

AGENDA
GIG HARBOR CITY COUNCIL STUDY SESSION
Thursday, July 30, 2026 - 3:00 PM
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, Planning Commission, and Salary Commission Appointees**
- 2. Discussion of Multi-Family Tax Exemption (MFTE) Program**
 - a. Staff Report: H3 Program Manager Shealynn Smiley, MSW and Community Development Director Eric Baker
 - b. Clarifying Questions
 - c. Public Comment
 - d. Council Deliberation and Direction
- 3. City-sponsored Special Events**
 - a. Staff Report: Parks Manager Jennifer Haro
 - b. Clarifying Questions
 - c. Public Comment
 - d. Council Deliberation and Direction
- 4. Municipal Budget Basics**
 - a. Staff Report: Finance Director Scott Larson
 - b. Clarifying Questions
 - c. Public Comment
 - d. Council Deliberation and Direction

ADJOURN

PUBLIC COMMENT & DECORUM

PUBLIC COMMENT & DECORUM

The city council wants to hear from the public as much as possible. However, the business of the city must proceed in an orderly, timely manner. The primary purpose of council meetings is to conduct the city's business so we have created a variety of ways the community can make their voices heard. Monday city council meetings are just one opportunity. These guidelines are designed to make sure every person who wants to be

heard has both the opportunity to be heard and feels welcome to do so.

We receive comments three ways:

1. During council meetings
2. During council study sessions.
3. Email mayorandcouncil@gigharborwa.gov at any time about any issue. This email goes to the elected officials and leadership at the city.

Public Comment at City Council Study Sessions

We welcome comment at Council study sessions following the staff report and clarifying questions of each discussion item. Comments must be related to the discussion item at hand.

When the mayor calls for public comment, please come forward to the table (or raise your hand on Zoom). When it's your turn, we'll ask you to tell us your name and connection to the issue you want to discuss. You'll then have a maximum of two minutes to speak.

Unfortunately, this isn't a time for dialogue, but a staff person or councilmember may be available to talk with you at a break or after the meeting.

Additional guidelines

- Anyone making "out of order" comments may be subject to removal from the meeting.
- Please address your remarks to the city council as a body and not to any specific individual.
- Please be courteous and not engage in derogatory remarks or insinuations.
- No demonstrations, including clapping, are allowed.

Email

You are welcome to email the mayor and councilmembers about any issue facing the city by writing to the address above. Do remember that council sets the policy direction while city departments execute those decisions. A series of online reporting tools might help you resolve an issue more quickly so check them out too: <https://www.gigharborwa.gov/146/Submit>

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.



**City of Gig Harbor
City Council Agenda Bill**

Meeting Date: July 30, 2026

SUBJECT: Discussion of Multi-Family Tax Exemption (MFTE) Program

SUBMITTED BY: Housing, Health, and Human Services Program Manager Shealynn Smiley, MSW and Community Development Director Eric Baker

DEPARTMENT: Administration

PHONE: (253) 530-7070

SUGGESTED MOTION:

Direct staff to prepare an ordinance, consistent with staff's recommendations, for Council consideration at the first Council meeting in September.

BACKGROUND INFORMATION:

In response to the city's growing population and the increasing demand for workforce housing, the City of Gig Harbor is proactively advancing strategies to expand housing availability. The MFTE program (authorized under Chapter 84.14 RCW) is a policy tool designed to encourage the construction of multifamily and workforce housing in targeted areas by providing property tax exemptions for eligible projects. This session will cover the MFTE program's framework, including an overview of the different types of MFTE, eligibility requirements, implementation options, jurisdictional examples, as well as key considerations.

Additionally, this discussion will explore MFTE's role in addressing rising housing costs and economic displacement in Gig Harbor. With the passage of Washington State HB 1220, cities are required to accommodate workforce housing strategies in their comprehensive plans, further motivating the exploration of incentives like MFTE to attract workforce housing developers and increase housing supply.

Given the growing demand for workforce housing, staff intends to facilitate a discussion with council to discuss whether adopting the MFTE program aligns with the city's goals for economic stability, housing equity, and sustainable growth.

FISCAL CONSIDERATION: This section details the financial issues involved in the issue before Council, if applicable. It can include only the information contained in the table below or it can include additional financial information.

