

AGENDA
GIG HARBOR CITY COUNCIL STUDY SESSION
Thursday, August 3, 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. Introduction of Historic Preservation Commission Appointees**
- 2. Flag Display Policy**
- 3. Pierce County Fire District #5 Water Utility Extension Agreement (UEA)**

Associate Engineer Stephanie Seibel

Documents:

[STAFF MEMO Pierce County Fire District Station 5 Water UEA.pdf](#)

- 4. Harbor Run Plat Sewer Utility Extension Agreement (UEA)**

Associate Engineer Stephanie Seibel

Documents:

[STAFF MEMO Harbor Run Plat Sewer UEA.pdf](#)

- 5. Short-term Rental Update**

Community Development Director Carl de Simas

Documents:

[STAFF MEMO STR Update.pdf](#)

- 6. Interfund Loan – PW Operations Center**

Finance Director Dave Rodenbach

Documents:

[STAFF MEMO Interfund Loan PW Operations Center.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 or (253) 853-7613 at least 24 hours prior to the meeting.



PUBLIC WORKS DEPARTMENT

MEMORANDUM

TO: Mayor and City Council

FROM: Stephanie Seibel, PE, Associate Engineer

DATE: July 27, 2023

SUBJECT: Pierce County Fire District #5 Water Utility Extension Agreement (UEA)

The city received a request for a utility extension agreement (UEA) from Pierce County Fire District #5 to extend the city's water utilities from Bujacich Road into their Training Facility and Station #5 Site. This project would connect to the city's existing water main within Bujacich Road. See the attached map depicting the location of the parcel.

The proposed UEA is requesting a total of one (1) water ERU. The draft water agreement is attached for your review.

The city currently serves the parcel for fire flow only and the parcel domestic water comes from their on-site well. PenLight currently performs the well testing for the Fire District. The city is able to serve this parcel due to it not being identified in the Pierce County coordinated water system plan as being served by any existing water purveyor.

At the July 27 study session city staff will discuss the proposed agreement and respond to questions. Staff recommendation is for council to provide domestic water service to the parcel via resolution at the next city council meeting.

AFTER RECORDING RETURN TO:

The City of Gig Harbor
Attn: City Clerk
3510 Grandview Street
Gig Harbor, WA 98335

WASHINGTON STATE COUNTY AUDITOR/RECORDER'S INDEXING FORM

Document Title(s) (or transactions contained therein):

Utility Extension, Capacity Agreement and Agreement Waiving Right to Protest LID

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

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

City of Gig Harbor

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

Section 36 Township 22 Range 01 Quarter 31 : COM CENT QTR COR TH ALG E/W C/L N 87 DEG
49 MIN 27 SEC W 65.97 FT TO POB TH CONT ALG SD C/L N 87 DEG 49 MIN 27 SEC W 792 FT TH
S 01 DEG 27 MIN 39 SEC W 330.03 FT TH S 87 DEG 49 MIN 27 SEC E 750.59 FT TH N 08 D

Assessor's Property Tax Parcel or Account Number: 0122363018

Reference Number(s) of Documents assigned or released: _____

**UTILITY EXTENSION, CAPACITY AGREEMENT
AND AGREEMENT WAIVING RIGHT TO PROTEST LID**

THIS AGREEMENT is entered into this _____ day of _____, 2023, between the City of Gig Harbor, Washington, a municipal corporation of the State of Washington (the "City"), and Pierce County Fire District #5 (the "Owner").

RECITALS

WHEREAS, the Owner is the owner of certain real property located in Pierce County which is legally described as set forth in Exhibit "A" and shown in the location map in Exhibit "B" attached hereto and incorporated herein by this reference; and

WHEREAS, the Owner's property is not currently within the City limits; and

WHEREAS, the Owner desires to connect to the City's water utility system, hereafter referred to as the "utility," and the City is willing to allow connection only upon certain terms and conditions in accordance with Title 13 of the Gig Harbor Municipal Code, as now enacted or hereinafter amended; and

WHEREAS, on _____, the City Council held a public hearing on this Utility Extension Capacity Agreement; NOW, THEREFORE,

FOR AND IN CONSIDERATION of the mutual benefits and conditions hereinafter contained, the parties agree as follows:

TERMS

1. Warranty of Title. The Owner warrants that Owner is the owner of the property described in Exhibit 'A', which is attached hereto and incorporated herein by this reference, and is authorized to enter into this Agreement.

2. Extension Authorized. The City hereby authorizes the Owner to extend service to Owner's property from the existing utility line on Bujacich Road (street or right-of-way) at the following location: 10222 Bujacich Road NW.

3. Costs. Owner will pay all costs of designing, engineering and constructing the extension. All construction shall be done to City standards and according to plans approved by the City Engineer. Any and all costs incurred by the City in reviewing plans and inspecting construction shall be paid for by the Owner.

4. Water Capacity Commitment. The City agrees to provide to the Owner water utility service and hereby reserves to the Owner 4.2 ERU's; provided however, that the City retains the authority to temporarily suspend such capacity where it is necessary to comply with other permits required by any agency with jurisdiction. These capacity rights are allocated only to the Owner's system as herein described. Any modification to this system must first be approved by the City. Capacity rights acquired by the Owner pursuant to this Agreement shall not constitute ownership by the Owner of any facilities comprising the City's water system. The City agrees to reserve to the Owner this capacity as set forth in GHMC 13.34.030.

