

**AGENDA**  
**GIG HARBOR CITY COUNCIL STUDY SESSION**  
**Thursday, June 29, 2023 – 3:00 p.m.**  
**Community Rooms**

*This meeting may also be accessed through Zoom  
at <https://zoom.us/j/93216056382> or by calling (253) 215-8782 and entering  
Meeting ID 932 1605 6382.*

**CALL TO ORDER/ROLL CALL**

**DISCUSSION ITEMS**

**1. Proposed Above Ground Fuel Storage Tanks**

Public Works Director Jeff Langhelm

Documents:

[STAFF MEMO Proposed Above Ground Fuel Storage Tanks.pdf](#)

**2. Commercial Fishing Homeport**

Parks Manager Jennifer Haro

Documents:

[STAFF MEMO Commercial Fishing Homeport.pdf](#)

**3. Murphy's Landing Marina Dredging**

Public Works Director Jeff Langhelm

Documents:

[STAFF MEMO Murphys Landing Dredging.pdf](#)

**4. Proposed 2023-24 Street Capital Funding Options**

Public Works Director Jeff Langhelm

Documents:

[STAFF MEMO Proposed 2023-24 Street Capital Funding Options.pdf](#)

**5. May 2023 Budget Report**

Finance Director Dave Rodenbach

Documents:

[STAFF MEMO Budget Report.pdf](#)

**ADJOURN**

### **AMERICANS WITH DISABILITIES (ADA) ACCOMMODATIONS**

ADA accommodations can be provided upon request. Those requiring special accommodations should contact the City Clerk at [cityclerk@gigharborwa.gov](mailto:cityclerk@gigharborwa.gov) or (253) 853-7613 at least 24 hours prior to the meeting.



PUBLIC WORKS DEPARTMENT

## **MEMORANDUM**

TO: Mayor and City Council

FROM: Jeff Olsen, Public Works Superintendent

DATE: June 22, 2023

SUBJECT: Proposed Above Ground Fuel Storage Tanks

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Throughout the last few years the Operations Division has experienced many vehicle mechanical issues due to fuel related problems. While looking for solutions to this issue we also began discussing other related vulnerabilities such as emergency preparedness, potential for fuel theft, and hours being spent fueling large vehicles at local gas stations. A solution we discussed was purchasing above ground fuel tanks at the shop.

Adding above ground fuel tanks at the operations facility allows for many potential operational improvements. Some of these improvements include emergency preparedness, purchasing fuel at wholesale prices, availability of R99 diesel and non-ethanol fuel, addition of high-speed pump for fueling large vehicles, better accountability of where fuel is being used, and addition of the canopy will allow for a location to place our garbage dumpster under cover.

At the June 29th Study Session, Staff will review details of the proposed Above Ground Fuel Storage Tanks. Based on the outcome of the June 29th Study Session, Staff will prepare to present to Council as a 2023-2024 mid-Biennial Budget amendment.



PUBLIC WORKS DEPARTMENT

## **MEMORANDUM**

TO: Mayor & City Council

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

DATE: June 29, 2023

SUBJECT: Commercial Fishing Homeport – Donation Agreement, Moorage, and Additional Mitigation

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As the City moves toward the final stages of permitting for the Commercial Fishing Homeport, it is important to consider the future management and rates for the facility, as well as formalization of the agreement with the Commercial Fishermen Civic Club to donate money to the project. Staff is also reviewing comments from federal and state agencies indicating that more mitigation will be required in order to get construction approval for this project.

### **Fishermen's Club Donation**

The Gig Harbor Commercial Fishermen's Civic Club (Fishermen's Club) has verbally committed to provide a donation of \$200,000 toward the construction of the Homeport. The City would like to formalize the agreement, and has provided a draft. We are asking that they submit the donation prior to the bid being awarded for the project.

### **Moorage at Homeport**

In planning ahead for the operation of the Homeport, staff looked at commercial moorage rates and moorage agreements from different ports. Commercial rates are generally lower than recreational moorage rates. The attached spreadsheet shows moorage rates at seven different port districts that rent dock space to commercial vessels. The lowest rate for a boat less than 80 feet long is \$6.39 per foot per month, plus tax, at the Port of Bellingham. The highest rate was \$9.75 per foot at the Westport Marina at the Port of Grays Harbor. Boats over 80 feet are charged more per foot at several marinas, but the boats we anticipate mooring in Gig Harbor are less than 80 feet. The average rate per foot for vessels less than 80 feet long is \$8.73 per foot. Staff recommends moorage rates at around the average rate.

Also attached is a sample moorage agreement that would be signed by each boat's owner or captain. A final draft version will need to be reviewed by the City Attorney and RMSA.

Additional things to consider with operation of the Homeport include; staffing, check-in and payment processes, loading and unloading vessels, crew liveaboards, garbage, waste oils & fluids, storage, public access to docks, electric and water service rates, and rule enforcement. All of the items will require management by an entity, which is likely the City.

### **Contract Amendment for Additional Mitigation**

The US Army Corps of Engineers (USACE) appears to be requiring the project mitigation proposed by the Washington Department of Fish and Wildlife (WDFW) used as part of the

conditions of the USACE permit. Specifically, WDFW is proposing reconstruction of at least one stormwater outfall at the marine shoreline to minimize erosion at the outfall. The exact amount of mitigation is still unknown but this mitigation effort is beyond the scope of the consultant's current scope and budget. Staff anticipates knowing the full scope of the mitigation in July.

