase of two police vehicles, a dump truck, a forklift and three pickup trucks in the amount of \$260,000, plus the payment of issuance costs.

Section 3. The expenditures with respect to which the City reasonably expects to be reimbursed from the proceeds of Reimbursement Obligations will be made from the General, Water, Sewer and Storm Funds at the following percentages: General – 63 percent, Water – five percent, Sewer – 25 percent and Storm seven percent.

Section 4. The maximum principal amount of debt obligations expected to be issued for the project described in Section 2 is \$260,000.

RESOLVED this 10th day of February 2014.

APPROVED:

JILL GUERNSEY, MAYOR

ATTEST/AUTHENTICATED:

MOLLY TOWSLEE, CITY CLERK

FILED WITH THE CITY CLERK: 01/28/14
PASSED BY THE CITY COUNCIL: 02/10/14
RESOLUTION NO. 950



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

Subject: 2014 City of Gig Harbor General Facility Charge Analysis & Utility Rate Study – Consultant Services Contract

Proposed Council Action: Authorize the Mayor to execute a Consultant Services Contract with Peninsula Financial Consulting for completing a general facility charge analysis and utility rate study in an amount not to exceed Thirty-Four Thousand Four Hundred Dollars and Zero Cents (\$34,400.00).

Dept. Origin: Public Works

Prepared by: Stephen Misiurak, PE
City Engineer

For Agenda of: February 10, 2014

Exhibits: Consultant Services Contract with Scope and Fee

	Initial & Date
Concurred by Mayor:	SM 2/4/14
Approved by City Administrator:	R 2/3/14
Approved as to form by City Atty:	Approved per email 2/3/14
Approved by Finance Director:	DF 2/3/14
Approved by Public Works Dir.:	JDS 1/31/14
Approved by City Engineer:	S 1/31/14

Expenditure Required	\$34,400	Amount Budgeted	\$45,000	Appropriation Required	\$0
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INFORMATION/BACKGROUND

A 2014 budgeted objective provides for the General Facilities Charge Analysis and Utility Rate Analysis and update. This analysis will encompass all three utilities and will assist in the development of the City of Gig Harbor’s 2015 Comprehensive Plan. Peninsula Financial Group performed the last rate study in 2008 for the City and is very well familiar with the financial structure and operation of the City Utilities.

FISCAL CONSIDERATION

Funding for this analysis is provided from the Water, Storm, and Wastewater operating funds to cover this expenditure.

BOARD OR COMMITTEE RECOMMENDATION

N/A

RECOMMENDATION/MOTION

Authorize the Mayor to execute a Consultant Services Contract with Peninsula Financial Consulting for completing a general facility charge analysis and utility rate study as described above in an amount not to exceed Thirty-Four Thousand Four Hundred Dollars and Zero Cents (\$34,400.00).

**CONSULTANT SERVICES CONTRACT
BETWEEN THE CITY OF GIG HARBOR AND
Peninsula Financial Consulting**

THIS AGREEMENT is made by and between the City of Gig Harbor, a Washington municipal corporation (the "City"), and Peninsula Financial Consulting, a corporation organized under the laws of the State of Washington (the "Consultant").

RECITALS

WHEREAS, the City is presently engaged in the general facilities charge and rate analysis and desires that the Consultant perform services necessary to provide the following consultation services; and

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

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

TERMS

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

2. **Payment.**

A. The City shall pay the Consultant an amount based on time and materials, not to exceed \$34,400 (Thirty-Four Thousand Four Hundred Dollars and Zero Cents) for the services described in Section 1 herein. This is the maximum amount to be paid under this Agreement for the work described in **Exhibit A**, and shall not be exceeded without the prior written authorization of the City in the form of a negotiated and executed supplemental agreement. The Consultant's staff and billing rates shall be as described in **Exhibit B – Schedule of Rates and Estimated Hours**. The Consultant shall not bill for Consultant's staff not identified or listed in **Exhibit B** or bill at rates in excess of the hourly rates shown in **Exhibit B**, unless the parties agree to a modification of this Contract, pursuant to Section 17 herein.

B. The Consultant shall submit monthly invoices to the City after such services have been performed, and a final bill upon completion of all the services described in this Agreement. The City shall pay the full amount of an invoice within forty-five (45) days of receipt. If the City objects to all or any portion of any invoice, it shall so notify the

Consultant of the same within fifteen (15) days from the date of receipt and shall pay that portion of the invoice not in dispute, and the parties shall immediately make every effort to settle the disputed portion.

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

4. Duration of Work. The City and the Consultant agree that work will begin on the tasks described in **Exhibit A** immediately upon execution of this Agreement. The parties agree that the work described in **Exhibit A** shall be completed by March 1, 2015; provided however, that additional time shall be granted by the City for excusable days or extra work.

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

6. Non-Discrimination. The Consultant agrees not to discriminate against any customer, employee or applicant for employment, subcontractor, supplier or materialman, because of race, color, creed, religion, national origin, marital status, sex, sexual orientation, age or handicap, except for a bona fide occupational qualification. The Consultant understands that if it violates this provision, this Agreement may be terminated by the City and that the Consultant may be barred from performing any services for the City now or in the future.

7. Indemnification.

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

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

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

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

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

8. Insurance.

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

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

1. Business auto coverage for any auto no less than a \$1,000,000 each accident limit, and
2. Commercial General Liability insurance no less than \$1,000,000 per occurrence with a \$2,000,000 aggregate. Coverage shall include, but is not limited to, contractual liability, products and completed operations, property damage, and employers liability, and
3. Professional Liability insurance with no less than \$1,000,000 per occurrence. All policies and coverages shall be by an 'A' rated

company licensed to conduct business in the State of Washington. If such coverage is written on a claims made form, then a minimum of a three (3) year extended reporting period shall be included with the claims made policy, and proof of this extended reporting period provided to the City of Gig Harbor.

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

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

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

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

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

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

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

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

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

B. If any dispute arises between the City and the Consultant under any of the provisions of this Agreement which cannot be resolved by the City Engineer or Director of Operations determination in a reasonable time, or if the Consultant does not agree with the City's decision on the disputed matter, jurisdiction of any resulting litigation shall be filed in Pierce County Superior Court, Pierce County, Washington. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The prevailing party in any such litigation shall be entitled to recover its costs, including reasonable attorney's fees, in addition to any other award.

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

CONSULTANT:
Ashley Emery

City of Gig Harbor
ATTN: Steve Misiurak

ATTN:
Peninsula Financial Consulting
PO Box 354
Brinnon, WA 98320
(360) 796-4903 (office)
(206) 284-3147 (cell)

3510 Grandview Street
Gig Harbor, WA 98335
(253) 851-6170

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

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

IN WITNESS WHEREOF, the parties have executed this Agreement this _____ day of _____, 20____.

CONSULTANT

CITY OF GIG HARBOR

By: _____
Its: _____

Ashley Emery
Owner

By: _____
Mayor Jill Guernsey

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Exhibit A

Scope of Work

2014 City of Gig Harbor General Facility Charge Analysis & Utility Rate Study

Introduction

This scope of work includes calculation of general facility charges (GFCs) and a five year schedule of recommended monthly rates for the City's water, sewer, and stormwater utilities. Unless specifically identified, all tasks described herein refer to all three utilities. The last City rate study was prepared by PFC in 2007. The total cost estimate for this work (see attached Exhibit A) is a not to exceed amount of \$34,400.

Note: per discussions with City staff, the City will provide an inventory of existing facilities and original costs segregated by components. For example, the cost of all 8" water pipe, 10" water pipe, and waste water treatment plant facilities and other related utility appurtenances will be identified.

Overview

General facility charges, or GFCs, are charges paid by a new customer connection to a utility system. There are many different terms used when discussing connection charges; however, a connection charge can include three components. The first, call a site facility charge is for the cost of physically connecting a customer to a system. The second component, called a local facility charge, is for the cost of the local facilities to serve a specific area such as a trunk and distribution main running down the street in front of a property. These charges are sometimes assessed as a front footage fee based on the length of the property abutting the street being served. A third component, called a general facility charge (GFC) is for facilities that provide a regional benefit, such as a treatment plant. Agencies frequently combine local and general facility charges because, for example, the minimum water pipe size may be based on providing fire flow. Since fire flow is often considered a general benefit, all water pipe is also considered of general benefit and there is no need to segregate water pipe between piping providing local and general benefit.

A GFC includes a pro-rate share of the cost of existing facilities (existing facility component) and a pro-rata share of planned facilities (future facilities component). The existing facility component offsets the historical contributions from existing customers used to acquire existing assets of benefit to a new customer. The future facility component contributes towards capital improvement cost needed to serve customers in the future and is intended to minimize the impact to existing customers to fund the construction of facilities that may only be required due to growth.

The approach used in this analysis to determine GFCs is to compute the maximum amount a City may charge that is supportable by Washington State law and case law associated with GFCs. The City may then elect to adopt water, sewer, and stormwater GFCs, up to these maximum amounts that are consistent with City policies and goals.

This study also includes providing the City with a five year schedule of recommended monthly service rates necessary to fund operations, construct required capital improvements, and fund reserve balances.

TASK 1 - GENERAL FACILITY CHARGE ANALYSIS

The following activities will be performed as part of the determination of general facility charges for the water, sewer, and stormwater utilities. Note that as discussed, recommended GFCs will be stated in terms of a dollar per ERU (equivalent residential unit) and a single, Citywide GFC will be determined for each utility. An ERU converts the flow from a larger customer such as a commercial or multi-family connection into the equivalent flow of that of a single-family residence and is commonly used in combination with water meter size to establish GFCs for a new customer.

Task 1A - Gather Customer & System Data

The following is a preliminary list of data that is required to calculate a GFC:

- Utility revenues and expenses for the last 4 calendar years
- Number and type of utility customers
- Copies of all outstanding debt schedules and bond ordinances
- List of capital improvement projects (segregated between developer and City funded projects)
- Growth projections
- Inventory and costs for all major infrastructure (net plant in service)
- Annual water consumption and wastewater flows
- System and facility design capacities (e.g. average and maximum day wastewater flow, well pumping rates, reservoir storage, etc.)
- Annual depreciation
- Current water & sewer utility reserves
- Identification of fiscal policies (e.g. percentage of depreciation to be collected from rates, debt coverage factors, etc.)
- Copies of current GFC and rate ordinances

Task 1B - Review Planned Capital Improvements

Each planned improvements will be reviewed to identify the benefit to existing and future customers. Projects that will be developer funded will be excluded from the GFC, since growth is already paying for these improvements. We will identify the total number of existing and future customers (ERUs) benefiting from each capital improvement based on a review of design capacities and capacities available to provide benefit to future customers.

Task 1C - Calculation of Single-system Wide Water GFC

Per discussions with City staff, a single GFC for each utility will be calculated. GFCs will be stated in terms of a dollar per ERU.

TASK 2 – RATE INCREASE RECOMMENDATIONS

Task 2A – Gather Financial Data

This task supplants financial data already gathered to calculate GFCs in Task 1A. The financial data listed below will be used to develop a budget forecast to be used in defining revenue requirements. The following is a preliminary list of data that is required to provide rate recommendations:

- Utility revenues and expenses for the last 4 calendar years
- Number and type of utility customers
- Annual depreciation
- Identification of fiscal policies (e.g. percentage of depreciation to be collected from rates, debt coverage factors, etc.)
- Copies of current rate ordinances
- Copies of all interlocal agreements or contracts for providing utility service
- Customer water flows for wholesale customers

Task 2B – Financial Model Development

A custom financial budget forecast model will be developed to guide discussions and planning with City staff. The budget forecast model utilizes visual basic programming within EXCEL to enable clients to interact with the model using only a computer mouse. The model allows users to change a multitude of planning and financial variables to identify a comprehensive plan to financially operate the water, sewer, and stormwater utilities for the next 5 years. The model allows users to change numerous variables including rates and connection charges, growth, capital improvement timing and funding sources, inflation, etc. The model is part of the work product and will be turned over to the client as part of the completion of the study.

Once the model has been developed, it will be used in interactive meetings with City staff (engineering, planning, administration) to define revenue requirements

Task 2C – Defining Revenue Requirements

The revenue requirements of a utility define the amount and timing of revenue to be generated from monthly rates. Using the budget model, we will meet with City staff in a workshop setting to analyze and set projected operating costs, the timing and cost of capital improvements, and capital funding sources (e.g. debt funding). The model will

then be used to change these variables to assess the resulting rate revenue required to be generated from both existing and new customers due to growth (revenue requirements).

Task 2D – Review Existing Rate Equity

Existing rates for the various customer classes will be reviewed including a comparison of revenues generated within each rate class versus amount of water used or sewer generated. This will provide staff an indication of potential rate inequity upon which to direct additional analyses.

Task 2E – Rate Recommendations

Once revenue requirements have been defined, percentage increases to existing rates will be identified, as it relates to operating cost structure, that will provide the necessary revenue. The intent of this study is not to undertake a cost of service rate analysis but rather to modify the magnitude of existing rates within the current rate structure to improve rate equity among customers and to generate needed revenues. Recommended rate modifications might include non-uniformly increasing the magnitude of water base charges and volume rates, or increasing commercial sewer base charges greater than residential base charges. We will provide City staff rate alternatives that meet revenue requirements, promote City policies and goals (e.g. conservation) and promote rate equity.

The City also provides water and sewer service through wholesale agreements to several customers. This scope of work includes a review of all wholesale agreements and recommendations for any wholesale rate increases that are consistent with planned rate increases for retail customers. At this time, this scope of work does not entail a cost of service analysis for wholesale rates, however, if a more rigorous approach is required by contract or circumstances then an addendum to this scope will be provided to address the additional work.

TASK 3 MEETINGS

I anticipate five meetings with staff in order to develop GFCs and rate recommendations and review findings prior to public dissemination.

TASK 4 DOCUMENTATION

A report will be prepared that completely documents the data, process, and calculations utilized in determining the recommended GFCs and rate increases. The report will be transmitted to the City electronically in an agreed to format.

TASK 5 CITY COUNCIL MEETING AND PRESENTATION MATERIAL

It is expected that three public meetings will be necessary to inform the public and review finding with the City Council. A summary PowerPoint presentation will be created and used to guide public discussions.

EXHIBIT B

FINANCIAL CONSULTING SERVICES
SCOPE AND ESTIMATED COST

Project Title: 2014 Utility GFC & Rate Study

TASKS	Hours	Cost
1. General Facility Charges		
A Gather data	12	\$ 1,320
B Review planned capital improvements	20	\$ 2,200
C Calculate system wide GFCs for water, sewer, and stormwater	40	\$ 4,400
2. Recommended Rate Increases		
A Gather financial data	18	\$ 1,980
B Financial budget modeling	36	\$ 3,960
C Define revenue requirements	32	\$ 3,520
D Review existing rate equity	24	\$ 2,640
E Rate recommendations	28	\$ 3,080
3. Staff meetings (5)	30	\$ 3,300
4. Documentation/Report	40	\$ 4,400
5. Public presentations (3) and presentation material	28	\$ 3,080
Total	308	\$ 33,880
Hourly Rate:	\$ 110.00	
Total Labor Cost	\$ 33,880	
Mileage & Expenses (Mileage @ \$0.56/mile)	\$ 600	
Printing	\$ -	
TOTAL ESTIMATED COST:	\$ 34,400	

**CONSULTANT SERVICES CONTRACT
BETWEEN THE CITY OF GIG HARBOR AND
Peninsula Financial Consulting**

THIS AGREEMENT is made by and between the City of Gig Harbor, a Washington municipal corporation (the "City"), and Peninsula Financial Consulting, a corporation organized under the laws of the State of Washington (the "Consultant").

RECITALS

WHEREAS, the City is presently engaged in the general facilities charge and rate analysis and desires that the Consultant perform services necessary to provide the following consultation services; and

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

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

TERMS

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

2. **Payment.**

A. The City shall pay the Consultant an amount based on time and materials, not to exceed \$34,400 (Thirty-Four Thousand Four Hundred Dollars and Zero Cents) for the services described in Section 1 herein. This is the maximum amount to be paid under this Agreement for the work described in **Exhibit A**, and shall not be exceeded without the prior written authorization of the City in the form of a negotiated and executed supplemental agreement. The Consultant's staff and billing rates shall be as described in **Exhibit B – Schedule of Rates and Estimated Hours**. The Consultant shall not bill for Consultant's staff not identified or listed in **Exhibit B** or bill at rates in excess of the hourly rates shown in **Exhibit B**, unless the parties agree to a modification of this Contract, pursuant to Section 17 herein.

B. The Consultant shall submit monthly invoices to the City after such services have been performed, and a final bill upon completion of all the services described in this Agreement. The City shall pay the full amount of an invoice within forty-five (45) days of receipt. If the City objects to all or any portion of any invoice, it shall so notify the

Consultant of the same within fifteen (15) days from the date of receipt and shall pay that portion of the invoice not in dispute, and the parties shall immediately make every effort to settle the disputed portion.

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

4. Duration of Work. The City and the Consultant agree that work will begin on the tasks described in **Exhibit A** immediately upon execution of this Agreement. The parties agree that the work described in **Exhibit A** shall be completed by March 1, 2015; provided however, that additional time shall be granted by the City for excusable days or extra work.

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

6. Non-Discrimination. The Consultant agrees not to discriminate against any customer, employee or applicant for employment, subcontractor, supplier or materialman, because of race, color, creed, religion, national origin, marital status, sex, sexual orientation, age or handicap, except for a bona fide occupational qualification. The Consultant understands that if it violates this provision, this Agreement may be terminated by the City and that the Consultant may be barred from performing any services for the City now or in the future.

7. Indemnification.

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

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

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

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2. Commercial General Liability insurance no less than \$1,000,000 per occurrence with a \$2,000,000 aggregate. Coverage shall include, but is not limited to, contractual liability, products and completed operations, property damage, and employers liability, and
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Ashley Emery

City of Gig Harbor
ATTN: Steve Misiurak

ATTN:
Peninsula Financial Consulting
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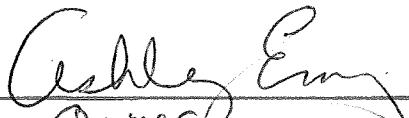
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IN WITNESS WHEREOF, the parties have executed this Agreement this _____ day of _____, 20_____.

CONSULTANT

CITY OF GIG HARBOR

By: 
Its: Owner

By: _____
Mayor Jill Guernsey

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

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Note: per discussions with City staff, the City will provide an inventory of existing facilities and original costs segregated by components. For example, the cost of all 8" water pipe, 10" water pipe, and waste water treatment plant facilities and other related utility appurtenances will be identified.

Overview

General facility charges, or GFCs, are charges paid by a new customer connection to a utility system. There are many different terms used when discussing connection charges; however, a connection charge can include three components. The first, call a site facility charge is for the cost of physically connecting a customer to a system. The second component, called a local facility charge, is for the cost of the local facilities to serve a specific area such as a trunk and distribution main running down the street in front of a property. These charges are sometimes assessed as a front footage fee based on the length of the property abutting the street being served. A third component, called a general facility charge (GFC) is for facilities that provide a regional benefit, such as a treatment plant. Agencies frequently combine local and general facility charges because, for example, the minimum water pipe size may be based on providing fire flow. Since fire flow is often considered a general benefit, all water pipe is also considered of general benefit and there is no need to segregate water pipe between piping providing local and general benefit.

A GFC includes a pro-rate share of the cost of existing facilities (existing facility component) and a pro-rata share of planned facilities (future facilities component). The existing facility component offsets the historical contributions from existing customers used to acquire existing assets of benefit to a new customer. The future facility component contributes towards capital improvement cost needed to serve customers in the future and is intended to minimize the impact to existing customers to fund the construction of facilities that may only be required due to growth.

The approach used in this analysis to determine GFCs is to compute the maximum amount a City may charge that is supportable by Washington State law and case law associated with GFCs. The City may then elect to adopt water, sewer, and stormwater GFCs, up to these maximum amounts that are consistent with City policies and goals.

This study also includes providing the City with a five year schedule of recommended monthly service rates necessary to fund operations, construct required capital improvements, and fund reserve balances.

TASK 1 - GENERAL FACILITY CHARGE ANALYSIS

The following activities will be performed as part of the determination of general facility charges for the water, sewer, and stormwater utilities. Note that as discussed, recommended GFCs will be stated in terms of a dollar per ERU (equivalent residential unit) and a single, Citywide GFC will be determined for each utility. An ERU converts the flow from a larger customer such as a commercial or multi-family connection into the equivalent flow of that of a single-family residence and is commonly used in combination with water meter size to establish GFCs for a new customer.

Task 1A - Gather Customer & System Data

The following is a preliminary list of data that is required to calculate a GFC:

- Utility revenues and expenses for the last 4 calendar years
- Number and type of utility customers
- Copies of all outstanding debt schedules and bond ordinances
- List of capital improvement projects (segregated between developer and City funded projects)
- Growth projections
- Inventory and costs for all major infrastructure (net plant in service)
- Annual water consumption and wastewater flows
- System and facility design capacities (e.g. average and maximum day wastewater flow, well pumping rates, reservoir storage, etc.)
- Annual depreciation
- Current water & sewer utility reserves
- Identification of fiscal policies (e.g. percentage of depreciation to be collected from rates, debt coverage factors, etc.)
- Copies of current GFC and rate ordinances

Task 1B - Review Planned Capital Improvements

Each planned improvements will be reviewed to identify the benefit to existing and future customers. Projects that will be developer funded will be excluded from the GFC, since growth is already paying for these improvements. We will identify the total number of existing and future customers (ERUs) benefiting from each capital improvement based on a review of design capacities and capacities available to provide benefit to future customers.

Task 1C - Calculation of Single-system Wide Water GFC

Per discussions with City staff, a single GFC for each utility will be calculated. GFCs will be stated in terms of a dollar per ERU.

TASK 2 – RATE INCREASE RECOMMENDATIONS

Task 2A – Gather Financial Data

This task supplants financial data already gathered to calculate GFCs in Task 1A. The financial data listed below will be used to develop a budget forecast to be used in defining revenue requirements. The following is a preliminary list of data that is required to provide rate recommendations:

- Utility revenues and expenses for the last 4 calendar years
- Number and type of utility customers
- Annual depreciation
- Identification of fiscal policies (e.g. percentage of depreciation to be collected from rates, debt coverage factors, etc.)
- Copies of current rate ordinances
- Copies of all interlocal agreements or contracts for providing utility service
- Customer water flows for wholesale customers

Task 2B – Financial Model Development

A custom financial budget forecast model will be developed to guide discussions and planning with City staff. The budget forecast model utilizes visual basic programming within EXCEL to enable clients to interact with the model using only a computer mouse. The model allows users to change a multitude of planning and financial variables to identify a comprehensive plan to financially operate the water, sewer, and stormwater utilities for the next 5 years. The model allows users to change numerous variables including rates and connection charges, growth, capital improvement timing and funding sources, inflation, etc. The model is part of the work product and will be turned over to the client as part of the completion of the study.

Once the model has been developed, it will be used in interactive meetings with City staff (engineering, planning, administration) to define revenue requirements

Task 2C – Defining Revenue Requirements

The revenue requirements of a utility define the amount and timing of revenue to be generated from monthly rates. Using the budget model, we will meet with City staff in a workshop setting to analyze and set projected operating costs, the timing and cost of capital improvements, and capital funding sources (e.g. debt funding). The model will

then be used to change these variables to assess the resulting rate revenue required to be generated from both existing and new customers due to growth (revenue requirements).

Task 2D – Review Existing Rate Equity

Existing rates for the various customer classes will be reviewed including a comparison of revenues generated within each rate class versus amount of water used or sewer generated. This will provide staff an indication of potential rate inequity upon which to direct additional analyses.

Task 2E – Rate Recommendations

Once revenue requirements have been defined, percentage increases to existing rates will be identified, as it relates to operating cost structure, that will provide the necessary revenue. The intent of this study is not to undertake a cost of service rate analysis but rather to modify the magnitude of existing rates within the current rate structure to improve rate equity among customers and to generate needed revenues. Recommended rate modifications might include non-uniformly increasing the magnitude of water base charges and volume rates, or increasing commercial sewer base charges greater than residential base charges. We will provide City staff rate alternatives that meet revenue requirements, promote City policies and goals (e.g. conservation) and promote rate equity.

The City also provides water and sewer service through wholesale agreements to several customers. This scope of work includes a review of all wholesale agreements and recommendations for any wholesale rate increases that are consistent with planned rate increases for retail customers. At this time, this scope of work does not entail a cost of service analysis for wholesale rates, however, if a more rigorous approach is required by contract or circumstances then an addendum to this scope will be provided to address the additional work.

TASK 3 MEETINGS

I anticipate five meetings with staff in order to develop GFCs and rate recommendations and review findings prior to public dissemination.

TASK 4 DOCUMENTATION

A report will be prepared that completely documents the data, process, and calculations utilized in determining the recommended GFCs and rate increases. The report will be transmitted to the City electronically in an agreed to format.

TASK 5 CITY COUNCIL MEETING AND PRESENTATION MATERIAL

It is expected that three public meetings will be necessary to inform the public and review finding with the City Council. A summary PowerPoint presentation will be created and used to guide public discussions.

EXHIBIT B

FINANCIAL CONSULTING SERVICES
SCOPE AND ESTIMATED COST

Project Title: 2014 Utility GFC & Rate Study

TASKS	Hours	Cost
1. General Facility Charges		
A Gather data	12	\$ 1,320
B Review planned capital improvements	20	\$ 2,200
C Calculate system wide GFCs for water, sewer, and stormwater	40	\$ 4,400
2. Recommended Rate Increases		
A Gather financial data	18	\$ 1,980
B Financial budget modeling	36	\$ 3,960
C Define revenue requirements	32	\$ 3,520
D Review existing rate equity	24	\$ 2,640
E Rate recommendations	28	\$ 3,080
3. Staff meetings (5)	30	\$ 3,300
4. Documentation/Report	40	\$ 4,400
5. Public presentations (3) and presentation material	28	\$ 3,080
Total	308	\$ 33,880
Hourly Rate:	\$ 110.00	
Total Labor Cost	\$ 33,880	
Mileage & Expenses (Mileage @ \$0.56/mile)	\$ 600	
Printing	\$ -	
TOTAL ESTIMATED COST:	\$ 34,400	



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

Subject: Point Fosdick Sidewalk Extension to Briarwood West Side – Consultant Services Contract with HDR Engineering, Inc.

