

AMENDED AGENDA
GIG HARBOR CITY COUNCIL MEETING
Monday, August 9, 2021 – 5:30 p.m.
REMOTE MEETING

This may be accessed on Zoom at <https://zoom.us/j/93216056382> or by calling (253) 215-8782 and entering Meeting ID 932 1605 6382. Please see the Public Comment & Decorum section at the end of this agenda for information on options to make public comment.

CALL TO ORDER/ROLL CALL

PLEDGE OF ALLEGIANCE

CHANGES TO THE AGENDA

CONSENT AGENDA

1. City Council Minutes

Documents:

[City Council Meeting Minutes - July 26, 2021.pdf](#)

2. Receive & File

Documents:

[Design Review Board Minutes - May 27, 2021.pdf](#)
[Planning and Building Committee Minutes - June 6, 2021.pdf](#)
[Design Review Board Minutes - June 10, 2021.pdf](#)
[Design Review Board Minutes - July 8, 2021.pdf](#)
[Arts Commission Minutes - July 23, 2021.pdf](#)
[Downtown Waterfront Alliance Progress Summary Report.pdf](#)
[Shaw Park Free Little Library Donation Thank You Letter.pdf](#)
[Skansie Brothers Park Flag Donation Thank You Letter.pdf](#)
[Board and Commission Candidate Review Committee Minutes - August 2, 2021.pdf](#)

3. Appointment to the Design Review Board

Documents:

[AGENDA BILL Design Review Board Appointment.pdf](#)

4. Resolution 1216 Skansie Netshed Painting - Reject all Bids

Documents:

[AGENDA BILL Resolution 1216.pdf](#)

5. Approval of Payroll

Checks #8287 through #8296 and direct deposit transactions in the total amount of \$727,540.21.

6. Approval of Vouchers

Checks #95827 through #95898 and ACH payments in the amount of \$751,774.26.

MAYOR'S REPORT

1. Recognition of Olympic Gold Medalist Nevin Harrison

Documents:

[Proclamation Recognizing Olympic Gold Medalist Nevin Harrison.pdf](#)

CITY ADMINISTRATOR'S REPORT

1. Recruitment Update

STAFF REPORT

1. Harborview Drive July 2021 Speed Study Results - City Engineer Trent Ward

PUBLIC COMMENT ON NON-AGENDA ITEMS

OLD BUSINESS

1. Second Reading and Adoption of Ordinance 1464 LTGO Refunding Bonds 2021

- a) Report: Finance Director Dave Rodenbach
- b) Clarifying questions from Council
- c) Public Comment
- d) Council deliberation and action

Documents:

[AGENDA BILL Ordinance 1464.pdf](#)

NEW BUSINESS

1. Lift Station #6 Public Works Construction Contract Award

- a) Report: City Engineer Trent Ward
- b) Clarifying questions from Council
- c) Public Comment
- d) Council deliberation and action

Documents:

[AGENDA BILL Lift Station 6 Construction.pdf](#)

COUNCIL REPORTS / COMMENTS

1. Board & Commission Candidate Review Committee Special

Meeting Meeting of August 2 - Councilmember Abersold

- 2. Planning & Building Committee Meeting of August 2 - Councilmember Himes**
- 3. Parks Commission Meeting of August 4 - Councilmember Abersold**

ANNOUNCEMENT OF UPCOMING MEETINGS

- 1. Public Works Committee Meeting - Tuesday, August 10
CANCELLED**
- 2. City Council Meeting on August 23 - CANCELLED**
- 3. City Offices Closed on September 6 - Labor Day Holiday**
- 4. Planning & Building Committee Meeting - Tuesday,
September 7 at 3:00 p.m.**
- 5. Board & Commission Candidate Review Committee Meeting
- Monday, September 13, 2021 at 3:00 p.m.**

ADJOURN

PUBLIC COMMENT & DECORUM

The City Council desires to allow a maximum opportunity for public comment.

However, the business of the City must proceed in an orderly, timely manner. The purpose of a Council meeting is to conduct the City's business; it is not a public forum. The Open Public Meetings Act does not require that members of the public be allowed to participate or speak.

Speakers will be allotted 3 minutes per individual, unless revised by the Mayor.

Public comment may be made remotely via Zoom or by phone during designated portions of the meeting. To speak during the meeting, press the Raise Hand button near the bottom of your Zoom window or press *9 on your phone. Please refrain from raising your hand until the Mayor has announced that he has opened the public comment portion of the meeting. Your name or the last three digits of your phone number will be called out when it is your turn to speak. When using your phone to call in, you may need to press *6 to unmute yourself. All speakers will have up to three minutes to speak.

Instead of speaking live, you may submit comments in writing by email before the meeting. Your comments must be provided to the City Clerk by 3:00 p.m. on the day of the meeting. All written comments must be able to be read in 3 minutes or less to be included in the record and must state "FOR PUBLIC COMMENT" in the subject line of the email. In addition, comments must include the name and address of the person submitting the comments. Email comments to

cityclerk@gigharborwa.gov. Written comments will be read during the appropriate agenda item.

All remarks shall be addressed to the Council as a body and not to any specific councilmember. All speakers shall be courteous in their language and deportment and shall not engage in or discuss or comment on personalities or indulge in derogatory remarks or insinuations with regard to any councilmember, the Mayor, or any member of the staff or the public.

MINUTES FOR GIG HARBOR CITY COUNCIL MEETING
Monday, July 26, 2021 – 5:30 p.m.
Gig Harbor Civic Center Council Chambers

CALL TO ORDER / ROLL CALL: Mayor Kuhn called the meeting to order at 5:33 p.m. Councilmembers Abersold, Denson, Franich, Himes, Markley, Rodenberg, and Woock were present.

CONSENT AGENDA:

1. City Council Minutes: City Council Meeting Minutes – July 12, 2021; City Council/Parks Commission Joint Study Session Minutes – July 8, 2021
2. Receive & File: Planning and Building Committee Minutes - May 3, 2021;
3. Intergovernmental Affairs Committee Minutes - July 19, 2021; BCCRC Minutes - July 12, 2021; Arts Commission Minutes - July 14, 2021
4. Appointment of William Appleton to the Parks Commission
5. Austin Park Honoring Project - Amendment to Peterson Structural Engineering
6. Jerkovich Aquatic Sublease Agreement
7. Approval of Vouchers - Checks #95718 through #95826 and ACH payments in the amount of \$377,673.36.

MOTION: Move to approve the Consent Agenda (Abersold/Markley).

VOTE: Unanimously approved.

PRESENTATIONS: Gig Harbor Peninsula FISH Foodbank reported on the current status of the foodbank and its existing location and informed Council of their plans for the future foodbank facility.