Additionally, with the extended amount of time that it has taken to get through the federal permit review process, and thus the local permit process, we have expended more of the contract budget for design and permitting than anticipated by this time. For the consultant to continue to move forward through the permitting process staff will bring a contract amendment at an upcoming Council meeting for a request for funds to cover the additional work described here.

At the June 29 Study Session Staff will review these items and will request direction from Council on whether to proceed with these items.

Attachments:

Draft monetary donation agreement  
Commercial moorage rates at Washington marinas  
Draft moorage agreement

## **FUNDING AGREEMENT BETWEEN THE CITY OF GIG HARBOR AND GIG HARBOR COMMERCIAL FISHERMEN'S CIVIC CLUB**

THIS FUNDING AGREEMENT is entered into by and between the City of Gig Harbor, a Washington municipal corporation (hereinafter referred to as the "City") and the Gig Harbor Commercial Fishermen's Civic Club, a State of Washington 501(C)(3) non-profit corporation (hereinafter referred to as "GHCFCC").

### **W I T N E S S E T H**

WHEREAS, the City owns Ancich Park, located at 3589 Harborview Drive, Gig Harbor, WA (hereinafter referred to as the "Property"); and

WHEREAS, the Property encompasses Ancich Park, which contains the Community Paddler's Dock and Ancich Pier and Netshed; and

WHEREAS, the City purchased and developed the Property to rehabilitate the Ancich Netshed, reconstruct the Ancich Pier, construct the boat storage building, Community Paddlers Dock and view plaza; and

WHEREAS, the City has plans to construct a Commercial Fisherman's Homeport extending from the Ancich Pier, with moorage for seventeen (17) commercial fishing vessels and has contracted with an engineering firm for design, and has submitted permit applications for construction; and

WHEREAS, GHCFCC has proposed the Homeport, advocated for its funding, consulted on its design, and has committed to contribute \$200,000 toward the project; and

WHEREAS, the use of the Property will benefit GHCFCC, therefore the parties hereto agree as follows:

### **TERMS**

1. Purpose. The purpose of this Agreement is to establish terms relating to the GHCFCC monetary donation to the project.
2. Donation and Restrictions. THE GHCFCC agrees to donate to the City of Gig Harbor two hundred thousand dollars (\$200,000.00) to support the construction of the Commercial Fisherman's Homeport. The GHCFCC requires that the donated funds be used for the planning, permitting, construction or other related expenses of the Commercial Fisherman's Homeport project only. Once the funds are expended for this purpose no conditions remain. If the funds are not expended for this purpose within 10 years, the City must return the donation to the GHCFCC. The City agrees to accept this donation pursuant to the terms outlined in this agreement.

3. Terms. The GHCFCC monetary donation shall be transferred to the City within ten (10) days of bid opening, or prior to the City Council meeting where the bid award for construction of the Commercial Fishing Homeport is on the agenda, whichever comes first. The City will provide at least fourteen (14) days notice of bid opening.
4. Duration and Notice of Termination. This Agreement shall take effect on the date it is signed by both parties. Once effective, this Agreement shall remain in effect until completion of the Commercial Fishing Homeport.
5. Modification or Waiver. No waiver, alteration or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of the parties.
6. Entire Agreement. The written provisions of this Agreement shall supersede all prior verbal statements of any officer or representative of the City, and such statements shall not be effective or be construed as entering into, forming a part of, or altering in any manner whatsoever, this Agreement.
7. Non-Waiver of Breach. The failure of either party to insist upon strict performance of any of the covenants and agreements contained in this Agreement, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such covenant, agreement or option, or any other covenant, agreement or option.
8. Notices. General notices required to be in writing under this Agreement shall be sent by registered or certified mail as follows:

|                                              |                       |
|----------------------------------------------|-----------------------|
| Gig Harbor Commercial Fishermen's Civic Club | City of Gig Harbor    |
| President                                    | City Administrator    |
| XXXXXX                                       | 3510 Grandview Street |
| Gig Harbor, WA 98335                         | Gig Harbor, WA 98335  |
9. Severability. If any section or provision of this Agreement shall be held by a court of competent jurisdiction to be unenforceable, this Agreement shall be construed as though such section or provision had not been included in it, and the remainder of the Agreement shall be enforced as the expression of the parties' intentions. If any section or provision of this Agreement is found to be subject to two constructions, one of which would render such section or provision invalid and one of which would render such section or provision valid, then the latter construction shall prevail.

IN WITNESS WHEREOF, the parties have executed on \_\_\_\_\_.