Proposed Council Action: Approve and authorize the Mayor to execute the Consultant Services Contract with HDR Engineering, Inc. in an amount not exceed \$119,944.64

Dept. Origin: Public Works/Engineering

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

For Agenda of: February 10, 2014

Exhibits: Consultant Services Contract
Scope and Fee

	Initial & Date
Concurred by Mayor:	<u>SM 2/5/14</u>
Approved by City Administrator:	<u>R 2/5/14</u>
Approved as to form by City Atty:	
Approved by Finance Director:	<u>CF 2/4/14</u>
Approved by Public Works Director:	<u>HDR 2/4/14</u>
Approved by City Engineer:	<u>S 2/4/14</u>

Expenditure Required	\$119,944.64	Amount Budgeted	\$ 390,000	Appropriation Required	\$0
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INFORMATION/BACKGROUND

The work under this contract provides for the environmental permitting; public information and outreach; conceptual design workshop; developing final plans, specifications, and estimate (PS&E); franchised utility coordination and construction support services for the pervious sidewalk extension on BOTH sides of Point Fosdick Drive, between Harbor County Glen and Briarwood Lane. The City has elected to complete the design and permitting for a sidewalk on both sides of the street as there is economy of scale in designing for both at this time .

FISCAL CONSIDERATIONS

The Approved 2014 Street Capital Project allocates \$390,000 for this project. However, the City has procured a grant from the Department of Ecology in to amount up to \$120,000 towards the design of this project. Also, it is anticipated that the City will potentially realize a budget savings from the Wollochet Drive Interchange Traffic Signal Upgrades, in an amount equal to \$120,000, which would not require a formal budget amendment should that occur.

2014 Budget for Point Fosdick Sidewalk Extension to Briarwood West Side	\$390,000
Department of Ecology Grant	\$120,000
TOTAL AVAILABLE FUNDING	\$510,000
HDR Engineering, Inc. Consultant Services Contract: Final Design, and Permitting, <i>future project construction – Public Works Contract</i>	\$ (119,944.64)
	\$ (390,055.36)
Remaining 2014 Budget =	\$ 0.00

BOARD OR COMMITTEE RECOMMENDATION

None.

RECOMMENDATION/MOTION

Approve and authorize the Mayor to execute a Consultant Services Contract with HDR Engineering, Inc. in the amount not to exceed \$119,944.64

PROFESSIONAL SERVICES CONTRACT
(Architects, Engineers, Land Surveyors, Landscape Architects)
BETWEEN THE CITY OF GIG HARBOR AND
HDR ENGINEERING, INC.

THIS AGREEMENT is made by and between the City of Gig Harbor, a Washington municipal corporation (the "City"), and HDR Engineering, Inc., a corporation organized under the laws of the State of Washington (the "Consultant").

RECITALS

WHEREAS, the City is presently engaged in Design for Point Fosdick Drive NW Sidewalk Project and desires that the Consultant perform services necessary to provide the following consultation services; and

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

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

TERMS

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

2. **Payment.**

A. The City shall pay the Consultant an amount based on time and materials, not to exceed One Hundred Nineteen Thousand Nine Hundred Forty Four Dollars and Sixty Four Cents (\$119,944.64) for the services described in Section 1 herein. This is the maximum amount to be paid under this Agreement for the work described in **Exhibit A**, and shall not be exceeded without the prior written authorization of the City in the form of a negotiated and executed supplemental agreement. The Consultant's staff and billing rates shall be as described in **Exhibit A – Scope of Work**. The Consultant shall not bill for Consultant's staff not identified or listed in **Exhibit A** or bill at rates in excess of the hourly rates shown in **Exhibit A**, unless the parties agree to a modification of this Contract, pursuant to Section 17 herein.

B. The Consultant shall submit monthly invoices to the City after such services have been performed, and a final bill upon completion of all the services described in this Agreement. The City shall pay the full amount of an invoice within forty-five (45) days of

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

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

4. **Duration of Work.** The City and the Consultant agree that work will begin on the tasks described in **Exhibit A** immediately upon execution of this Agreement. The parties agree that the work described in **Exhibit A** shall be completed by March 1, 2015 provided however, that additional time shall be granted by the City for excusable days or extra work.

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

6. **Non-Discrimination.** The Consultant agrees not to discriminate against any customer, employee or applicant for employment, subcontractor, supplier or materialman, because of race, color, creed, religion, national origin, marital status, sex, sexual orientation, age or handicap, except for a bona fide occupational qualification. The Consultant understands that if it violates this provision, this Agreement may be terminated by the City and that the Consultant may be barred from performing any services for the City now or in the future.

7. **Indemnification.**

A. The Consultant shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits, including attorney's fees, arising out of or resulting from the acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

B. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees or volunteers, the Consultant's liability hereunder shall be only to the extent of the Consultant's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

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

8. **Insurance.**

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

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

1. Business auto coverage for any auto no less than a \$1,000,000 each accident limit, and
2. Commercial General Liability insurance no less than \$1,000,000 per occurrence with a \$2,000,000 aggregate. Coverage shall include, but is not limited to, contractual liability, products and completed operations, property damage, and employers liability, and
3. Professional Liability insurance with no less than \$1,000,000 per occurrence. All policies and coverages shall be by an 'A' rated

company licensed to conduct business in the State of Washington. If such coverage is written on a claims made form, then a minimum of a three (3) year extended reporting period shall be included with the claims made policy, and proof of this extended reporting period provided to the City of Gig Harbor.

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

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

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

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

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

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

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

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

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

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

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

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

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

CONSULTANT:
HDR Engineering, Inc.
ATTN: Gus Garcia
4717 97th St NW
Gig Harbor, WA 98332
(253) 858-5262

City of Gig Harbor
ATTN: Stephen Misiurak
3510 Grandview Street
Gig Harbor, WA 98335
(253) 851-6170

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

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

IN WITNESS WHEREOF, the parties have executed this Agreement this _____ day of _____, 20____.

CONSULTANT

CITY OF GIG HARBOR

By: _____
Its: _____

By: _____
Mayor Jill Guernsey

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney



CITY OF GIG HARBOR

SCOPE OF SERVICES

Point Fosdick Drive NW Sidewalk Project

- Conceptual Design Development
- Point Fosdick Pedestrian Sidewalk Plans, Specifications and Opinion of Probable Construction Cost
- Environmental Permitting Assistance
- Landscape Design
- Public Involvement
- Construction Support Services

Prepared by:

HDR Engineering Inc.
4717 97th Street NW

Exhibit B

Scope of Services

Point Fosdick Drive Sidewalk Project

I. Introduction

During the term of this AGREEMENT, HDR Engineering (CONSULTANT) will perform professional services for the City of Gig Harbor (CITY) in association with the Point Fosdick Drive Sidewalk project. This document will be used to plan, conduct, and complete the work described.

The work under this AGREEMENT consists of environmental permitting; public information and outreach; conceptual design workshop; developing final plans, specifications, and estimate (PS&E); franchised utility coordination and construction support services for non-motorized improvements to both sides of Point Fosdick Drive. The improvements include, but are not limited to, the design of the curb, gutter, pervious sidewalk(s), and low impact development storm drainage along Point Fosdick Drive between Harbor Country Drive and Briarwood Lane.

The existing configuration/condition of Point Fosdick Drive between Harbor County Drive and Briarwood Lane consists of two cement concrete travel lanes, road side shoulders of varying widths and road side ditches.

During the term of this AGREEMENT, the CONSULTANT together with PriZm Surveying and Landau & Associates (SUBCONSULTANT) will perform professional services for the CITY in connection with the Point Fosdick Improvement Project. Work items include:

- Project Management
- Topographic Survey/Base Map Update (PriZm Surveying)
- Geotechnical Investigation (Landau and Associates)
- Environmental Permitting
- Utility Coordination
- Public Involvement/Outreach
- Landscape Plan Development
- Pedestrian Illumination System

- Preliminary Engineering
- Plans/Specifications/Engineer's Estimate of Probable Construction Cost (PS&E)
- Construction Support Services

The work identified above is authorized by the signing of this AGREEMENT. Work on subsequent phases or additions to this project may be authorized by supplement to this AGREEMENT, after negotiation and approval of any additional scope of service and budget.

The CONSULTANT's work for this phase of project is expected to start in February 2014 and be completed by August 2014. The CONSULTANT's work performed during this period is identified in Section III of this Scope of Services for the Point Fosdick Sidewalk Project.

The CITY Project Manager has requested that the duration of the agreement be carried through to March 1, 2015. The CONSULTANT will provide Construction Support Services during the construction phase of the project. The project will include the following design features:

- Pedestrian Sidewalk
- Low Impact Development (LID) Storm Water Run Off Features as follows:
 - Pervious Concrete Design
 - Associated LID Landscape Design
- Pedestrian illumination system

II. Design Criteria

The CITY will designate the basic premises and criteria for the design. Reports and plans, to the extent feasible, will be developed in accordance with the scope of services and amendments as of the date of the signing of this AGREEMENT. Changes in any design standards or requirements after work has begun may result in Extra Work.

Measurements will be in English units.

Drafting Standard: City of Gig Harbor/APWA
Datums: Horizontal: Washington State Plane Coordinate System, North Zone, NAD 83/91
Vertical: NAVD 1988

City of Gig Harbor Publications: (most current versions)

- City of Gig Harbor Public Works Standards and Specifications
- City of Gig Harbor Storm Water Design Manual
- City of Gig Harbor Municipal Code

WSDOT Publications: (most current versions)

- Standard Specifications for Road, Bridge and Municipal Construction, English edition (2014) (M41-10)
- Standard Plans for Road, Bridge and Municipal Construction, English edition (M21-01)
- Design Manual (M22-01)
- Hydraulic Manual (M23-03)
- Plans Preparation Manual (M22-31)
- Amendments and General Special Provisions
- Standard Item Table
- Traffic Manual,(M51-02)
- Highway Runoff Manual (M31-16)
- Utilities Manual (M22-87)
- Local Agency Guidelines (M36-63(PA))
- Environmental Procedures Manual (M31-11)

American Association of State Highway and Transportation Officials (AASHTO) Publications:

- A Policy on Geometric Design of Highways and Street (2011 - 'Green Book')
- Guide for the Design of High Occupancy Vehicles and Public Transfer Facilities (1983)
- A Guide for Highway Landscape and Environmental Design (1970)
- Highway Design and Operational Practices Related to Highway Safety (1974 - 'Yellow Book').

U.S. Department of Transportation (USDOT) Publications:

- Manual of Uniform Traffic Control Devices for Streets and Highways
- Highway Capacity Manual, Special Report 209

Other Publications/Design Guides:

- Book of American Society for Testing and Materials Standards
- American Public Works Association standards
- Americans With Disabilities Act (ADA)
- Low impact Development Technical Guidance Manual for Puget Sound

III. Detailed Scope of Services

Task 1 Project Management/CONSULTANT Coordination

This task consists of planning, performing, and controlling the various elements of the project to meet or exceed the needs and expectations of the CITY and other project stakeholders.

Assumptions:

The CONSULTANT's project manager will meet with the CITY's project manager on a monthly basis throughout the duration of the project. Estimated duration is 10 months.

The CONSULTANT will submit monthly invoices with a written summary of project progress completed to-date and activities expected to be completed during the next invoicing period.

Task 1.1 Project Reporting/Project Management

This task consists of Administration of the project and coordinating with the CITY to facilitate efficient progress and timely completion. Elements of work in this task include:

- Project Start Up/Close out. This work will consist of setting up project file structure for storing relevant project documentation. This work also includes closing out the project, compiling and submitting all required documents to the CITY and closing project files.
- Develop and update a baseline project schedule
- Develop and submit monthly progress reports/invoices
- Evaluate and monitor project budget
- Development and update of Project Guide
- Develop and maintain the communication plan between the CITY, team members and sub-consultants
- Establish a collaborative project approach and resolution strategies regarding project challenges
- Be an extension of CITY staff and actively promote the project forward
- Develop, update and monitor quality management plan for the project
 - The quality management plan identifies the person(s) responsible for the quality assurance and control. The plan will also define the intervals that QAQC reviews will be performed commensurate with the CONSULTANT's policy, industry, and CITY standards.

Task 1.2 Meetings

In addition to attending specific meetings as described in other tasks, the CONSULTANT project manager will attend the following meetings:

Meetings	Purpose(Frequency)	Preparation/Documentation
CITY/CONSULTANT	Coordination meetings to discuss progress, action items, budget, schedule, upcoming issues (monthly)	Prepare agenda. Meeting minutes summarizing action items, decisions made and strategies
CONSULTANT TEAM	Coordinate team's progress/effort, status (Bi-weekly)	Prepare agenda. Summary of decisions made and assigned action items

Assumptions

- There will be 10 CITY/CONSULTANT Meetings
 - CITY/CONSULTANT meetings are assumed to be 1 hour in duration and be attended by the CONSULTANT Project Manager.
 - Meetings will be considered face to face meetings held at the City of Gig Harbor. If at the request of the CITY project manager, meetings may be conducted as conference call meetings held between the CITY/CONSULTANT project managers.
- CONSULTANT Team Meetings will be conference call meetings.
 - Meetings will be 1 hour in duration and be held two (2) times per month for a period of 6 months.
 - Meeting participants will be comprised of the CONSULTANT Project Manager, and Task Leads

Task 1.3 Project Design Schedule

The CONSULTANT will develop a schedule using Microsoft Project. Significant tasks, sub-tasks and significant mile stones required for the completion of the design will be identified in the schedule and monthly updates will be provided to the CITY.

Task 1 Deliverables

- Monthly progress reports and invoicing (1 copy each month)
- Meeting Agenda / Minutes (1 copy each month)
- Project schedule (1 update per month. 1 copy to CITY each update)

Task 2 Topographic Survey Update and Base Maps

This work will consist of reviewing existing project topographic drawings or project base maps to verify if site conditions have changed since the existing drawings/base maps were developed. If determined necessary then additional topographic data will be collected and a new survey base map developed for the CONSULTANT's use in development of the project.

Task 2.1 Topographic Survey Update

There is an existing topographic survey of the project limits that was conducted in June of 2008. The CONSULTANT will arrange to have the existing information updated to reflect the current field conditions and provide an updated topographic survey, utility locates, base maps and other necessary support data for use in the CONSULTANT(s) development of plans for the Sidewalk Project.

- The CONSULTANT will have the project surveyor (PriZm Surveying) research Pierce County right-of-way and easement records and Department of Natural Resources records to substantiate existing boundary control, property ownerships, Right-of-Way limits, and survey control monumentation within the limits of the project area.
- The SUB-CONSULTANT will provide horizontal and vertical survey control adequate to control the topographic mapping. Horizontal and Vertical Datum is as follows:
 - Horizontal Datum: NAD 1983 HARN State Plane South FIPS 4602 Feet.
 - Vertical Datum: NGVD 29
- The Sub-CONSULTANT will verify and identify the existing right-of-way, adjacent property boundaries, easements and encumbrances.
- The Sub-CONSULTANT will complete a topographic survey update from the centerline of Point Fosdick Drive NW to a point lying 10 feet beyond the existing Right of Way line.
- The updated topographic survey will include: surface grades, pavement edges, utility poles, hydrants, valves, manholes, storm drains, culverts, mailboxes, signs, fences, significant trees and, wetland and environmentally sensitive areas, etc. (Assumed from Pierce County GIS and City Classifications) in sufficient detail to support the development of Plans Specifications & Estimate. Existing ground contours will be depicted at 1-foot intervals.
- The survey data utility information will include: domestic water mains, natural gas, telephone, fiber optics, cable television, electric distribution/transmission line, storm drainage, and sanitary sewers. Base maps will be prepared in accordance with applicable sections of CI/ASCE 38-02, "Standard Guideline for the Collection and Depiction of Existing Subsurface Utility Data" and the prevailing standard of care.
- The Sub-CONSULTANT will research existing utility records, including record drawings of all utilities known to exist within project limits.

- It is assumed that utility potholing information, i.e.: depth/location/size of conduit, etc. of existing buried utilities within project limits will be provided by others.

Task 2.1 Base Map

A project base map will be developed in ACAD 2013 format, scaled at 1"=20' horizontal, showing all features outlined above. Maps will show contours at 1-foot intervals, spot elevations on existing roadway areas, and critical driveway areas, as necessary to support the engineering design of the project.

Task 2 deliverables:

- Project topographic base map in ACAD 2013 format

Assumptions:

**the Sub-CONSULTANT will be responsible for coordinating "one-call" utility locates with the project limits.*

**Potholing of existing utilities to resolve potential utility conflicts and clarify existing utility location and depth as well as the additional survey are considered within the scope of this project.*

Task 3 Environmental Services and Permitting

Task 3.1 Environmental Site Visit

This work will consist of conducting a site visit to assess the potential for impacts to the natural and built environment located adjacent to the project site.

Assumptions

- The CONSULTANT team comprised of key environmental staff, the project manager, and lead designer(s) will participate in the site visit to identify the impacts and needs for mitigating those impacts relevant to the project.
- The Team will also identify key issues to better assess scheduling and permit submittals to support project development to meet project schedule.

Task 3.2 Critical Area Field Work and Technical Memo

The CONSULTANT will review existing documents and define the level of effort required for the field study. The CONSULTANT will seek to utilize existing documentation and studies wherever feasible in an effort to reduce cost.

The CONSULTANT will provide qualified wetland biologists to delineate jurisdictional wetlands according to methods described in the 1987 Corps of Engineers Wetland Delineation Manual and the 1997 Washington State Wetland Delineation Manual. Identified wetlands will be documented with appropriate data sheets and boundaries will be marked with visible plastic flagging for pickup by the survey team. Identified wetlands will be ranked according to City of Gig Harbor requirements.

The CONSULTANT will provide a critical areas memo to comply with the City of Gig Harbor critical areas ordinance. The memo will be developed to address the city standards and best available science (BAS) requirements. The report will summarize relevant background studies and mapping and will identify the general extent, location and project impacts to significant trees, wetlands, streams, steep slopes, habitat areas, and their buffers in the study area

Task 3.3 SEPA Checklist Preparation

The CONSULTANT will prepare the project SEPA checklist including all required reports and documentation required and defined in chapter 18.04 of the Gig Harbor Municipal Code.

Assumptions:

- *The CITY PM will submit the checklist to The City of Gig Harbor Planning Department for review, approval and issuance.*
- *SEPA public notice requirements such as posting, mailings, and hearings will be handled and paid for by the City.*
- *The CITY will provide a City of Gig Harbor SEPA Checklist in Word file format.*
- *Scope and budget to handle a SEPA appeal is not included and will be considered extra work and addressed in a supplement to the original contract.*

Task 3.4 Department of Historical and Archeological Preservation Process Assistance

The CONSULTANT will provide a complete DHAP EZ-1 submittal and provide the completed application and forms to the CITY for distribution to DHAP.

Assumptions:

- *If informal consultation is required by DHAP the CITY will seek additional assistance from HDR. Scope and budget for this additional work will be negotiated in an amendment to this scope of services.*

Task 4 Utility Coordination

This work will consist of assisting the CITY in coordinating with the respective utility companies known to exist within the project limits and to verify the presence and depth of utility(s), assess the potential for conflict and coordinate with the utility company(s). The CITY will lead the effort and establish a resolution for mitigating the conflict prior to constructing the project.

Assumptions:

The CITY will coordinate utility locates within the project limits. Potholing of existing utilities to resolve potential utility conflicts and clarify existing utility location will be considered extra work.

Task 4.1 Project Notification Letters

The CITY will prepare a project notification letter for each utility company known within the limits of the project. The letter will include a project description and project schedule notice containing the scope and schedule of the project and include conceptual project plans.

Task 4.2 Utility Coordination Meeting

The CONSULTANT will attend a meeting with the CITY and local utility companies to discuss the expectations of the underground and overhead utility(s). The appropriate direction will be conveyed to the relevant utility company(s) based on decisions made by the CITY.

Task 5 Geotechnical Investigation

The Geotechnical SUB-CONSULTANT will obtain subsurface information regarding soil conditions along the project alignment as a preliminary basis for evaluating geotechnical conditions and soil permeability.

Geotechnical investigation will be performed within the project limits to determine infiltration rates and design criteria for pervious pavements or any required retaining walls or slopes. The geotechnical information will be assembled with design recommendations in a report to be delivered to the CITY as part of the final document package.

Assumptions:

- Investigations will be limited to 3 excavations located within the Right of Way and will be provided by the CITY.
- CONSULTANT will provide the Geotechnical SUB-CONSULTANT with updated topographic maps of the project site for use in conducting the study.
- One CONSULTANT/SUB-CONSULTANT meeting will be conducted to coordinate scheduling of the investigatory work.

Task 5.1 Field Exploration and Laboratory Testing

CONSULTANT and Geotechnical SUBCONSULTANT will review readily available geotechnical reports previously conducted along the project corridor/alignment provided to the CONSULTANT by the CITY regarding the original roadway design and construction, and other related documents completed as part of the planning process.

CONSULTANT and Geotechnical SUB-CONSULTANT will conduct a field reconnaissance of the project site to evaluate surface conditions, topography, and existing drainage conditions.

The Geotechnical SUBCONSULTANT will complete three laboratory sieve analyses on samples obtained from the explorations. The sieve results will be used to determine infiltration rates (for existing soils) for use in LID design.

Task 5.2 Geotechnical Design Report

The Geotechnical SUBCONSULTANT will compile the information derived from Task 5.1 and develop a report that will include the following:

- Provide site preparation criteria for the new pedestrian paths, including recommendations regarding the required depth of stripping and excavation of unsuitable soil.
- Provide earthwork criteria for the project, including types of fill material and compaction requirements, and conclusions regarding reuse of on-site soils for structural fill purposes.
- Provide preliminary recommendations for cut and fill slopes.
- Develop preliminary geotechnical engineering parameters for retaining walls including allowable bearing pressures, active and passive lateral soil pressures, sliding friction and settlement. Other retaining structures such as rockeries and MSE (mechanically stabilized earth) walls will be discussed, but not designed, if requested.
- Develop recommendations for appropriate temporary and permanent drainage, as well as erosion and sediment control measures.
- Prepare a technical memorandum for the project describing the pertinent site details, field exploration and laboratory testing program, subsurface conditions based on field and laboratory data, and a summary of conclusions and recommendations. The report will include a vicinity map; a site plan showing topography, project alignment, and exploration locations.

Task 6 Conceptual Design Work Shop and Alternative Selection

Task 6.1 Design Work Shop

The CONSULTANT will develop up to 2 conceptual designs of the pedestrian and LID/Landscape treatments for the project. The concept designs will be developed to a 15 percent design level and contain sufficient information to ascertain the total footprint and potential impacts of each alternative. As part of the process proposed evaluation criteria will be provided to the CITY. The specific criteria generally includes cost, environmental benefits, permitting needs and other regulatory requirements, public reaction/acceptance, and site aesthetics.

Task 6.2 Alternatives Selection process

The CONSULTANT will prepare for and participate in an alternative selection that identifies a range of potential benefits and conceptual costs associated with each alternative for the CITY's use in selection of a preferred concept for use in development of final plans, specifications, and engineer's estimate of probably construction cost for construction of the project.

Assumptions:

- Up to 3 conceptual presentation boards (24x36 inch) will be prepared for the design workshop.

Task 7 30% Preliminary Design and Conceptual Opinion of Probable Cost of Construction

Task 7.1 30% Drainage Assessment, Design and Drainage Pre-Design Report

The CONSULTANT will develop a conceptual preliminary design of the LID drainage facilities proposed for the project. The facilities will be developed to comply with the CITY 2010 Storm Water Management & Site Development Manual (Manual) and the latest edition of the Department of Ecology Storm Water Management Manual for Western Washington (DOE Manual).

The predesign report will contain the following sections as required in the grant conditions:

- Introduction
- Basin Description
- Site Description
- Design Alternatives Analysis
- Implementation Recommendation
- Conceptual OPCC
- Proposed Schedule

Task 7 Deliverables:

- *Drainage pre-design report*
- *Conceptual drainage plans*

Assumptions:

Drainage reports and conceptual design will be prepared and submitted by March 31, 2014.

In providing opinions of cost for the PROJECT, CONSULTANT has no control over cost or price of labor and materials, unknown or latent conditions of existing equipment or structures that might affect operation or maintenance costs, competitive bidding procedures and market conditions, time or quality of performance by operating personnel or third parties, and other economic and operational factors that might materially affect the ultimate PROJECT cost or schedule. The CONSULTANT, therefore, will not warranty that the actual PROJECT costs will not vary from CONSULTANT'S opinions, analyses, projections, or estimates.

Task 8 60% Plans and Specifications and Estimate

This work will consist of incorporating the CITY's comments received from Task 9.5 and developing a 60% Design Level set of plans, including LID drainage design and Storm water Site Plan and report. Pedestrian facilities will be designed to be compliant with current ADA standards.

Task 8.1 Drainage Design and Storm Water Site Plan and Report

CONSULTANT will develop proposed drainage facilities and plans to comply with the CITY drainage requirements. The CONSULTANT will develop a storm water site plan documenting the existing /proposed site conditions and minimum requirements that are applicable for the project per the Manual.

Task 8.2 60% Plans

The CONSULTANT will prepare design drawings, including plan views, profiles, cross-sections and details, along with supporting design calculations as necessary to allow CITY staff sufficient information to review the plans. The construction drawings will be developed to incorporate the comments received from staff reviews and stakeholder/public input. Drawings will be prepared at 1" =20' scale on CITY title/border, 22-inch x 34-inch size sheets.

Task 8.3 60% Specifications

The CONSULTANT will prepare project amendments, general special provisions, and project specific special provisions as necessary to allow CITY staff sufficient information to review the contract documents.

Task 8.4 60% Engineer's Opinion of Probable Construction Cost

The "Engineer's Opinion of Probable Construction Cost" will include an itemized list in tabular form, describing section, item, and number of units (quantity), "estimated unit costs", and estimated total cost.

Assumptions:

In providing opinions of cost for the PROJECT, CONSULTANT has no control over cost or price of labor and materials, unknown or latent conditions of existing equipment or structures that might affect operation or maintenance costs, competitive bidding procedures and market conditions, time or quality of performance by operating personnel or third parties, and other economic and operational factors that might materially affect the ultimate PROJECT cost or schedule. The CONSULTANT, therefore, will not warranty that the actual PROJECT costs will not vary from CONSULTANT'S opinions, analyses, projections, or estimates.

Task 8.5 Respond to CITY Comments

Revise plan to incorporate comments from CITY review. Work required beyond the level of effort identified in the hours estimate will be considered Extra Work.

Task 8 Deliverables:

- *60% Plans, Specifications, and Stamped Engineers Estimate of Probable Construction Cost*
- *Draft Storm water site plan*

Task 9 90% Plans, Specifications, and Engineer's Opinion of Probable Construction Cost

The CONSULTANT will prepare 90% construction plans based on the CITY review of the 60% drawings and submit the documents (including specifications and opinion of probable construction cost) to the CITY for review and comment.