5. Capacity Commitment Payment.

A. The Owner agrees to pay the City within 30 days of City Council approval of this Agreement and prior to the Mayor's execution of this agreement the sum of \$ \$8,754.53 which is fifteen percent (15%) of the current general facilities charge, to reserve the above specified capacity. This payment shall reserve the specified capacity for a period of up to three years from the date of the Mayor's execution.

B. In the event the Owner has not made connection to the City's utility system by the date set forth above and no extension of the commitment period occurs as outlined below, such capacity commitment shall expire and the Owner shall forfeit one hundred percent (100%) of this capacity commitment payment to cover the City's administrative and related expenses.

C. In the event the Pierce County Boundary Review Board should not approve extension of the City's water system prior to the expiration of the commitment period, the Owner shall be entitled to a refund of the capacity commitment payment (without interest), less a five percent (5%) administrative fee.

6. Extension of Commitment Period. The Owner may extend the capacity commitment period for the life of the underlying development application or the underlying development approval upon payment of a capacity commitment payment of 100% of the value of the current general facilities charge. At the time of actual connection, per GHMC 13.34.040(7), if the water general facilities charge has increased, the Owner shall pay the difference between what was paid for the capacity commitment payment and the actual cost of the current general facilities charge.

7. Permits; Easements. Owner shall secure and obtain, at Owner's sole cost and expense, any and all necessary permits, easements, approvals, and licenses to construct the extension, including, but not limited to, all necessary easements, excavation permits, street use permits, or other permits required by state, county and city governmental departments including, but no limited to, the Pierce County Public Works Department, Pierce County Environmental Health Department, State Department of Ecology, Pierce County Boundary Review Board, and City of Gig Harbor.

8. Turn Over of Capital Facilities. If the extension of utility service to Owner's property involves the construction of water or sewer main lines, pump stations, wells, and/or other City required capital facilities, the Owner agrees if required by the City to turn over and dedicate such facilities to the City, at no cost, upon the completion of construction and approval and acceptance of the same by the City. As a prerequisite to such turn over and acceptance, the Owner will furnish to the City the following:

- A. Record drawings in a form acceptable to the City Engineer;
- B. Any necessary easements, permits or licenses for the continued operation, maintenance, repair or reconstruction of such facilities by the City, in a form approved by the City Attorney;
- C. A bill of sale in a form approved by the City Attorney; and
- D. A bond or other suitable security in a form approved by the City Attorney and in an

amount approved by the City Engineer, ensuring that the facilities will remain free from defects in workmanship and materials for a period of two years.

9. General Facilities Charges. The Owner agrees to pay the applicable general facilities charges, in addition to any costs of construction, as a condition of connecting to the City utility system at the rate schedules applicable at the time the Owner physically connects his/her property to the system. Any commitment payment that has not been forfeited shall be applied to the City's general facilities charges. Should the Owner not connect 100% of the Water Capacity Commitment, the Capacity Commitment payment shall be credited on a prorated percentage basis to the general facilities charges as they are levied.

10. Service Charges. In addition to the general facilities charges, the Owner agrees to pay for utility service rendered according to the rates for services applicable to properties outside the city limits as such rates exist (which is presently at 150% the rate charged to customers inside city limits) or as they may be hereafter amended or modified.

11. Annexation.

A. Owner understands that annexation of the property described on Exhibit 'A' to the City will result in the following consequences:

- i. Pierce County ordinances, resolutions, rules and regulations will cease to apply to the property upon the effective date of annexation;
- ii. City of Gig Harbor ordinances, resolutions, rules and regulations will apply to the property upon the effective date of annexation;
- iii. Governmental services, such as police, fire and utility service will be provided to the property by the City of Gig Harbor upon the effective date of annexation;
- iv. The property may be required to assume all or any portion of the existing City of Gig Harbor indebtedness, and property tax rates and assessments applicable to the property may be different from those applicable prior to the effective date of annexation;
- v. Zoning and land use regulations applicable to the property after annexation may be different from those applicable to the property prior to annexation; and
- vi. All or any portion of the property may be annexed and the property may be annexed in conjunction with, or at the same time as, other property in the vicinity.

B. With full knowledge and understanding of these consequences of annexation and with full knowledge and understanding of Owner's decision to forego opposition to annexation of the property to the City of Gig Harbor, Owner agrees to sign a petition for annexation to the City of the property described on Exhibit "A" as provided in RCW 35.14.120, as it now exists or as it may hereafter be amended, at such time as the Owner is requested by the City to do so. The Owner also agrees and appoints the Mayor of the City as Owner's attorney-in-fact to execute an annexation petition on Owner's behalf in the event that Owner shall fail or refuse to do so and agrees that such signature shall constitute full authority from the Owner for annexation as if Owner had signed the petition himself. Owner further agrees not to litigate, challenge or in any manner

contest, annexation to the City. This Agreement shall be deemed to be continuing, and if Owner's property is not annexed for whatever reason, including a decision by the City not to annex, Owner agrees to sign any and all subsequent petitions for annexations. In the event that any property described on Exhibit 'A' is subdivided into smaller lots, the purchasers of each subdivided lot shall be bound by the provisions of this paragraph.