MAYOR'S REPORT: Mayor Kuhn is very supportive of FISH and will be putting in his 2022 City Budget a one-time \$200,000 funding for FISH with the hopes of Council supporting it. Mayor Kuhn reported that the City will postpone the public outreach and decisions concerning the future use of the Masonic Temple building until next year. This is because there isn't enough time to prepare in Fall of 2021. He also reported that the City will be using the \$10,000 included for tree planting in the 2021 Budget at several different locations around the City - Veteran's Park, Crescent Creek Park, Soundview Forest and the Skate Park.

CITY ADMINISTRATOR'S REPORT: Interim City Administrator Tony Piasecki reported on his conversations with councilmembers over the past week.

STAFF REPORT: Public Works Director Jeff Langhelt reported on the status of the installation of the Honoring Symbol at Austin Park. He reviewed the permitting process and noted that the goal is to have the installation completed by November.

Tourism & Communications Director Laura Pettitt reported on the City's plan to continue with the same lodging tax grants to other entities to \$125,000 (25% of the total tax yearly budget) and noted that the Lodging Tax Advisory Committee has expressed its support for this plan.

Interim City Administrator Tony Piasecki and Finance Director Dave Rodenbach presented the second quarter report for the 2021 Budget.

PUBLIC COMMENT ON NON-AGENDA ITEMS: The Mayor opened the public comment period. Tom Wick commented on past public records requests. Maryann Mitchum commented on bicycle safety issues on Harborview Drive near Millville. Gary Williamson commented on the installation of the Honoring Symbol at Austin Park. The Mayor closed the public comment period.

NEW BUSINESS:

- 1. First Reading of Ordinance Providing for the Issuance and Sale of Limited Tax General Obligation (LTGO) Refunding Bonds 2021:** Finance Director Dave Rodenbach and Bond Counsel Dave Trageser gave an overview of the ordinance which will result in the City spending \$360,000 less per year on debt service through 2026.

The Mayor opened the public comment period. There were no public comments. The Mayor closed the public comment period.

The ordinance will be brought back for second reading and adoption at the August 9 City Council meeting.

- 2. Council Chambers Audio/Video Upgrades:** ITS Manager Keith Smith and his staff gave an overview of the upgrades proposed to support meetings and court sessions held in Council Chambers. Councilmembers expressed support for additional options to broadcast City Council meetings.

The Mayor opened the public comment period. There were no public comments. The Mayor closed the public comment period.

MOTION: Authorize the Mayor to enter into an agreement with Diversified for AV technology upgrades in Council Chambers for an amount not to exceed \$96,634.50. (Woock/Markley)

VOTE: Unanimously approved

- 3. First Reading and Adoption of Ordinance 1463 - Budget Amendment for Staffing:** HR Director Kameil Borders reviewed the proposed staffing level changes addressed by the Ordinance with support of other department heads. Councilmembers discussed the merits of adding additional staff now as opposed to waiting until the 2022 Budget.

Council entered into recess at 7:31 p.m.

Council returned from recess at 7:41 p.m.

The Mayor opened the public comment period. There were no public comments. The Mayor closed the public comment period.

MOTION: Approve Ordinance 1463 with the removal of provision for the addition of a Human Resources Analyst and an additional Human Resources Assistant. (Woock/Rodenberg)

VOTE: Motion failed 4-3 (Councilmembers Abersold, Franich, and Himes opposed).

MOTION: Approve Ordinance 1463 with the removal of provision for the addition of a Human Resources Analyst and an additional Human Resources Assistant and to authorize the Mayor to extend existing temporary appointments in Human Resources until the end of the 2021. (Denson/Rodenberg)

VOTE: Motion passed 6-1 (Councilmember Franich opposed).

4. South Sound Housing Affordability Partners (SSHAP) – Intergovernmental Agreement:

Community Development Director Katrina Knutson gave an overview and history of the SHHAP coalition and the structure defining the program the Mayor has done with the group over three years and outlined the City's expectations and contributions, as defined in the agreement.

The Mayor opened the public comment period. There were no public comments. The Mayor closed the public comment period.

MOTION: Authorize the Mayor to sign the South Sound Housing Affordability Partners Intergovernmental Agreement with final terms to be added consistent with ratification date. (Himes/Markley)

VOTE: Unanimously approved.

5. Stinson/Harborview Intersection Improvements – Public Works Construction Contract Award and Professional Services Contracts for Construction Support and Materials Testing Services: Public Works Director Jeff Langhelm gave an update on the project status, noting that this project now exceeds the budgeted amount and construction will likely occur in 2022.

The Mayor opened the public comment period. There were no public comments. The Mayor closed the public comment period.

MOTION: Authorize the Mayor to execute a Public Works Construction Contract with Active Construction Inc. in an amount not to exceed \$2, 188, 188. 01 for the Harborview Drive and Stinson Avenue Intersection Improvements Project; and authorize the Mayor to execute Professional Services Contract Amendment with Transportation Solutions, Inc., for Construction Support Services in an amount not to exceed \$98, 640. 21; and authorize the Mayor to execute a Professional Services Contract with Construction Testing Laboratories, Inc., for Materials Testing Services in an amount not to exceed \$31, 390; and authorize the City Engineer to approve additional Public Works Construction Contract expenditures up to \$175,000. (Rodenberg/Woock)

VOTE: Motion passed 6-1 (Councilmember Franich opposed).

- 6. Community Paddler's Dock - Public Works Construction Contract Award and Professional Services Contracts:** Public Works Director Jeff Langhelm gave an update on the project status and reviewed the engineer's estimate provide for the project.

The Mayor opened the public comment period. There were no public comments.
The Mayor closed the public comment period.

MOTION: Authorize the Mayor to execute a Public Works Construction Contract with American Construction Co., Inc. in an amount not to exceed \$758,726.00 and authorize the Public Works Director to approve project change order expenditures up to \$25,000. (Woock/Rodenberg)

VOTE: Motion passed 6-1 (Councilmember Franich opposed).

- 7. Eddon Boat Park Brick House Remodel – Chimney Reconstruction Change Order:** Public Works Director Jeff Langhelm reported on the required to changes to the chimney reconstruction that resulted in the necessary change order.

The Mayor opened the public comment period. There were no public comments.
The Mayor closed the public comment period.

MOTION: Authorize the Mayor to execute a Public Works Construction Contract with American Construction Co., Inc. in an amount not to exceed \$758,726.00 and authorize the Public Works Director to approve project change order expenditures up to \$25,000. (Denson/Woock)

VOTE: Unanimously approved.

COUNCIL REPORTS / COMMENTS:

Intergovernmental Affairs Committee – July 19, 2021: Councilmember Denson reported that the committee discussed potential options for the 2022 Legislative Agenda and potential future capital project funding requests. Councilmember Franich expressed that he would like to see the legislature raise the threshold for small public works projects that can be completed by City staff.

Councilmember Himes reported on discussion at the Pierce County regional Council meetings and noted that staff will be closely following changes to the County-wide Planning Policies.