Task 9.1 90% - Engineering Design Plans

Assumptions:

Prepare Detailed Construction Drawings, including plan views, profiles, cross-sections and details, along with supporting design calculations. To develop a basis for a work hour estimate, an estimate of the contract plans that are assumed to be required is included below. It is assumed that the project can be covered on plan/profile sheets. Plans will be drawn at 1" =20' scale unless noted otherwise. Plans will be generated in accordance with the CITY/APWA Standards, on CITY title/border, 22-inch x 34-inch size sheets. The scales to be used, the lettering, and the general delineation of the plans will provide legible reproduction at full scale or when reproduced for bid sets. The plans will be developed to include the east side pedestrian improvements as a bid alternate contingent upon the bid results.

A total of 17 drawings is anticipated and based on the following sheet breakdown and descriptions:

- Title and Index Sheet (1 Sheet, not-to-scale). Title and index sheet will include a vicinity map.
- Legend, Abbreviations, and General Notes (1 Sheet, NTS). Sheet will present legend, abbreviations, and general notes for contract drawings.
- Roadway Sections and Details (1 Sheet, NTS). Roadway sections for the typical roadway cross-sections for construction.
- Grading, Drainage Plans, Sidewalk Plan and Profiles (4 Sheets, H: 1" =20', V: 1" =5' Scale). These plans will be a "split sheet" format, containing both plan and profile elements.

The plans will include:

- Horizontal alignment information, grading limits, retaining walls (assumed to be standard rockeries, "unit masonry", and limits of any cut/fill required. No structural wall design is proposed as part of this project
- Pedestrian facilities
- Limits of land clearing and grading, pavement removal and grading limits
- Proposed drainage, LID storm-water treatment, infiltration areas

The plans will include centerline and sidewalk profiles (including location and elevation) to control the vertical elements of the work. On the same sheets, illumination conduit design, drainage profiles (including location and elevation) will be prepared for the roadside conveyance ditches.

- Removal and Temporary/Permanent Pollution, Erosion and Sedimentation Control Plans (2 Sheets, 1" = 40' Scale). Both temporary and permanent control measures will be incorporated into the same plans and distinguished by line type, callout, and legend.
- Channelization and Signing Plans (2 Sheets, 1" =20' Scale).
- Landscaping Plans/Details (4 Sheets, 1" =20' Scale).
Develop landscape and temporary irrigation plans, planting schedule, temporary irrigation schedule, and planting and irrigation details.
- Miscellaneous Plans/Details (2 Sheets, NTS).

Task 9.2 90% Special Provisions

Specifications (Contract Provisions) will be developed using the CITY "Boiler Plate" contract provisions. These provisions will be supplemented as necessary with project specific information, and include the deletion of unnecessary special provisions. It is assumed that the CONSULTANT will complete Divisions 2 through 8 and that the CITY will assemble the bid proposal and project bid package.

Task 9.3 90% - Engineer's Opinion of Probable Construction Cost and Bid Item Tabulation

The "Engineer's Opinion of Probable Construction Cost" will include an itemized list in tabular form, describing section, item, and number of units (quantity), "estimated unit costs", and estimated total cost.

Assumptions:

In providing opinions of cost for the PROJECT, CONSULTANT has no control over cost or price of labor and materials, unknown or latent conditions of existing equipment or structures that might affect operation or maintenance costs, competitive bidding procedures and market conditions, time or quality of performance by operating personnel or third parties, and other economic and operational factors that might materially affect the ultimate PROJECT cost or schedule. The CONSULTANT, therefore, will not warranty that the actual PROJECT costs will not vary from CONSULTANT'S opinions, analyses, projections, or estimates.

Task 9.4 Storm Water Site Plan

Based on the CITY review of the DRAFT storm-water site plan the CONSULTANT will prepare a final report in accordance with the City Manual.

Task 9.5 Respond to CITY Comments

Revise plan to incorporate comments from CITY review. Work required beyond the level of effort identified in the hours estimate will be considered Extra Work.

Task 9.6 Quality Assurance and Quality Control

Quality control includes senior engineer reviews. The CONSULTANT will conduct an internal quality assurance program prior to the 90 percent submittal of the bid documents. This task will supplement the continuous quality assurance program by conducting a detailed review of the project's plans and specifications for constructability and consistency within the bid documents.

Task 9 Deliverables:

- 90% Plans, Specifications, Engineer's Opinion of Probable Construction Cost
- Final Stormwater Site Plan

Task 10 Final Plans, Specifications, and Engineer's Opinion of Probable Construction Cost

The CONSULTANT will prepare 100% construction plans based on the CITY review of the 90% drawings and submit the documents (including specification and opinions of probable construction costs) to the CITY for review and comment.

Task 10.1 Final Plans

The CONSULTANT will incorporate the review comments from the 90 percent submittal and finalize the project plans and submit to final grant ready drawings to the CITY.

Task 10.2 Final Special Provisions

Specifications (Contract Provisions) will be developed using the CITY "Boiler Plate" contract provisions. These provisions will be supplemented as necessary with project specific information, and include the deletion of unnecessary special provisions. It is assumed that the CONSULTANT will complete Divisions 2 through 8 and that the CITY will assemble the bid proposal and bid alternate/project bid package.

Task 10.3 Final Engineer's Opinion of Probable Construction Cost and Bid Item Tabulation

The "Engineer's Opinion of Probable Construction Cost" will include an itemized list in tabular form, describing section, item, and number of units (quantity), "estimated unit costs", and estimated total cost.

Assumptions:

In providing opinions of cost for the PROJECT, CONSULTANT has no control over cost or price of labor and materials, unknown or latent conditions of existing equipment or structures that might affect operation or maintenance costs, competitive bidding procedures and market conditions, time or quality of performance by operating personnel or third parties, and other economic and operational factors that might materially affect the ultimate PROJECT cost or schedule. The CONSULTANT, therefore, will not warranty that the actual PROJECT costs will not vary from CONSULTANT'S opinions, analyses, projections, or estimates.

Task 10.4 Respond to CITY Comments

Revise plan to incorporate comments from CITY review. Work required beyond the level of effort identified in the hours estimate will be considered Extra Work.

Task 10.5 Quality Assurance and Quality Control

Quality control includes senior engineer reviews. The CONSULTANT will conduct an internal quality assurance program prior to the final submittal of the bid documents. This task will supplement the continuous quality assurance program by conducting a detailed review of the project's plans and specifications for constructability and consistency within the bid documents.

Task 10 Deliverables:

- *Final (100%) Plans, Specifications, and Engineer's Opinion of Probable Construction Cost*

Task 11 Bidding and Construction Support Services

The CONSULTANT will provide support services to the CITY as needed to support the project.

Task 11.1 Bidding Support Services

The CONSULTANT as requested will provided construction plan interpretation and consultation during the bidding process and attend the bid opening and review bid opening results.

Task 11.2 Construction Support Services

The CONSULTANT will attend a pre-construction meeting and review shop drawings, project materials submittals and Requests for Information at the request of the CITY.

Task 12 Public Meetings and Graphics Preparation

This work will consist of coordinating and attending 1 Public meeting with the CONSULTANT team, CITY staff, Project Stakeholders, Interest Groups, and general public during development and in support of the project.

Task 12.1 Public Meeting Graphics Preparation

The CONSULTANT will provide to the CITY the meeting graphics for use in the public presentation and meeting. The graphics will consist of 2 rendered cross sections and 1 plan showing the overall limits of improvement with the applicable improvements shown in sufficient detail that the intent scope and location of the project is clear to the general public.

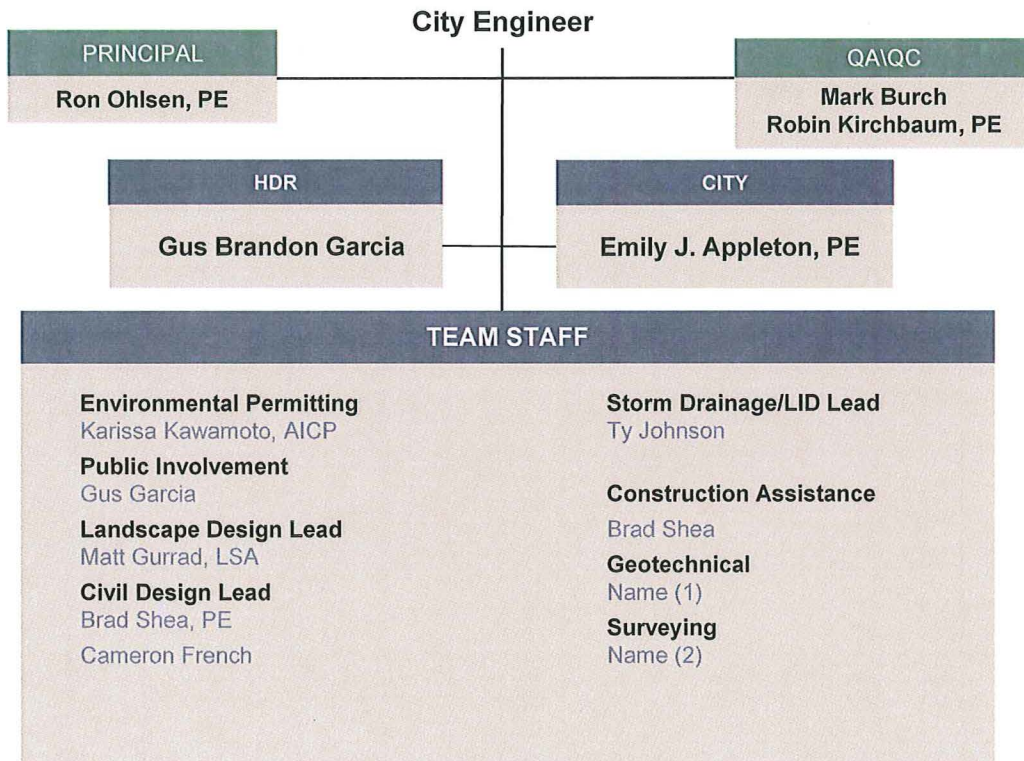
Task 12.2 Public Meeting(s)

The CONSULTANT will attend 1 public meeting to review the concept design option(s) with the community, which includes the key stakeholders. The focus of the meeting is to provide the community the opportunity to ask questions and provide input to CITY staff and the design team.

Assumptions

- The CITY will issue the public notice of the meeting to area residents and stakeholders
- The CITY will be responsible for the printing, postage and mailing of information to the community.
- The CITY will provide the meeting location.
- The CITY will be responsible for development and managing a project Website and coordinating with the media regarding meeting announcements required for the project.
- CONSULTANT will be responsible for developing presentation materials and exhibits for use in the meeting.

PROJECT TEAM ORGANIZATION



Subconsultants:

1. Landau and Associates
2. PriZm Surveying

City of Gig Harbor
 Point Fosdick Sidewalk Improvement Project
 HDR Engineering Inc. - HOURLY ESTIMATE

WORK ELEMENT	Principal	Project Manager	Design Lead Civil	Design Lead Storm	Designer Civil	Permit Lead	Permit Tech	QAQC Civil	QAQC Storm LID	LSA Lead	Project Controller	TOTAL HOURS	TOTAL HOURS
WORK ELEMENT 1: Project Management													
1.1 Reporting and Management	3	22									18	43	
1.2 Meetings		14										14	
1.3 Project Schedule		16										16	
												0	
												0	
Subtotal Work Element 1	3	52	0	0	0	0	0	0	0	0	18	73	10,971.25
WORK ELEMENT 2: Topographic Survey													
2.1 Topo survey update		2			2							4	
2.1 Base map creation					12							12	
												0	
												0	
Subtotal Work Element 2	0	2	0	0	14	0	0	0	0	0	0	16	1,624.10
WORK ELEMENT 3: Environmental Permitting													
3.1 Kick off meeting and site visit		2	3	3		4	4			3		19	
3.2 Critical areas field work and tech memo						2	16					18	
3.3 SEPA Checklist prep						2	32					34	
3.4 DHAP EZ1 form preparation						2	3					5	
												0	
Subtotal Work Element 3	0	2	3	3	0	10	55	0	0	3	0	76	8,707.03
WORK ELEMENT 4: Utility Coordination													
4.1 Preliminary Utility Contacts		3										3	
4.2 City Utility Coordination Meeting		3										3	
												0	
Subtotal Work Element 4	0	6	0	0	0	0	0	0	0	0	0	6	898.26
WORK ELEMENT 5: Geotechnical Investigation and Report													
5.1 Field Exploration & Laboratory Testing		1		1								2	
5.2 Geotechnical Design Report		1	1	1								3	
5.3 Final review		1	1									2	
												0	
Subtotal Work Element 5	0	3	2	2	0	0	0	0	0	0	0	7	1,092.49
WORK ELEMENT 6: Design Workshop													
6.1 Design Work Shop		12	16	16	33					16		93	
6.2 Alternatives Selection		8										8	
												0	
Subtotal Work Element 6	0	20	16	16	33	0	0	0	0	16	0	101	13,076.18

26 OF 28

City of Gig Harbor
Point Fosdick Sidewalk Improvement Project
HDR Engineering Inc. - HOURLY ESTIMATE

WORK ELEMENT	Principal	Project Manager	Design Lead Civil	Design Lead Storm	Designer Civil	Permit Lead	Permit Tech	QAQC Civil	QAQC Storm LID	LSA Lead	Project Controller	TOTAL HOURS	TOTAL HOURS
WORK ELEMENT 7: 30% Design Effort													
7.1 Preliminary Drainage Assessment and Design		8		8	16							32	
7.2 Respond to city comments				3								3	
7.3 QAQC								3	3			6	
												0	
Subtotal Work Element 7	0	8	0	11	16	0	0	3	3	0	0	41	5,543.64
WORK ELEMENT 8: 60% Design Effort													
8.1 Drainage design 60% and SWPPP		2		26								28	
8.2 Design drawings 60%		2	24		58					40		124	
8.3 OPCC 60%			8	8								12	
8.4 QAQC 60%								6	6			12	
8.5 Respond to City comments			2	2						2		6	
												0	
Subtotal Work Element 8	0	4	34	36	58	0	0	6	6	42	0	186	24,429.58
WORK ELEMENT 9: 90% Design Effort													
9.1 Construction drawings 90%			12	14	38					24		88	
9.2 90% Special Provisions			6	9								15	
9.3 OPCC 90%			6	6	12					6		30	
9.4 Drainage Design Report 90%				10								10	
9.5 Respond to City of Comments			2	2						2		6	
9.6 QAQC								6	6			12	
												0	
Subtotal Work Element 9	0	0	26	41	50	0	0	6	6	32	0	161	21,328.23
WORK ELEMENT 10: Final Plans Specs and Estimate													
10.1 Final Construction Drawings			8	12						16		36	
10.2 Final Contract Provisions			6	8	36					8		58	
10.3 OPCC			4	4						4		12	
10.4 Respond to City Comments			2	2						2		6	
10.5 QAQC								6	6			12	
												0	
Subtotal Work Element 10	0	0	20	26	36	0	0	6	6	30	0	124	16,489.42
WORK ELEMENT 11: Bidding and Support Services													
11.1 Bidding support services			4									4	
11.2 Construction support services			14									14	
												0	
Subtotal Work Element 11	0	0	18	0	0	0	0	0	0	0	0	18	3,075.30
WORK ELEMENT 12: Public Meetings													
12.1 Public meeting graphics		8								8		16	
12.2 Public meeting		4								8		12	
												0	
												0	
Subtotal Work Element 12	0	12	0	0	0	0	0	0	0	16	0	28	3,609.16

27 OF 28

City of Gig Harbor
 Point Fosdick Sidewalk Improvement Project
 HDR Engineering Inc. - HOURLY ESTIMATE

WORK ELEMENT	Principal	Project Manager	Design Lead Civil	Design Lead Storm	Designer Civil	Permit Lead	Permit Tech	QAQC Civil	QAQC Storm LID	LSA Lead	Project Controller	TOTAL HOURS	TOTAL HOURS
SUBTOTAL	3	109	119	135	207	10	55	21	21	139	18	837	
GRAND TOTAL HOURS	3	109	119	135	207	10	55	21	21	139	18	837	110,844.64

HDR Labor Cost		110,844.64
Direct Expenses:		
Mileages: @0.56/per mile	300.00	
Permit fee		
Conference Call	100.00	
Printing cost	200.00	600.00
HDR Total		111,444.64
Subconsultants:		
PriZm Surveying	4,000.00	
Landau Associates	4,500.00	
		8,500.00
Total Cost		119,944.64



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

Subject: Critical Area Review Consultant Services Contract Amendment #1 – Grette Associates

Proposed Council Action: Approve and authorize the Mayor to execute Contract Amendment #1 with Grette Associates in an amount not to exceed \$100,000.

Dept. Origin: Planning

Prepared by: Jennifer Kester, Planning Director *JK*

For Agenda of: February 10, 2014

Exhibit: Contract Amendment with exhibits

Concurred by Mayor:

Approved by City Administrator:

Approved as to form by City Atty:

Approved by Finance Director:

Approved by Department Head:

Initial &
Date

JK 2/5/14
R 2/5/14
email 1/29/14
JK 2/4/14
JK 2/4/14

Expenditure Required	Up to \$100,000	Amount Budgeted	N/A – Pass Through	Appropriation Required	\$ 0
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INFORMATION/BACKGROUND

The City currently does not have an employee with the expertise to review and comment on critical area reports, mitigation plans and monitoring reports submitted in connection with land use permits. Since 2007, the City has contracted with Grette Associates LLC to provide 3rd party review of such reports. Grette Associates LLC is an established company with a local office (Tacoma) that has provided thorough and timely review of critical area reports for projects submitted to the City. They are well versed in the City’s codes and work well with the planning staff. In May 2013, a contract was executed to have Grette Associates LLC continue their 3rd party review of critical areas. The contract runs through 2015.

With the recent adoption of the Shoreline Master Program (SMP) and the requirements within for critical area review and no net loss studies, the scope of work of the current contract needs to be updated. Previously, critical area review was required only by the City’s environmental chapters in the Municipal Code (Chapters 18.08 and 18.10). Due to State requirements, the critical area review for projects in the shoreline jurisdiction is now in the SMP. Furthermore, the SMP requires applicants to perform a study to determine that there is “no net loss” of shoreline functions due to the project. With this new scope of work, Grette Associates will be conducting review under those applicable portions of the SMP for staff.

Finally, Grette has requested that their hourly fees be updated to reflect 2014 rates.

FISCAL CONSIDERATION

The contract amount is up to \$100,000. However, project applicants fully fund the review performed by Grette Associates. **As such, there are no costs to the City associated with the work performed by Grette.**

BOARD OR COMMITTEE RECOMMENDATION

N/A

RECOMMENDATION/MOTION

Approve and authorize the Mayor to execute Contract Amendment #1 with Grette Associates in an amount not to exceed \$100,000.

**FIRST AMENDMENT
TO
CONSULTANT SERVICES CONTRACT
BETWEEN THE CITY OF GIG HARBOR AND
GRETTE ASSOCIATES**

THIS FIRST AMENDMENT is made to that certain Consultant Services Contract dated May 29, 2013 (the "Agreement") by and between the City of Gig Harbor, a Washington municipal corporation (the "City"), and Grette Associates LLC, a limited Liability Company organized under the laws of the State of Washington (the "Consultant").

RECITALS

WHEREAS, the City desires the Consultant perform the various critical area report review and no net loss studies required by the City of Gig Harbor Shoreline Master Program, adopted by ORD 1278 on November 25, 2013 and effective on December 27, 2013; and

WHEREAS, the City desires to amend the Agreement to reflect the Consultant's 2014 hourly rates; and

WHEREAS, the City is fully reimbursed by project applicants for the total costs of the Consultant's third party wetland report review such that no City funds are expended;

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

Section 1. Scope of Work. Section 2 of the Agreement is amended to add the work as shown in **Exhibit A – Scope of Work**, attached to this Amendment and incorporated herein.

Section 2. Schedule of Rates. Section 2 of the Agreement is amended to add the work as shown in **Exhibit B – Schedule of Rates**, attached to this Amendment and incorporated herein.

EXCEPT AS EXPRESSLY MODIFIED BY THIS FIRST AMENDMENT, ALL TERMS AND CONDITIONS OF THE AGREEMENT ARE HEREBY RATIFIED AND INCORPORATED INTO THIS AMENDMENT AND SHALL REMAIN IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, the parties have executed this First Amendment on this _____ day of _____, 20__.

CONSULTANT

CITY OF GIG HARBOR

By: _____
Its Principal

By: _____
Mayor Jill Guernsey

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

RECEIVED

FEB 04 2014

CITY OF GIG HARBOR

**FIRST AMENDMENT
TO
CONSULTANT SERVICES CONTRACT
BETWEEN THE CITY OF GIG HARBOR AND
GRETTE ASSOCIATES**

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WHEREAS, the City desires to amend the Agreement to reflect the Consultant's 2014 hourly rates; and

WHEREAS, the City is fully reimbursed by project applicants for the total costs of the Consultant's third party wetland report review such that no City funds are expended;

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

Section 1. Scope of Work. Section 2 of the Agreement is amended to add the work as shown in **Exhibit A – Scope of Work**, attached to this Amendment and incorporated herein.

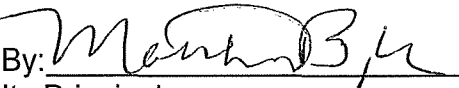
Section 2. Schedule of Rates. Section 2 of the Agreement is amended to add the work as shown in **Exhibit B – Schedule of Rates**, attached to this Amendment and incorporated herein.

EXCEPT AS EXPRESSLY MODIFIED BY THIS FIRST AMENDMENT, ALL TERMS AND CONDITIONS OF THE AGREEMENT ARE HEREBY RATIFIED AND INCORPORATED INTO THIS AMENDMENT AND SHALL REMAIN IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, the parties have executed this First Amendment on this _____ day of _____, 20__.

CONSULTANT

CITY OF GIG HARBOR

By: 
Its Principal

By: _____
Mayor Jill Guernsey

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Exhibit A

SCOPE OF WORK

1. Critical Area Report Review and Mitigation Monitoring Review
 - a. The Consultant will review Critical Area Reports, Mitigation Monitoring Reports and No Net Loss Studies submitted to the City for consistency with the Gig Harbor Municipal Code (18.08 and 18.10) and Shoreline Master Program.
 - b. As part of the review, the Consultant shall field verify the findings in the reports.
 - c. The Consultants will forward the results of their review and recommendations in written form to the City no later than 30 days from the date of receiving Notice to Proceed from the City.

Exhibit B

SCHEDULE OF RATES

GRETTE ASSOCIATES^{LLC}
HOURLY BILLING RATES
2014

<u>Title</u>	<u>Rate</u>
Principal	\$200.00
Associate	\$149.00
Biologist 5	\$135.00
Biologist 4	\$120.00
Biologist 3	\$108.00
Biologist 2	\$98.00
Biologist 1	\$90.00
Environmental Planner I	\$90.00
Administrative Assistant	\$74.00
Field Assistant	\$60.00
<hr/>	
Subconsultants	8% MU
Expenses ¹	8% MU
Mileage (per mile)	\$0.60
Copy Charge (per page)	\$0.10

¹Includes Narrows Bridge tolls



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

01/27/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Noyd & Noyd Ins. Agency, Inc. PO Box 1509 / 500 N. Wenatchee Wenatchee, WA 98807 Michael E. Noyd	CONTACT NAME: Stacia Knudtson PHONE (A/C, No, Ext): 509-662-2194 E-MAIL ADDRESS: stacia@noydins.com	FAX (A/C, No): 509-664-6786
	INSURER(S) AFFORDING COVERAGE	
INSURED Grette Associates LLC 151 S. Worthen St. Suite 101 Wenatchee, WA 98801	INSURER A: American States Ins. Co/LNW	
	INSURER B: Continental Casualty	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	X		02CE2300171	08/01/2013	08/01/2014	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			02CE2300171	08/01/2013	08/01/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (PER ACCIDENT) \$
	UMBRELLA LIAB EXCESS LIAB OCCUR CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	02CE2300171 WA STOP GAP	08/01/2013	08/01/2014	WC STATUTORY LIMITS <input checked="" type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 2,000,000
B	Professional Liab			EEH254072045	08/01/2013	08/01/2014	Per Claim 2,000,000 Deduct 10,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Certificate holder is additional insured on the General Liability per form CG7680 (10/02) with regards to work performed by the named insured. 30 days notice of cancellation will be given to the certificate holder with 10 days for non payment of premium.

CERTIFICATE HOLDER CIOFGIG City of Gig Harbor Attn: Jennifer Kester 3510 Grandview Street Gig Harbor, WA 98335	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Michael E. Noyd
--	---



CG 76 80 10 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED PRIMARY
COVERAGE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

HNTB Corporation

JACOBS ENGINEERING GROUP INC
PORT OF TACOMA
CITY OF GIG HARBOR

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

SECTION II – WHO IS AN INSURED is amended to include as an additional insured the person or organization shown in the Schedule subject to the following provisions:

1. The additional insured is an insured but only for liability directly resulting from:
 - a. your ongoing operations for the additional insured whether the work is performed by you or for you; or
 - b. the general supervision of your ongoing operations by the additional insured.
2. This insurance does not apply to:
 - a. "Bodily injury" or "property damage" arising out of any act or omission of, or for defects in design furnished by or for, the additional insured or
 - b. "Bodily injury" or "property damage" included within the "products-completed operations hazard."

A person's or organization's status as an additional insured under this endorsement ends when your operations for that insured are completed.

No coverage will be provided if, in the absence of this endorsement, no liability would be imposed by law on

you. Coverage shall be limited to the extent of your negligence or fault according to the applicable principles of comparative fault.

The insurance provided will not exceed the lesser of:

- a. The coverage and/or limits of this policy, or
- b. The coverage and/or limits required by the contract, agreement or permit.

With respect to the insurance afforded the additional insured, paragraph 4. of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS** is deleted and replaced by the following:

4. Other Insurance

- a. This insurance is primary and noncontributory, and our obligations are not affected by any other insurance where the additional insured is the Named Insured, whether primary, excess, contingent, or on any other basis; however, the defense of any claim or "suit" must be tendered as soon as practicable to all other insurers which potentially provide insurance for such claim or "suit".
- b. This additional provision applies only to the additional insured shown in the Schedule and the coverage provided by this endorsement.



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

Subject: Cushman Trail Phase 3 -
Constructability Review Assistance /
Consultant Services Contract

Proposed Council Action: Approve and authorize the Mayor to execute a Consultant Services Contract with Exeltech Consulting, Inc., to perform a constructability review and develop a Record of Materials (ROM) in the not to exceed amount of \$13,321.71.