12. Public Works Standards and Utility Regulations. Owner agrees to comply with all of the requirements of the City's public works standards relating to water and utility regulations when developing or redeveloping all or any part of the property described on Exhibit "A", and all other applicable water standards in effect at the time.

13. Liens. The Owner understands and agrees that delinquent payments under this agreement shall constitute a lien upon the above-described property. The lien shall be as provided in RCW 35.67.200, and shall be enforced in accordance with RCW 35.67.220 through RCW 35.67.290, all as now enacted or hereafter amended.

14. Termination for Noncompliance. In the event Owner fails to comply with any term or condition of this Agreement, the City shall have the right, at any time, to enter onto the Owner's property and for that purpose disconnect the water, in addition to any other remedies available to the City.

15. Waiver of Right to Protest LID. (If applicable)

A. Owner acknowledges that the entire property legally described in Exhibit 'A' would be specially benefited by the following improvements (specify):

Extension of public Water Main and all associated appurtenances from Bujacich into the PCFD #5 - Training Campus, located at 10222 Bujacich Road NW, Gig Harbor, WA 98332

B. Owner agrees to sign a petition for the formation of an LID or ULID for the specified improvements at such time as one is circulated and Owner hereby appoints the Mayor of the City as his attorney-in-fact to sign such a petition in the event Owner fails or refuses to do so.

C. With full understanding of Owner's right to protest formation of an LID or ULID to construct such improvements pursuant to RCW 35.43.180, Owner agrees to participate in any such LID or ULID and to waive his right to protest formation of the same. Owner shall retain the right to contest the method of calculating any assessment and the amount thereof, and shall further retain the right to appeal the decision of the City Council affirming the final assessment roll to the superior court. Notwithstanding any other provisions of this Agreement, this waiver of the right to protest shall only be valid for a period of ten (10) years from the date this Agreement is signed by the Owner.

16. Specific Enforcement. In addition to any other remedy provided by law or this Agreement, the terms of this Agreement may be specifically enforced by a court of competent jurisdiction.

17. Covenant. 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. The Owner, and every purchaser, assignee or transferee of an interest in the Property, or any portion thereof, shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, but only with respect to the Property, or such portion thereof, sold, assigned or transferred to it. Any such purchaser, assignee or transferee shall observe and fully perform all of the duties and obligations of the Owner contained in this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned or transferred to it. All costs of recording this Agreement with the Pierce County Auditor shall be borne by the Owner.

18. Attorney's Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. In any suit or action seeking to enforce any provision of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs, in addition to any other remedy provided by law or this agreement. Venue of such action shall lie in Pierce County Superior Court or the U.S. District Court for Western Washington.

19. Notices. Notices and correspondence to the City and Owner shall be sufficiently given if dispatched by pre-paid first-class mail to the addresses of the parties as designated below. Notice to any person who purchases any portion of the Property from the Owner shall be required to be given by the City only for those property purchasers who provide the City with written notice of their address. The parties hereto may, from time to time, advise the other of any new addresses for notice and correspondence.

TO THE CITY:

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

TO THE OWNER:

Pierce County Fire District #5
10222 Bujacich Road NW
Gig Harbor, WA 98332

20. Severability and Integration. This Agreement and the Exhibits attached hereto constitute the agreement between the parties on this subject matter, and there are no other understandings, verbal or written, that modify the terms of this Agreement. 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 of this Agreement, such invalidity shall not affect the other terms of this Agreement.

DATED this _____ day of _____, 20____.

OWNER:

CITY OF GIG HARBOR

By: _____
Its _____
(Owner, President, Managing Member)

By: _____
Its Mayor

Attest:

City Clerk, Josh Stecker

Approved as to form:
Office of the City Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

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 _____, 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 P I E R C E)

I certify that I know or have satisfactory evidence that _____ 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 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
PROPERTY LEGAL DESCRIPTON