ADJOURN: The meeting adjourned at 9:36 p.m.

Joshua Stecker
Interim City Clerk



Minutes
City of Gig Harbor Design Review Board
Virtual Meeting of May 27, 2021 at 5:00 pm

- I. [Call to Order](#): 5:02 PM
- II. [Roll call](#): Brett Marlo DeSantis, Darrin Filand, Jon Ashlock & Nels Peterson Staff
Carl deSimas, Senior Planner & Michelle Thomas, Planning Technician
- III. [Approval of Minutes](#): May 13, 2021 Motion Filand/Ashlock all in favor minutes
approved as written
- IV. [Agenda Items for Formal Review](#)

1. **West Harbor Corporate Park LLC, 6622 Wollochet Dr. NW. Gig Harbor, WA 98335 - Mallards Landing Lot 7 – Assisted Living Facility:** PL-SPR-19-0003, PL-DR-19-0021, PL-CUP-19-0001, PL-BSP-19-0001, PL-ALP-19-0002 and PL-SEPA19-0003. The general proposal is for the development of an approximately 95,100 square foot assisted living and memory care facility containing a total of 83 living units – including 71 assisted living dwelling units and 12 dedicated memory care sleeping units. The structure will be a single three-story building with a daylight basement. The site is approximately 4.46 acres of undeveloped land and contains two Category IV wetlands. The project proposes onsite stormwater detention, parking, landscaping and pedestrian paths connecting to frontage improvements on 72nd Street and Wagner Way. Automobile access would also be provided from both 72nd Street to the north and Wagner Way to the south.

The applicant proposes grading into the western zone transition buffer area which requires adherence to specified alternative standards and a favorable recommendation from the City's Design Review Board (GHMC 17.99.200). The site is located at 6916 Wagner Way.

[Staff Presentation](#): Carl deSimas project overview, public comment received & staff recommendations

[Applicant Presentation](#): James Brown, Wattenbarger Architects options, project proposal, buffer, lighting, existing vegetation, and tree retention

[Public Comment](#): Lynn Anderson

[DRB Discussion](#): Filand, Ashlock, Peterson & Marlo DeSantis

[Motion](#): GHMC17.99.200 Alternative to zone transition standards

D. Location of services- Comfortable with the location of services, loading and trash enclosure services because of superior screening to neighboring properties being provided.

F. Lighting- Change to use recessed downward lighting at all the balconies and wall

sconces at the lower level that are downward directional and if the height of the pole lights is no more than 20' in height that would be acceptable to provide an equivalent design solution.

G. Vegetative buffering - Existing maple tree that is in question and point of discussion this evening that is on the westerly property line adjacent to lot 2 of the R-1 zone would propose that the maple come out and supplement newly planted dense screening similarly to what is being proposed south of that location along the westerly property line be planted in placement of that existing maple tree to provide an equivalent solution to what is being proposed along the majority of that western property line.

J. Location of parking and driveway entrances -Parking has been in the area of the zone transition as well as parking has been relocated to allow more vegetive buffering to occur providing a superior solution to better screen the services but the parking meets the content of the design criteria.

K. Open space and common areas- The entrance and the way the driveway is moved easterly on the property creating a larger continuous open space to the west along the zone transition area in the northwest corner is an equivalent solution to creating open space along the property line as well as other common and open spaces around the property

L. Existing natural characteristics of the site- Board had already proposed that the retaining walls that were in excess of 6 feet a prescriptive allowed height to deal with some of the storm detention facilities in the mid part of the site was acceptable with adequate screening and with applicant proposing new retaining walls would basically meet the prescriptive maximum allowable height of 6' along the buffering areas is an equivalent solution as prescriptively required by definition. Filand/Ashlock All in favor motion passes

V. [Upcoming Meetings](#): June 10, 2021 Burnham Drive Apartments

VI. [Adjourn](#): Motion Peterson/Filand all in favor meeting adjourned at 6:21



"THE MARITIME CITY"

COMMUNITY DEVELOPMENT

**Minutes
Planning & Building Committee**

**Tuesday, July 6, 2021
3:00 P.M. – 4:30 P.M.**

3:06 p.m. - Call to order, roll call Councilmember Franich,
Councilmember Markley & Chair Councilmember Himes Community
Development Director, Katrina Knutson; Senior Planner, Carl deSimas;
Planning Technician, Michelle Thomas; Mayor, Kit Kuhn & City
Administrator, Tony Piasecki

Approval of Minutes: May 3, 2021 Motion Franich/Markley All in favor
approved as written.

Agenda Items:

- I. Buildable Lands Report Status Update – Carl deSimas
- II. Countywide Planning Policies Discussion – Councilmember Himes
- III. Employment Target Setting Introduction – Carl deSimas
- IV. Special Use Permit COVID Relief Discussion – Katrina Knutson

Other Business

Next Meeting Monday, August 2, 2021

Adjournment Motion Franich/Markley All in favor, meeting adjourned at
4:39



Minutes
City of Gig Harbor Design Review Board
Virtual Meeting of June 10, 2021 at 5:00 pm

- I. **Call to Order:** 5:05 PM
- II. **Roll call:** Brett Marlo DeSantis, Darrin Filand & Marlene Druker
Staff Kim Mahoney, Associate Planner & Michelle Thomas, Planning Technician
- III. **Approval of Minutes:** May 27, 2021 Hold approval of minutes until next meeting
- IV. **Agenda Items for Formal Review**
 1. **Paul Conan 3521 47th Street Ct GIG HARBOR, WA 98335: Burnham Drive Apartments:** (PL-SPR-17-0003, PL-CUP-17-0001, PL-DR-17-0184 and PL-SEPA-17-0013). The proposal includes an 78-unit apartment complex with a community building, parking, and utility extensions on an irregularly shaped parcel of 4.45 acres. The development will include five 3-story multi-family residential buildings, a 2-story carriage unit building with garages on the first level and apartment units on the second, and a single-story community building with leasing offices. The site is located in the City's B-2 Zoning District (General Business) and the MUD Overlay (Mixed Use District). Multiple-family Dwellings are a conditional use in this zone and therefore require a conditional use approval. The site is generally hilly and a ravine with associated steep slopes exists near the eastern property line. This ravine area is to be left in a natural state. The site is located at 9411 Burnham Dr, on the east side of Burnham drive approximately 600 feet north of the intersection with Harborview Dr. Sec 06, Tw 21, R 02, Q 12., parcel no. 0221061028
Staff Presentation: Kim Mahoney, project overview, history & Staff recommendations
Applicant Presentation: Stephen Bridgeford Senior Land Planner Contour Engineering, LLC
Public Comment: No public comment
DRB Discussion: Natural Site Condition, Primary Walkway Standards & Parking Garages
Motion: 17.99.260D Primary Walkway Standards –Accent walkways with significant landscaping. DRB approves the applicants landscape plan it is an equivalent solution due to the fact that there are areas within the landscape plan that exceed 5 feet and no landscape areas are reduced beyond 4 feet. That in combination that the wider landscaping areas in tandem with narrower landscaping areas provide an equivalent solution. Filand/Druker all in favor motion passes
Project will be brought back to the DRB for review on July 22nd, 2021to review 17.99.240C, 17.99.370A & 17.99.470C