Dept. Origin: Public Works/Engineering

Prepared by: Stephen Misiurak, City Engineer

For Agenda of: February 10, 2014

Exhibits: Consultant Services Contract with Scope and Fee

Initial &
Date

Concurred by Mayor:

Approved by City Administrator:

Approved as to form by City Atty:

Approved by Finance Director:

Approved by Public Works Director:

Approved by City Engineer:

SM 2.5.14
R 2/4/14
By email 1/31/14
CR 2/5/14
AOC 2/4/14
2/3/14

Expenditure Required	\$ 13,321.71	Amount Budgeted	\$3,163,000	Appropriation Required	\$0
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INFORMATION/BACKGROUND

The Cushman Trail Phase 3 project is funded by three grants, two of which include Federal Highway Administration (FHWA) funds. The project has had numerous permitting challenges that have delayed the originally anticipated completion schedule. The project design is currently nearing completion and constructing the project within the approved grant schedule is critical to meeting the grant obligations. A constructability review is necessary to provide an increased level of confidence that the project will be constructed within the planned schedule for completion. In addition, because the project is funded through FHWA, more extensive documentation, such as a formal Record of Materials (ROM), is necessary to demonstrate that the materials used and installed on the project are consistent with the requirements of the grant(s).

FISCAL CONSIDERATION

The 2014 City of Gig Harbor Budget includes funding for the Cushman Trail Phases 3 and 4 projects in the Parks Division Capital fund. There are amounts sufficient to fund this contract in addition to the approved design contract and anticipated construction contract amounts.

BOARD OR COMMITTEE RECOMMENDATION

None.

RECOMMENDATION/MOTION

Approve and authorize the Mayor to execute a Consultant Services Contract with Exeltech Consulting, Inc., to perform a constructability review and develop of Record of Materials (ROM) in the not to exceed amount of \$13,321.71.

**CONSULTANT SERVICES CONTRACT
BETWEEN THE CITY OF GIG HARBOR AND
EXELTECH CONSULTING, INC.**

THIS AGREEMENT is made by and between the City of Gig Harbor, a Washington municipal corporation (the "City"), and Exeltech Consulting, Inc., a corporation organized under the laws of the State of Washington (the "Consultant").

RECITALS

WHEREAS, the City is presently engaged in the constructability review of the Cushman Trail Phase 3 project and desires that the Consultant perform services necessary to provide the following consultation services; and

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

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

TERMS

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

2. **Payment.**

A. The City shall pay the Consultant an amount based on time and materials, not to exceed Thirteen Thousand Three Hundred Twenty-one Dollars and Seventy-one Cents (13,321.71) for the services described in Section 1 herein. This is the maximum amount to be paid under this Agreement for the work described in **Exhibit A**, and shall not be exceeded without the prior written authorization of the City in the form of a negotiated and executed supplemental agreement. The Consultant's staff and billing rates shall be as described in **Exhibit B – Schedule of Rates and Estimated Hours**. The Consultant shall not bill for Consultant's staff not identified or listed in **Exhibit B** or bill at rates in excess of the hourly rates shown in **Exhibit B**, unless the parties agree to a modification of this Contract, pursuant to Section 17 herein.

B. The Consultant shall submit monthly invoices to the City after such services have been performed, and a final bill upon completion of all the services described in this Agreement. The City shall pay the full amount of an invoice within forty-five (45) days of

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

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

4. **Duration of Work.** The City and the Consultant agree that work will begin on the tasks described in **Exhibit A** immediately upon execution of this Agreement. The parties agree that the work described in **Exhibit A** shall be completed by March 1, 2015; provided however, that additional time shall be granted by the City for excusable days or extra work.

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

6. **Non-Discrimination.** The Consultant agrees not to discriminate against any customer, employee or applicant for employment, subcontractor, supplier or materialman, because of race, color, creed, religion, national origin, marital status, sex, sexual orientation, age or handicap, except for a bona fide occupational qualification. The Consultant understands that if it violates this provision, this Agreement may be terminated by the City and that the Consultant may be barred from performing any services for the City now or in the future.

7. **Indemnification.**

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

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

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

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

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

8. **Insurance.**

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

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

1. Business auto coverage for any auto no less than a \$1,000,000 each accident limit, and
2. Commercial General Liability insurance no less than \$1,000,000 per occurrence with a \$2,000,000 aggregate. Coverage shall include, but is not limited to, contractual liability, products and completed operations, property damage, and employers liability, and
3. Professional Liability insurance with no less than \$1,000,000 per occurrence. All policies and coverages shall be by an 'A' rated company licensed to conduct business in the State of Washington. If such coverage is written on a claims made form, then a minimum of a three (3) year extended reporting period shall be included with the *claims made policy, and proof of this extended reporting period* provided to the City of Gig Harbor.

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

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

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

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

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

10. City's Right of Inspection. Even though the Consultant is an independent contractor with the authority to control and direct the performance and details of the work

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

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

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

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

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

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

B. If any dispute arises between the City and the Consultant under any of the provisions of this Agreement which cannot be resolved by the City Engineer or Director of Operations determination in a reasonable time, or if the Consultant does not agree with the City's decision on the disputed matter, jurisdiction of any resulting litigation shall be filed in Pierce County Superior Court, Pierce County, Washington. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The prevailing party in any such litigation shall be entitled to recover its costs, including reasonable attorney's fees, in addition to any other award.

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

CONSULTANT:
Exeltech Consulting, Inc.
ATTN: Dick Egolf
8729 Commerce Place Drive NE, Suite A
Lacey, WA 98516
(360) 357-8289

City of Gig Harbor
ATTN: Stephen Misiurak
City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335
(253) 851-6170

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

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

IN WITNESS WHEREOF, the parties have executed this Agreement this _____ day of _____, 2014.

CONSULTANT

CITY OF GIG HARBOR

By: _____
Its: _____

By: _____
Mayor Jill Guernsey

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Exhibit A

Scope of Services

City of Gig Harbor
Cushman Trail Phase 3
Constructability Review and Development of ROM

January, 2014

Prepared by:
Exeltech Consulting, Inc.
8729 Commerce Pl Dr NE, Suite A
Lacey, WA 98516



TABLE OF CONTENTS

INTRODUCTION.....	2
PROJECT DESCRIPTION.....	2
ASSUMPTIONS.....	2
SCOPE OF SERVICES.....	2
1. PROJECT MANAGEMENT.....	2
2. CONSTRUCTABILITY REVIEW.....	3
3. DEVELOPMENT OF RECORD OF MATERIALS (ROM).....	3
4. OPTIONAL SERVICES (NOT INCLUDED IN BUDGET ESTIMATE).....	3

INTRODUCTION

The City of Gig Harbor (hereinafter "City") is the Contracting Agency for this scope of services. Exeltech Consulting, Inc (hereinafter "Consultant") shall work under the City's Project Manager and, as directed by the City, shall provide the services listed within on the Cushman Trail Phase 3 Project (hereinafter "Project").

PROJECT DESCRIPTION

The City plans to construct a shared use path along the alignment of the existing Tacoma Public Utility right-of-way from approximately 96th Street to Burnham Drive.

The Project is funded with local and FHWA federal funds.

ASSUMPTIONS

1. The Consultant's services will be performed within a thirty (30) day period.
2. Consultant's constructability review and development of the Record of Materials is based on the information presented in, and will be limited to:
 - Contract Documents provided by the City, dated March 2014
 - 90% Submittal Plans prepared by David Evans & Associates, dated 12/31/2013
3. No verification calculations will be performed.
4. Exeltech's review will identify observed constructability issues, and is not considered to be all inclusive.
5. Exeltech will not undertake any liability for completeness or adequacy of plans.
6. The nature of the services provided in this Agreement are engineering services.
7. The City will make timely payment of invoices (within 30 days of approved invoice).
8. This Scope and associated cost estimate assumes a one time performance of services.
9. Professional services will be limited to the scope listed within, and assumed hours/costs, as established in the attached cost estimate, unless additional services are authorized.

SCOPE OF SERVICES

1. PROJECT MANAGEMENT

The Consultant shall provide overall project management and documentation of work progress, including coordinating the work products of the design team that are critical to the overall design effort. Project Management scope extends for the duration of the project.

Any changes that arise will be proactively communicated and documented with the City's agreement.

It is anticipated that the Consultant will participate in one (1) project meeting with the City at the City's offices and or in the field. This will include a meeting for clarification of comments and/or Record of Materials if necessary.

The Consultant shall prepare monthly progress reports including a summary of work completed, and financial status of project budget.

Deliverable(s):

1. Monthly Progress Report (1) – PDF and/or Hard Copy
2. Monthly Invoices (1) – PDF and/or Hard Copy

2. CONSTRUCTABILITY REVIEW

Based on the 90% plans prepared by David Evans and Associates, dated December 31, 2013 and the Contract Documents dated March 2014, the Consultant will provide a constructability review to include the following:

1. Perform a constructability and plan set review for completeness, accuracy, clarity, drafting inconsistencies, redundancy of detail and overall plan adequacy for a Contractor to bid and build the project
2. Identify site access and other site constraints
3. Estimate decibel levels in setting pin piles for determining alternate schedules of work based on City ordinances
4. Provide a feasible method of paving the pin pile bridge section of the path (approximately 1100 lf of the pathway)

The Consultant will conduct one site visit to observe field constraints.

Deliverable(s):

1. Constructability Review Letter Memo

3. DEVELOPMENT OF RECORD OF MATERIALS (ROM)

The Consultant will develop a Record of Materials (ROM) based on the Contract Documents provided by the City, dated March 2014. The ROM will be used to track all materials on the project during the construction phase of the project.

Deliverables:

1. Record of Materials

4. OPTIONAL SERVICES (NOT INCLUDED IN BUDGET ESTIMATE)

The City may, dependent upon the City's desecration and need, supplement this agreement for added work in the following categories:

1. Documentation Review of Construction files (Audits).
2. Construction Management Assistance as required.

Exhibit B
City of Gig Harbor
Cushman Trail Phase 3 Constructability Review and ROM

Cost Estimate
Hours Sheet

Task	QA/QC	Project Manager	Office Engineer	Administration	Total Exeltech Labor Hours
1. PROJECT MANAGEMENT	4	6	4	2	16
2. CONSTRUCTABILITY REVIEW	4	32	8		44
3. RECORD OF MATERIALS		4	30		34
Total	8	42	42	2	94

Exhibit B
City of Gig Harbor
Cushman Trail Phase 3 Constructability Review and ROM

Cost Estimate
Summary of Cost

Task	Exeltech
1. PROJECT MANAGEMENT	\$2,345.13
2. CONSTRUCTABILITY REVIEW	\$6,779.56
3. RECORD OF MATERIALS	\$4,067.42
TOTAL LABOR COSTS	\$13,192.11
Direct Costs	\$129.60
Escalation	
TOTAL	\$13,321.71

Exhibit B
Cost Estimate - Summary Sheet

Cushman Trail Phase 3
Constructability Review & ROM
City of Gig Harbor

Start Date

Task Description:

End Date

Consultant Fee Determination

Exeltech Project #

Consultant: Exeltech Consulting, Inc.

Code	Classification	Man Hours		Rate	Dollars
LABOR		Hours			
	QA/QC	8	x	\$57.70 =	461.60
	Project Manager	42	x	\$51.26 =	2,152.92
	Office Engineer	42	x	\$36.41 =	1,529.22
	Administration	2	x	\$32.00 =	64.00
	Total Hours	94			
	Total DSC			=	4,207.74
		% Increase		% of Work	
	Labor Escalation for '14	0.0		0	= 0.00
	Escalated Total DSC			=	4,207.74
Overhead (OH Cost -- including Salary Additives)					
	OH Rate x DSC of	<u>183.52%</u>	x	<u>\$4,207.74</u> =	7,722.04
Fixed Fee (FF):					
	FF Rate x DSC of	<u>30.00%</u>	x	<u>\$4,207.74</u> =	1,262.35
Reimbursables					
Itemized	Quantity	Units		Rate	In Scope
Meals and Lodging		each	@	\$150.00 =	0.00
Mileage	160	each	@	\$0.560 =	89.60
Reproduction and Printing		copies	@	\$0.15 =	0.00
Postage and Supplies	2	Est	@	\$20.00 =	40.00
Graphics Boards		Est	@	\$75.00 =	0.00
Reimbursables Total					129.60
Exeltech Subtotal					13,321.73



Business of the City Council
City of Gig Harbor, WA

Subject: WWTP Phase 2 – Habitat and Stream Buffer Mitigation Plan – Consultant Services Contract Amendment #1 with Grette Associates

Proposed Council Action:

Move to: Approve and authorize the Mayor to execute Amendment #1 to the Contract with Grette Associates for the WWTP Phase 2 – Habitat and Stream Buffer Mitigation Plan for the amount not-to-exceed \$6,751.36 for an amended contract total of \$15,433.36.

Dept. Origin: Public Works/Engineering

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

For Agenda of: February 10, 2014

Exhibits: Amendment #1 to Consultant Services Contract with Exhibit A–Scope of Work and Estimated Cost and Fee

	Initial & Date
Concurred by Mayor:	<i>SM</i> 2/5/14
Approved by City Administrator:	<i>R</i> 2/4/14
Approved as to form by City Atty:	Via email 1-30-14
Approved by Finance Director:	<i>CR</i> 2/5/14
Approved by Public Works Director:	<i>SM</i> 2/3/14
Approved by City Engineer:	<i>SM</i> 2/3/14

Expenditure Required	\$6,751.36	Amount Budgeted	\$6,000,000	Appropriation Required	None	\$0
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INFORMATION / BACKGROUND

This contract amendment provides for the preparation of a Final Wetland Mitigation plan that will be incorporated during the construction of the Phase 2 improvements and for the first year plant establishment monitoring.

FISCAL CONSIDERATION

Sufficient funds are available within the Wastewater Capital budget to cover this expenditure.

BOARD OR COMMITTEE RECOMMENDATION

N/A

RECOMMENDATION / MOTION

Move to:

Approve and authorize the Mayor to execute Amendment #1 to the Contract with Grette Associates for the WWTP Phase 2 – Habitat and Stream Buffer Mitigation Plan for the amount not-to-exceed \$6,751.36 for an amended contract total of \$15,433.36.

FIRST AMENDMENT
TO
CONSULTANT SERVICES CONTRACT
BETWEEN THE CITY OF GIG HARBOR AND
GRETTE ASSOCIATES LLC

THIS FIRST AMENDMENT is made to that certain Consultant Services Contract dated October 28, 2013, (the "Agreement"), by and between the City of Gig Harbor, a Washington municipal corporation (hereinafter the "City"), and Grette Associates LLC, a limited liability company organized under the laws of the State of Washington (hereinafter the "Consultant").

RECITALS

WHEREAS, the City is presently engaged in completing the WWTP Phase 2 – Habitat and Stream Buffer Mitigation Plan and desires to revise consultation services in connection with the project; and

WHEREAS, Section 17 of the Agreement requires the parties to execute an amendment to the Agreement in order to modify the scope of work to be performed by the Consultant and to amend the amount of compensation paid by the City;

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

Section 1. Scope of Work. Section 1 of the Agreement is amended to add the work as shown in **Exhibit A – Scope of Work**, attached to this Amendment and incorporated herein.

Section 2. Compensation. Section 2(A) of the Agreement is amended to increase compensation to the Consultant for the work to be performed as described in **Exhibit A** in an amount not to exceed Six Thousand Seven Hundred Fifty-One Dollars and Thirty-Six Cents (\$6,751.36), as shown in **Exhibit A**, attached to this Amendment and incorporated herein,

Section 3. Duration of Work. Section 4 of the Agreement is amended to extend the duration of this Agreement to March 1, 2016.

EXCEPT AS EXPRESSLY MODIFIED BY THIS AMENDMENT, ALL TERMS AND CONDITIONS OF THE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, the parties have executed this Amendment on this _____ day of _____, 2014.

CONSULTANT

CITY OF GIG HARBOR

By: Matthew Byrle
Its Principal

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

EXHIBIT A

Task 500 – Phase I Planting Memorandum

Grette Associates will prepare a memorandum for City staff detailing the recommended planting approach for the Phase I plantings. This memo will include a detailed map identifying the locations for the Phase I plantings, as well as species information, quantities, and plant spacing.

This Task assumes that the pre-installation meeting, installation inspection, and post-installation inspection will be conducted in conjunction with Phase II planting and inspections. As such, the time and mileage for those meetings are included in Task 600.

An estimated budget for Task 500 is as follows:

Staff	Rate	Units	Total
Biologist 5	\$135.00	1	\$135.00
Biologist 1	\$90.00	20	\$1,800.00
Administrative	\$74.00	1	\$74.00
TOTAL TASK 500			\$2,009.00

Task 600 – Phase II Mitigation Installation Support

Grette Associates will assist Cosmopolitan Engineering in complying with the approved Gig Harbor Waste Water Treatment Plant (WWTP) Wetland and Stream Analysis Report Habitat Management Plan and Stream Buffer Mitigation Plan – Phase II Addendum (Grette Associates 2013) during and following construction of Phase II of the WWTP project. Grette staff will attend one (1) pre-installation meeting with the landscape contractor to ensure everyone is clear on which plants will be installed and where. Staff will also conduct two (2) site visit inspections during plant installation to verify the intent of the mitigation plan is followed by the landscape contractor.

Staff will then conduct one (1) site visit inspection following completion of plant installation to document the installation. Staff will install the permanent monitoring transect endpoints during this visit, and collect baseline density data with which to compare long-term density trends. These endpoints will serve as the monitoring photo points during long-term monitoring. Following this post-installation visit, staff will prepare the As-Built Memorandum documenting the installation and noting any deviations from the approved enhancement plan.

EXHIBIT A

An estimated budget for Task 600 is as follows:

Staff	Rate	Units	Total
Biologist 5	\$135.00	2	\$270.00
Biologist 1	\$90.00	48	\$4,320.00
Administrative	\$74.00	1	\$74.00
Mileage	\$ ¹	100	\$60.00
Narrows Bridge Toll	\$4.25	4	\$18.36 ²
TOTAL TASK 600			\$4,742.36

¹ Mileage will be billed at the current WSDOT or federal rate, plus applicable markup.

² Narrows Bridge Toll total includes 8% markup

Total Contract Amendment Amount: **\$6,751.36**



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

Subject: Second Reading – Waterfront Millville (WM) Residential Setback and Height Regulations

Proposed Council Action: Deliberate on the proposed amendments. The Council may take any of the following actions:

- Adopt ordinance as written
- Adopt ordinance with portions removed
- Deny amendments
- Direct staff to bring back all or a portion of the ordinance for third reading on February 10, 2014 for continued deliberation.

Dept. Origin: Planning

Prepared by: Jennifer Kester, Planning Director *JK*

For Agenda of: ~~January 27, 2014~~
February 10, 2014
Exhibit: Draft Ordinance, Planning Commission Recommendation Packet, Written Public Comments

Concurred by Mayor:

Approved by City Administrator:

Approved as to form by City Atty:

Approved by Finance Director:

Approved by Department Head:

Initial &
Date

JK 1-22-14
12 1/21/14
Email 1/2/14
N/A
JK 1/21/14

Expenditure Required	\$0	Amount Budgeted	\$0	Appropriation Required	\$0
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INFORMATION/BACKGROUND

Last summer and fall, the City Council considered a series of Planning Commission proposed amendments regarding building size and height in the downtown and waterfront areas. After one open house, two public hearing and five readings of two ordinances, the City Council passed amendments to the Downtown Business district on September 9th, 2013 (Ord. 1268) and to the Waterfront Commercial district on October 28th, 2013 (Ord. 1275) . On November 12, 2013, the Council decided to reconsider the residential amendments affecting the Waterfront Millville (WM) zoning district due to the passage of the updated Shoreline Master Program and imposition of shoreline vegetative buffers.

A draft ordinance is enclosed specific to residential buildings in the WM zoning district which Includes the following amendments that were previously considered:

Waterfront Millville Residential Setback and Height Regulations:

1. Allow homes to be built closer to the sidewalk. The front yard setback would reduce to 12 feet for the house, 6 feet for the porch, and 18 feet for the garage.

2. Allow the residential building height to be measured at the property line. The 18-foot uphill height limit measurement point would move from the building setback line to the property line abutting the street ROW.

FISCAL CONSIDERATION

None

BOARD OR COMMITTEE RECOMMENDATION

The Planning Commission recommended approval of this amendment for residential buildings in all waterfront zones on May 2, 2013. Please see the enclosed Planning Commission Recommendation.

RECOMMENDATION/MOTION

Deliberate on the proposed amendments. The Council may take any of the following actions:

- Adopt ordinance as written
- Adopt ordinance with portions removed
- Deny amendments
- Direct staff to bring back all or a portion of the ordinance for third reading on February 10, 2014 for continued deliberation.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO ZONING; REDUCING THE FRONT YARD SETBACKS AND MOVING THE HEIGHT MEASUREMENT POINT TO THE RIGHT-OF-WAY FOR RESIDENTIAL BUILDINGS IN THE WATERFRONT MILLVILLE ZONING DISTRICT; AMENDING SECTIONS 17.99.320 AND 17.99.510 OF THE GIG HARBOR MUNICIPAL CODE; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, in March 2012, the City Council directed the Planning Commission to review and identify Codes that inhibit the preservation of character-defining historic buildings in the downtown as part of the downtown preservation and revitalization planning effort; and

WHEREAS, beginning in 2012, the Planning Commission began reviewing potential amendments, conducted a walk tour of downtown Gig Harbor and participated in two town hall meetings focused on the vision for downtown; and

WHEREAS, on December 10th, 2012, the City Council adopted Resolution No. 920, The Harbor Vision Statement for the downtown area; and

WHEREAS, over the course of eleven months, the Planning Commission held 16 work-study sessions and one open house on a series of potential amendments for the downtown; and

WHEREAS, on April 11, 2013, the Planning Commission held a public hearing on a proposal to decrease the front setbacks and change the height measurement point for residential uses in the waterfront zones. After considering public testimony, the commission recommended approval of such amendments on May 2, 2013; and

WHEREAS, on June 3, 2013, the City Council held a joint meeting with the Planning Commission to review the recommended amendments; and

WHEREAS, on July 8, 2013, the City Council held a public hearing on a series of downtown amendments which included amendments to the front yard setbacks and height measurement point in the Waterfront Millville (WM) zoning district; and

WHEREAS, on September 9, 2013, the City Council did not include amendments to the WM zoning district when they adopted Ordinance 1268 approving building size and height amendments for the Downtown Business (DB) District; and

WHEREAS, on September 9, 2013, the City Council directed staff to present a separate ordinance for waterfront zones at an open house, public hearing and 1st reading on October 14, 2013; and

WHEREAS, on October 14, 2013, the Gig Harbor City Council held an open house on the proposed waterfront amendments; and

WHEREAS, on October 28, 2013, the City Council did not include amendments to the WM zoning district when they adopted Ordinance 1275 approving building size and height amendments for the Waterfront Commercial (WC) District; and

WHEREAS, on November 12, 2013, the City Council directed staff to present a separate ordinance for residential front yard setbacks and height measurement point amendments in the Waterfront Millville (WM) zoning district at a future Council meeting; and

WHEREAS, the current height measurement location for residential buildings in Waterfront Millville has led to new homes being significantly lower than historic homes as viewed from the street. The current front yard setback provisions do not allow for the retention of the historic residential character of that streetscape; and

WHEREAS, nonresidential buildings in Waterfront Millville must be located within 10 feet of Harborview and North Harborview Drive and the maximum height can be measured at the property line along the right-of-way; and

WHEREAS, the new Shoreline Master Program generally requires a 35-foot setback from the ordinary high water mark in the shoreline designation located in the Waterfront Millville (WM) zoning district, thereby reducing the buildable area of a lot along the water. The proposed decrease in front yard setbacks will help mitigate that impact to the buildable area of the lot; and

WHEREAS, decreasing the front yard setbacks and height measurement point for residential uses in the WM zoning district will make the residential requirements more consistent with the nonresidential buildings in the same zones; and

WHEREAS, the Council finds that the amendments would aid in preserving the character and scale of traditional homes in the WM zoning district; and

WHEREAS, the amendments are consistent with the Harbor Vision; and

WHEREAS, the proposed text amendments are consistent with the following goals and policies in the Comprehensive Plan:

GOAL 3.6: ARTICULATE AN ARCHITECTURAL STYLE WHICH REFLECTS GIG HARBOR'S BUILT AND NATURAL ENVIRONMENT AND WHICH APPEALS TO THE HUMAN SPIRIT; and

3.6.1. Maintain a small town scale for structures.

New structures should not overpower existing structures or visually dominate Gig Harbor's small town city-scape, except as approved landmark structures; and

GOAL 3.7: ENCOURAGE BUILDING DESIGNS WHICH DEFINE AND RESPECT THE HUMAN SCALE. *The scale of the building in relation to the human form should be obvious, particularly at the sidewalk level; and*

GOAL 3.15 IDENTIFY, PRESERVE AND DEVELOP AN APPROPRIATE WATERFRONT ARCHITECTURE; *and*

GOAL 3.18 TO PRESERVE THE CHARACTER OF THOSE SITES OR DISTRICTS WHICH REFLECT THE STYLE OF GIG HARBOR'S HISTORICAL DEVELOPMENT; *and*

3.18.2. Develop guidelines which promote compatible development within designated areas.

Guidelines should specify building forms, styles, and motifs appropriate for Gig Harbor's historic areas; and

WHEREAS, the proposed development regulations amendments were forwarded to the Washington State Department of Commerce on April 26, 2013, pursuant to RCW 36.70A.106; and

WHEREAS, the City's SEPA Responsible Official issued a Determination of Nonsignificance (DNS) for the amendments reducing the front setbacks and height measurement point for residential uses on May 29, 2013; and

WHEREAS, the Gig Harbor City Council considered the Ordinance at first reading and public hearing on January 13, 2014; and

WHEREAS, on January 27, 2014, the City Council held a second reading during a regular City Council meeting; Now, therefore,

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

Section 1. Subsection 17.99.320(A) in the Design Manual chapter of the Gig Harbor Municipal Code is hereby amended, to read as follows:

A. Conform to residential setback requirements.

1. FRONT SETBACK MINIMUM House – 20 feet; in Waterfront Millville – 12 feet
Garage – 26 feet; in Waterfront Millville – 18 feet
Porches – 12 feet; in Waterfront Millville – 6 feet

2. SIDE SETBACK/VIEW CORRIDOR MINIMUM**

- a. For site with one building - On a 50-foot-wide lot, 20 feet of combined side yard setback/view corridor is required and may be allotted as desired except that a minimum of five feet on any one side is required. For every additional foot of lot width beyond 50 feet, an additional one-quarter foot of side yard setback/view corridor is required. On sites with less than 50 feet of width, one-quarter foot of side yard setback/view corridor shall be eliminated for every foot of lot width less than 50 feet; provided that a

minimum of 5 feet of setback/view corridor shall be provided on all side yards.

b. For sites with multiple buildings – Side yard setbacks/view corridors shall be provided in an amount equivalent to 20 feet for the first 50 feet of lot width. For every additional foot of lot width beyond 50 feet, an additional one-quarter foot of side yard setback/view corridor shall be provided. On sites with less than 50 feet of width, one-quarter foot of side yard setback/view corridor shall be eliminated for every foot of lot width less than 50 feet. The side yard setbacks/view corridors may be allotted in one of the following ways:

i. The total of the required side yard setback/view corridor shall be provided adjacent and parallel to the side property lines along the entire length of the property provided that a minimum of five feet of setback/view corridor shall be provided on all sides; or

ii. If the lot is 100 feet or more in width, a minimum side yard setback/view corridor of five feet shall be provided adjacent to abutting properties and setback/view corridor(s) a minimum of 20-feet wide shall be provided between buildings on the subject site. Lots narrower than 100 feet wide are not eligible for this provision.

c. View Corridors – In waterfront zoning districts, view corridors shall be provided perpendicular to a designated parkway or parallel to the side property lines along the entire length of the property. In all other zoning districts, view corridors shall be provided parallel to the side property lines along the entire length of the property. All required view corridors shall be open from the ground to the sky except that appurtenances allowed by the definitions of “yard” in Section 17.04.880 GHMC and “yard, side” in Section 17.04.910 GHMC may be located within the corridor.