EXHIBIT B
PROPERTY LOCATION MAP

EXHIBIT A
PROPERTY LEGAL DESCRIPTION

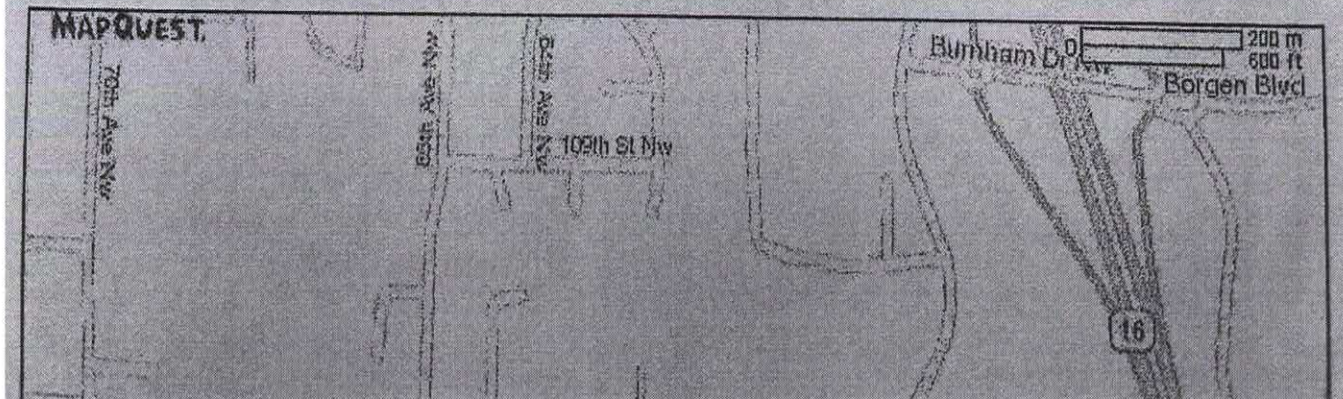
THENCE ALONG THE EAST/WEST CENTERLINE OF SAID SECTION, NORTH $87^{\circ}49'27''$ WEST 65.97 FEET TO THE POINT OF BEGINNING OF THIS DESCRIBED PARCEL; THENCE CONTINUING ALONG SAID CENTERLINE NORTH $87^{\circ}49'27''$ WEST 792.00 FEET; THENCE SOUTH $1^{\circ}27'39''$ WEST 330.03 FEET; THENCE SOUTH $87^{\circ}49'27''$ EAST 750.59 FEET; THENCE NORTH $8^{\circ}37'23''$ EAST 332.11 FEET TO THE POINT OF BEGINNING;

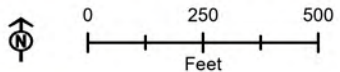
AND EXCEPT THAT PORTION LYING EASTERLY OF THE WESTERLY MARGIN OF BUJACICH COUNTY ROAD.

TAX PARCEL # 0122363018

THAT PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 36, TOWNSHIP 22 NORTH, RANGE 1 EAST, W.M., IN PIERCE COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER QUARTER CORNER OF SAID SECTION, AS EVIDENCED BY A WASHINGTON DEPARTMENT OF NATURAL RESOURCES IRON PIPE AND STAMPED BRASS CAP, AS SHOWN ON THE DEPARTMENT OF NATURAL RESOURCES FINAL SURVEY MAP 451, ON FILE WITH THE OFFICE OF THE COMMISSIONER OF PUBLIC LANDS, OLYMPIA, WASHINGTON; THENCE ALONG THE EAST/WEST CENTERLINE OF SAID SECTION, NORTH $87^{\circ}49'27''$ WEST 65.97 FEET TO THE POINT OF BEGINNING OF THIS DESCRIBED PARCEL; THENCE CONTINUING ALONG SAID CENTERLINE NORTH $87^{\circ}49'27''$ WEST 792.00 FEET; THENCE SOUTH $1^{\circ}27'39''$ WEST 330.03 FEET; THENCE SOUTH $87^{\circ}49'27''$ EAST 750.59 FEET; THENCE NORTH $8^{\circ}37'23''$ EAST 332.11 FEET TO THE POINT OF BEGINNING.





**WASHINGTON WATER
SERVICE COMPANY**



103RD ST CT NW

0122363018

PENINSULA
LIGHT
COMPANY

WASHINGTON STATE
CORRECTIONS-WOMEN

**Urban
Growth
Area**

 City Boundary
 Urban Growth Area
 Subject Parcel
 Gig Harbor Water Department Water Main

 Gig Harbor Water Dept.
 Peninsula Light Company
 Washington Water Service Company
 Washington State Corrections - Women
 Parcel Boundary

The map features are approximate and are intended only to provide an indication of said feature. Additional areas that have not been mapped may be present. This is not a survey. Orthophotos and other data may not align. The City assumes no liability for variations ascertained by actual survey. ALL DATA IS EXPRESSLY PROVIDED 'AS-IS' AND 'WITH ALL FAULTS.' The City makes no warranty of fitness for a particular purpose. The information on this map will change over time without notice.



PUBLIC WORKS DEPARTMENT

MEMORANDUM

TO: Mayor and City Council

FROM: Associate Engineer Stephanie Seibel, PE

DATE: July 27, 2023

SUBJECT: Harbor Run Plat Sewer Utility Extension Agreement (UEA)

The city received a request for a sewer utility extension agreement (UEA) from Harbor Run LLC to extend the city's sewer utilities from Apollo Way into the Harbor Run Plat located on Peacock Hill Avenue. This project would connect to the city's existing sewer main within Apollo Way and extend down Peacock Hill Avenue to the plat. See the attached map depicting the location of the parcel.

The proposed UEA is requesting a total of sixteen (16) sewer ERU's. The draft sewer agreement is attached for your review.

At the June 12 council meeting, council approved Resolution 1282 amending the wastewater comprehensive plan by revising the sewer collection basin boundary between sewer collection basins #2 and #3 requested by this plat. The amendment allows for the connection within Apollo Way.