Upcoming Meetings: Thursday, June 24, 2021 Harbor History Museum Pre-Application Meeting- Maritime Gallery Enclosure

V. Adjourn: Motion Druker/Filand all in favor meeting adjourned at 6:49PM



MINUTES
City of Gig Harbor Design Review Board
Virtual Meeting of July 8, 2021 at 5:00 pm

- I. **Call to Order:** 5:02 PM
- II. **Roll call:** Brett Marlo DeSantis, Jon Ashlock, Nels Peterson, Marlene Druker & Darrin Filand
Staff: Carl deSimas, Senior Planner & Michelle Thomas Planning Technician
- III. **Approval of Minutes:** May 27, 2021 / June 10, 2021 Move to review at next meeting
- IV. **Agenda Items for Formal Review**

1. **Gig Harbor Peninsula Historical Society, P.O. Box 744, Gig Harbor, WA 98335: HARBOR HISTORY MUSEUM – MARITIME GALLERY ENCLOSURE: (PL-DR-21-0164)** The applicant is proposing to enclose an exterior wall of the existing Maritime Gallery at the Harbor History Museum. There are not changes to the roof profile or building massing, all work is to be performed within the existing building footprint with no additions proposed. The enclosure walls were original proposed as part of the original land use and building applications and was noted as a "Future Phase". The proposed enclosure maintains the transparency of the original design intent, however, the amount of glazing has been reduced in order to comply with the recently adopted 2018 Washington State Energy Code.

The enclosure walls are to be constructed of Board & Batten siding matching the existing museum exterior with the glazing material of aluminum storefront matching the front entry to the museum. The depth of the aluminum members will be increased due to length of spans and the weight of the glazing units. The proposed project is within the interior of the building with no exterior site work proposed. The site is located at 4121 Harborview Dr., on the northeast side of Harborview Dr., on the corner of North Harborview Dr., and Harborview Dr., parcel no. 4002990010

Staff Presentation: Carl deSimas, project overview and history

Applicant Introduction and Presentation: David Boe, Boe Architects

Public Comment: No Public Comment

DRB Discussion: GHMC 17.99.530 Windows & Glazing, GHMC 17.99.540 Siding, GHMC 17.99.460 Lighting & GHMC 17.99.570 Color

2. Open Public Meetings Act Training

- V. Upcoming Meetings** July 22, 2021 Sewer Lift Station #12 Site & Burnham Drive
Apartments
Open seats on DRB
- VI. Adjourn** Motion Ashlock/Filand all in favor meeting adjourned at 5:40

MINUTES GIG HARBOR ARTS COMMISSION MEETING

Friday, July 23, 2021 10:00 a.m.

CALL TO ORDER / ROLL CALL: Chair Charlee Glock-Jackson called the meeting to order. Commissioners Lynn Stevenson, Linda Sutherland, Robin Avni, Dan Bozich and Jennifer Beard were present. Samantha Kelly was excused.

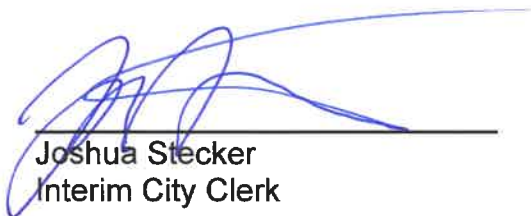
Staff present included Principal Planner Carl de Simas, Interim City Clerk Josh Stecker and consultant William Grimes.

DISCUSSION ITEMS

- 1. Arts & Culture Element of the Gig Harbor Comprehensive Plan** – Carl de Simas and William Grimes introduced the revised Arts & Cultural Element and provided a proposed process to guide the element through the legislative process. Commissioners shared their thoughts on structure and language of the proposed element.

A revised draft of the element will be provided to the Arts Commission. Commissioners will send comments on the revised version to staff by July 28. The element will likely go to the Planning Commission in September, possibly initially as a study session.

ADJOURN: The meeting adjourned at 11:15 a.m.



Joshua Stecker
Interim City Clerk

Gig Harbor Downtown Waterfront Alliance
A Washington State and Nationally Accredited Main Street™ Organization



PROGRESS REPORT

January 1, 2021 - June 30, 2021

**The Mission of the Gig Harbor Downtown Waterfront Alliance
is to bring together community and waterfront district stakeholders in order to encourage
economic vitality and preserve the historic character and quality of the area.**

The first six months of 2021 continued to be heavily impacted by the restrictions and regulations brought about by the Covid-19 pandemic. Since the state shutdown in mid-March 2020, the Alliance has had to realign our work plan and focus our efforts on everything and anything we could do to help support our downtown waterfront businesses. The following report will incorporate our efforts under each of our working committees.

DESIGN COMMITTEE

PARKING SURVEY – Thursday, March 11 and Saturday, March 13, 2021

As in most small communities, parking is always considered a major issue that needs to be addressed, though it has been said in Main Street circles that if you don't have a parking problem, you have a bigger problem. Twice a year our Design Committee, with help from the Economic Vitality Committee, conducts a parking utilization survey. What these have shown is that employees of downtown businesses are parking on the street in spots that should be for customer parking. We are trying to identify alternative parking options for downtown employees by contacting churches and marinas whose parking is primarily utilized on the weekends to see if there is a way to partner with them so downtown employees could park in their often mostly empty lots. Liability issues have been voiced by the property owners, but we will continue to pursue a solution to this problem.

So, in spite of the continued Covid-19 crisis and subsequent impacts on downtown businesses, we opted to complete the annual winter parking survey. Comparing information to past surveys would help us understand the impact of the pandemic and resulting business closures on the downtown waterfront. Here is a summary of the results from the Winter 2021 Parking surveys:

The 2021 Winter parking surveys were conducted on Thursday March 11th and Saturday the 13th with parking counts taken by volunteers at 7am, 9, 11, 1pm, 3, 5, 7 and 9pm. Private parking areas were also counted at 7am, 1pm and 7pm for both weekday and weekend times.

Total Downtown Parking Supply

This year we upgraded our summaries of both private and public parking availability and measured utilization by time and area. **Eighty percent of all parking is in Marina, Church, and other private lots.** Policy for parking should consider use of all forms to meet employee and customer needs.