3. REAR SETBACK MINIMUM** – As defined for each underlying zone in the Gig Harbor Municipal Code, or 25 feet, whichever is less.

4. OVERWATER STRUCTURE SETBACK:

Setbacks for overwater structures shall be governed by the Gig Harbor Shoreline Master Program and shall be exempt from this section.

** See additional setback provisions in subsection C of this section.

* * *

Section 2. Subsections 17.99.510(A), Building massing and height – Historic District, in the Design Manual chapter of the Gig Harbor Municipal Code are hereby amended, to read as follows:

A. Incorporate characteristic roof lines and massing into residential structures.

Historic structures in Gig Harbor are characterized by similar roof lines and massing. All residential structures within the historic district must meet the following criteria:

1. MINIMUM ROOF PITCH.

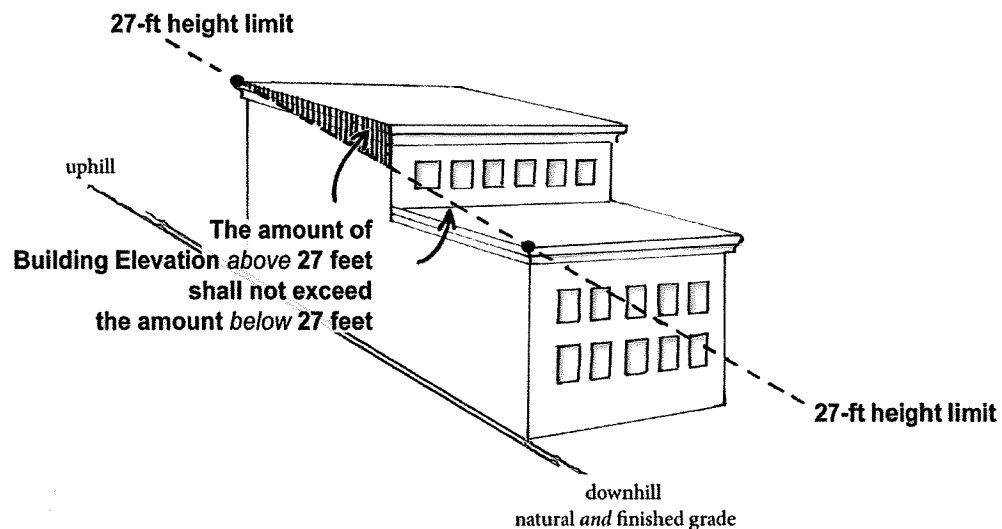
Roof pitches shall be minimum 6/12 and maximum 12/12 on all portions of the roof except for (a) shed dormers, (b) porches, (c) the lower pitched roof portion on a saltbox-style structure, and (d) steeples, bell towers, and similar accentuated structures.

2. MAXIMUM HEIGHT – DB ZONE SOUTH OF ROSEDALE STREET and PORTION OF THE WC ZONE ABUTTING THE DB ZONE.

A building shall not exceed 27 feet above natural and finished grade as measured from the building footprint except as allowed for stepped-down buildings as follows:

On sloped sites, the elevations of buildings may be stepped-down and those stepped down sections may exceed the 27-foot maximum provided that the uphill and downhill facades do not exceed 27 feet above natural and finished grade as measured from the building footprint and that the amount of elevation above 27 feet does not exceed the amount of elevation below 27 feet as shown in Figure A below. Safety rails surrounding roof top patios or gardens that are stepped back from the most forward front face of perimeter cornice are not included in the elevation provided the safety rail meets the design requirements of balustrades in GHMC 17.99.540(B) and provide a minimum of 60% transparency.

FIGURE A



3. MAXIMUM HEIGHT – ALL OTHER ZONES.

Each residential lot is allowed a building height of up to 18 feet from any point within the buildable area and within 50 feet of the building's footprint; provided, that no portion of the structure exceeds 27 feet above natural and finished grade. In the Waterfront Millville (WM) zone, the point at which the 18-foot maximum is measured may be at the highest point within the lot along the street right-of-way. Additionally, one BASIC STRUCTURE measuring 25 feet wide by 40 feet deep by 27 feet high may be incorporated into the building design based upon the following criteria:

- a. The height of the basic structure shall be measured from the lowest elevation point at the setback lines. Height shall be measured from natural grade.
- b. The ridge of the basic structure shall be perpendicular to the shoreline or "point" to a significant view.
- c. No structures other than chimneys shall extend beyond the area defined by the gable or hip, i.e., no structure shall extend above the common rafter extending from the top wall plate to the ridge unless it is within the underlying 18-foot height envelope.
- d. The minimum roof pitch is 8/12. Equal pitches are used on the remaining portion of the house.
- e. A full-width front porch shall be included on the front side of the basic structure unit and windows on the entire structure shall be true-divided light windows if a grid pattern is desired.
- f. All other setback and height requirements are complied with.

[Note: Retain graphic at this location]

4. INTERSECTING GABLES OR DORMERS.

- a. To avoid expansive roof planes, fascia boards may not exceed 35 feet in length without an intersecting gable, dormer or similar architectural element incorporated into the roof plane above the fascia board on pitched roofs.
- b. The total width of all dormers, gables, and similar architectural elements shall not exceed 50 percent of the width of the roof plane on which those elements are located.
- c. This requirement does not apply to BASIC STRUCTURES defined under subsection (A)(2) of this section.

* * *

Section 3. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 4. Effective Date. This Ordinance shall take effect and be in full force five (5) days after passage and publication of an approved summary consisting of the title.

PASSED by the Council and approved by the Mayor of the City of Gig Harbor, this ___ day of _____, 2014.

CITY OF GIG HARBOR

Mayor Jill Guernsey

ATTEST/AUTHENTICATED:

Molly M. Towslee, City Clerk

APPROVED AS TO FORM:
Office of the City Attorney

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO:



DEVELOPMENT SERVICES

**NOTICE OF RECOMMENDATION
CITY OF GIG HARBOR PLANNING COMMISSION**

TO: Mayor Hunter and Members of the Council
FROM: Harris Atkins, Chair, Planning Commission
RE: Residential Building Height and Front Setbacks Requirements in Waterfront Zones

Application:

This application was initiated by the City of Gig Harbor after the City's Historic Preservation Office and the Planning Department identified an issue with where height is being measured for residential buildings along the waterside of Harborview and North Harborview Drive in the Historic District. New homes built under current regulations are significantly lower than historic homes as viewed from the street and the front yard setbacks are not consistent with the historic streetscape.

Planning Commission Review:

The Planning Commission held two work study sessions on February 21, 2013 and March 7, 2013.

Upon review of existing codes and built conditions, the Planning Commission proposed two amendments for residential buildings in the waterfront zones:

1. Height Measurement Location: Change where the 18-foot uphill height limit is measured from the building setback line to the property line abutting the street ROW.
2. Front Setback: Change the front setback to more closely reflect existing street setbacks of historic homes as follows:

House – 12 feet
Garage – 18 feet
Porches – 6 feet

A public hearing was held on April 11, 2013. Upon consideration of the comments received, the Planning Commission held a work study session on May 2, 2013 and recommended **APPROVAL** of the amendments contained at the end of this notice.

Findings of Fact:

The Planning Commission makes the following findings of fact in relation to their recommendation of approval:

1. The City's Comprehensive Plan includes the following policies which support the amendments:

GOAL 3.15: IDENTIFY, PRESERVE AND DEVELOP AN APPROPRIATE WATERFRONT ARCHITECTURE

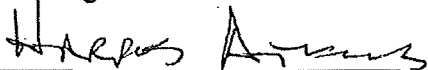
GOAL 3.18: TO PRESERVE THE CHARACTER OF THOSE SITES OR DISTRICTS WHICH REFLECT THE STYLE OF GIG HARBOR'S HISTORICAL DEVELOPMENT.

3.18.2. Develop guidelines which promote compatible development within designated areas.

Guidelines should specify building forms, styles, and motifs appropriate for Gig Harbor's historic areas.

2. The current height measurement location for residential buildings on the waterside of Harborview and North Harborview Drive has led to new homes being significantly lower than historic homes as viewed from the street.
3. The current front yard setback provisions do not allow for the retention of the historic residential character of that streetscape.
4. Nonresidential buildings along the same street frontage must be located within 10 feet of Harborview and North Harborview Drive and the maximum height can be measured at the property line along the right-of-way.
5. Proposed amendments will allow new homes to be closer to the sidewalk and bring entries to the street level to better match the historic streetscape.
6. Existing view corridor and side setback requirements will not change under the proposal.
7. The proposed amendments will make the residential requirements more consistent with the nonresidential buildings along the same streetscape.
8. The new Shoreline Master Program is expected to require a setback from the ordinary high water mark, the smallest of which is 35 feet, thereby reducing the buildable area of a lot along the water. The proposed decrease in front yard setbacks will help mitigate that impact to the buildable area of the lot.
9. The Planning Commission finds that the proposed amendments are consistent with the Harbor Vision statement and with the comments heard at the public hearing for these amendments.

Harris Atkins, Chair
Planning Commission



Date 5/2/2013

Residential Height Measurement Location in Waterfront Zones

GHMC 17.99.510(A). Incorporate characteristic roof lines and massing into residential structures.

Historic structures in Gig Harbor are characterized by similar roof lines and massing. All residential structures within the historic district must meet the following criteria:

* * *

2. 3. MAXIMUM HEIGHT – ALL OTHER ZONES.

Each residential lot is allowed a building height of up to 18 feet from any point within the buildable area and within 50 feet of the building's footprint; provided, that no portion of the structure exceeds 27 feet above natural and finished grade. In applicable waterfront zones (WR, WM and WC), the point at which the 18-foot maximum is measured may be at the highest point within the lot along the street right-of-way. Additionally, one BASIC STRUCTURE measuring 25 feet wide by 40 feet deep by 27 feet high may be incorporated into the building design based upon the following criteria:

- a. The height of the basic structure shall be measured from the lowest elevation point at the setback lines. Height shall be measured from natural grade.
- b. The ridge of the basic structure shall be perpendicular to the shoreline or "point" to a significant view.
- c. No structures other than chimneys shall extend beyond the area defined by the gable or hip, i.e., no structure shall extend above the common rafter extending from the top wall plate to the ridge unless it is within the underlying 18-foot height envelope.
- d. The minimum roof pitch is 8/12. Equal pitches are used on the remaining portion of the house.
- e. A full-width front porch shall be included on the front side of the basic structure unit and windows on the entire structure shall be true-divided light windows if a grid pattern is desired.
- f. All other setback and height requirements are complied with.

* * *

GHMC 17.99.320 Historic district residential setbacks.

A. Conform to residential setback requirements.

- | | |
|--------------------------|---|
| 1. FRONT SETBACK MINIMUM | House – 20 feet; <u>in Waterfront Zones – 12 feet</u>
Garage – 26 feet; <u>in Waterfront Zones – 18 feet</u>
Porches – 12 feet; <u>in Waterfront Zones – 6 feet</u> |
|--------------------------|---|

Kester, Jennifer

From: Tomi Kent-smith [tomikent@msn.com]
Sent: Friday, December 20, 2013 8:26 AM
To: Guernsey, Jill
Cc: Ekberg, Steve; Payne, Tim; Perrow, Michael; Arbenz, Casey; Kadzik, Paul; Malich, Ken
Subject: Comments regarding Millville Neighborhood Proposed Ordinance Change

Am I for or Against the Proposed Ordinance Changes for the Millville Neighborhood?

It doesn't really matter, what matters is there are so many rumors and interpretations circulating about the proposed changes to be presented and possibly voted on at the City Council meeting on January 13th.

So I thought I would add my interpretation to the conversation. However if you want to know the real story, you need to attend the Council meeting and/or contact the City of GH Planning Department. Otherwise you are just getting someone else's reading on the story.

I need to add a disclaimer to the information that follows which represents my interpretation of what all this means. I am neither an architect nor an attorney, I can only tell you how I see the result of the proposed ordinance changes.

So, here's my point of view:

1. The most important issue is that this applies only to residential waterfront properties. Please note "residential". It does not apply to commercial waterfront properties.
2. GH Shoreline Master Program is in response to the state mandated Shoreline Management. GH's program has established a required minimum setback from the shore/water's edge where one did not exist before.

What does this mean? On a standard 100' X 50' lot, there will now be a minimum 35' setback leaving only 65' for the property owner to develop as a residence less the minimum front (sidewalk) setback.

- Currently that setback is 20"; recommended to be 12' in the *waterfront zone* for the houses.
- Currently that setback is 26'; recommended to be 18' in the *waterfront zone* for the garages
- Currently that setback is 12'; recommended to be 6' in the *waterfront zone* for the porches

I believe that these changes would bring the standard setback for residential houses on the waterfront to correspond with the historic setbacks for all the houses in the Millville Neighborhood. Why? Because historically, I believe, commercial structures were generally placed directly adjacent to the sidewalk/street so the customers didn't have to navigate the mud to enter the establishment.

The residential structures though generally had a small front yard with a setback of approximately 9 feet from the street/sidewalk. This allowed them when sitting on their porches easy access to visit with their neighbors walking by.

Hopefully this helps to explain the setback change, and to allow a better understanding of the "why". And, perhaps it will bring and continue to create conformity to the Millville Neighborhood.

3. Now, the height issue - the height will remain at the current 18'. The change will be the point at which the measurement will be taken. The change allows the height measurement to be taken at the front property line which allows for variation due to the grade (slope) of the lot.

The resulting change - approximately 6 inches to 2 ft. in overall height. That, you must admit is very minor insofar as the big picture.

4. Because to my knowledge there are really no undeveloped residential lots in the Millville Neighborhood waterfront, these changes will only affect extensive rehabs of current residential structures.
5. There is no change in the side setbacks.
6. The Design Code does not change and still applies to any project.

I am not asking you to agree with me; I am only asking that you research the changes before making a decision pro or con. Again, as stated at the beginning of this explanation, I have not yet decided yea or nay on the issue.

Ms Tomi Kent Smith
3414 Harborview Drive
Gig Harbor WA 98332

Kester, Jennifer

From: Charles Thompson [thompsonch1@gmail.com]
Sent: Friday, December 27, 2013 5:45 PM
To: Kester, Jennifer
Subject: WM Zone Amendments

Thank you for the update on the upcoming council meeting to be held January 13, 2014.

Unfortunately, my wife and I will be out of town on that dating. That said, I did want to make comment on the proposed WM Zoning amendments. I am not sure any of my opinion will have any impact. Members of the council, aside from one council member, made it quite clear that citizen voices would not make any change in their vote when it came to approve waterfront zoning amendments.

I'm sure you are aware of the negative impact felt by a majority of Gig Harbor citizens on that past issue. Apparently, the council had already made up their minds.

So with the upcoming public hearing on the WM Zoning Amendments, I would take a negative vote. But then again...who is listening?

Thanks again for the update.

Chuck Thompson
Gig Harbor, Wa

Kester, Jennifer

From: Michael Crites [mjcrites@gmail.com]
Sent: Friday, December 27, 2013 5:57 PM
To: Kester, Jennifer; Diane Crooks
Subject: Millville Setback and hight regulations

I'm in full support of the proposed changes to setbacks and hight regulations in the Millville district. The proposed changes will put the Millville District closer to being how cities an homes were traditionally constructed, will aid in attracting development and redevelopment, will help to slow and calm traffic, and increase the Millville areas walkability.

If anything, the setbacks should be less than what the city is calling for.

Michael Crites
9514 Goodman Ave
Gig Harbor WA 98332

Kester, Jennifer

From: bobfrisbie@foxinternet.com
Sent: Monday, December 30, 2013 12:24 PM
To: Kester, Jennifer; Tim Payne; Payne, Tim; Michael Perrow; Jill Guernsey; Malich, Ken; Paul Kadzik; Kadzik, Paul; Ekberg, Steve
Cc: Bob Frisbie
Subject: Millville District - Proposed Residential Amendments

I am writing for myself and Richard B. Allen.

We oppose the proposed amendments to the waterside of Harborview Dr in the Millville District.

Please instruct the staff to not make recommendations to change any of the Millville District zoning laws without a petition being submitted from the Millville residents.

The Millville residents created this zone +25 years ago.
This zone was not created by the City staff. The Zoning has worked and is working.

There is only three properties where this change would probably be applied. The Stearns property, our property at 3521 Harborview and the Bujicich Dock property. This recommendation from staff?????? is not good for the Millville community.

Thank you,

Bob Frisbie, Phone: 253.224.3524
Dick Allen, Phone: 253.851.2124

Kester, Jennifer

From: Jeff Acker [acker5219@gmail.com]
Sent: Wednesday, January 01, 2014 1:17 PM
To: Kester, Jennifer
Subject: Waterfront Millville Residential Setback and Height Regulations

I would like to comment on the **Waterfront Millville Residential Setback and Height Regulations.**

I feel it is not fair to change the setbacks and height requirements at this point just to help one or two individuals. Everyone living here has dealt with the current regulations, why compromise now? I am still upset with the last changes for the downtown, this will not help the business survive but only promote more parking problems.

Jeff Acker
3320 Lewis st.
Gig Harbor

Kester, Jennifer

From: Tomi Kent-smith [tomikent@msn.com]
Sent: Wednesday, January 08, 2014 12:17 PM
To: Kester, Jennifer
Cc: Guernsey, Jill; Payne, Tim; Malich, Ken; Ekberg, Steve; Perrow, Michael; Kadzik, Paul; Arbenz, Casey
Subject: Millville Proposed Ordinance Changes

Follow Up Flag: Follow up
Flag Status: Completed

After reading this morning's Peninsula Gateway (January 8th, 2014) I felt I had to make another comment regarding the reference subject.

When people walk along Harborview Drive, and look at non-waterfront or west side, they can see the houses on Ross Avenue. Almost all of those houses on the east side of Ross Avenue have had the additional height benefit of being situated on a slope that is being proposed in the new ordinance change. Walking along Ross Avenue, you will see the houses on the east side of Ross appear to be the 18 feet height limitation. However the rear of those same houses appear to be at the 26-27 feet height limitation.

Under the new ordinance as I read it, the houses on the waterfront or east side of Harborview Drive will still be at the current 18 foot height; only the water side of said houses will appear larger. The actual roof line will *not* change, but will appear to be at the 18 foot height from the street.

The houses on the Pierce County (east harbor) already are built with the tallest portion of the houses visible from the water.

Therefore I believe that objections as stated to-date are incorrect insofar as the visual impact of the change.

Ms. Tomi Kent-Smith
3414 Harborview Drive
Gig Harbor, WA 98332

Kester, Jennifer

From: Debra Ross [debraross80@yahoo.com]
Sent: Wednesday, January 08, 2014 3:31 PM
To: Kester, Jennifer
Subject: Waterfront Millville Residential Setback & Height Regulations

Jennifer

Thank you for your time today to meet with Dave Morris and me regarding the Harbor History Museum and the possible placement of the proposed bronze statue on Museum property. We appreciate the help you gave us today.

As the owner of a commercial building in Waterfront Millville I have no issues with the Waterfront Millville residential setback and height regulations code amendments that will be considered at the Gig Harbor City Council Public Hearing this Monday, January 13, 2014.

Thank you again.

Debra

Debra L. Ross
253-851-4751 home, office, fax
253-970-3966 cell

Kester, Jennifer

From: Virginia Kenefick [vkene@centurytel.net]
Sent: Thursday, January 09, 2014 6:35 PM
To: Kester, Jennifer
Subject: Waterfront Millville Residential Comments

We have lived in this neighborhood since 1979 and always enjoy walking round the beautiful harbor. Over the decades we have seen the precious views gradually nibbled away by new buildings and we would hate to see any more 'nibbles' spoil the character of Gig Harbor. Perhaps allowing buildings to start nearer the sidewalk will give the illusion of being crowded rather than open to the water and trees. Hopefully the City Council is very aware of all this. It would be a shame if we can't trust them.

George and Virginia Kenefick

Kester, Jennifer

From: citizensforgigharbor@gmail.com
Sent: Saturday, January 11, 2014 9:47 AM
To: Guernsey, Jill; paulkadzik@comcast.net; Tim Payne; Malich, Ken; Ekberg, Steve; Perrow, Michael; Arbenz, Casey
Cc: Kester, Jennifer
Subject: Residential zoning WM

Good morning Mayor Guernsey;

Thought it might be good to clean up the record a little bit.

On Dec 10, 2013 I asked to meet with you. You asked specifically the topic. The reply was the Public Visioning Meeting from April 25, 2012..specifically about 1:15 into the recording.

The City of Gig Harbor does not keep verbatim minutes of public meetings. However, the city does keep recordings.

This is a partial transcript is taken directly from a public meeting on visioning, April 25, 2012:

Attending this meeting is a group of developers and their architect and attorney and the members of the downtown Visioning committee.

The discussion is about community input on downtown changes.

Council member Malich: *and not necessarily professional input, but the people I represent..you know, I have to ask them, what do you think? And what do you want to see there?*

Then Council member Guernsey: *and I guess on of the things that John (attorney for developers) had said, is if they get pushback they don't want to do it. And I can certainly appreciate that and so the public participating and process and all of that is key. More than just what the code says is required. I think this is above and beyond. How do you present this to the community, how do you make the community aware? How do you get that input that you want so people don't all...my God, this is a surprise, we've never heard about this and it's horrible. Nobody needs that that's hard to figure out how to do. But I think it's important.*

Architect David Boe: *Curious and I hope it's not a political question as much as just a curiosity. When we say the community, clearly we understand neighbors and everybody who lives down there has input. But the question is does the person who lived 8 miles away and comes into Gig Harbor twice a week have the same input?*

Then Council member Guernsey: *Well, let me just tell you my reactions to that because you know I live up the hill and away and this that in the other, but I see Gig Harbor being a small town. And a larger community outside of town. Those are the people that, they live here whether they live in the city limits or not. They feel part of it. And that's one of the pluses to me of this area. And so, I think you want a buy in, for want of a better work, or awareness, or openness, from any of those people and all of those people.*

Then Mayor Hunter: *I think you need to include as much of the community as you can include because as Jill said, people who live in Gig Harbor live in Gig Harbor, outside of the city limits but they are still a part of it.....*

Then council member Guernsey: *They consider themselves.....and those are the people you want to come here to. I don't think you want anybody to feel if you can help it this is something you*

cooked up and you got it run through without caring what other people thoughts and that's the hard part.

Gig Harbor Planning Department personnel: *And we've always studied this in the past. The feeling has always been if the immediate neighborhood is not for it, doesn't matter what the rest of the community...*

Then Council member Guernsey: *it doesn't go any further. I can appreciate that.*

The above is transcribed from the recording of that meeting. Clearly we hear you concurring with the Planning Department that if the immediate neighborhood is not for it...it doesn't go any further. Gig Harbor citizens are aware of this conversation and we take you at your word.

Perhaps the other council members would find this interesting listening. Downtown Planning and Visioning, April 25, 2012. Approximately 1:15 into the recording.

We are also copying Jennifer Kester, Gig Harbor Planning as we would like this entered into the record regarding proposed amendments in WM.

Thank you,

Jeni Woock

Citizens for the Preservation of Gig Harbor

Citizens for the Preservation of Gig Harbor

CPGH: Citizens coming together to preserve Gig Harbor neighborhoods

Gig Harbor citizens say NO to all proposed new zoning rules anywhere on Harborview Drive.

We Do Not Inherit the Earth from Our Ancestors; We Borrow It from Our Children and protect It for Generations to Come!

Please LIKE our facebook page: <https://www.facebook.com/Citizens4GigHarbor>

KINDNESS MATTERS

Kester, Jennifer

From: Ehren Gossler [egossler@gmail.com]
Sent: Monday, January 13, 2014 9:20 AM
To: Kester, Jennifer
Subject: Waterfront Millville Residential Comments

Hi,

I am a resident of Gig Harbor and read with concern the article in the Gateway regarding the proposed zoning changes to the Millville section of the waterfront. I am strongly opposed to any zoning changes that allow building height to be measured closer to Harborview Drive. This will obstruct views and lead Gig Harbor one step closer to adopting the aesthetics of Kirkland. Will that happen overnight if the Millville zoning changes? No, but it means even more of the city's character and charm will be lost. How many more times will the city continue to defy what so many Gig Harbor residents wish to preserve for the sake of a small number of people who own valuable waterfront and downtown properties?

I implore you to keep the wishes of the citizenry in mind as this proposed zoning change is considered. Stop chiseling away at the protections already fought for and approved and, above all else, keep Gig Harbor's charm and appeal intact. If we lose that, what will draw visitors and boaters to Gig Harbor 20 years from now? Dated condominiums and luxury homes? I think not. Please keep the current zoning changes in place, especially after the recent changes to the waterfront business district. Many of us feel we are watching the Gig Harbor we love so dearly slowly losing its character. And, unfortunately, once lost, cannot be regained with a simple city council vote.

Thank you for your consideration,

Ehren Gossler

Kester, Jennifer

From: erik hansen [hans55@sbcglobal.net]
Sent: Sunday, January 12, 2014 10:09 AM
To: Kester, Jennifer
Subject: Changes to Gig Harbor,s waterfront - no!!!!!!!!!!!!!!!!!!!!