At the July 27 city council study session staff will discuss the proposed agreement and respond to questions. Staff recommendation is for council to provide sewer service to the parcel via resolution at the next city council meeting.

AFTER RECORDING RETURN TO:

The City of Gig Harbor
Attn: City Clerk
3510 Grandview Street
Gig Harbor, WA 98335

WASHINGTON STATE COUNTY AUDITOR/RECORDER'S INDEXING FORM

Document Title(s) (or transactions contained therein):

Utility Extension, Capacity Agreement and Agreement Waiving Right to Protest LID

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

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

City of Gig Harbor

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

Section 32 Township 22 Range 02 Quarter 23 : N 1/2 OF N 1/2 OF N 1/2 OF SW OF NW EXC CO
RD

Assessor's Property Tax Parcel or Account Number: 0222322021

Reference Number(s) of Documents assigned or released: N/A

**UTILITY EXTENSION, CAPACITY AGREEMENT
AND AGREEMENT WAIVING RIGHT TO PROTEST LID**

THIS AGREEMENT is entered into this _____ day of _____, 2023, between the City of Gig Harbor, Washington, a municipal corporation of the State of Washington (the "City"), and Harbor Run LLC, a Limited Liability Company (the "Owner").

RECITALS

WHEREAS, the Owner is the owner of certain real property located in Pierce County which is legally described as set forth in Exhibit "A" and shown in the location map in Exhibit "B" attached hereto and incorporated herein by this reference; and

WHEREAS, the Owner's property is not currently within the City limits; and

WHEREAS, the Owner desires to connect to the City sewer utility system, hereafter referred to as the "utility," and the City is willing to allow connection only upon certain terms and conditions in accordance with Title 13 of the Gig Harbor Municipal Code, as now enacted or hereinafter amended; and

WHEREAS, on _____, the City Council held a public hearing on this Utility Extension Capacity Agreement; NOW, THEREFORE,

FOR AND IN CONSIDERATION of the mutual benefits and conditions hereinafter contained, the parties agree as follows:

TERMS

1. Warranty of Title. The Owner warrants that Owner is the owner of the property described in Exhibit 'A', which is attached hereto and incorporated herein by this reference, and is authorized to enter into this Agreement.

2. Extension Authorized. The City hereby authorizes the Owner to extend service to Owner's property from the existing utility line on Apollo Way (street or right-of-way) at the following location: XXX 108TH ST NW, Gig Harbor, WA 98332.

3. Costs. Owner will pay all costs of designing, engineering and constructing the extension. All construction shall be done to City standards and according to plans approved by the City Engineer. Any and all costs incurred by the City in reviewing plans and inspecting construction shall be paid for by the Owner.

4. Sewer Capacity Commitment. The City agrees to provide to the Owner sewer utility service and hereby reserves to the Owner the right to discharge to the City's sewage system 16 ERU's; provided however, that the City retains the authority to temporarily suspend such capacity where necessary to protect public health and safety, or where required to comply with the City's NPDES permit, or any other permits required by any agency with jurisdiction. These capacity rights are allocated only to the Owner's system as herein described. Any modification to this system must

first be approved by the City. Capacity rights acquired by the Owner pursuant to this Agreement shall not constitute ownership by the Owner of any facilities comprising the City sewage system. The City agrees to reserve to the Owner this capacity as set forth in GHMC 13.34.030.

5. Capacity Commitment Payment.

A. The Owner agrees to pay the City within 30 days of City Council approval of this Agreement and prior to the Mayor's execution of this agreement the sum of \$ 34,704.00 which is fifteen percent (15%) of the current general facilities charge, to reserve the above specified capacity. This payment shall reserve the specified capacity for a period of up to three years from the date of the Mayor's execution.

B. In the event the Owner has not made connection to the City's utility system by the date set forth above and no extension of the commitment period occurs as outlined below, such capacity commitment shall expire and the Owner shall forfeit one hundred percent (100%) of this capacity commitment payment to cover the City's administrative and related expenses.

C. In the event the Pierce County Boundary Review Board should not approve extension of the City's sewer system prior to the expiration of the commitment period, the Owner shall be entitled to a refund of the capacity commitment payment (without interest), less a five percent (5%) administrative fee.

6. Extension of Commitment Period. The Owner may extend the capacity commitment period for the life of the underlying development application or the underlying development approval upon payment of a capacity commitment payment of 100% of the value of the current general facilities charge. At the time of actual connection, per GHMC 13.34.040(7), if the sewer general facilities charge has increased, the Owner shall pay the difference between what was paid for the capacity commitment payment and the actual cost of the current general facilities charge.

7. Permits; Easements. Owner shall secure and obtain, at Owner's sole cost and expense, any and all necessary permits, easements, approvals, and licenses to construct the extension, including, but not limited to, all necessary easements, excavation permits, street use permits, or other permits required by state, county and city governmental departments including, but no limited to, the Pierce County Public Works Department, Pierce County Environmental Health Department, State Department of Ecology, Pierce County Boundary Review Board, and City of Gig Harbor.