Gig Harbor Commercial Fisherman's  
Civic Club

CITY OF GIG HARBOR

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: Mayor

STATE OF WASHINGTON                    )  
                                                  ) ss.  
COUNTY OF PIERCE                    )

I certify that I know or have satisfactory evidence that Tracie Markley 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: \_\_\_\_\_

\_\_\_\_\_  
(print or type name)

NOTARY PUBLIC in and for the  
State of Washington, residing  
at: \_\_\_\_\_

My Commission expires: \_\_\_\_\_

STATE OF WASHINGTON                    )  
                                                  ) ss.  
COUNTY OF PIERCE                    )

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of the Gig Harbor Commercial Fisherman Civic Club to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(print or type name)

NOTARY PUBLIC in and for the  
State of Washington, residing  
at: \_\_\_\_\_

My Commission expires: \_\_\_\_\_

# Commercial Moorage Rates at Washington Marinas

| Port District         | Location               | Length             | Rate Per<br>Foot/Month | Tax*<br>12.84% | Total Rate<br>Incl. Tax |
|-----------------------|------------------------|--------------------|------------------------|----------------|-------------------------|
| Port of Bellingham    | Squalicum Harbor       | Less than 80 feet  | \$ 6.39                | \$ 0.82        | \$ 7.21                 |
|                       |                        | 80 feet and larger | \$ 7.20                | \$ 0.92        | \$ 8.12                 |
|                       | Blaine Harbor          | Less than 80 feet  | \$ 6.39                | \$ 0.82        | \$ 7.21                 |
|                       |                        | 80 feet and larger | \$ 7.20                | \$ 0.92        | \$ 8.12                 |
| Port of Port Townsend | Boat Haven             | Up to 70 feet      | \$ 8.13                | \$ 1.04        | \$ 9.17                 |
|                       |                        | 71 feet +          | \$ 9.25                | \$ 1.19        | \$ 10.44                |
| Port of Seattle       | Fisherman's Terminal   | 30-79 feet         | \$ 8.36                | \$ 1.07        | \$ 9.43                 |
|                       |                        | 80-125 feet        | \$ 11.75               | \$ 1.51        | \$ 13.26                |
|                       | Shilshole Bay Marina   | 30-79 feet         | \$ 8.12                | \$ 1.04        | \$ 9.16                 |
|                       |                        | 79-125             | \$ 11.97               | \$ 1.54        | \$ 13.51                |
| Port of Everett       | Port of Everett Marina | Any                | \$ 8.25                | includes tax   | \$ 8.25                 |
| Port of Anacortes     | Cap Sante Marina       | Any                | \$ 7.97                | \$ 1.02        | \$ 8.99                 |
| Port of Skagit        | La Conner Marina       | Under 30           | \$ 6.83                | \$ 0.88        | \$ 7.71                 |
|                       |                        | 30 - 35            | \$ 7.29                | \$ 0.94        | \$ 8.23                 |
|                       |                        | 35 - 40            | \$ 7.68                | \$ 0.99        | \$ 8.67                 |
|                       |                        | 41 - 45            | \$ 8.04                | \$ 1.03        | \$ 9.07                 |
|                       |                        | 45 - 50            | \$ 8.34                | \$ 1.07        | \$ 9.41                 |
|                       |                        | Over 60            | \$ 9.52                | \$ 1.22        | \$ 10.74                |
| Port of Grays Harbor  | Westport Marina        | Any                | \$ 9.75                | \$ 1.25        | \$ 11.00                |

\*Current leasehold tax rate rate

Note: Extra charges for electricity, environmental fees, etc.

Average rate per foot = \$ 9.35

**Average rate for < 80 feet = \$ 8.73**

# Moorage Agreement

## Gig Harbor Commercial Fishing Homeport

### RULES AND REGULATIONS

Anyone visiting or using the City of Gig Harbor Commercial Fishing Homeport (Homeport) premises or its facilities does so at his/her own risk. The City of Gig Harbor (City) does not assume any responsibility for loss or damage to property or persons within the premises. Vessels at the Homeport are private property and trespassing is prohibited.

1. Moorage assignments and payment of moorage charges shall be administered by the City of Gig Harbor in accordance with the most recent adopted fee ordinance.
2. Any vessel, vehicle, property, gear, or equipment will be parked, stored, moored or maneuvered in a safe and orderly manner.
3. The City may establish such reasonable traffic and parking regulations as may be required for orderly handling of motor vehicles at City facilities. A vehicle parked in violation of any such sign or regulations may be towed and impounded in accordance with the City parking requirements at owner's expense.
4. Loud or boisterous conduct, sleeping, lewd or lascivious conduct, unnecessary blowing of horns, changing clothes, etc., are not permitted on City Premises. Vessel owners/operators will not maintain anything that may be dangerous to life or limb or permit any objectionable noise or odor on any vessel, or premises adjacent thereto, and will not create a nuisance or disturb any other vessel owner, guest or lessee of the Ancich Park or neighboring properties.
5. All vessels or vehicles using facilities or space within City premises will be subject to all of the charges, rules, and conditions as prescribed in the fee ordinance, this agreement and Gig Harbor Municipal Code. The City may deny the use of any of the facilities of the Homeport to any person who refuses to comply with these rules and regulations. Any such person may be subject to prosecution as a trespasser to the fullest extent possible under the law.
6. All vessels entering Homeport facilities must have a valid identification permanently affixed to the hull and clearly visible from the outside. Coast Guard registered vessels must have the name of the vessel on the hull. Failure to have either may be cause for refusal or termination of moorage.
7. Drinking of alcoholic beverages on City facilities is prohibited.
8. It is against the law to discharge hazardous substances, oil and untreated sewage into U.S. navigable waters. The owner, operator or person in charge of a vessel at the time of such a discharge will be subject to fines and charged for clean-up costs. If the responsible party fails to report the spill to appropriate authorities, higher fines and a jail sentence may be imposed. See 33 USC 1321. No garbage, trash, oil, fuel, debris, or other material, liquid or solid, shall be deposited in the water or on land areas of City facilities, except into containers provided for that specific purpose. Waste oils must be poured

into special containers provided for that specific purpose.