Expenditure Required: \$	Amount Budgeted: \$	Appropriation Required: \$
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ATTACHMENTS:

1. 2026 MFTE_Study Session

STRATEGIC PLAN PRIORITY: Provide a safe, healthy, and inclusive community



Multi-Family Tax Exemption (MFTE) Program

July 30, 2026

Shealynn Smiley, Housing, Health, and
Human Services Program Manager

Eric Baker, Community Development Director

Background:

Average home prices and rental rates are impacting Gig Harbor:

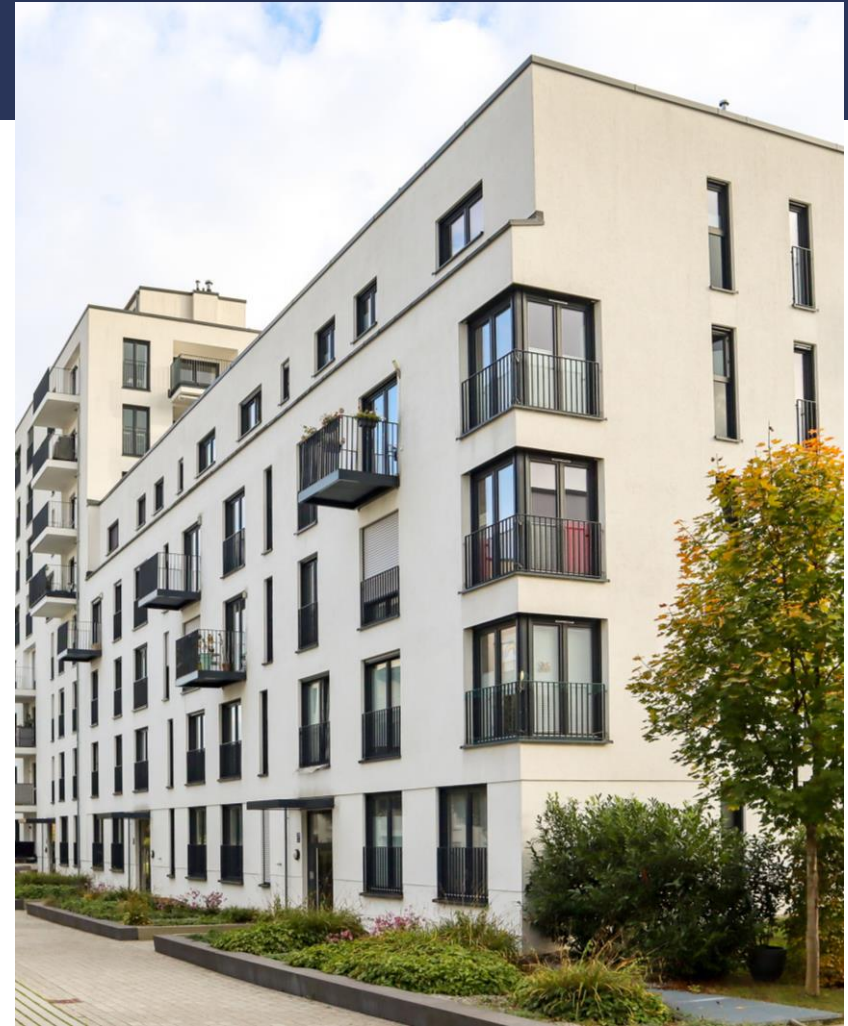
- More than 36% of residents are spending more than financially sustainable on housing.
- No opportunities to downsize for seniors or starter housing for youth.
- People working in the City cannot afford to live in the City cannot afford to live.
 - Business attraction and expansion issue
 - Transportation issue
- State requirements to address these issues through regulatory reform and incentive programs.



MFTE Overview:

The Multi-Family Tax Exemption (MFTE) program is a Washington State initiative designed to encourage the development of multi-family housing, particularly in urban centers.

- Under Chapter 84.14 RCW, local governments can give exemptions for new construction, conversion, and rehabilitation of multifamily residential improvements with at least four units.
- Under these exemptions, a property owner does not have to pay property taxes on the residential improvements for a given number of years. **The property owner still pays tax on the land and on non-residential improvements like the commercial portion of a mixed-use building.**





Types of MFTE:

8-year MFTE program: No requirement for affordable housing. Communities use this to promote market-rate housing construction in neighborhoods where new multifamily housing is needed.

12-year MFTE program:

- Must set aside at least 20% of housing units for low and moderate-income households.
- Under the statute, household income is based on Area Median Income (AMI). Households with incomes at 80% of AMI or less considered “low income”, and households at 115% of AMI or lower “moderate income”.
- This MFTE is used for providing affordable rental housing options, including choices in market-rate private housing projects.