	Total	%/Ttl
Public	502	20%
Marinas, YC	364	15%
Private Lots	1,220	49%
Church	415	17%
Total	2,501	100%

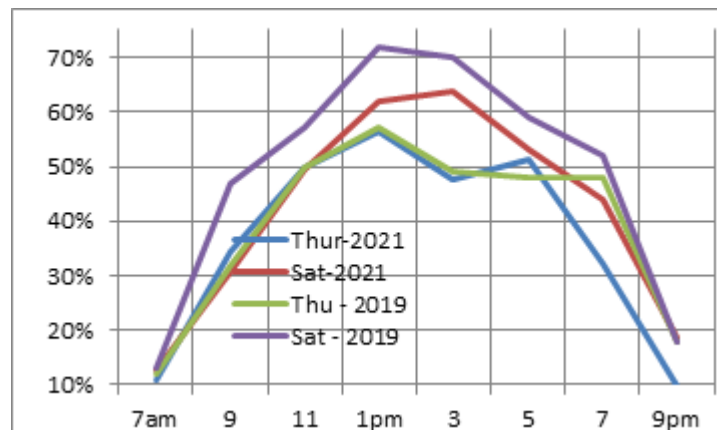
The Impact of Covid-19 Restrictions

Parking use at 7am showed little impact of Covid-19 restrictions as much of the use is by downtown residents. However at mid-day and evening times, last year's (2020) winter survey showed nearly a 50% drop from 2019 on Thursday parking and over 60% on Saturday. This reflected the Covid-19 shutdown of Restaurants and Retail business in downtown.

This year showed significant recovery but **parking is still down over 20% compared to 2019.** Our summer survey will likely help us determine how many more will return to downtown visits.

		Weekday - Wed/Thur						Weekend - Saturday					
		7am Base		Mid-Day		Evening-7pm		7am Base		Mid-Day		Evening-7pm	
2021	Total	Used	%	Used	%	Used	%	Used	%	Used	%	Used	%
Public	508	55	11%	284	56%	162	32%	52	10%	304	60%	217	43%
Marinas, YC	374	42	11%	108	29%	40	11%	55	15%	145	39%	73	20%
Private	1212	106	9%	501	41%	207	17%	116	10%	359	30%	270	22%
Church	415	8	2%	25	6%	25	6%	1	0%	11	3%	11	3%
Total	2509	211	8%	918	37%	434	17%	224	9%	819	33%	571	23%

Parking use at 7am didn't change from previous years but at other times it was lower in 2021 but still **peaked at 1pm** and stayed **fairly high until 7pm** when Restaurant usage declines.



Peak Parking by District

Downtown public parking (around Harborview and Pioneer) was **fully occupied at 1pm and 3pm on Saturday** and had heavy use for the six daytime hours from 11 am to 5 pm. The Finholm district was almost as heavily occupied from 11 am to 7 pm on both Thursday and Saturday but still had a few spots available. Other areas (Judson, Millville, Museum) have much better availability of parking at most times of the day.

Private Parking Lots

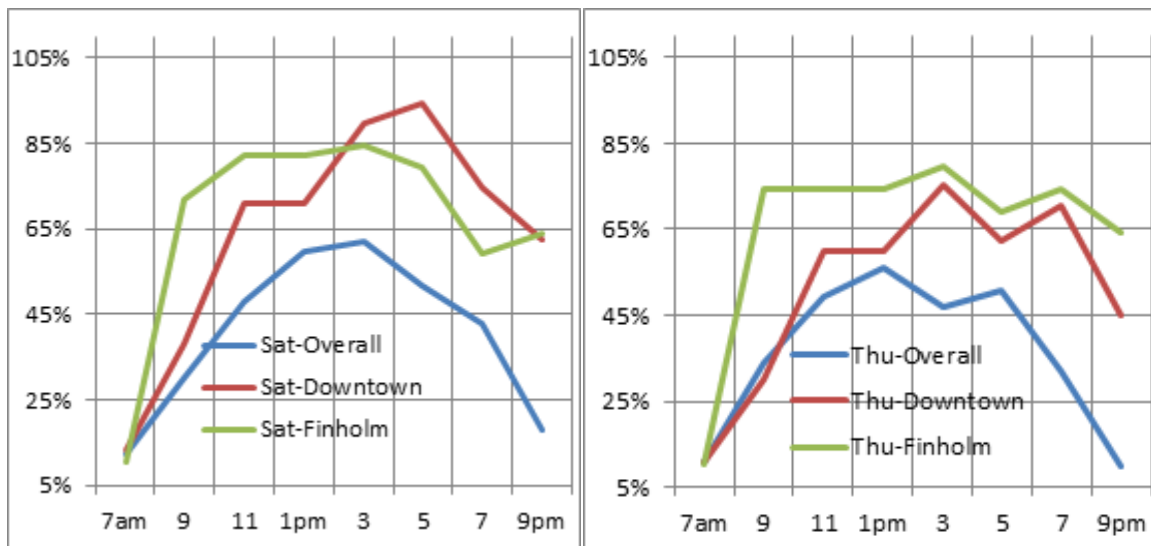
Private lots for office buildings, retail, and restaurants have nearly ½ of all the parking available along the downtown waterfront. They are utilized about the same percentage as public at the beginning of the day but have lower utilization at mid-day and significantly lower at 7pm.

Marinas in general have even lower use during the week, but on the weekend, use increases significantly as boat owners come to downtown.

Churches are a few blocks off the waterfront but show very light use. On the weekend from 9 am to noon the average church use was about 28% of the available spaces with a peak of about 39% at 9am. By mid-afternoon Sunday Church lots were nearly empty.

Some Observations and Conclusions

Overall we have **more parking than we need** but sometimes part of the supply is **not in the right place**. Creative and controlled use of private, church and marina **parking for employees would free up street parking for visitor and customers**. **Walking from parking areas should be encouraged** through signage and other means. The summer survey will help us understand parking loads after the Covid-19 restrictions are further reduced.

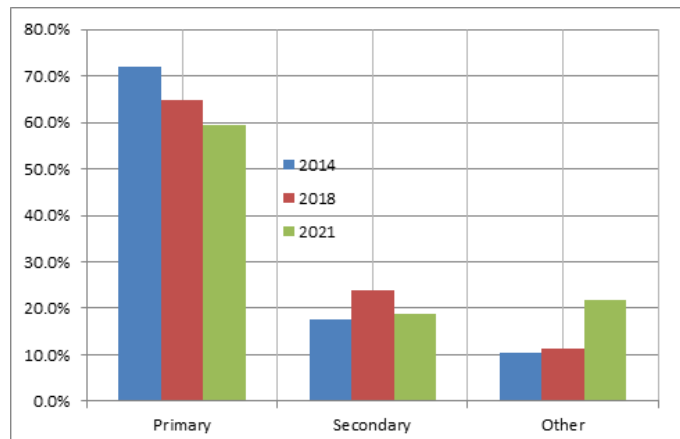


Gary Glein, Alliance Design Committee, presented findings from the Parking Utilization Survey to the City Planning & Building Committee on April 4th.