9. All vessel owners, operators, crew or guests using City facilities or its facilities for moorage or otherwise shall keep his/her vessel, gear locker, boathouse, net areas, and the pier or finger in the vicinity of his/her vessel neat, clean, and orderly.

10. No storage is permitted on piers or fingers. Oily rags, open paints, or other flammable or explosive material must not be stored in locker boxes, net lockers, or other City facilities.

11. Vessels which, in the opinion of the Gig Harbor Police Chief, do not meet normal safety standards or because of their size or construction are hazardous to the City property or other vessels or facilities will be denied permission to remain at City facilities.

12. Vessels moored in City facilities must, at all times, be completely seaworthy and ready for immediate cruising in local waters. Vessels must be able to maneuver under their own power, using a propulsion system that is consistent with the vessel's original design plans. Affixing tow ropes, outboard engines or other power workarounds does not satisfy the propulsion requirement and may result in a notice of termination. City Staff may ask owners to demonstrate seaworthiness at any time.

13. A vessel owner who denies permission when requested for an on-board inspection of his/her vessel by the Gig Harbor Police Department, U.S. Coast Guard Boarding Officer, U.S. Coast Guard Auxiliary Boat Examiner, shall be deemed in non-compliance with this agreement.

14. Those utilizing the City's facilities shall obey all Municipal, County, State, and Federal regulations and laws, and generally accepted safety standards and requirements to ensure that their actions or vessel do not become a hazard to themselves or other vessels, or persons, in the City's facilities. This includes providing up to date proof of vessel insurance and a current Washington State vessel registration, which is required by state law RCW 88.06.030 upon slip assignment and/or as requested by the City. Non-residents of the state may present the following as a substitute for Washington State vessel registration: Proof of non-residence (vessel may only stay 60 days), a one-year use permit for vessels 30' or longer obtained under RCW 82.08.700 or 82.12.700, a nonresident vessel permit under RCW 88.02.620 where use in this state does not exceed 6 months in any continuous 12 month period. Foreign vessels may present a US Customs service cruising license or permits issued by the State of Washington allowing an extended stay.

15. Discharging any material from vessels in a manner inconsistent with federal law is prohibited while at City facilities. This prohibition includes discharge of sewage from toilet facilities. See Environmental Protection Agency regulations implementing the Clean Water Act, section 312 (standards for marine sanitation devices (MSDs)): 40 C.F.R. 140 et seq, USC Title 33 Chapter I Subchapter O Part 159, Revised Code of Washington (RCW) 90.48.080, Washington Administrative Code (WAC) 173-201A, and Coast Guard regulations implementing CWA section 312, 33 C.F.R. 159, Subparts A-D. If a permit for living aboard is granted, management may require subscription to a sewage removal service and may request documents to confirm that such a contract has been entered into as a condition of the moorage agreement. The owner, operator, or person in charge of the vessel at the time of illegal discharge can be fined according to laws governing U.S. navigable waters. Vessels violating federal discharge laws shall be deemed in violation of this agreement and the moorage agreement and may be subject to termination of moorage.

16. Living aboard vessels is prohibited at the Homeport. In the case of an active Commercial Fishing vessel only, the captain may sleep aboard; and the crew is allowed to sleep aboard for ten days immediately before and immediately after the fishing season.

17. Vessels may be moved by the City for the protection of life or property or best utilization of the facility.

18. Moorage space, once assigned, may not be sub-assigned by the user without written approval of the City Public Works Department.

19. Pets (dogs and cats) must be kept on a leash and controlled at all times in areas owned by the City. Owners will be responsible for proper clean-up and disposal of animal waste in a proper container; waste shall not be put into the water. Pet owners will ensure their pets are not disruptive. Non-compliance may lead to termination of moorage.

20. Swimming, or moorage of any type of vessel other than a commercial fishing vessel is not permitted at the City's facilities.

21. Storage of rowboats, skiffs, dinghies, rafts, nets, reels, and other items of equipment will be designated by the Public Works Director. Any of the above items or other equipment or gear left without proper storage arrangements will be in violation of the rules and subject to being removed as a nuisance, at the owner's expense.

22. Children under twelve (12) years of age are not permitted on piers unless accompanied by a parent or other responsible adult. Personal flotation device is recommended.

23. All moorage facilities are no-wake zones.

24. Vessels, when unattended, must be securely moored with bow, stern, and spring lines of an adequate size and number to keep the vessel secure.

25. Posting of signs for the sale, charter or rental of vessels while moored at City facilities is prohibited.

26. Boat gear and dock carts shall be returned to the top of the corresponding ramp or dock immediately after use.

27. No commercial use of City facilities will be allowed unless a City permit or license has been granted. The requirements and conditions for such permits and licenses shall be as outlined in separate instructions as issued by the City.