Gig Harbor,s waterfront is not yours to ruin. Please vote no to any changes.

Thanks,

E. Hansen
Gig Harbor

Kester, Jennifer

From: matt42mtq@comcast.net
Sent: Monday, January 13, 2014 12:46 PM
To: Kester, Jennifer
Subject: Proposed Amendments to The Waterfront Millville Residential Setback and Height Regulations.

This is to advise the City Council that I oppose the proposed amendments to the Waterfront Millville Residential Setback and Height Regulations.

In the Millville area, none of the properties of concern that I have personally observed would be adversely affected by being held to the current regulations. The only parcel that would have been prejudiced (by the current regulations) is the Ancich property, which the city recently purchased and is not now a candidate for private development.

The topographic properties of all current parcels of concern do not present any conditions that would warrant special variances to make residential building feasible. I do not feel that 'crowding' residences closer to sidewalks, plus increasing structure heights, is conducive to increasing the 'walking-friendly' feeling in this heavily traveled zone.

If a particular Millville property does experience a prejudicial issue during development, then that situation should be resolved through a variance application on it's own basis.

Thank you for your consideration of my concerns with these proposed amendments,

Randy Mueller
3514 Harborview Drive
Gig Harbor 98332

Kester, Jennifer

From: Towslee, Molly
Sent: Monday, January 13, 2014 1:41 PM
To: Kester, Jennifer
Subject: FW: Salary Commission

Jenn,

I've printed this out to pass out tonight.

Molly Towslee, City Clerk

253.853-7613 Direct Line



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From: Bay City Motors [<mailto:baycitymotors@hotmail.com>]
Sent: Monday, January 13, 2014 12:57 PM
To: Towslee, Molly
Subject: RE: Salary Commission

Hi Molly,

Could you please forward to the council and put into the record.

Thank you

Council and Mayor-

This amendment will not aid in preserving the character and scale of homes in the WM district, The fact is it will be a major change in the traditional build out. There are only 2 houses that are closer than 20 feet to the sidewalk. Have any of you personally went out and measured? I have,councilmen payne was with me when I measured the Ivanovich house and the Ancich house next door. The Ivanovich house porch is 12+ and the house is 20 feet from the backside of the light pole foundation. The Ancich house is 25 feet back. One point this council have never addressed is that both sides of the street make up a "streetscape". Houses on the uphill side of Harborview without question are 20 feet or much further than the sidewalk. How does this amendment take this into consideration? It is also clear that this does nothing to address the notion of houses in a so called "holes," unless you will allow a lot of back fill. The majority of reasons stated in the planning commission letter dated 5/2/13 are flat out false. It comes down to the only factual issue is that this has to do with the council trying to "give back" something for the council passing bad legislation (the SMP). The 35 ft

vegetative setback is absurd and should never been approved.

If you decide to move forward with this ordinance I would request you amend it to only apply to development of parcels that abut the water and are affected by the 35 ft setback. This will respect the historic buildout.

Thank You,

Bay City Motors

253-857-4498

14518 Purdy Dr. NW

Gig Harbor Wa, 98332

From: TowsleeM@cityofgigharbor.net

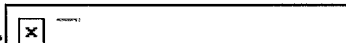
To: baycitymotors@hotmail.com

Date: Tue, 17 Dec 2013 17:09:40 -0800

Subject: Salary Commission

Molly Towslee, City Clerk

253.853-7613 Direct Line



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Business of the City Council
City of Gig Harbor, WA

Subject: First Reading and public hearing of Ordinance - Adoption of Interim Regulations re: Separation of Marijuana Retail establishments

Proposed Council Action: Hold public hearing, consider ordinance on first reading and bring back for adoption at second reading.

Dept. Origin: Planning

Prepared by: Lindsey Sehmel

LS

For Agenda of: February 10, 2014

Exhibits: Draft ordinance

Initial &
Date

Concurred by Mayor:

Approved by City Administrator:

Approved as to form by City Atty:

Approved by Finance Director:

Approved by Department Head

BSH 1/29/14
D 1/29/14
email 1/21/14
N/A
JK 1/29/14

Expenditure Required	n/a	Amount Budgeted	n/a	Appropriation Required	\$0
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INFORMATION/BACKGROUND

Enclosed for your review is an ordinance that would adopt interim regulations for 2,500 foot separation requirements of marijuana retailers licensed by the State under Initiative 502. The permanent regulations adopted under Ordinance No. 1271 did not establish a separation threshold for marijuana retailers. Staff has recently communicated with the Washington State Liquor Control Board (WSLCB) and was informed that there is no maximum number of retail shops the state would restrict licensing to within the city limits of Gig Harbor and that WSLCB would potentially issue upwards to five or six retail licenses and is legally allowed to issue up to 17 retail licenses within the city.

Initiative 502, approved by voters in November 2012, decriminalized certain use, production, processing and possession of marijuana for adult recreational purposes. It also established the framework for administration and licensing through the Washington State Liquor Control Board. On January 16, 2014 the Washington State Attorney General issued an opinion that cities have the ability to restrict marijuana uses and establish zoning requirements beyond the parameters the initiative laid out. With the information received from the WSLCB earlier this month and the State Attorney General opinion, city staff was directed to establish additional thresholds for permitting that would avoid the grouping and concentration of marijuana retailers in any one part of the City. The interim regulations would create the requirement of a 2,500 foot separation from property line to property line for any marijuana retailers.

The Liquor Control Board anticipates the retail lottery to be conducted at or near the end of the month of February. Council could consider the ordinance at first reading with a majority plus one or hold second hearing on February 24th.

FISCAL CONSIDERATION: None.

BOARD OR COMMITTEE RECOMMENDATION: None, a work program has been identified

within the draft ordinance.

RECOMMENDATION/MOTION: Hold public hearing, consider ordinance on first reading and bring back for adoption at second reading.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO LAND USE AND ZONING; ADOPTING INTERIM ZONING REGULATIONS RELATING TO THE SEPARATION OF MARIJUANA-RELATED RETAIL USES; AMENDING SECTION 17.63.030(F) OF THE GIG HARBOR MUNICIPAL CODE; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Initiative 502 was passed by the voters of the State of Washington in November 2012, providing a framework under which marijuana producers, processors, and retailers can become licensed by the State of Washington; and

WHEREAS, in response and after a public hearing the Gig Harbor City Council approved Ordinance No. 1271 on September 23, 2013, adopting permanent regulations relating to marijuana uses; and

WHEREAS, under Initiative 502, the Washington State Liquor Control Board was tasked with the responsibility to adopt the rules governing the licensing and operations of marijuana producers, processors, and retailers, and the Board adopted such rules at chapter 314-55 of the Washington Administrative Code, effective November 21, 2013; and

WHEREAS, WAC 314-55-081 authorized the Liquor Control Board to determine the maximum number of marijuana retail locations per county and within cities with higher populations, with the intent of distributing that number proportionate to the most populous cities within each county. This included an "at large" number for locations in unincorporated areas in the county or in small cities within the county that have no designated number of retail licenses; and

WHEREAS, due to the relatively small population in the City of Gig Harbor, the Liquor Control Board did not designate a number of retail licenses that could be approved in the City of Gig Harbor; and

WHEREAS, on January 7, 2014 staff was informed by the Washington State Liquor Control Board that (other than the cap in Pierce County) there were no limitations to the number of marijuana retailers they would license within the City of Gig Harbor, even though the distribution of retail licenses was to be correlated with population; and

WHEREAS, the Liquor Control Board began accepting applications for all license types on November 18, 2013 and anticipates issuance of licenses in March/April 2014; and

WHEREAS, RCW 35A.63.220 and RCW 36.70A.390 authorize the City to adopt interim zoning regulations for a period of up to 12 months with a work plan after a public hearing and adoption of findings justifying the same; and

WHEREAS, in order to avoid the unintended concentration of marijuana retail uses within the City, staff has been directed to present interim regulations that would provide for separation of marijuana retail uses to ensure that the City does not experience the unintended concentration of marijuana retail uses; and

WHEREAS, on January 16, 2014, the Washington State Attorney General opined that I-502 does not preempt local authority to regulate such businesses beyond the minimum requirements of state law; and

WHEREAS, the Gig Harbor City Council, after a public hearing and after considering all testimony given, determined that adoption of these interim regulations is justified and in the best interests of the City; and

WHEREAS, the Gig Harbor City Council finds that adoption of these regulations for up to 12 months is appropriate given the bills that are pending before the Washington State Legislature this session and the time necessary to respond to anticipated changes in law; and

WHEREAS, nothing in this Ordinance is intended nor shall be construed to authorize or approve of any violation of federal or state law;

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

Section 1. Purpose. The purpose of this ordinance is to establish interim regulations relating to the separation of recreational marijuana retailers for a period of up to twelve month, or until such earlier time as permanent regulations may be adopted.

Section 2. Findings in Support of Establishing Interim Regulations. In addition to the findings relating to marijuiana uses set forth in Ordinance No. 1271, which are incorporated herein, the Gig Harbor City Council adopts the recitals set forth above in support of adopting the interim regulations.

Section 3. Interim Zoning Regulations. Section 17.63.030(F) of the Gig Harbor Municipal Code is amended as follows:

F. Marijuana retailers may locate only in the following zones but only at designated sites licensed by the state of Washington and fully conforming to state law and Chapter 17.63 GHMC and only when marijuana retailers are separated by a minimum of 2,500 feet measured from the perimeter of any other marijuana retailer, to be determined by Pierce County Assessor Treasurer tax parcels:

1. Commercial District (C-1);
2. General Business District (B-2) and;
3. Employment District (ED) only if subordinate to the principal tenant use of Marijuana producer or marijuana processor, and occupy no more than 25 percent of the gross floor area of the principal tenant use.

Section 4. Duration of Interim Zoning Regulations. The interim zoning regulations shall remain in effect for a period of up to twelve months, and shall automatically expire at that time unless the same are extended as provided in RCW 36.70A.390 and RCW 35A.63.220 prior to that date, or unless the same are repealed or superseded by permanent regulations prior to that date.

Section 5. Planning Commission Work Plan. Due to the pending bills before the Washington State Legislature this session that could affect the interim regulations adopted in this ordinance, the City of Gig Harbor Planning Commission is hereby directed to conduct another review of the interim regulations in the fall of 2014, to consider any recommendations of the city attorney in response to any changes in law, and to make a recommendation on whether the regulations, or some modification thereof, should be permanently adopted. The Gig Harbor Planning Commission is directed to complete its review, to conduct such public hearings as may be necessary or desirable, and to forward its recommendation to the Gig Harbor City Council no later than December 8, 2014.

Section 6. Transmittal to Department. Pursuant to RCW 36.70A.106, this Ordinance shall be transmitted to the Washington State Department of Commerce.

Section 7. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 8. Publication. This Ordinance shall be published by an approved summary consisting of the title.

Section 9. Effective Date. This Ordinance shall be published and shall take effect and be in full force five (5) days after the date of publication.

PASSED by the Council and approved by the Mayor of the City of Gig Harbor, this ___ day of _____, 2014.

CITY OF GIG HARBOR

Mayor Jill Guernsey

ATTEST/AUTHENTICATED:

Molly M. Towslee, City Clerk

APPROVED AS TO FORM:
Office of the City Attorney

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO:



Subject: Initiation of Amendment No. 2 of Harbor Hill Development Agreement.

Proposed Council Action: Initiate further processing of the proposed Amendment #2 to the development agreement with Harbor Hill LLC.

Dept. Origin: Planning Department

Prepared by: Jennifer Kester Planning Director

For Agenda of: February 10, 2014

Exhibits: Application with Amendment #2, Approved Agreement with Amendment #1

Initial & Date

Concurred by Mayor:

Approved by City Administrator:

Approved as to form by City Atty:

Approved by Finance Director:

Approved by Department Head:

Handwritten initials and dates: 1/29/14, 2/1/14, email 1/21/14, N/A, 1/28/14

Table with 4 columns: Expenditure Required, Amount Budgeted, Appropriation Required, and dollar amounts (\$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. An amendment to the agreement was approved in 2012. Copies of the approved agreement and amendment #1 are attached.

In December 2013, Harbor Hill LLC applied for the second amendment to the development agreement. A copy of the application and draft amendment #2 is attached. The second amendment to the development agreement is being proposed in order to:

- 1. Allow the expansion of the M-2 parcel in support of Emerald Communities' Heron's Key project. Actual expansion of the parcel would occur through the minor modification process allowed in Section 9 of Amendment #1.
2. Update the infrastructure construction sequencing.
3. Allow model homes to begin construction prior to completion of infrastructure improvements provided that necessary improvements are completed before occupancy is allowed.

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. If initiated, the Planning and Building Committee will be meet at date to be determined to review the amendment.

RECOMMENDATION / MOTION

Initiate further processing of the proposed amendment #2 to the development agreement with Harbor Hill LLC.



11505 Burnham Drive NW, Suite 103
Gig Harbor, WA 98332
P 253-851-7009
www.harbor-hill.com
www.orm.com

December 26, 2013

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

Re: Harbor Hill Development Agreement Amendment #2

Dear Jennifer:

Harbor Hill LLC is submitting for Amendment #2 to the Harbor Hill Development Agreement as we have previously discussed. We are submitting:

- General Application form with attached parcel numbers and legal descriptions
- Two copies of the draft Amendment No. 2 to Development Agreement, including legal descriptions and proposed Exhibit I

In both of the above items, the parcel numbers/legal descriptions exhibit is from our first amendment to the Development Agreement. As two final plats have been recorded since our first amendment, there are significantly more parcels than before and we do not yet have new tax numbers for these parcels. As part of the review, we would appreciate your input as to what form these final exhibits should take.

This amendment is submitted to address two specific issues:

1. Exhibit I of the Development Agreement needs to be updated to reflect the marginally larger Parcel M-2 in support of the Emerald Communities project's site specific applications, and the Preliminary Plat/PUD modification submitted previously to allow for the larger Parcel M-2. The attached proposed Exhibit I is updated to reflect several items:
 - a. The latest Preliminary Plat/PUD modifications
 - b. Infrastructure items already completed
 - c. Updated Infrastructure sequence and notes showing phasing of open space items more consistent with lot development phasing
2. Section 18 of the original Development Agreement did not provide for starting construction of model homes in a timely manner as we had expected. Our

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

Jennifer Kester
December 26, 2013
Page 2

intentions with the original Section 18 where to allow construction of model homes to start as early as possible, so that there would be a shorter time lapse between completion of plat improvements and opening of model homes for marketing & sales. A revised Section 18 has been proposed that would allow for issuance of building permits and starting construction of model homes earlier in the plat development process, while still providing the same level of requirements for issuance of a Certificate of Temporary Occupancy.

If you have any questions, or need any additional information, please contact me at 253-851-7009.

Sincerely,



John Chadwell
General Manager – Harbor Hill
OPG Properties LLC
A Pope Resources Company

Cc: Bill Lynn, Gordon Thomas Honeywell
Marco de Sa e Silva, Davis Wright Tremaine
Lisa Hardy, Emerald Communities

CITY OF GIG HARBOR GENERAL APPLICATION			CITY USE ONLY	
<input type="checkbox"/> Conditional Use Permit	<input type="checkbox"/> Alternative Landscape Plan		Case Number: _____	
<input type="checkbox"/> Major Site Plan Review	<input type="checkbox"/> Binding Site Plan		Date Received: _____	
<input type="checkbox"/> Variance	<input type="checkbox"/> Land Clearing		By: _____	
<input type="checkbox"/> Rezone	<input type="checkbox"/> Planned Unit Development		Receipt: _____ By: _____	
Performance Based Height Exception <input checked="" type="checkbox"/> D.A. Amend.				
Name of project/proposal: <u>Amendment No. 2 to Development Agreement</u>				
Applicant: Harbor Hill LLC <small>(Name)</small>			Property Location:	
11505 Burnham Drive NW, Suite 103 <small>Street Address</small>			Address: _____	
253-851-7009 <small>Phone</small>			Section: _____ Township: _____ Range: _____	
Gig Harbor, WA <small>City & State</small>			Assessor's Tax Parcel Number: <u>SEE Attached</u>	
98335 <small>Zip</small>			Full Legal Description (attach separate sheet if too long)	
Owner: Same as Applicant <small>(Name)</small>			<u>See Attached</u>	
_____ <small>Street Address</small>			_____ <small>Phone</small>	
_____ <small>City & State</small>			_____ <small>Zip</small>	
I(We): <u>HARBOR HILL LLC</u> <small>(Name)</small>			Utilities:	
<u>John Chadwell</u> <small>Signature</small>			1. Water Supply (Name of Utility if applicable)	
<u>12/26/13</u> <small>Date</small>			a. Existing: <u>City</u>	
_____ <small>Signature</small>			b. Proposed: <u>City</u>	
_____ <small>Date</small>			2. Sewage Disposal: (Name of Utility if applicable)	
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.			a. Existing: <u>City</u>	
			b. Proposed: <u>City</u>	
			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? _____		Slopes exceeding 15% _____
Existing land use: Describe (or illustrate separately) existing land use, including location of all existing structures and setbacks (in feet) from property lines. _____				
Fee Deposits:				
<input checked="" 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." <u>JSC</u> (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)				

After Recording, Return To:

Marco de Sa e Silva
Davis Wright Tremaine LLP
1201 Third Avenue, Suite 2200
Seattle, Washington 98101

**AMENDMENT NO. 2 TO DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF GIG HARBOR AND HARBOR HILL LLC
FOR THE HARBOR HILL DEVELOPMENT**

Grantors: CITY OF GIG HARBOR, a Washington municipal corporation
HARBOR HILL LLC, a Washington limited liability company

Grantees: HARBOR HILL LLC, a Washington limited liability company
CITY OF GIG HARBOR, a Washington municipal corporation

Abbreviated Legal Description:

Complete legal description is at Exhibit A attached hereto.

Assessor's Property Tax Parcel Account Numbers:

Reference Numbers of Related Documents: 201011160780 (development agreement); 201012020196 (joinder agreement); 201212040216 (Amendment No. 1); _____ (assignment and assumption agreement)

**AMENDMENT NO. 2 TO DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF GIG HARBOR AND HARBOR HILL LLC
FOR THE HARBOR HILL DEVELOPMENT**

This Amendment No. 2 to Development Agreement is made and entered into this _____ day of _____, 2013, by and among the CITY OF GIG HARBOR, a Washington municipal corporation (the "City"), and HARBOR HILL LLC, a Washington limited liability company ("Harbor Hill" or "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 and Harbor Hill entered into a development agreement dated November 9, 2010 (the "Original Development Agreement"), which was recorded in the real property records of Pierce County, Washington, under Auditor's File No. 201011160780, concerning the development of the property legally described on Exhibit A to the Original Development Agreement (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. The legal description of the Property is restated on Exhibit A attached hereto.

B. By a subsequent Joinder Agreement dated November 22, 2010, and recorded in the real property records of Pierce County, Washington, under Auditor's File No. 201012020196, OPG Properties LLC, a Washington limited liability company ("OPG"), as the owner of a portion of the Property, joined in and agreed to be bound by the Original Development Agreement. Both Harbor Hill and the City consented to the Joinder Agreement.

C. By Amendment No. 1 recorded under Pierce County Auditor's File No. 201212040216, the parties amended certain provisions of the Original Development Agreement. The Original Development Agreement as amended by Amendment No. 1, is referred to here as the "Development Agreement".

D. By Quit Claim Deed recorded under Pierce County Auditor's File No. 201308130540, OPG conveyed to Harbor Hill all of OPG's right, title, and interest in its portion of the Property.

E. By Assignment and Assumption Agreement recorded under Pierce County Auditor's File No. _____, OPG assigned to Harbor Hill and Harbor Hill assumed from OPG all of OPG's right, title, and interest in the Development Agreement.

F. The City and Developer wish to amend the Development Agreement as described herein.

G. This Amendment is made under the authority of the City's police power, contracting authority, and other authority, including without limitation 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:

AGREEMENT

1. Revised Phasing Plan. The Phasing Plan attached as Exhibit I to this Amendment No. 2 is hereby substituted for Exhibit I to the Development Agreement.

2. Model Homes. Section 18 of the Development Agreement is amended and restated to provide as follows:

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 construction access to the model homes sites from existing public roadways shall be completed. The road improvements shall consist of subgrade 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 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. Prior to issuance of a Temporary Certificate of Occupancy for 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 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.

E. 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.

vii. The requirements set forth in Section 18.D above must be satisfied prior to issuance of a Temporary Certificate of Occupancy for any model home.

F. 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.

G. 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.

3. Other Provisions. All other provisions of the Development Agreement shall remain in full force and effect. The Development Agreement, as amended by this Amendment, is hereby confirmed and ratified.

(Remainder of page intentionally left blank.)

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

HARBOR HILL LLC, a Washington limited liability company

CITY OF GIG HARBOR, a Washington municipal corporation

By: _____

Jon Rose
Its President

Date: _____

By: _____

Charles L. Hunter
Its Mayor

Date: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

EXHIBITS:

- A - Legal Description of the Property
- I - Revised Phasing Plan

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: _____

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

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 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: _____

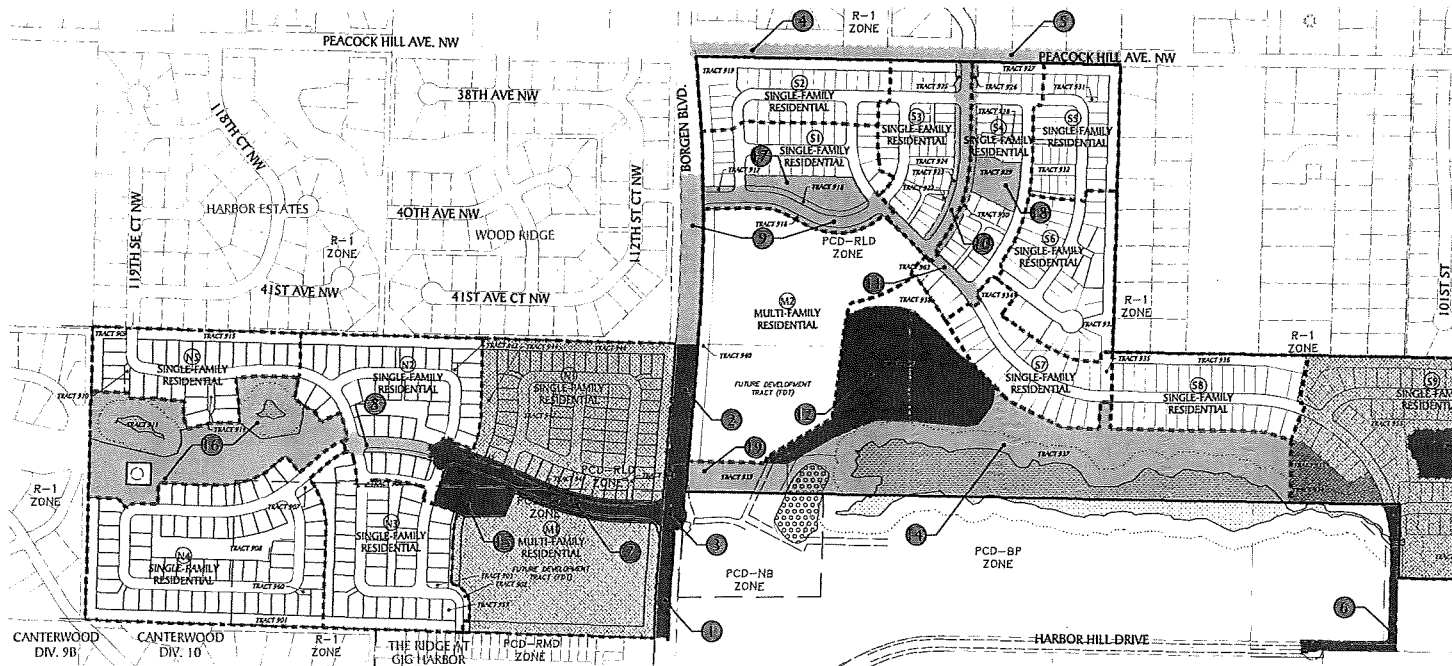
Printed: _____
NOTARY PUBLIC in and for Washington
Residing at: _____
My appointment expires: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

W 1/2, SE 1/4 OF SEC. 30 AND E 1/2 OF SEC. 31, TWP. 22N, RGE. 2E, W.M.

HARBOR HILL



CONSTRUCTION PHASING CLARIFICATION

PERMIT NUMBER EN-11-0053 CONSISTS OF FOUR CONSTRUCTION PHASES: 1A, 1B, 1C, 1D.
 CONSTRUCTION PHASE 1A INCLUDES INFRASTRUCTURE ITEMS 1, 3, 15 AND 19, THE MAJORITY OF ITEM 2 AND A PORTION OF ITEM 7.
 CONSTRUCTION PHASE 1B INCLUDES INFRASTRUCTURE ITEM 12 AND THE REMAINDER OF ITEMS 2 AND 7.
 CONSTRUCTION PHASE 1C INCLUDES DEVELOPMENT PHASE N1.
 CONSTRUCTION PHASE 1D INCLUDES DEVELOPMENT PHASE N2 AND INFRASTRUCTURE ITEM 8.
 PERMIT NUMBER EN-12-0069 INCLUDES DEVELOPMENT PHASE S9 AND INFRASTRUCTURE ITEMS 6 AND 13.
 PERMIT NUMBER EN-12-0014 INCLUDES DEVELOPMENT PHASE M1.