20-year MFTE program: Requires that 25% of units be sold as permanent affordable housing for households at 80% AMI or below.

Project Eligibility for MFTE:

- New construction or rehabilitated multi-family housing projects.
- Located in designated urban growth areas.
- 12 and 20-year programs, must meet specific affordability requirements for low-to moderate-income households.
- Cities can also choose to impose higher affordability requirements and include other requirements for MFTE projects.

Jurisdictional options for implementation:

- Location
 - Options: Everywhere or only in centers located in highway 16 corridor (Kimball, GH North, and Uptown)
- Income level (120% or less)
- Percentage of units (minimum 20%), can be more
- Potential cap of units in program





American Lake Townhomes in Lakewood, WA



Sumner Mills Apartments in Sumner, WA

Jurisdictional Examples

60 jurisdictions have a MFTE program.

Jurisdictions in **green**:

- Have a population of 15,500 or less.
- Have at least 12yr tax exemption



The Villages at Mustard Seed in Key Peninsula

Auburn
Bainbridge Island
Battle Ground
Bellevue
Bellingham
Blaine
Bothell
Bremerton
Burien
Camas
College Place
Covington
Des Moines
Edmonds
Ellensburg
Enumclaw
Everett
Federal Way
Ferndale
Fife
Issaquah
Kenmore
Kent
Kirkland
Lacey
Lake Forest Park
Lake Stevens
Lakewood
Leavenworth
Lynnwood
Marysville
Moses Lake
Mountlake Terrace
Newcastle

North Bend
Olympia
Othello
Pierce County
Port Angeles
Port Townsend
Puyallup
Redmond
Renton
SeaTac
Seattle
Shoreline
Snohomish
Snoqualmie
Spokane
Sumner
Tacoma
Tukwila
Tumwater
University Place
Vancouver
Walla Walla
Washougal
Wenatchee
Woodinville
Yakima



Considerations

- Supports affordable housing initiatives.
- Provides financial incentives for developers while promoting housing diversity.
- Guarantees units for families making 100% AMI or less.
- Property Tax Shift: *other property owners may pay more in taxes.*
- City staff time implications to conduct regular monitoring, oversight, and reporting.