28. The City reserves the right to inspect any of its property, such as dock boxes, lockers, finger piers, slips, and any other property, at any time. Failure to inspect shall not be deemed to create any responsibility and/or liability upon the City.

29. No major repair work or outfitting, spray-painting, sandblasting, sanding, welding or burning on vessels will be performed without specific approval of the Public Works Director and permit from the Fire Department.

30. Transfer of fuels, oils, lubricants, or other flammable liquids of any kind, from vessel to float/dock or from float/dock to vessel, is strictly prohibited.

31. Any commercial fishing or other commercial vessel of an industrial nature such as a tug, dive, research or barge is required to carry a minimum of \$300,000 (three hundred thousand dollars) of liability insurance if moored for 30 days or more. Wreck removal and pollution prevention coverage is also required.

#### A. ENFORCEMENT

The Public Works Director or Police Chief may request persons violating these regulations to leave City's facilities and/or obtain the assistance of law enforcement officers to protect property, lives or preserve the peace. The Director may interpret the reasonable intent of these regulations to carry out the purposes of these regulations. If a vessel; the owner of which has been notified to remove the vessel from the City's facilities, is not removed immediately, it may be impounded by the Police Department, and may be removed by a private contractor, charges for which will be assessed against the vessel and/or its owner.

#### B. LIMITATION OF RIGHTS PRIVILEGES OR REMEDIES

Nothing contained in this agreement shall be construed as a limitation of any rights, privileges, or remedies available to the City under any applicable state and federal laws.

#### C. VESSEL REGISTRATION AND PROCEDURES

1. All vessels must be registered by owners or operators prior to arrival at the City's facility. Registration must occur at the Gig Harbor Civic Center at 3510 Grandview Street.
2. All vessel owners must sign and agree to terms of this agreement.

#### D. PRIORITY OF MOORAGE ASSIGNMENT

1. The Homeport is intended to serve as a facility for the fishing industry. Vessels mooring at the Homeport must be actively engaged in commercial fishing operations more than three months each calendar year.
2. The City shall be the exclusive judge of whether a particular vessel is actively engaged in bona fide commercial operations.
3. A vessel otherwise qualifying as active but which is prohibited from engaging in commercial fishing operations by reason of government mandated closure of the fishery(ies) in which it would otherwise operate, shall be considered as actively engaged in bona fide commercial fishing operations.
4. Vessels that were actively engaged in commercial marine operations but become inactive will no longer be eligible to moor at this facility.

#### E. PRIORITY OF TERMINATION

In the event a moorage waiting list for active commercial fishing vessels is created, the City will manage this list on a first-come, first-served basis where each time a slip comes available the City will contact the first person on the list and provide no more than 48-hours to respond. The City will continue down the list until a fishing vessel fills the open slip.



**DATE:** June 23, 2023  
**TO:** Mayor and City Council  
**FROM:** Marcos McGraw, Project Engineer   
**SUBJECT:** Murphy's Landing Marina Dredging; Project status and future action

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## **BACKGROUND**

This item follows up on a presentation on the same subject provided City Council at the April 14, 2023 Study Session. This memorandum describes actions and activities related to the subject project and requests direction from City Council.

The City contracted with Parametrix for design and permit preparation. That contract expired in March 2022. The local and state permits that have been issued as of the date of this memo are as listed here:

- SEPA determination by City of Gig Harbor on November 7, 2022.
- Hydraulic Project Approval (HPA) by the Washington State Department of Fish and Wildlife (WDFW) on December 28, 2022.
- Hearing Examiner decision on January 6, 2023

During the past four months, city staff submitted records to the US Army Corps of Engineers (USACE) for a Nationwide Permit, which can be used for application of an Individual Permit. We communicated this progress to the representatives of Murphy's Landing Marina. These documents consisted of a completed form for Coastal Zone Management Act (CZMA) application, updated JARPA exhibits, and a list of adjacent property owners. We recently learned that compliance with the Endangered Species Act (ESA) will require consultation with the U.S. Fish and Wildlife Service or consultation with National Marine Fisheries Service (NMFS).

## **FINAL PERMITTING OPTIONS**

The final permit options below relate to the Nationwide Permit versus the Individual Permit through USACE. As stated in the paragraph above, the Nationwide Permit application is nearly complete. These options include:

### **Option 1: Nationwide Permit**

The process for acquiring a Nationwide Permit commenced earlier this year (ref. 2nd paragraph under "Background" above). On May 10, 2023, USACE notified the City that ESA consultation is required in order to proceed with the permit process. This consultation will require the City to execute a new professional services contract consisting of preparing records and correlating with USACE for programmatic consultation. The City received a preliminary cost estimate for these professional services from Parametrix of about \$45,000. The Nationwide Permit will likely be issued within a few months after completing this consultation.

Option 1 consists of the City proceeding with ESA programmatic consultation for acquisition of the Nationwide Permit. Then turn the project over to the Marina along with all associated obligations for future construction and any permit requirements.

### **Option 2: Individual Permit**

Representatives with the Marina expressed a preference for the City to acquire required permits for disposal of the dredged materials at an approved in-water site, which will require acquisition of an Individual Permit through USACE. The Marina prefers in-water disposal of the dredged sediments due to the anticipated cost savings compared to upland disposal. The effort for managing the application process and acquiring an Individual Permit will result in additional time and costs of about \$70,000.