8. Turn Over of Capital Facilities. If the extension of utility service to Owner's property involves the construction of water or sewer main lines, pump stations, wells, and/or other City required capital facilities, the Owner agrees if required by the City to turn over and dedicate such facilities to the City, at no cost, upon the completion of construction and approval and acceptance of the same by the City. As a prerequisite to such turn over and acceptance, the Owner will furnish to the City the following:

A. Record drawings in a form acceptable to the City Engineer;

B. Any necessary easements, permits or licenses for the continued operation, maintenance, repair or reconstruction of such facilities by the City, in a form approved by the City

Attorney;

C. A bill of sale in a form approved by the City Attorney; and

D. A bond or other suitable security in a form approved by the City Attorney and in an amount approved by the City Engineer, ensuring that the facilities will remain free from defects in workmanship and materials for a period of two years.

9. General Facilities Charges. The Owner agrees to pay the applicable general facilities charges, in addition to any costs of construction, as a condition of connecting to the City utility system at the rate schedules applicable at the time the Owner physically connects his/her property to the system. Any commitment payment that has not been forfeited shall be applied to the City's general facilities charges. Should the Owner not connect 100% of the Sewer Capacity Commitment, the Capacity Commitment payment shall be credited on a prorated percentage basis to the general facilities charges as they are levied.

10. Service Charges. In addition to the general facilities charges, the Owner agrees to pay for utility service rendered according to the rates for services applicable to properties outside the city limits as such rates exist (which is presently at 150% the rate charged to customers inside city limits) or as they may be hereafter amended or modified.

11. Annexation.

A. Owner understands that annexation of the property described on Exhibit 'A' to the City will result in the following consequences:

- i. Pierce County ordinances, resolutions, rules and regulations will cease to apply to the property upon the effective date of annexation;
- ii. City of Gig Harbor ordinances, resolutions, rules and regulations will apply to the property upon the effective date of annexation;
- iii. Governmental services, such as police, fire and utility service will be provided to the property by the City of Gig Harbor upon the effective date of annexation;
- iv. The property may be required to assume all or any portion of the existing City of Gig Harbor indebtedness, and property tax rates and assessments applicable to the property may be different from those applicable prior to the effective date of annexation;
- v. Zoning and land use regulations applicable to the property after annexation may be different from those applicable to the property prior to annexation; and
- vi. All or any portion of the property may be annexed and the property may be annexed in conjunction with, or at the same time as, other property in the vicinity.

B. With full knowledge and understanding of these consequences of annexation and with full knowledge and understanding of Owner's decision to forego opposition to annexation of the

{AXS1214484.DOC;1/00008.900000/ }

property to the City of Gig Harbor, Owner agrees to sign a petition for annexation to the City of the property described on Exhibit "A" as provided in RCW 35.14.120, as it now exists or as it may hereafter be amended, at such time as the Owner is requested by the City to do so. The Owner also agrees and appoints the Mayor of the City as Owner's attorney-in-fact to execute an annexation petition on Owner's behalf in the event that Owner shall fail or refuse to do so and agrees that such signature shall constitute full authority from the Owner for annexation as if Owner had signed the petition himself. Owner further agrees not to litigate, challenge or in any manner contest, annexation to the City. This Agreement shall be deemed to be continuing, and if Owner's property is not annexed for whatever reason, including a decision by the City not to annex, Owner agrees to sign any and all subsequent petitions for annexations. In the event that any property described on Exhibit 'A' is subdivided into smaller lots, the purchasers of each subdivided lot shall be bound by the provisions of this paragraph.

12. Public Works Standards and Utility Regulations. Owner agrees to comply with all of the requirements of the City's public works standards relating to sewer and utility regulations when developing or redeveloping all or any part of the property described on Exhibit "A", and all other applicable sewerage standards in effect at the time.

13. Liens. The Owner understands and agrees that delinquent payments under this agreement shall constitute a lien upon the above-described property. The lien shall be as provided in RCW 35.67.200, and shall be enforced in accordance with RCW 35.67.220 through RCW 35.67.290, all as now enacted or hereafter amended.

14. Termination for Noncompliance. In the event Owner fails to comply with any term or condition of this Agreement, the City shall have the right, at any time, to enter onto the Owner's property and for that purpose disconnect the sewer, in addition to any other remedies available to the City.

15. Waiver of Right to Protest LID. (If applicable)

A. Owner acknowledges that the entire property legally described in Exhibit 'A' would be specially benefited by the following improvements (specify):

**Extension of public Sanitary Sewer Gravity Main from Apollo Way into the Harbor Run
Plat, located at XXX 108th Street, Gig Harbor, WA 98332**

B. Owner agrees to sign a petition for the formation of an LID or ULID for the specified improvements at such time as one is circulated and Owner hereby appoints the Mayor of the City as his attorney-in-fact to sign such a petition in the event Owner fails or refuses to do so.

C. With full understanding of Owner's right to protest formation of an LID or ULID to construct such improvements pursuant to RCW 35.43.180, Owner agrees to participate in any such LID or ULID and to waive his right to protest formation of the same. Owner shall retain the right to contest the method of calculating any assessment and the amount thereof, and shall further retain the right to appeal the decision of the City Council affirming the final assessment roll to the superior court. Notwithstanding any other provisions of this Agreement, this waiver of the right to protest shall only be valid for a period of ten (10) years from the date this Agreement is signed by the Owner.