INFRASTRUCTURE SEQUENCE

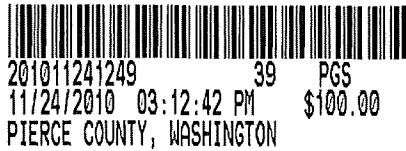
INFRASTRUCTURE	DEVELOPMENT PHASE																
	SFR NORTH				SFR SOUTH												
	M1	M2	N1	N2	N3	N4	N5	S1	S2	S3	S4	S5	S6	S7	S8	S9	
Dwelling Units	172	98	63	37	36	65	26	28	29	32	37	30	38	21	33	79	COMPLETED ITEM
4. Peacock Hill Ave Frontage - North								X	..	..							COMPLETED ITEM
5. Peacock Hill Ave Frontage - South								..	..	X	X						COMPLETED ITEM
8. North Parkway north section				..	..	X	X										COMPLETED ITEM
9. South Parkway north section/Borggen Blvd	X													X	X		COMPLETED ITEM
10. South Parkway south section								..	..	X	X	X	..	..	..	..	COMPLETED ITEM
11. South Parcel Collector stub										X	X	..	X	X			COMPLETED ITEM
14. South Wetland /Loop Trak (Tract 937) (Tracts 953, 954)		..													X	X	COMPLETED ITEM
15. North Wetland Park (Tracts 911-913)	..		..	..	..	X	X										COMPLETED ITEM
17. South Connector Park (Tract 920)								X	X	X	X	..	..				COMPLETED ITEM
18. South Central Park (Tract 929)										X	X	..	..				COMPLETED ITEM
19. Gateway Park (Tract 939)	X																COMPLETED ITEM

INFRASTRUCTURE SEQUENCE NOTES

1. "X" means that infrastructure must be completed prior to or concurrent with the start of the development phase.
2. "X" means that infrastructure must be completed prior to or concurrent with the start of the development phase.
3. Development of some phases may depend on completion of other phases.
4. Numbering of phases does not necessarily indicate sequence of construction.
5. Parkway road improvement includes curbing open space tracts.
6. During final engineering design, alternate design solutions may be proposed if staff find that the alternate design solution is functional and meets the intent of the preliminary PCD/PSD plans. For example, temporary storm water detention basins may be proposed in lieu of permanent ponds when the phasing requires it.
7. Infrastructure Item No. 9 in table includes the associated Borggen Blvd.
8. Infrastructure items 14 and 16 may be completed in phases.

NOTE

- FINAL PLAN HAS BEEN RECORDED
- WETLAND MITIGATION AREA - SEE THE WETLAND MITIGATION PLAN PREPARED BY METROPLAN ASSOCIATES, DATED FEBRUARY 21, 2012
- INFRASTRUCTURE ITEM COMPLETED
- INFRASTRUCTURE ITEM NOT COMPLETED



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 <u>25, 26, 27</u> of Document
Reference Number(s) (Of documents assigned or released): Files No. 201011160780; 200902135006; 200605235007; 9704040094; 200308140667 and 200308140668
Additional Reference numbers on Pages <u>3,4,6</u> 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.
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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 7th 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 Borgren 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.

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 Towstee

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

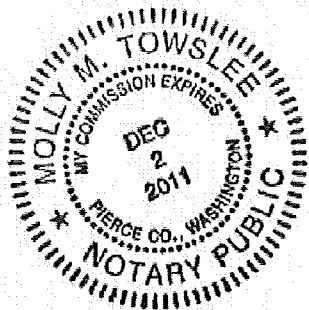
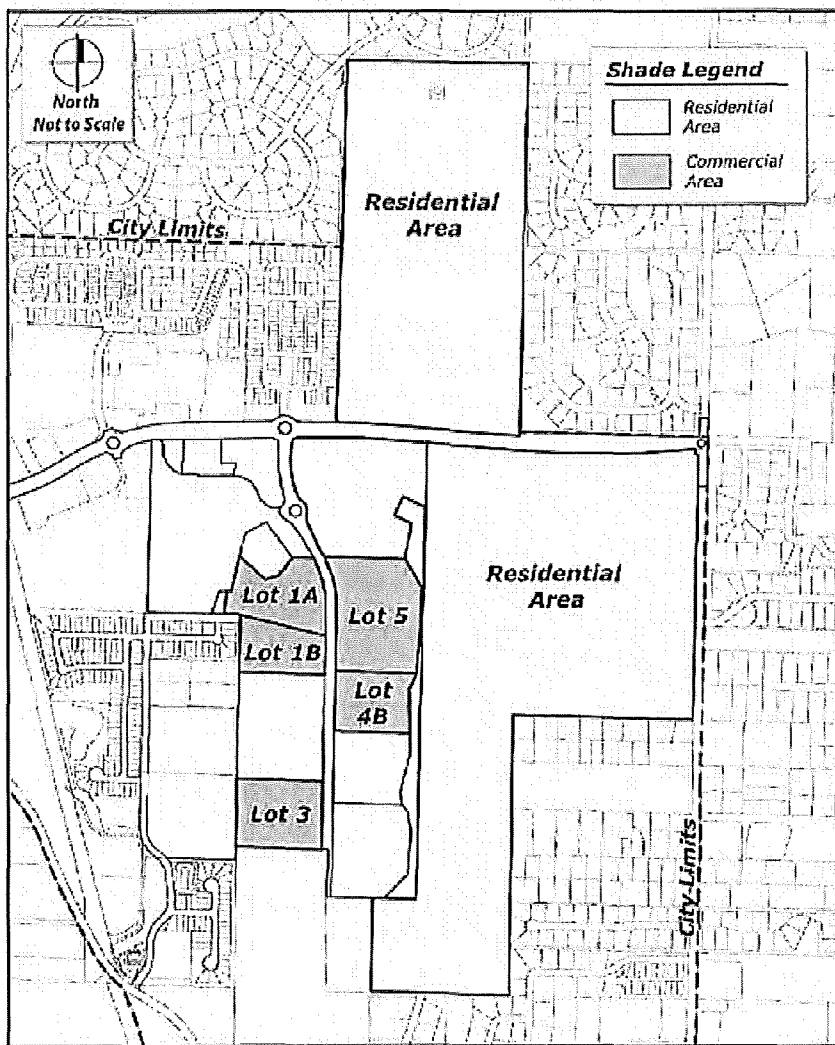


EXHIBIT B
Property Map



28

EXHIBIT C

Comprehensive Plan Map Designations of Property

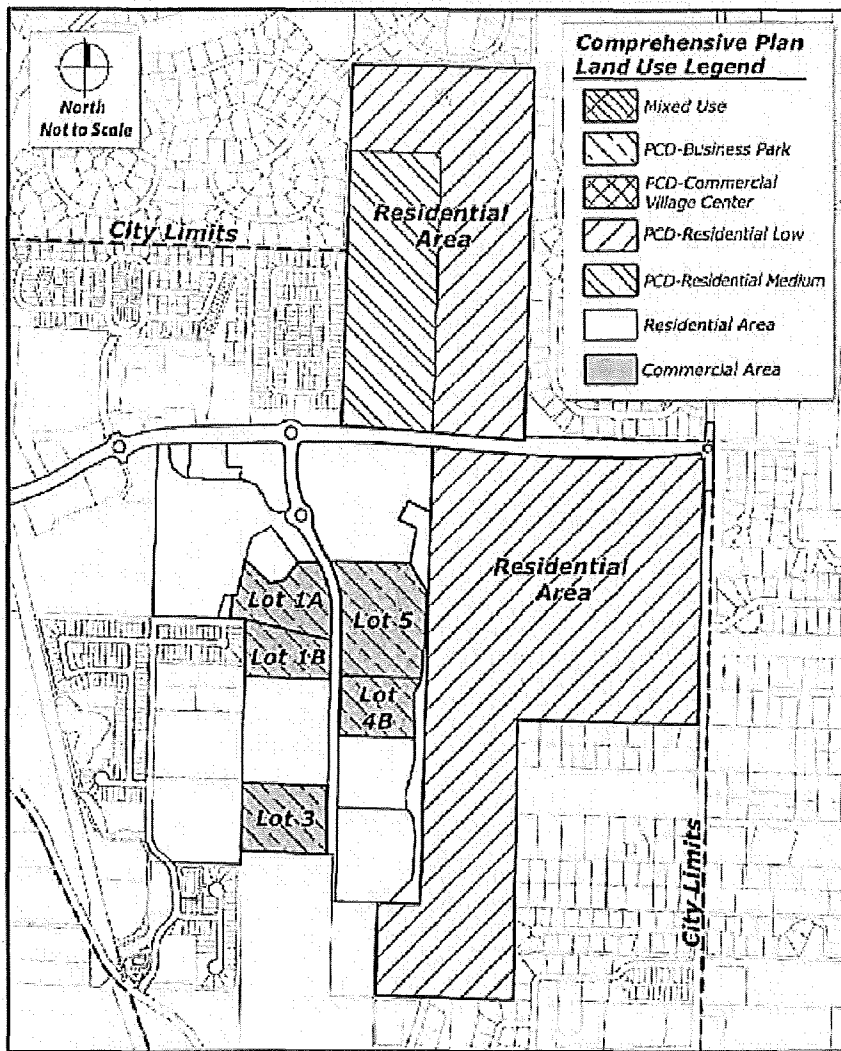


EXHIBIT D

Zoning Map Designations of Property

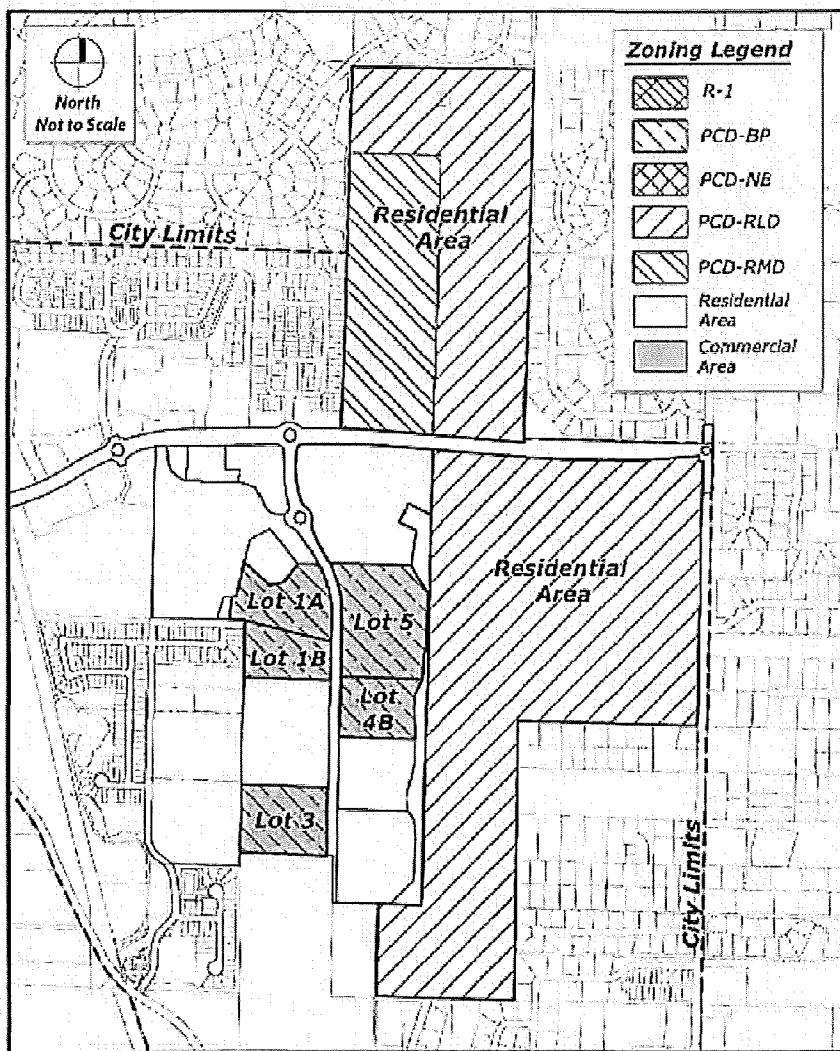


EXHIBIT E

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: 0222304008,
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 98335 • (253) 851-6170 • WWW.CITYOFGIGHARBOR.WA

residential plat.

Proponent: Harbor Hill LLC
John Ghadwell, 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.

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.

201212040216 MMCKENZ 12 PGS
12/04/2012 11:02:02 AM \$83.00
AUDITOR, 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. Amendment No. 1 to 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 <u>8,9, 10</u> of Document
Reference Number(s) (Of documents assigned or released): Files No. 201011160780 Additional Reference numbers on Pages <u> </u> of Document.
Assessor's Property Tax Parcel/Account Number 4002930010, 4002930020, 4002930030, 0222311000, 022311009, 4002470011, 4002470012, 4002470030, 4002470042, 4002470051
<u>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 herein.</u>

map **AUDITOR'S NOTE -**
LEGIBILITY FOR RECORDING AND COPYING UN-
SATISFACTORY IN A PORTION OF THIS INSTRU-
MENT WHEN RECEIVED *MM*

AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT
AMONG THE CITY OF GIG HARBOR, HARBOR HILL LLC,
AND OPG PROPERTIES LLC FOR THE
HARBOR HILL DEVELOPMENT

This Amendment No. 1 to Development Agreement is made and entered into this 26 day of November, 2012, by and between the CITY OF GIG HARBOR, a Washington municipal corporation (the "City"), HARBOR HILL LLC, a Washington limited liability company ("Harbor Hill"), and OPG PROPERTIES LLC, a Washington limited liability company ("OPG") (Harbor Hill and OPG are sometimes jointly referred to as "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 and Harbor Hill entered into a development agreement dated November 9, 2010 (the "Development Agreement"), which was recorded in the real property records of Pierce County, Washington, under Auditor's File No. 201011160780, 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 November 22, 2010, and recorded in the real property records of Pierce County, Washington, under Auditor's File No. 201012020196, OPG as the owner of a portion of the Property joined in and agreed to be bound by the Development Agreement. Both Harbor Hill and the City consented to the Joinder Agreement.

C. The City and Developer wish to amend the Development Agreement to permit certain additional uses, to modify the site plan, and to provide 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:

AGREEMENT

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

2. Additional Permitted Uses. The following additional uses are permitted within Parcel M-2 of the Property as depicted on the Phasing Plan attached as Exhibit I 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.

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

Section 9. Minor Modifications.

(a) Minor modifications to 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, or as provided below in this Section 9, and shall not require an amendment to this Agreement.

(b) Any modification to an approved preliminary plat that changes the number of lots, boundaries, configuration, design, or layout of lots, parcels, tracts, or roadways within the preliminary plat, or changes the conditions of approval of the preliminary plat may be approved by the Director administratively as a Type II decision if the Director finds that the preliminary plat will continue to satisfy the criteria for approval of a preliminary plat under GHMC 16.05.003 after the modification.

(c) Any modification to an approved preliminary PRD that changes the number of lots, boundaries, configuration, design, or layout of lots, parcels, tracts, or roadways within the PRD, or changes the conditions of approval of the preliminary PRD may be approved by the Director administratively as a Type II decision if the Director finds that the PRD will continue to satisfy the criteria for approval of a preliminary PRD under GHMC 17.89.070 after the modification.

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

K. Timing of Site Plan and Design Review Approvals for Parcel M-2. Site plan and design review approvals 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, but no building permit shall be issued by the City until final plat approval. A site plan or design review approval shall expire if the Preliminary Plat of Harbor Hill expires or is otherwise abandoned or modified in such a way that creates an inconsistency with the approved site plan or design review approval unless such site plan or design review approval is amended concurrently for consistency. Developer acknowledges and accepts the risk of seeking and obtaining site plan and design review approval prior to final plat approval and hereby releases and covenants not to sue the City for any damages that may be suffered as a result of seeking such advance approval. Developer further acknowledges that the grant of site plan or design review approval prior to final plat approval in no way guarantees final plat approval.

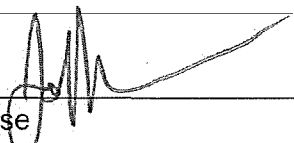
5. Revised List of Modified City Development Standards. The List of Modified City Development Standards attached to this Amendment as Exhibit H is hereby substituted for Exhibit H to the Development Agreement.

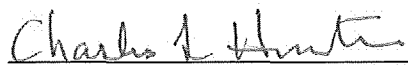
6. Other Provisions. All other provisions of the Development Agreement shall remain in effect. The Development Agreement, as amended by this Amendment, is hereby confirmed and ratified.

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

HARBOR HILL LLC, a Washington limited liability company

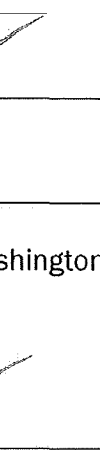
CITY OF GIG HARBOR, a Washington municipal corporation


By: 
Jon Rose
Its President
Date: 11/19/12

By: 
Charles L. Hunter
Its Mayor
Date: NOV. 27, 2012

OPG PROPERTIES LLC, a Washington limited liability company

ATTEST:

By: 
Jon Rose
Its President
Date: 11/19/12


City Clerk

APPROVED AS TO FORM:


City Attorney

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: 11/19/12

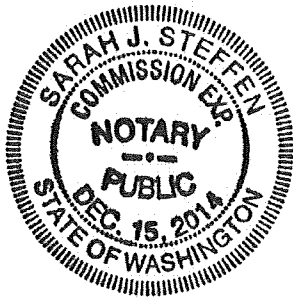


Sarah Steffen
Printed: SARAH J. STEFFEN
NOTARY PUBLIC in and for Washington
Residing at: Poulsbo
My appointment expires: 12/15/2014

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 OPG Properties LLC be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 11/19/12



Sarah Steffen
Printed: SARAH J. STEFFEN
NOTARY PUBLIC in and for Washington
Residing at: Poulsbo
My appointment expires: 12/15/2014

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 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. 27, 2012



Molly M Towstee
Printed: Molly M Towstee
NOTARY PUBLIC in and for Washington
Residing at: Gig Harbor
My appointment expires: 12/2/15

EXHIBIT A

Legal Description of the Property

RESIDENTIAL AREA

TAX PARCEL NUMBER 4002930010

PARCEL E OF THE HARBOR HILL PHASE 1A PLAT (CITY FILE NO. PL-FPLAT-12-0001, PL-FPRD-12-0001) RECORDED UNDER PIERCE COUNTY AFN 201204255001, SAID PARCEL BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 22 NORTH, RANGE 2 EAST, W.M., PIERCE COUNTY, WASHINGTON.

TAX PARCEL NUMBER 4002930020

PARCEL M1 OF THE HARBOR HILL PHASE 1A PLAT (CITY FILE NO. PL-FPLAT-12-0001, PL-FPRD-12-0001) RECORDED UNDER PIERCE COUNTY AFN 201204255001, SAID PARCEL BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 22 NORTH, RANGE 2 EAST, W.M., PIERCE COUNTY, WASHINGTON.

TAX PARCEL NUMBER 4002930030

PARCEL X OF THE HARBOR HILL PHASE 1A PLAT (CITY FILE NO. PL-FPLAT-12-0001, PL-FPRD-12-0001) RECORDED UNDER PIERCE COUNTY AFN 201204255001, SAID PARCEL 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

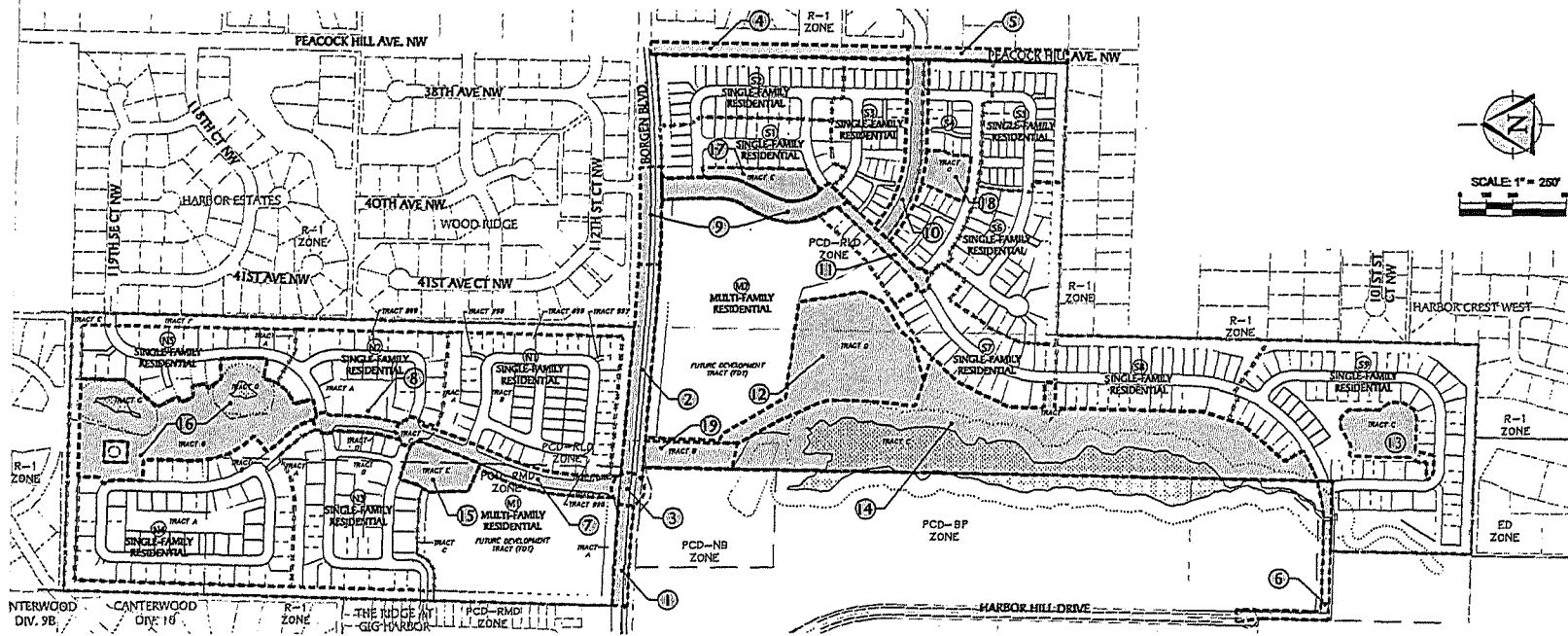
PARCEL "B" OF THE BOUNDARY LINE ADJUSTMENT RECORDED UNDER PIERCE COUNTY AUDITOR'S FILE NUMBER 200710195003, SAID PARCEL "B" BEING PORTIONS OF THE NORTHEAST QUARTER AND OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST, W.M. PIERCE COUNTY, WASHINGTON.

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 and preliminary PRD revisions	16.05 17.89	9.A, 9.B, 9C
3	Allows modified timing of Site Plan and Design Review Approvals for the M-2 Parcel.	Various	13.K
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	Allows independent living facility, assisted living facility, and skilled nursing facility in RLD zone within modified parcel M-2.	17.14.020	
7	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	
8	Allowing clustering of residential density	Title 17	17
9	Allocations of capacity reservations	Chapter 19.10	15

HARBOR HILL



INFRASTRUCTURE SEQUENCE

INFRASTRUCTURE	DOT	DEVELOPMENT PHASE																													
		SFR NORTH														SFR SOUTH															
	M1	M2	N1	N2	N3	N4	N5	N6	N7	N8	N9	N10	N11	N12	N13	N14	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10	S11	S12	S13	S14	
1. Boreen Blvd Frontage - West	X																														
2. Boreen Blvd Frontage - East	X																														
3. Roundabout on Boreen	X																														
4. Peacock Hill Ave Frontage - North																															
5. Peacock Hill Ave Frontage - South																															
6. Harbor Hill Dr Off-Site																															
7. North Parkway south section	X	X	X	X	X	X	X																								
8. North Parkway north section																															
9. South Parkway north section	X																														
10. South Parkway south section																															
11. South Parcel Collector stub																															
12. Detention North (M1-Tract D)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X															
13. Detention South (S1-Tract C)																															
14. South Wetland Loop Trail (M2-Tract C)		X																													
15. North Central Park (N1-Tract E)	X	X	X	X	X	X																									
16. North Wetland Park	X	X	X	X	X	X																									
17. South Connector Park (S1-Tract F)																															
18. South Central Park (S4-Tract G)																															
19. Gateway Park (M2-Tract B)	X																														

Infrastructure Sequence Notes

1. "X" means that infrastructure must be completed prior to or concurrent with development phase.
2. "-" means Discretionary Access: 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 (see N2 and N4 could develop before N2).
5. Parkway road improvement includes abutting open space trails.
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/PRO plans. For example, temporary storm drainage detention could be proposed if it provided equivalent flow detention mitigation to what was proposed in the Preliminary Plan/PRO as long as there was a means to divert flow to the permanent pond when the phasing required it to be converted to permanent detention.
7. Infrastructure Item No. 9 in table includes the associated Design Blvd improvements.

EXHIBIT I



Business of the City Council
City of Gig Harbor, WA

Subject: Bogue Viewing Platform Public Art by Stuart Nakamira - Recommendation for Approval

Proposed Council Action:
Approve and authorize the Mayor to execute a contract (project agreement) with artist Stuart Nakamira for Public Art at the Bogue Viewing Platform in an amount not to exceed \$25,000.

Dept. Origin: Gig Harbor Arts Commission

Prepared by: Lita Dawn Stanton *LDS*

For Agenda of: January 27, 2014
February 10, 2014

Exhibits: Nakamira Conceptual RFP

Initial & Date

Concurred by Mayor: *5/11 1-22/14*
Approved by City Administrator: *R 1/21/14*
Approved as to form by City Atty: *okay-email*
Approved by Finance Director: *DF 1/20/14*
Approved by Department Head: _____

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

INFORMATION / BACKGROUND

In 2013, the City Council authorized the Gig Harbor Arts Commission (GHAC) to publish a request for proposals for a permanent installation of public art at the Bogue Viewing Platform located in the Finholm District on Harborview Drive. The work is intended to

- honor the Scandinavian heritage of the District by incorporating physical, social, cultural and/or historical Scandinavian influences into the work,
- compliment and/or incorporate existing landscape context and/or uses of the location,
- ensure that materials are durable with minimum maintenance requirements and maximum resistance to vandalism, and
- engage the community of Gig Harbor and visitors using this public space.

The Commission ranked each proposal based on four criteria: theme (Scandinavian heritage), quality, creativity, and experience. Eight proposals were submitted and reviewed by the Arts Commission on December 10, 2013. Stuart Nakamira's "Memory Vessel and Shield" was chosen (conceptual attached).