Option 2 consists of compiling all records submitted to date to the USACE for the Nationwide Permit and adding those additional records required for an Individual Permit. The additional records will include, but are not limited to, ESA consultation, a biological assessment, an alternatives analysis, and the National Environmental Policy Act (NEPA) procedures.

### **REQUESTED DIRECTION:**

City staff recommends proceeding with Option 1 described above. City staff will request direction from City Council at the June 29 Study Session based on information provided in this memorandum.

The purpose of all the work to date has been to support vessel movement within the basin that was originally dredged for construction of Murphy's Landing. The recommended Option 1 complies with earlier direction from City Council and the Agreement between the City and the Marina. It will allow USACE to issue a Nationwide Permit. It will allow the Marina to proceed with the dredging work, dependent on conditions of the permit. It will allow an option for the Marina to work with USACE to switch the Nationwide Permit to an Individual Permit for in-water disposal if they desire.



PUBLIC WORKS DEPARTMENT

## **MEMORANDUM**

TO: Mayor and City Council

FROM: Jeff Langhelm, Public Works Director

DATE: June 23, 2023

SUBJECT: Proposed 2023-24 Street Capital Funding Options

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The 2023-24 Street Capital Budget was adopted in November 2022 based on some grant funding assumptions. Now that we are mid-way through 2023, the City has a better feel for the likelihood of these grant funds.

Specifically, the City will not be receiving federal funding for the Prentice-Fennimore improvement project nor Transportation Improvement Board funding for the 38<sup>th</sup> Ave Phase 2 project. Additionally, the City did not budget for new funding sources that have been realized by the City.

As a result, Staff prepared the attached summary to identify the existing funding sources for the larger street capital projects and proposed funding sources for these same projects. See the complete summary of existing vs. proposed funding source options for street capital projects.

At the June 29th Study Session, Staff will review details of the proposed funding source options. Based on the outcome of the June 29th Study Session, Staff will prepare to a mid-biennial budget amendment for the Street Capital fund.