16. Specific Enforcement. In addition to any other remedy provided by law or this Agreement, the terms of this Agreement may be specifically enforced by a court of competent jurisdiction.

17. Covenant. 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. The Owner, and every purchaser, assignee or transferee of an interest in the Property, or any portion thereof, shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, but only with respect to the Property, or such portion thereof, sold, assigned or transferred to it. Any such purchaser, assignee or transferee shall observe and fully perform all of the duties and obligations of the Owner contained in this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned or transferred to it. All costs of recording this Agreement with the Pierce County Auditor shall be borne by the Owner.

18. Attorney's Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. In any suit or action seeking to enforce any provision of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs, in addition to any other remedy provided by law or this agreement. Venue of such action shall lie in Pierce County Superior Court or the U.S. District Court for Western Washington.

19. Notices. Notices and correspondence to the City and Owner shall be sufficiently given if dispatched by pre-paid first-class mail to the addresses of the parties as designated below. Notice to any person who purchases any portion of the Property from the Owner shall be required to be given by the City only for those property purchasers who provide the City with written notice of their address. The parties hereto may, from time to time, advise the other of any new addresses for notice and correspondence.

TO THE CITY:

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

TO THE OWNER:

Harbor Run LLC
1102 Broadway Street, Suite 203
Tacoma, WA 98402

20. Severability and Integration. This Agreement and the Exhibits attached hereto constitute the agreement between the parties on this subject matter, and there are no other understandings, verbal or written, that modify the terms of this Agreement. 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 of this Agreement, such invalidity shall not affect the other terms of this Agreement.

DATED this _____ day of _____, 2023.

OWNER:

CITY OF GIG HARBOR

By: _____
Its _____
(Owner, President, Managing Member)

By: _____
Its Mayor

Attest:

City Clerk, Josh Stecker

Approved as to form:
Office of the City Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

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 _____, 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 P I E R C E)

I certify that I know or have satisfactory evidence that _____ 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 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

For APN/Parcel ID(s): 022232-2021

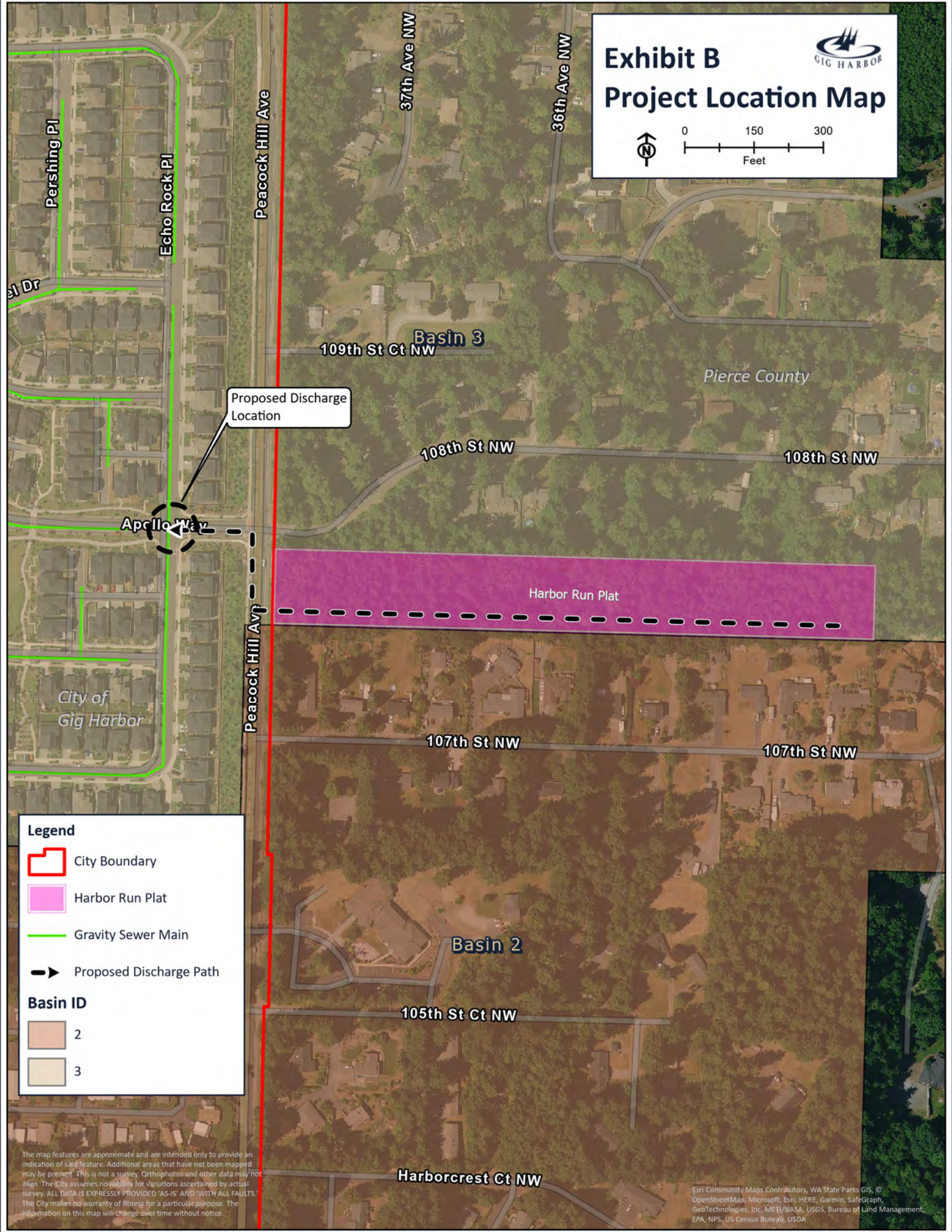
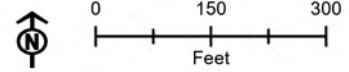
THE NORTH HALF OF THE NORTH HALF OF THE NORTH HALF OF THE
SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32,
TOWNSHIP 22 NORTH, RANGE 2 EAST, OF THE WILLAMETTE MERIDIAN,
IN PIERCE COUNTY, WASHINGTON.