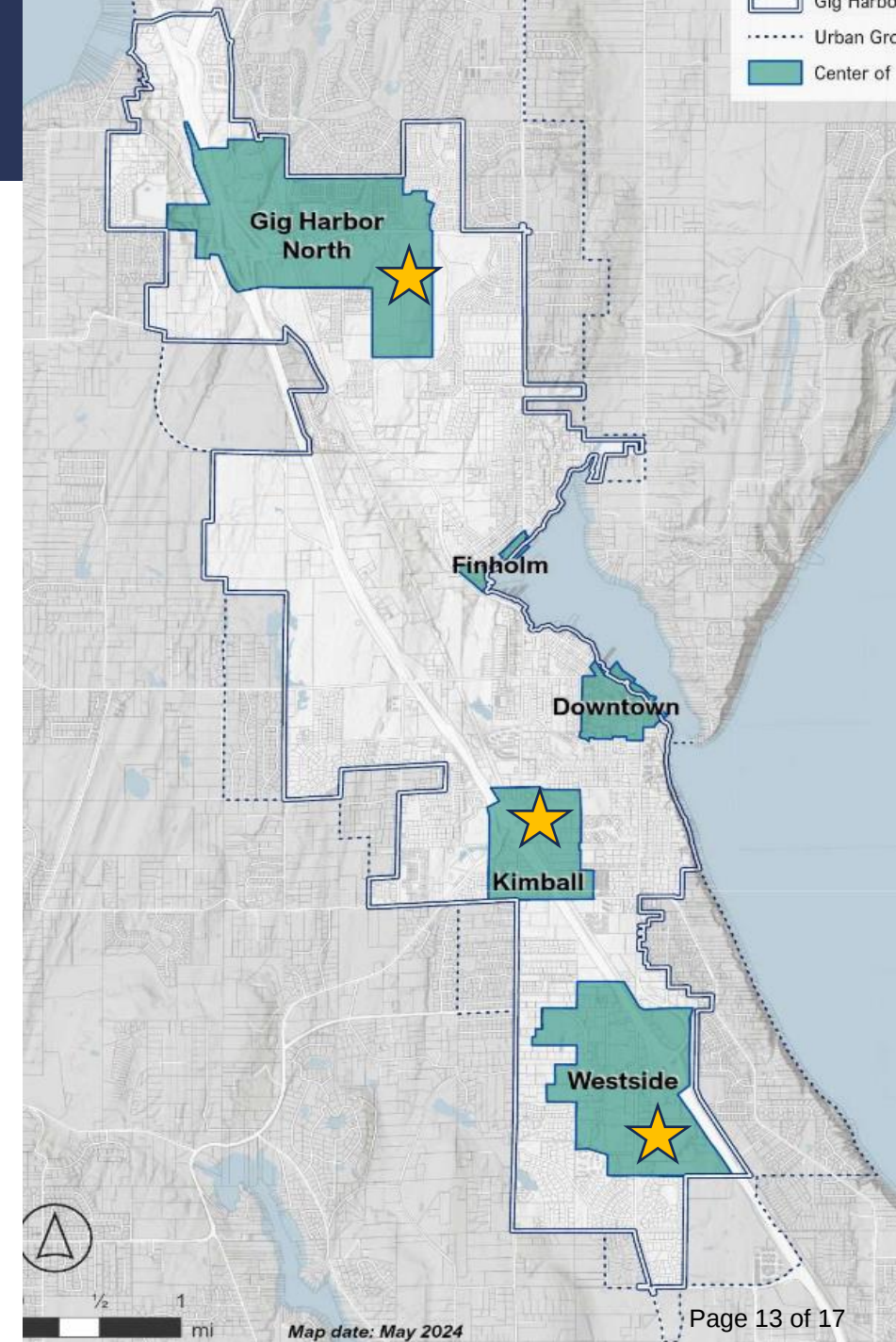


Council Discussion



Staff Recommendation

- **Duration:**
 - 12-year MFTE Program with affordable housing requirement.
- **Location**
 - All Centers of Local Importance (CoLI) on SR16: GH North, Kimball, and Uptown
- **Income level (120% or less):**
 - 100% AMI or less
- **Percentage of units:**
 - 20% of units affordable
- **Potential cap of units in program:**
 - No cap of units in program





**City of Gig Harbor
City Council Agenda Bill**

Meeting Date: July 30, 2026

SUBJECT: City-sponsored Special Events

SUBMITTED BY: Parks Manager Jennifer Haro

DEPARTMENT: Public Works

PHONE: 253.853.8253

SUGGESTED MOTION:

BACKGROUND INFORMATION: City parks and the downtown corridor are popular locations for a variety of special events. Special events help the economy, culture and livability of Gig Harbor and provide opportunities to gather.

So far in 2026, the City has received 36 special event permit applications. Counting those permits that cover multi-day or recurring events, there are 68 planned or past special events on city properties in 2026 so far. While most events offer benefits for the public and local businesses, city staff is increasingly spending significant time, using more equipment, and working extra shifts to support these events in addition to the initial permit application review process. Even if staff are not working overtime and incurring costs, the city's participation in implementing these events reallocates staff away from their regular work and maintenance activities but without increases in staffing.

At the April 30, 2026, study session staff presented findings from research from a few cities about how special events are handled. At that study session, council directed staff to research a few more cities. Staff contacted nine cities and found the ways that special events are handled vary wildly from city to city.

One special event criteria of note is the determination of cost allocations for city-sponsored events. [Gig Harbor Municipal Code 11.01.010\(T\)](#) defines a City-Sponsored Special Event as *an event that the city contributes funding toward or provides staff support before, during, and/or after the event for no additional cost to the applicant.*

What is not made clear in the code is what events or type of events qualify as city-sponsored. There are several different methods of city-sponsorship, but no criteria for making a determination.

In checking with other jurisdictions, all offer some level of city sponsorship, except for the City of Poulsbo. All jurisdictions require the applicant to pay the permit application fee. Specific event details that are managed differently by jurisdictions are as follows:

- Paying for all staff time associated with running an event (Port Townsend)
- Selecting a few legacy or long-running events to provide staff time for (Port Orchard, Bainbridge Island, Puyallup, Sumner)
- Approving each special event on case-by-case basis (Edgewood, Anacortes – Edgewood approves via city administrator. Anacortes has parks commission review each application. Anacortes City Council approves road closures)