Customer Locations (Zip Code Survey)

We also completed Customer location (Zip Code) surveys March 8th through March 14th. Twenty downtown organizations recorded home zip codes of their customers. Data was summarized into the following market areas:

Primary: Gig Harbor Peninsula & Fox Island (98332, 98333, 98335); 45,000 population
Secondary: Key Peninsula, Kitsap to Port Orchard, West & North Tacoma; 180,000 population



A larger portion of customers came from areas out of the primary and secondary market area. This is a bit puzzling and we expect to interview a few merchant to better understand it.

Summer Flower Basket Program

Seventy (70) **flower baskets** were purchased by the Alliance at a cost of \$6,540 and 30+ volunteers have been recruited for the 2021 season. Baskets are watered daily by crews of 2. This project is made possible through a partnership with the City for the use and maintenance of the watering truck, as well as supplying the water. **One hundred seventy-one volunteer hours (171)** were logged on this project in June, with a **volunteer value of \$4,880.** (*Independent Sector updated volunteer value in April 2021 to \$28.54 per hour*).

For the first time and in an effort to inject money into our Covid-impacted budget, we offered flower basket sponsorships in the amount of \$100 each. We had 60 of our 70 baskets sponsored, providing us with \$6,000 that we had not counted on in an already strained budget. "Temporary Plaques" were installed on the basket poles and they have been hugely popular. Some had photos, some were done in memory of loved ones, and one even had a photo of their dog. Donors have called to find out the location of their baskets, and we have had multiple people already contact us to say they want to donate next year. With the success of this year's program, this sponsorship opportunity will become an annual effort, and will be included in our budgeting process for the coming year. Our 2021 flower basket program also received a \$1,000 sponsorship from Columbia Bank.



ECONOMIC VITALITY COMMITTEE

Waterfront Farmers Market

The 2021 Waterfront Farmers Market has returned and is a resounding success. Averaging around 2,500 customers each week, it is obvious the community is delighted to have this piece of normalcy back. We had to open under Covid regulations in early June with masking requirements, social distancing and more, but as the month progressed and we looked forward to the state opening on June 30, we were able to relax some of the many rules that have prevented us from offering the full market experience. Moving forward we are hoping to once again offer live entertainment, cooking demos, and more of what makes the market such a special part of downtown Gig Harbor.

June 3 saw the opening day of the Waterfront Market 2021 season (Special thanks to Mayor Kuhn for being at the market to officially open the season). We are currently averaging about 30 vendors, with a primary focus on fresh farm produce and processed foods. Additionally, we have prepared foods available as well as a handful of crafters/artisans each week. Our wonderful volunteers help each week with set-up and tear down. We couldn't do it without them.



Maritime Washington National Historic Area

Under the umbrella of the Alliance Economic Vitality Committee, we are serving as an Anchor Organization for the newly designated Maritime Washington National Historic Area. This entails distribution of information and surveys and notifying the public of any meetings. This effort is being led at the state level by the Washington Trust for Historic Preservation.

Maestro Database

The Alliance is utilizing a customized database software program, developed by former Main Street Managers. Property and business information, volunteer records, membership, internal meeting records and more can all be tracked. The chair of the Economic Vitality Committee is working with local realtors to expand the database with pertinent property information.

PROMOTIONS COMMITTEE

- In spite of Covid-19, the 2021 **Annual Restaurant Week** was held February 21 through March 7, 2021. *Because of Covid-19, we extended the length of the event to give our restaurants as big a boost as possible during a time when all their businesses were being heavily impacted by the pandemic regulations.* During a “normal” Restaurant Week participating restaurants serve a special menu offering, which include two or three courses of their choosing. Participating restaurants, including Anthony's, Bella Femmina, Brimstone PNW Smokehouse, Brix25, Devoted Kiss Café, El Pueblito, Millville Pizza and NetShed #9, were encouraged to be creative and offer take out as well as dine-in specials.



The Alliance produced a menu listing special offers by each restaurant and promoted the event using social media, online ads, posters, and a press release.

- **GIRLS NIGHT OUT** meetings (scheduled for November 11, 2021) – began early in 2021. While the event was not held in 2020, in 2019 participating merchants realized more than \$150,000 in revenue generated on that one day alone (not including restaurant sales). Modifications are being considered for the 2021 event to make it easier for businesses impacted by Covid to participate.
- **SPRING INTO THE HARBOR**



PARTICIPATING BUSINESS

MARCH 20 - APRIL 18, 2021

- **SHOP!** Spend a minimum of \$25 at 4 different downtown waterfront businesses.
- **RETURN!** Turn in your completed passport to any participating business.
- **REPEAT!** Enter often!
- **WIN!** 1 of 4 Gift Card Trees with gift cards from participating businesses (limit 1 prize per person)



In an effort to bring people to downtown to shop and dine during the shoulder season and to encourage our community to support our local businesses as we moved into recovery, we offered “**Spring into the Harbor**”, a month-long shopping and dining promotion along Gig Harbor’s downtown waterfront. This followed on the success of our Passport to the Holidays held November/December 2020.

Held Saturday, March 20 through Sunday, April 18, more than 30 downtown waterfront businesses participated in the promotion. Customers were encouraged to do their shopping at these businesses to welcome Spring, celebrate Easter and prepare for Mother’s Day by completing a passport for a chance to win one of four very special gift card tree prizes, valued at over \$400 each. To complete a Passport, consumers had to shop and spend \$25 at four different businesses and receive a stamp from that business. It was a great way to support downtown businesses, shop local, shop early, and have a little extra fun while doing so! Winners were drawn via Facebook Live on April 26. Our participating shops and restaurants created safe and enjoyable places to shop and dine during the event.

TREASURES ON THE WATERFRONT VIDEO SERIES

In an effort to keep our businesses in the forefront of the minds of our community, we created a video series to highlight individual businesses. Hosted by the Alliance Promotions Committee Chair, Karrie Polinsky, “Treasures on the Waterfront” currently features sixteen of our downtown waterfront businesses with in-depth interviews and visits to the stores. You can view these videos at: <https://www.gigharborwaterfront.org/treasuresonthewaterfront>



WATERFRONT WALKING TOURS

Not knowing what regulations we would be facing when summer 2021 arrived, the three partners that put on the Waterfront Walking Tours (Downtown Waterfront Alliance, Harbor History Museum, and Harbor WildWatch) made the difficult decision to not offer in-person tours this year. But you can still view the Wonders of the Waterfront tour and the Skiffs to Spirits tour online at: <https://www.facebook.com/waterfrontwalkingtours/>

WSWGA TOURNAMENT (WASHINGTON STATE WOMEN'S GOLF ASSOCIATION)

The Alliance worked with a representative from the WSWGGA to encourage shopping and dining downtown during their tournament to be held in July. We notified all the businesses of the event and compiled a list of specials, discounts, and events that would be offered to the visiting golfers and provided that information to the organization. We also provided downtown waterfront maps and trolley schedules for their welcome bags. Additionally, the Alliance will be providing posters for the businesses welcoming the visiting golfers.