2023-24 Street Capital Funding Options

|                                       | 2023-24 Funding     |             |  |                     |               |                                                                                                                                                                                                                                              |
|---------------------------------------|---------------------|-------------|--|---------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                       | Existing            |             |  | Proposed            |               |                                                                                                                                                                                                                                              |
| Project Name                          | Source              | Amount      |  | Source              | Amount        | Comments                                                                                                                                                                                                                                     |
| Burnham Drive Half-Width Imp Phase 1A | Storm Capital       | \$2,500,000 |  | Storm Capital       | \$2,500,000   | Money for paving that would have been in their gas main project.<br>Frontage Improvements SEPA Condition<br>Based on 90% Construction estimate.                                                                                              |
|                                       | TBD                 | \$1,050,000 |  | TBD                 | \$302,306     |                                                                                                                                                                                                                                              |
|                                       | HBZ                 | \$1,400,000 |  | HBZ                 | \$1,400,000   |                                                                                                                                                                                                                                              |
|                                       |                     |             |  | PSE                 | \$137,500     |                                                                                                                                                                                                                                              |
|                                       |                     |             |  | Burnham Drive Apts. | \$110,194     |                                                                                                                                                                                                                                              |
|                                       |                     |             |  | TIB GRANT-SIDEWALK  | \$500,000     |                                                                                                                                                                                                                                              |
|                                       | Total = \$4,950,000 |             |  | Total = \$4,950,000 |               |                                                                                                                                                                                                                                              |
| Wollochet Dr/SR-16 WB On-ramp         | TBD                 | \$100,000   |  | TBD                 | \$100,000     | Unknown if pass through agency will keep some of the funding for themselves.                                                                                                                                                                 |
|                                       | TIF                 | \$50,000    |  | TIF                 | \$50,000      |                                                                                                                                                                                                                                              |
|                                       |                     |             |  | STATE FUNDING       | \$840,000     |                                                                                                                                                                                                                                              |
|                                       |                     |             |  | TIB GRANT           | \$0           |                                                                                                                                                                                                                                              |
|                                       | Total = \$150,000   |             |  | Total = \$990,000   |               |                                                                                                                                                                                                                                              |
| Wollochet Dr/SR-16 EB Off-ramp        | TBD                 | \$100,000   |  | TBD                 | \$100,000     | Unknown if pass through agency will keep some of the funding for themselves.                                                                                                                                                                 |
|                                       | TIF                 | \$50,000    |  | TIF                 | \$50,000      |                                                                                                                                                                                                                                              |
|                                       |                     |             |  | STATE FUNDING       | \$840,000     |                                                                                                                                                                                                                                              |
|                                       |                     |             |  | TIB GRANT           | \$0           |                                                                                                                                                                                                                                              |
|                                       | Total = \$150,000   |             |  | Total = \$990,000   |               |                                                                                                                                                                                                                                              |
| Prentice/Fennimore                    | TBD                 | \$700,000   |  | TBD                 | \$2,363,404   | Was not awarded Federal Grant                                                                                                                                                                                                                |
|                                       | FEDERAL GRANT       | \$1,712,000 |  |                     | \$0           |                                                                                                                                                                                                                                              |
|                                       | HBZ                 | \$193,000   |  | HBZ                 | \$374,438     |                                                                                                                                                                                                                                              |
|                                       | Total = \$2,605,000 |             |  | Total = \$2,737,842 |               | Based off of 90% estimate of \$2,737,841 and includes 25% contingency for change order authority and testing etc.                                                                                                                            |
| 38th Ave Phase 2                      | TIB GRANT           | \$1,400,000 |  | TIB GRANT-SIDEWALK  | \$0           | Only eligible for sidewalk funding from the choices available. Meeting with Greg at TIB suggested that Burnham is better                                                                                                                     |
|                                       | TBD                 | \$700,000   |  | TBD                 | \$1,775,000   |                                                                                                                                                                                                                                              |
|                                       | TIF                 | \$1,800,000 |  | TIF                 | \$2,125,000   |                                                                                                                                                                                                                                              |
|                                       | Total = \$3,900,000 |             |  | Total = \$3,900,000 |               |                                                                                                                                                                                                                                              |
| Wollochet/Wagner                      | TBD                 | \$850,000   |  | TBD                 | \$100,000     | TIB Match<br>Inflated 2018 Construction Cost Estimate is \$1 million                                                                                                                                                                         |
|                                       | TIF                 | \$450,000   |  | TIF                 | \$200,000     |                                                                                                                                                                                                                                              |
|                                       |                     |             |  | TIB GRANT           | \$1,000,000   |                                                                                                                                                                                                                                              |
|                                       | Total = \$1,300,000 |             |  | Total = \$1,300,000 |               |                                                                                                                                                                                                                                              |
| Burnham Dr/SR-16 RAB Metering         | HBZ                 | \$75,000    |  | HBZ                 | \$75,000      |                                                                                                                                                                                                                                              |
|                                       | Total = \$75,000    |             |  | Total = \$75,000    |               |                                                                                                                                                                                                                                              |
| Olympic/Pt Fosdick Dr                 | TBD                 | \$75,000    |  | TBD                 | \$75,000      |                                                                                                                                                                                                                                              |
|                                       | TIF                 | \$75,000    |  | TIF                 | \$75,000      |                                                                                                                                                                                                                                              |
|                                       | Total = \$150,000   |             |  | Total = \$150,000   |               |                                                                                                                                                                                                                                              |
| LOCAL 2023-24 FUNDING SUMMARY         |                     |             |  |                     |               | Difference                                                                                                                                                                                                                                   |
|                                       | TBD                 | \$3,575,000 |  | \$4,815,710         | (\$1,240,710) | <div>Acronym Legend</div> <div>TBD = TRANSPORTATION BENEFIT DISTRICT</div> <div>TIF = TRAFFIC IMPACT FEES</div> <div>TIB = TRANSPORTATION IMPROVEMENT BOARD</div> <div>HBZ = HOSPITAL BENEFIT ZONE</div> <div>PSE = PUGET SOUND ENERGY</div> |
|                                       | TIF                 | \$2,425,000 |  | \$2,500,000         | (\$75,000)    |                                                                                                                                                                                                                                              |
|                                       | HBZ                 | \$1,668,000 |  | \$1,849,438         | (\$181,438)   |                                                                                                                                                                                                                                              |
| LOCAL FUNDS TOTAL                     |                     | \$7,668,000 |  | \$9,165,148         | (\$1,497,148) |                                                                                                                                                                                                                                              |
| OTHER 2023-24 FUNDING SUMMARY         |                     |             |  |                     |               |                                                                                                                                                                                                                                              |
|                                       | TIB GRANT           | \$1,400,000 |  | \$1,500,000         | (\$100,000)   |                                                                                                                                                                                                                                              |
|                                       | STATE FUNDING       | \$0         |  | \$1,680,000         | (\$1,680,000) |                                                                                                                                                                                                                                              |
|                                       | PSE                 | \$0         |  | \$137,500           | (\$137,500)   |                                                                                                                                                                                                                                              |
|                                       | BURNHAM DRIVE APT.  | \$0         |  | \$110,194           | (\$110,194)   |                                                                                                                                                                                                                                              |
| OTHER FUNDS TOTAL                     |                     | \$1,400,000 |  | \$3,427,694         | (\$2,027,694) |                                                                                                                                                                                                                                              |

Acronym Legend

TBD = TRANSPORTATION BENEFIT DISTRICT

TIF = TRAFFIC IMPACT FEES

TIB = TRANSPORTATION IMPROVEMENT BOARD

HBZ = HOSPITAL BENEFIT ZONE

PSE = PUGET SOUND ENERGY



## **MEMORANDUM**

**DATE:** June 29, 2023

**TO:** Mayor Markley and Gig Harbor City Council

**FROM:** Dave Rodenbach, Finance Director

**SUBJECT:** May 2023 Budget Report

The monthly budget summary for May 2023 is attached.

Total resources for the month, across all funds, which includes all receipts and non-revenues, are at seventeen (17%) of the 2023-24 budget. Sales tax revenues are three (3%) percent lower than May 2022 revenues. Other year-to-date tax revenues are similar to levels received in May 2022.

Business development revenues, such as permits, licenses, and development fees are down sixty-three percent (63%) from May 2022.