EXCEPT COUNTY ROAD.

SITUATE IN THE COUNTY OF PIERCE, STATE OF WASHINGTON.

FIDELITY NATIONAL TITLE COMPANY OF WASHINGTON, INC.
COMMITMENT NO. 611221864

Exhibit B Project Location Map



Legend

-  City Boundary
-  Harbor Run Plat
-  Gravity Sewer Main
-  Proposed Discharge Path

Basin ID

-  2
-  3

The map features are approximate and are intended only to provide an indication of said feature. Additional areas that have not been mapped may be present. This is not a survey. Orthophotos and other data may not align. The City assumes no liability for variations ascertained by actual survey. ALL DATA IS EXPRESSLY PROVIDED "AS-IS" AND "WITH ALL FAULTS". The City makes no warranty of fitness for a particular purpose. The information on this map will change over time without notice.

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Staff Memorandum

TO: Mayor and City Council

FROM: Jeremy Hammar, Senior Planner

SUBJECT: Short-Term Rental Program Update

DATE: July 27, 2023

At the upcoming City Council Study Session on July 27, 2023, Staff will provide an update and lead a discussion relative to the Short-term Rental (STR) Program. Staff has had the opportunity to use the online dashboard prepared and hosted by Granicus containing data relative to the overall number of STRs operating in the City. The data provided indicates there are 34 Short-term Rentals in Gig Harbor with active listings. The dashboard also provides estimates for the number of nights occupied for each listing, as well as potential revenue generated from those bookings.

Since our last update on May 25th, the Planning Division has received five additional STR Permit Applications. Here is the “At-a-Glance” overview of the STR Program:

- 25 STR Applications
- 18 Issued STR Permits
- 3 Applications Under Review
- 1 Application Incomplete
- 1 Application Expired
- 1 Application Withdrawn
- 1 Application Waiting for Revision
- 1 Violation – Resolved

The [STR web page](#) has been kept up to date and we have added a link for Code Compliance for the convenience of the public.

Please feel free to contact me directly with any questions. Thank you



MEMORANDUM

TO: City Council
FROM: David Rodenbach, Finance Director
DATE: July 26, 2023
SUBJECT: Interfund Loan – PW Operations Center

This will be an interfund loan from the Wastewater Capital fund to the Street Capital and Park Development funds. The funds from the loan will be used for parks and street share the Public Works Operations Center construction project.

Total project costs for this phase of the project are expected to be \$4,458,000. The General Government (parks and streets) share of this phase of the project is \$2,229,000. The Street Capital and Park Development funds share of the project costs are each \$1,114,500.

The Wastewater Capital fund has available funds that are not needed through the term of the loan.

The total project budget was \$4.2 million and, after bid award, increased to \$4,458,000. The project is being funded as follows:

Fund	Share	Allocated Cost
Parks Capital	25%	\$ 1,114,500
Streets Capital	25%	1,114,500
Water Capital	40%	1,783,200
Storm Capital	10%	445,800
		<u>\$4,458,000</u>

The original funding concept was for the street and park portion to come from an interfund loan from the Wastewater Capital fund. The 2023-24 Wastewater Capital fund has sufficient funds to accommodate the loan; and as of 6/30/2023, has \$6.7 million in cash on hand. The capital program for the Wastewater Utility does not have plans for immediate use of this money at present time.

The general loan terms are:

1. The loan amount shall be \$2,229,000.
2. The term shall be 120 months with a final payment date of December 31, 2033.
3. The loan will be a variable rate loan with the initial interest rate being set to 6.2%. For the remainder of the loan the interest rate shall be one

percent (1.0%) greater than the average monthly gross earnings rate of the Washington State Treasurer's Local Government Investment Pool for the prior year. The rate shall be set each January.

Using the initial interest rate over the term of the loan, the Wastewater fund will earn approximately \$828,000 over the 10-year term of the loan. Total annual payments of principal and interest will average about \$306,000 per year and will be repaid with General fund monies.