FISCAL CONSIDERATION

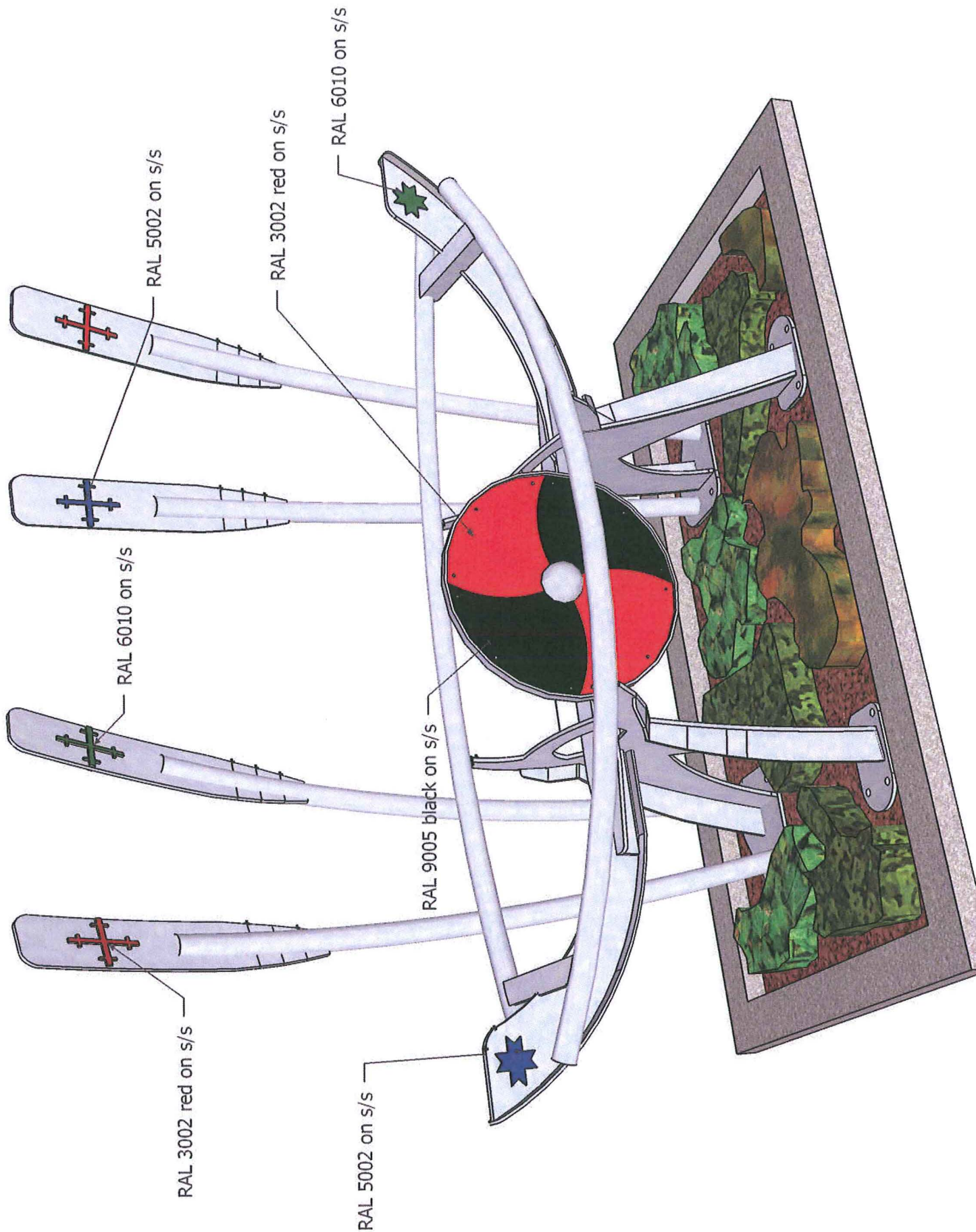
A total of \$92,000 has been held in the Public Arts Capital Projects Fund leaving a balance of \$67,000 for future public art projects.

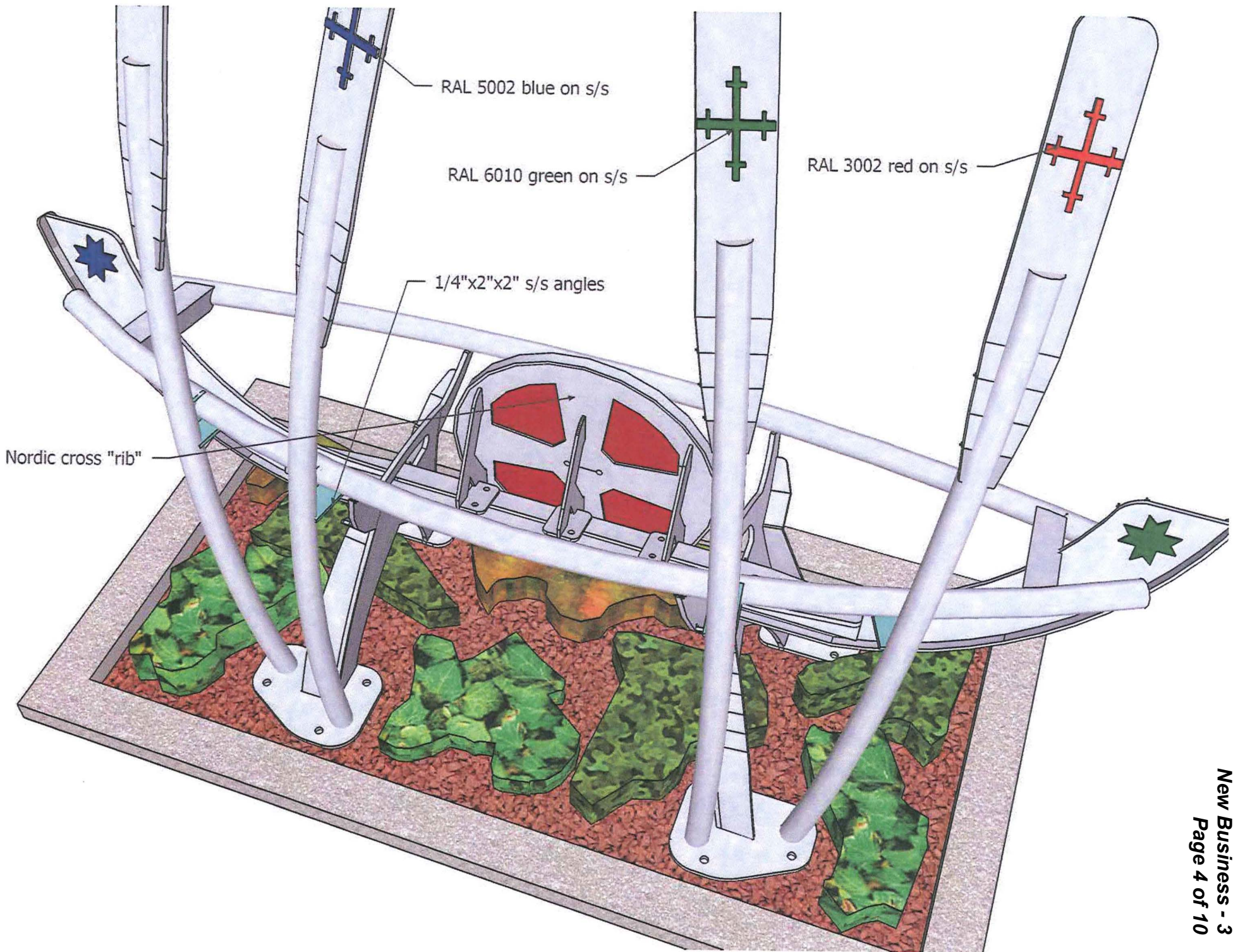
BOARD OR COMMITTEE RECOMMENDATION

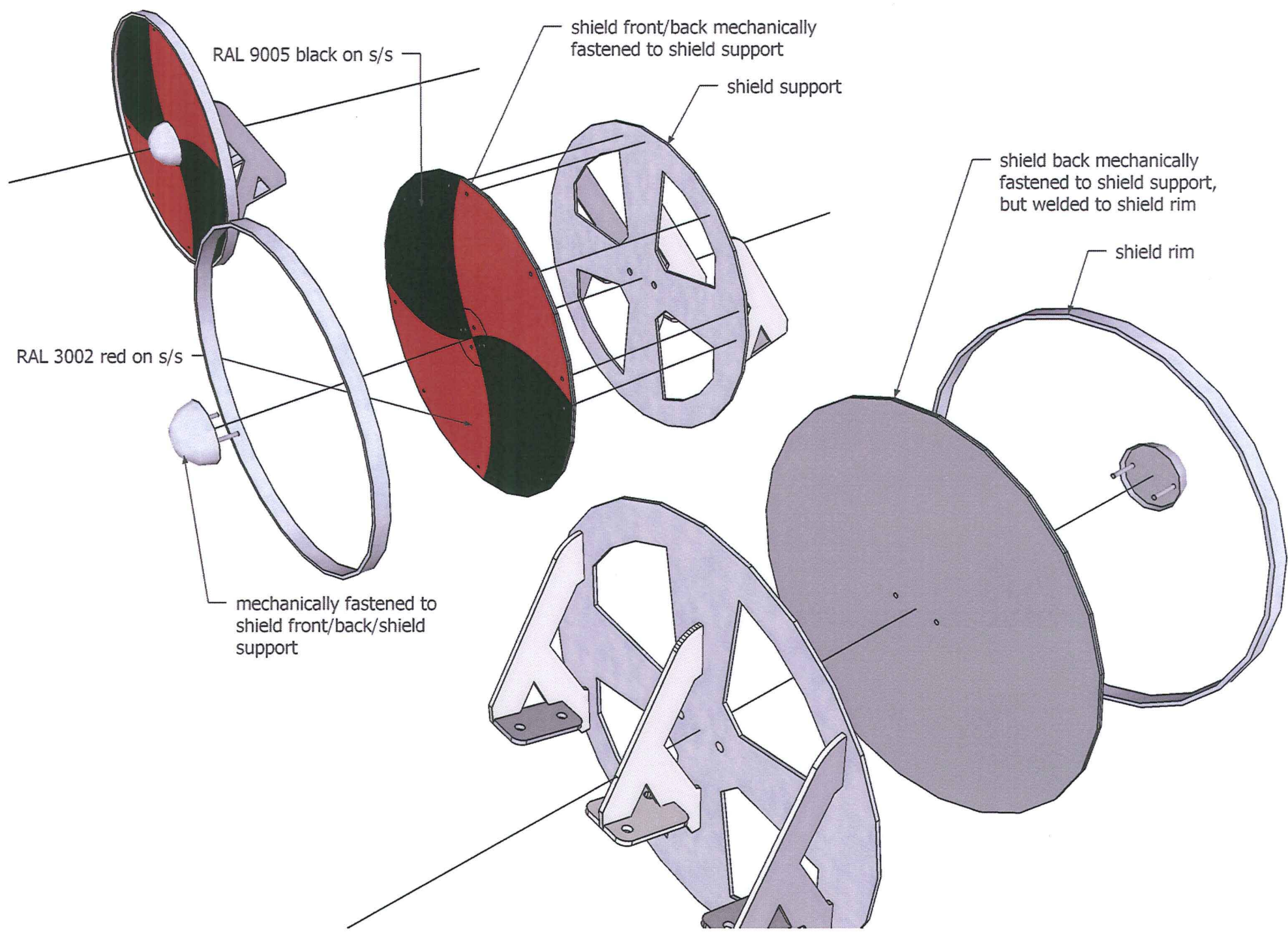
The GHAC recommends that Council authorize an award of the project to artist Stuart Nakamira.

RECOMMENDATION / MOTION

Move to: Approve and authorize the Mayor to execute a contract (project agreement) with artist Stuart Nakamira for Public Art at the Bogue Viewing Platform in an amount not to exceed \$25,000.









PUBLIC ART – 2013 REQUEST FOR PROPOSALS (RFP)

Public Art at Bogue Viewing Platform

Abstract Description

project description	Design, construct and place outdoor artwork at the Bogue Viewing Platform in Gig Harbor, WA.
budget	\$25,000.00 **
proposal due date	NOVEMBER 15, 2013
selection	December 10, 2013
award notification	January 15, 2014
installation	June 2014
eligibility	<p>This Project is open to all practicing, professional artists residing and/or maintaining a business in Washington State. The call is open to any artist, 18 years or older. Puget Sound area artists are strongly encouraged to apply for this Project.</p> <p>** NOTE: The budget for this project includes permitting fees (up to \$4,000) and all installation expenses.</p>

1. Introduction

The City of Gig Harbor announces a search for qualified artists to design, create and install public art at the Bogue Viewing Platform located at 8803 North Harborview Drive. The Gig Harbor Arts Commission (GHAC) will act as the review panel in the selection of the art work and will make recommendations to the Gig Harbor City Council, which will have final approval authority.

2. Site Background

The site is highly visible and located in the Finholm District, the original business district of Gig Harbor. The site offers spectacular views of Gig Harbor Bay and Mount Rainier in the distance. The construction of a wood viewing platform was completed in 2006. A wood railing borders the public space and it is used regularly by walkers, joggers and visitors each day. The viewing platform also contains substructure infrastructure elements including water, power and other elements that may impact the design proposal.

3. Site History

The *Finholm District* is located at the head of the bay on North Harborview Drive. It is directly east of the original Gig Harbor Plat which was filed by Dr. A.M. Burnham of Minnesota in 1888. Burnham encouraged many of his friends and relatives from his hometown, Albert Lea, Minnesota, to come and settle in Gig Harbor. *Prentice Shingle Mill* located nearby was in operation around 1891 and a passenger ferry at the Peninsula Yacht Basin site provided service and freight landing for all of Crescent Valley. The area was sparsely populated with only about a dozen homes until the early 1920's. Born in Stockholm, Sweden, Axel Uddenberg gave up his career as a merchant seaman to farm in Roy (1890) and by 1907, he'd moved with his family to Gig Harbor. The Uddenberg's built an imposing 3-story home near what is now Anthony's Restaurant. He opened a grocery store and meat market on the main floor. Later (1910), Axel built a second store on *People's Dock (Westside Grocers* now the Tides Tavern) putting his son, Bert, in charge as manager. In 1929 he constructed a third market with an adjacent building that would serve as the post office for many years. Axel hired young Johnny Finholm, a Finnish immigrant, who later bought the store (1935) renaming it *Finholm's Market*. In 1955 and quite by accident, Wilbur Johnson (American born son of Swedish parents) and Olaf "Roy" Thorstensen (from Skien, Norway) both living in Gig Harbor, met in Sweden where they resolved to preserve the culture of their native lands when they returned. They purchased the William Peacock Estate which they developed into the world famous *Skandia Gaard* (Scandinavian Village). The 1890 farmhouse became living quarters and a coffee shop. A gift shop and museum were created in the 1890 barn and there was an outdoor pavilion for folk dancers. Later, they bought small buildings that had been constructed by Clarence Shaw for his popular rooster races of the 1930's. In the 1980's, the Peacock home was converted to a restaurant but in 2006, it was destroyed by fire. *Origin of Viewing Platform Name:* Ruth Bogue served two terms as Mayor of Gig Harbor (1978-1986). The newly constructed viewing platform was named in her honor in 2006. Bogue died this year.

4. Design Scope

The GHAC is looking for a range of ideas with emphasis on the cultural and historic influence of the heritage of the district. Proposals may include a single artwork or a combination of various sized pieces. The artwork shall be designed to reflect, inspire and delight the public up-close and from afar. The GHAC has identified the following qualities and characteristics that should be considered when designing this public art:

- Honor the Scandinavian heritage of the District and incorporate physical, social, cultural and/or historical Scandinavian influences into the work
- Compliment and/or incorporate existing landscape context and/or uses of the location

- Materials should be durable with minimum maintenance requirements and maximum resistance to vandalism
- Engage the community of Gig Harbor and visitors using this public space

5. Performance Scope

The GHAC has identified the following objectives that will be expected:

- Appropriate scale, form, material, content and style
- Appropriate structural material and surface integrity for public safety and climate
- Appropriate and well-documented installation plan
- Appropriate material for durability with low maintenance suitable for our marine weather environment
- Resistance to deterioration and vandalism
- Must safely withstand pedestrian contact without impeding walking traffic

6. Physical Constraints

The proposed work must:

- Be located within the southeast planting area (see photo)
- Be a height not to exceed seven (7) feet high (includes base)
- Be a width not to exceed (8) feet wide
- Be a depth not to exceed three (3) feet deep
- Compatible with neighboring businesses, residential homes and pedestrians
- Be unique and the original work of the artist
- Not for sale or replicated elsewhere
- Be free and clear of any liens or copyrights

7. Evaluation Criteria

Artist proposals will be evaluated according to:

- **THEME** – Honor the *Scandinavian heritage* of the District
- **QUALITY** – High *artistic quality* (demonstrated by previous work)
- **CREATIVITY** – Work that *diversifies* the city's public art collection; *originality* as it relates to the project site and goals
- **EXPERIENCE** – Ability and experience creating site-specific work with projects of similar scope and scale; demonstrated ability to communicate the proposed concept and to successfully undertake and execute the project in accordance with the scope, budget, and timeline

8. Proposal Requirements

The Artist is to provide adequate information to demonstrate that he/she is qualified and capable of effectively accomplishing the project. Please provide the following information on 8½ by 11 paper. Submittal packet (10 copies) must be **postmarked or received by the deadline**. Incomplete or late applications will not be accepted.

- A. COVER SHEET
- B. PROFESSIONAL RESUME (up to 2 pages) including education and experience

- C. REFERENCES (minimum of 2) including current contact information and association
- D. PROJECT NARRATIVE –
 - Describe how the work relates to or functions with the site
 - Describe the materials, their durability and longevity
- E. EXAMPLES OF WORK
 - Submit examples (images) of most recent work
 - Include title, date, materials used, size, and any relevant information
- F. GRAPHIC RENDERING
 - Image(s) of proposed design
- G. BUDGET
 - Budget may not exceed **\$25,000**
 - Total must include all costs including permitting (up to \$4,000), sales tax, and installation

Send ten (10) copies of your completed application to:

City of Gig Harbor Arts Commission
Attn: Lita Dawn Stanton
3510 Grandview Street
Gig Harbor, WA 98335

All proposals must be postmarked or delivered to the address above by 4 pm Friday, November 15, 2013. Proposals will not be returned. Please direct any questions to Lita Dawn Stanton at (253) 853-7609 or e-mail stantonl@ciytofgigharbor.net

9. Assumptions

The following assumptions are being made:

After a proposal has been selected, the City reserves the right to negotiate contract details with the artist. If negotiations fail for any reason, the City may choose to negotiate with others to obtain an appropriate contract for needed services. The City of Gig Harbor is free to reject all proposals and not issue a contract. In the event that the scope of work changes, the City and the Proposer may negotiate change orders detailing the revised scope of work and revised cost, prior to beginning work on changes.

10. Anticipated Project Schedule

RFP Responses Due	November 15, 2013
GHAC Review of Proposals	December 10, 2013
Parks Commission Review	December 10, 2013
City Council Review and Decision	January 13, 2014
Award Notification	January 15, 2014

11. Exhibits

- 1. COVER SHEET
- 2. SAMPLE CONTRACT

Bogue Viewing Platform

Artwork may be up to 8-ft wide x 7-ft high within the existing landscape planter. (Existing sign can be relocated.)





Business of the City Council
City of Gig Harbor, WA

Subject: Resolution 951 Setting a Public Hearing Date – Rust Street Vacation – Colvos Trust

Proposed Council Action:
Move to adopt the Resolution setting Monday, March 10, 2014 at 5:30 p.m. as the date for the public hearing on the proposed street vacation for a portion of Rust Street at the intersection of Rust Street and North Harborview Drive.

Dept. Origin: Public Works
Prepared by: Stephen T. Misiurak, P.E.
City Engineer
For Agenda of: February 10, 2014
Exhibits: Resolution, Location Map, Aerial Map, and Petition of Vacation letter

	Initial & Date
Concurred by Mayor:	<i>[Signature]</i> 2/6/14
Approved by City Administrator:	<i>[Signature]</i> 2/5/14
Approved as to form by City Atty:	Via email
Approved by Finance Director:	N/A
Approved by Department Head:	<i>[Signature]</i> 2/5/14

Expenditure Required	\$0	Amount Budgeted	\$0	Appropriation Required	\$0
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INFORMATION/BACKGROUND

The City received a letter from Thornton Surveying representing Mr. Stanley Stearns, trustee of Colvos Trust, located at 9509 North Harborview Drive petitioning the City to vacate a portion of Rust Street in accordance with GHMC 12.14.002.

The Right-of-Way proposed for vacation along Rust Street has a sewer line and manhole located within a portion of the Right-of-Way. The Public Works and Wastewater Treatment Plant Superintendant recommend retaining an easement on the portion of the requested street vacation for future repair and maintenance of the existing sewer line serving the properties to the East. All other City departments had no comment on the proposed street vacation.

POLICY CONSIDERATIONS

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

FISCAL CONSIDERATION

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

RECOMMENDATIONS

Move to adopt the Resolution setting Monday, March 10, 2014 at 5:30 p.m. as the date for the public hearing on the proposed street vacation for a portion of Rust Street at the intersection of Rust Street and North Harborview Drive.

RESOLUTION NO. 951

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, TO INITIATE THE PROCEDURE FOR THE VACATION OF A PORTION OF RUST STREET INTERSECTING NORTH HARBORVIEW DRIVE ON THE EAST SIDE.

WHEREAS, Mr. Stanley Stearns, trustee of Colvos Trust at 9509 North Harborview Drive (parcel number 2260000171) desires to initiate the procedure for the vacation of a thirty (30) foot wide portion of Rust Street, originally created in the plat called Town of Artna, recorded on August 23, 1890 in Book 5 Record of Plats on Page 58 in Pierce County, Washington (AFN 39021)

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Gig Harbor, Washington:

Section 1. A public hearing upon said street vacation shall be held in the council chambers of Gig Harbor City Hall on Monday, March 10th, 2014, at 5:30 p.m., at which hearing all persons interested in said street vacation are invited to appear.

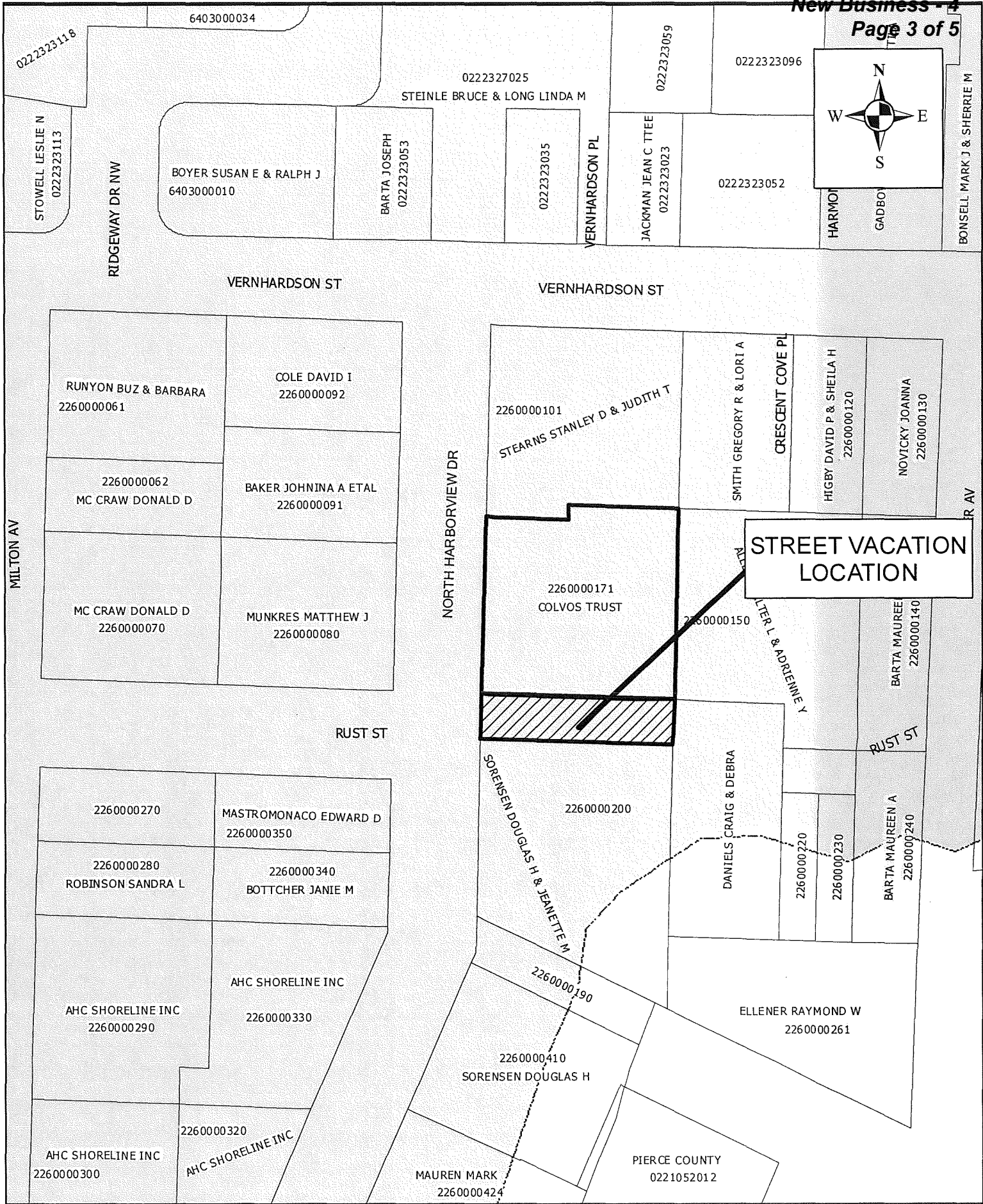
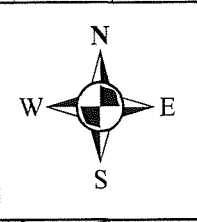
Section 2. The City Clerk is directed to post notices of the hearing in three public places and on the street to be vacated and to mail notices to all owners of any property abutting the portion of street to be vacated, pursuant to RCW 35.79.020.

PASSED this 10th day of February, 2014.

Jill Guernsey, Mayor

ATTEST:

Molly M. Towslee, City Clerk



STREET VACATION LOCATION

RUST STREET VACATION LOCATION MAP



AREA TO BE VACATED



0221052033 S



T H O R N T O N
L A N D S U R V E Y I N G , I N C .

8803 State Highway 16
PO Box 249
Gig Harbor, WA 98335
T 253 858 8106
F 253 858 7466
thorntonls.com

09 October, 2013

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

RE: Vacation of portion of Rust Street right-of-way

Dear Mr. Hendrickson,

This letter serves as an official request to vacate a 30-foot wide strip of Rust Street abutting my property at 9509 Harborview Drive in the City of Gig Harbor. This right-of-way along with my property was created from the plat called "The Town of Artena" in book 5 of plats at page 68 in Pierce County, Washington. This portion of Rust Street abutting my property at parcel number 2260000171 has never been used as street, nor has it been constructed.

Under the City of Gig Harbor's Municipal Code 12.14.018.C, which sites the "vacations of streets and alleys subject to 1889-90 Laws of Washington, Chapter 19, Section 32 (Non-user statute)", that portion of Prentice Avenue & Sutherland Street right-of-way's abutting my parcel has adversely, by operation of law, become mine legally since these right-of-way's were never opened nor used for their original purpose.

In light of this information, I wish to request that portion of Rust Street abutting my property be vacated. See attached drawings depicting the original location of the subject portion of Rust Street right-of-way in relation to my parcel.

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Stearns", is written over a horizontal line.

Stanley Stearns,
Trustee of Colvos Trust