As expected, salaries and benefits costs are up, as well as costs for supplies and services as compared to last year. Total expenditures through May 2023 are at eighty (80%) of May 2022 totals.

**BUDGET UPDATE**  
**YTD THROUGH MAY 31, 2023**

| FUND |                                 | BEGINNING         |                   |                   | %OF BUDGET        |            |          |              |
|------|---------------------------------|-------------------|-------------------|-------------------|-------------------|------------|----------|--------------|
| NO.  | DESCRIPTION                     | CASH AND          |                   | EXPENDITURES      | ENDING            |            | REVENUES | EXPENDITURES |
|      |                                 | INVESTMENTS       | REVENUES          |                   | BALANCE           |            |          |              |
| 001  | GENERAL GOVERNMENT              | \$ 7,966,215      | \$ 6,884,949      | \$ 6,085,182      | \$ 8,765,982      | 20%        |          | 15%          |
| 101  | STREET FUND                     | 851,711           | 1,136,791         | 888,255           | 1,100,247         | 21%        |          | 16%          |
| 102  | STREET CAPITAL FUND             | 409,820           | 182,081           | 390,021           | 201,880           | 1%         |          | 3%           |
| 103  | SENIOR CAPITAL FUND             | 202,708           | 2,920             | -                 | 205,628           | 292%       |          | 0%           |
| 104  | PEDESTRIAN SAFETY FUND          | 218,803           | 3,152             | -                 | 221,955           | 158%       |          | 0%           |
| 105  | DRUG INVESTIGATION FUND - STATE | 16,307            | 235               | -                 | 16,542            | 147%       |          | 0%           |
| 106  | DRUG INVESTIGATION FUND - FED   | 9,878             | 142               | 2,419             | 7,602             | 142%       |          | 64%          |
| 107  | HOTEL-MOTEL FUND                | 1,328,943         | 166,847           | 149,473           | 1,346,317         | 16%        |          | 8%           |
| 108  | PUBLIC ART CAPITAL PROJECTS     | 25,382            | 366               | 28                | 25,719            | 183%       |          |              |
| 109  | PARK DEVELOPMENT FUND           | 266,257           | 549,749           | 322,248           | 493,758           | 5%         |          | 3%           |
| 111  | STRATEGIC RESERVE FUND          | 2,646,118         | 38,122            | -                 | 2,684,240         | 191%       |          | 0%           |
| 112  | EQUIPMENT RESERVE FUND          | 497,553           | 7,168             | -                 | 504,721           | 102%       |          | 0%           |
| 113  | CONTRIBUTIONS/DONATIONS         | -                 | 1,442             | 1,442             | -                 |            |          |              |
| 208  | LTGO BOND REDEMPTION            | 181,307           | 1,152             | 101,347           | 81,112            | 0%         |          | 22%          |
| 211  | UTGO BOND REDEMPTION            | 262,304           | 140,879           | -                 | 403,183           | 45%        |          | 0%           |
| 301  | PROPERTY ACQUISITION FUND       | 1,873,584         | 235,301           | 6                 | 2,108,879         | 16%        |          | 0%           |
| 305  | GENERAL GOVT CAPITAL IMPR       | 1,278,651         | 226,590           | 6                 | 1,505,234         | 15%        |          | 0%           |
| 309  | IMPACT FEE TRUST                | 3,381,044         | 103,090           | -                 | 3,484,134         | 4%         |          | 0%           |
| 310  | HOSPITAL BENEFIT ZONE           | 2,566,229         | 4,345,011         | 160,140           | 6,751,100         | 106%       |          | 2%           |
| 401  | WATER OPERATING                 | 3,298,707         | 986,589           | 805,723           | 3,479,573         | 17%        |          | 15%          |
| 402  | SEWER OPERATING                 | 5,506,557         | 2,604,269         | 2,369,644         | 5,741,182         | 21%        |          | 20%          |
| 403  | SHORECREST RESERVE FUND         | 243,883           | 11,797            | 448               | 255,232           | 25%        |          | 10%          |
| 407  | UTILITY RESERVE                 | 1,454,464         | 8,865             | (28)              | 1,463,357         | 63%        |          |              |
| 408  | UTILITY BOND REDEMPTION         | 264,681           | 1,047,951         | 1,044,138         | 268,493           | 23%        |          | 23%          |
| 410  | SEWER CAPITAL CONSTRUCTION      | 6,962,158         | 174,195           | 354,188           | 6,782,166         | 6%         |          | 5%           |
| 411  | STORM SEWER OPERATING FUND      | 1,844,575         | 451,827           | 359,577           | 1,936,826         | 12%        |          | 7%           |
| 412  | STORM SEWER CAPITAL             | 2,940,795         | 53,080            | 87,109            | 2,906,767         | 2%         |          | 2%           |
| 420  | WATER CAPITAL ASSETS            | 8,234,599         | 156,684           | 95,455            | 8,295,828         | 4%         |          | 1%           |
| 650  | TRANSPORTATION BENEFIT DISTRICT | 4,994,288         | 826,466           | 51                | 5,820,704         | 20%        |          | 0%           |
|      |                                 | <b>59,727,521</b> | <b>20,347,712</b> | <b>13,216,873</b> | <b>66,858,360</b> | <b>17%</b> |          | <b>10%</b>   |