- Offering city-sponsorship applications, which are reviewed by committee of department representatives, who make awards based upon contributions to economy, civic life, etc. (Puyallup)
- No contribution – organizers are given an estimate of costs prior to event, and are sent a bill, based on actual costs, after the event, even for organizations that are given tourism, LTAC or grants from the city (Poulsbo)
- Partial contribution – City pays 50% of police and public works labor costs as part of tourism promotion if there aren't LTAC funds but also charges for barricades and rental of the space (Sumner)

Other City Fees

CITY	POP	Permit Fee	City Sponsorship?	Description
Anacortes	18,350	Cost reimbursement	Some. Determined By Council	Parks Commission reviews all SEPs. Council reviews after, if theres a road closure. If road closure, Exec. Non-sponsored pays for TCP, signs, etc. List of events in a policy that ID city-sponsorship.
Bainbridge Island	25,530	\$102, but implementing billable hrs in 2027	Some. Identified in policy	City Administrator determines if it is city sponsored. No road closures allowed.
Edgewood	14,120	\$80 + actual costs	Some. Determined by city administrator	Organizers pay up to \$134.28/hr/officer Requires waste plan City staff must place road closure signs.
Olympia	57,970	\$50 \$50 business license	Some	Ord with 9 events that city pays for PD and PW. Starting to place traffic control on applicant with police dept. check.
City of Port Orchard	19,260	\$50	Some	City pays for all labor. Causing issues with departments and gets political.
Port Townsend	10,580	\$50	Yes	Poulsbo recently implemented gradual elimination of city-sponsorship, with full price being implemented in 2027. All events are billed for full cost for public works and police staffing.
Poulsbo	13,110	\$200 \$200 late fee	No	

Puyallup	43,730	\$80, plus late fee & letter explain why late, if rec'd after deadline	Some. Determined by application process.	Advertises on website and via email for city sponsorships . Committee of Departments reviews applications and makes recommendation for sponsorship amount, whether setting up signs, police staffing, etc.
Sumner	11,080	\$75 \$100 late fee	Yes. 50% of police and public works labor	Long standing events are sponsored. Billed 50% of actual costs for new fees. Pay nominal cost for "street" or park rental, plus a cost per sign.

Staff recommendations for this topic include:

1. Establish by staff policy the attached table identifying special event applicant expense responsibilities by tier.
2. Establish in code the list of legacy events for annual city sponsorship as noted below:
 - o Maritime Gig Festival, Halloween, Tree Giveaway, Summer Sounds, and the Farmer's Market
3. Establish in the city's fee resolution (1) a reimbursement by the applicant for actual city expenses noted in the attached table and (2) a late fee of \$200 for applicants not meeting the application deadline outlined in [GHMC 11.02.050](#).
4. Establish in code to reject all applications submitted within 60 days of the date of the event for all events that require traffic control or city staff participation on the day of the event.

At the July 30 study session, staff will ask council for input and direction on the recommendations listed above.

FISCAL CONSIDERATION: Labor costs and equipment costs.

ATTACHMENTS:

1. Special Events Table for Study Session Memo_v 2026-07-24
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STRATEGIC PLAN PRIORITY: Ensure sustainable future for public services and facilities

		Special Event Applicant Expense Responsibilities (by Tier)					
		1	2	3	4	5	6
Event Type -->		City Event / Legacy Event ¹	City Partner ²	City Grantee ³	City Leaseholder	Private Open to Public	Private Closed to the Public
Expense							
Applicant Responsibility	Application Fee	Waived	Waived	\$250	\$250	Not-for-profit: \$250 For profit: \$500	\$500
	Traffic Control Plan ⁴	0%	100%	100%	100%	100%	100%
	Traffic Control Devices	0%	0%	100%	100%	100%	100%
	Public Works Staffing	0%	50%	25%	50%	75%	100%
	Police Staffing	0%	100%	100%	100%	100%	100%
City Responsibility	Traffic Control Plan ⁴	100%	0%	0%	0%	0%	0%
	Traffic Control Devices	100%	100%	0%	0%	0%	0%
	Public Works Staffing	100%	50%	75%	50%	25%	0%
	Police Staffing	100%	0%	0%	0%	0%	0%

Notes:

1. For city/legacy events, staff time must be budgeted, likely as overtime. See the list of Legacy Events in the staff report
2. For special events, City parnters only include the Chamber and Waterfront Alliance when promoting tourism
3. City has awarded a grant provided to event
4. If the road closure is along Harborview Dr between Pioneer Wy and Rosedale St, city will provide Traffic Control Plan