OUTREACH & ORGANIZATION COMMITTEE

- Once again, the Organization Committee was very proactive in preparing a message of participation for our **B&O Tax Credit** donors. With new legislation in place that divides the money more equitably amongst all thirty-six Main Street Tax Credit Communities in the state, the Alliance was able to reach \$100,000 in funding through this important tax credit program for 2021. \$10,000 of the total is realized through a Community Partner Program Grant from Kitsap Bank. This is critical funding to the Alliance for support of our many projects, programs, and events.

2021 was also a year of legislative work to increase the \$2.5 million state-wide cap to \$5 million, and an increase in donations for individual Main Street organizations from \$133,333 to \$213,333. The Alliance worked closely with the Washington Trust for Historic Preservation and the other 35 accredited Main Streets, contacting elected officials and supporting this important increase. We are especially grateful to Mayor Kuhn for his testimony in support of this critical and successful legislation.

- The Outreach and Organization Committee, along with staff, was responsible for planning the **first ever "ZOOM 2021 Annual Meeting"** held on February 23, 2021. The story of the pivot of the Alliance efforts was shared by staff, and outgoing Board Member, Chuck Meacham, was honored. New board members Richard Pifer (Timberland Bank), Karrie Polinsky (Tickled Pink), and Jennifer Stiefel (Heritage Distilling) were welcomed to the board.



In a normal year, the Annual Meeting would be combined with a Volunteer Appreciation celebration, but at the recommendation of the Outreach & Organization Committee and approval by the Board of Directors, we chose to postpone the celebration until it can be done in person. Zoom parties just aren't the same, and "Zoom Fatigue" is real!

- **National Main Street® Accreditation**

The Gig Harbor Downtown Waterfront Alliance was once again designated as a nationally accredited 2021 Main Street America™ program for meeting rigorous performance standards set by the National Main Street Center. Patrice Frey, President & CEO of the National Main Street Center, says, “We are proud to recognize this year’s 883 nationally accredited Main Street programs that have worked tirelessly to advance economic vitality and quality of life in their downtowns and commercial districts. During an incredibly challenging year, these programs demonstrated the power of the Main Street movement to drive impressive local recovery efforts, champion small businesses, and foster vibrant downtown districts. I am inspired by their hard work and I am confident that these accredited communities will continue to help their downtowns flourish in the next stages of recovery.”



The Gig Harbor Downtown Waterfront Alliance performance is annually evaluated by the Washington State Main Street Program, which works in partnership with the National Main Street Center to identify the local programs across Washington State that meet ten national performance standards.

- **Regular Communications include:**

- The Downtown Waterfront Alliance continues regular updates through our multiple websites.
- An e-Newsletter is distributed via Constant Contact
- Email Blasts are sent as needed to inform the readership of upcoming district activities, including updates, announcements, etc. from the City.
- Multiple Facebook pages (Alliance, Girls Night Out, Wine & Food Festival, Farmers Market), Twitter and Pinterest updates are posted on a regular basis.

Other Committees

- Alliance Executive Director serves on the Summer Trolley CIT Committee and the Trolley Marketing Sub-Committee
- Executive Director is on the City’s LTAC Committee

Finances

- See Income & Expense 1/1/2021 – 6/30/2021 (page 10).

Training and Meetings

Trainings/Meetings attended by Alliance staff, Board of Directors and Committees January - June 2019 include:

January 26, 2021:	Main Street Manager's Quarterly Meeting (Zoom)
January 27, 2021:	Heritage Caucus – Main Street Day (Zoom)
March 23-25, 2021:	3-Day Downtown Conference (Zoom)
April 12-15, 2021:	Main Street Now, National Main Street Conference (Zoom)

Main Street Cohort Meetings were created by the State Main Street program to connect Executive Directors and Board Presidents in a small group gathering via zoom. Gig Harbor met with Selah, Kennewick, and Colville Main Street Programs. Examples of topics discussed include “Connecting Boards and Committees” and “Communication Practices”.

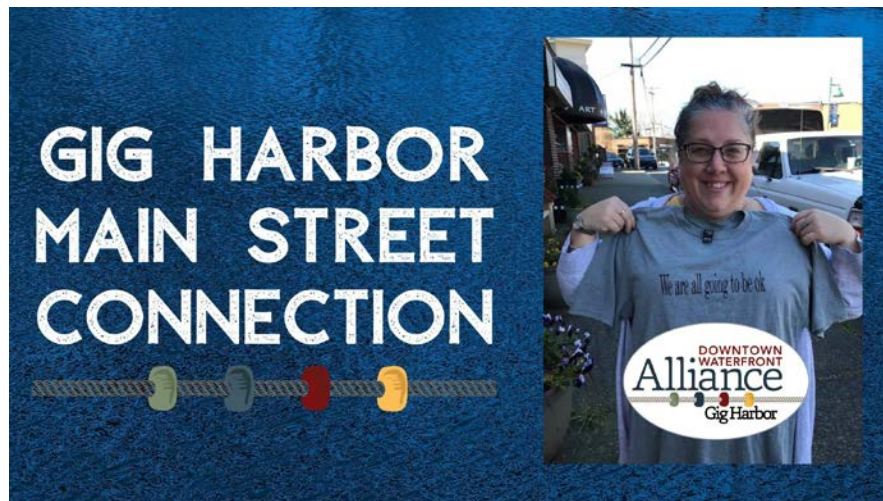
As a result of Covid-19, the entire Alliance staff has taken numerous webinars, and have been attending countless Zoom meetings.

Presentations Made:

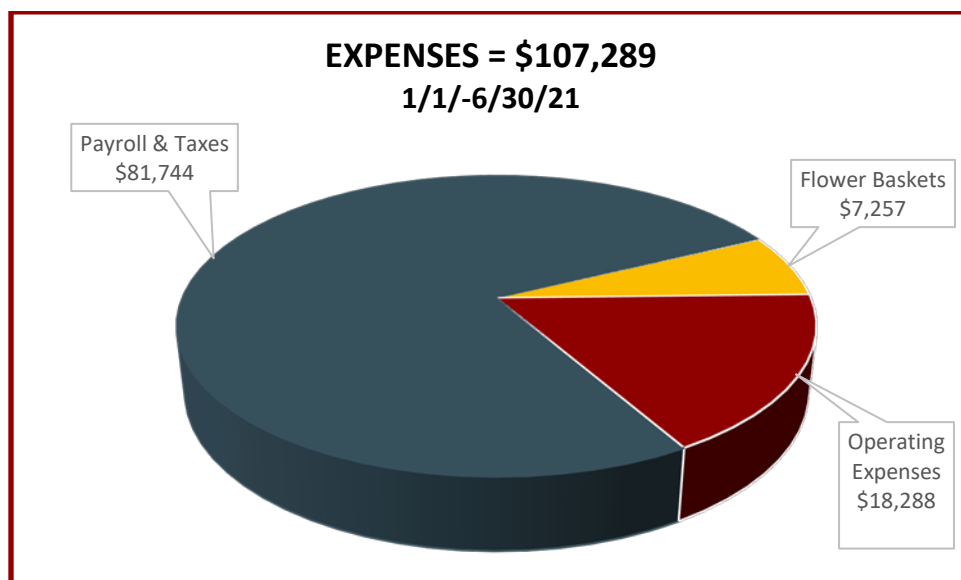
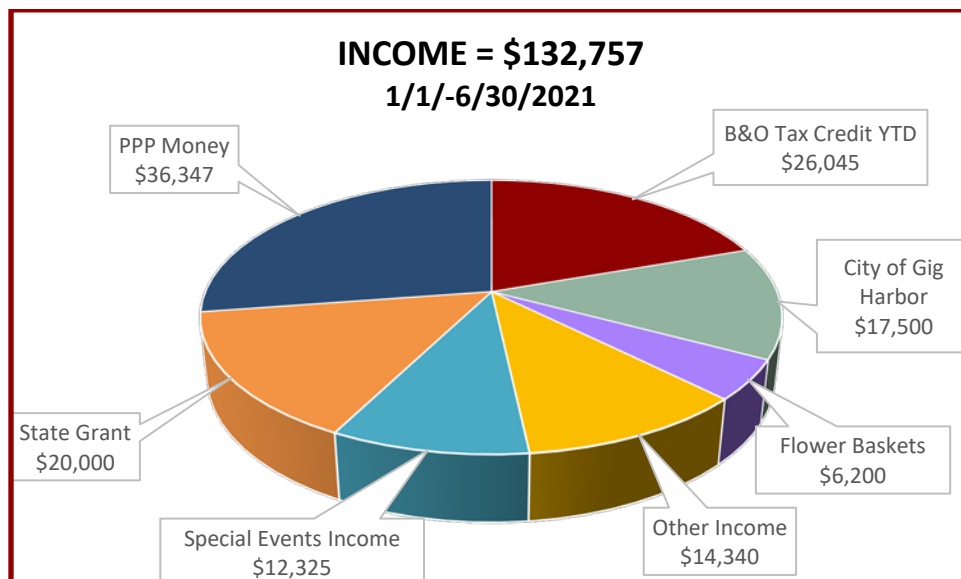
February 3, 2021:	Outreach Committee Training to Cle Elum, WA Main Street Program
March 22, 2021:	Presentation to Gig Harbor City Council
April 6, 2021:	Presentation to Gig Harbor North Rotary
April 9, 2021:	Presentation to Kingston, WA group considering Main Street
April 22, 2021:	Chamber of Commerce Public Affairs Presentation
July 9, 2021:	PEO Presentation

OTHER EFFORTS RESPONDING TO COVID-19 PANDEMIC

In the face of the Covid-19 pandemic and the ensuing crisis felt throughout the country, the Downtown Waterfront Alliance has increased its role as the hub for communications for the businesses in Gig Harbor's downtown waterfront district. We continue to disseminate information through the “Gig Harbor Main Street Connection”, our dedicated, closed Facebook page for our downtown businesses.



Alliance Income & Expense – January 1, 2021 - June 30, 2021





July 20, 2021

Peninsula High School National Honor Society
14105 Purdy Drive
Gig Harbor, WA 98332

Subject: Donation of Free Little Library

Dear Honor Society Students:

The City of Gig Harbor would like to thank your group for the generous donation of the Free Little Library recently placed at Shaw Park. This provides a nice opportunity for visitors in the area to have expanded access to varied levels and interest of books, inspiring reading and building on community programs in our area.

We appreciate that your group has provided the first collection of books for the public. We hope that your group will continue to maintain the library, rotating the books as needed.

Your donation is a great reminder of the pride our young citizens have in improving this community for generations to come.

Sincerely,

Kit Kuhn

Kit Kuhn
Mayor

cc: Hope Flanigan



July 20, 2021

Rotary Club of Gig Harbor
PO Box 342
Gig Harbor, WA 98335

Dear Rotary Club Members:

The City of Gig Harbor would like to thank the Rotary Club of Gig Harbor for quickly providing a replacement American flag for Skansie Brothers Park at Jerisich Dock. We appreciate the offer to also provide a 2-ply flag when it becomes available. This will provide us the opportunity to switch out the flag from late fall to early spring to help the flags last longer.

Our gratitude goes out to the members of your organization and Keith Harris of Flags A' Flying, who provided and installed the flag within two days of receiving the request. We look forward to working together again in the future to keep the flag display refreshed in Gig Harbor.

Sincerely,

Kit Kuhn
Mayor

cc: Keith Harris, Flags A' Flying

Minutes
Board and Commission Candidate Review Committee Special Meeting

August 2, 2021 2:00 p.m.

Call to Order: Councilmember Abersold called the meeting to order at 2:00 p.m. Councilmembers Woock and Denson were in attendance along with Interim Clerk Josh Stecker, Design Review Board Chair Brett Marlo DeSantis, and Community Development Director Katrina Knutson.

Approval of Minutes: The minutes of July 12, 2021, were unanimously approved.

Design Review Board Interviews: The committee interviewed Nick Kostal, Larry Bradbury and Tom Brown for appointment to the Design Review Board. The committee recommended Larry Bradbury for appointment to the Design Review Board (Category 3 – member of the Planning Commission). Tom Brown was not appointed due to not fitting any of the remaining categories for DRB appointment. The committee will await other applicants before considering the appointment of Nick Kostal to the final vacancy on the DRB at the September 13 meeting.

Adjourn: The meeting adjourned at 2:50 p.m.



Joshua Stecker
Interim City Clerk



Business of the City Council City of Gig Harbor, WA

Subject: Appointment of Larry Bradbury to the Design Review Board

Proposed Council Action: Move to approve the appointment of Larry Bradbury to the Design Review Board with a term expiring September 30, 2022.

Dept. Origin: Administration

Prepared by: Josh Stecker

For Agenda of: August 9, 2021

Concurred by Mayor:

Approved by City Administrator:

Approved as to form by City Atty:

Approved by Finance Director:

Approved by Department Head:

Initial &
Date

KK 8-3-21

JP 8/2/21

N/A

N/A

N/A

Expenditure Required	\$0	Amount Budgeted	\$0	Appropriation Required	\$ 0
---------------------------------	------------	----------------------------	------------	-----------------------------------	-------------

INFORMATION/BACKGROUND

The Board & Commission Candidate Review Committee met on August 9 and unanimously recommend that the City Council appointment Larry Bradbury to the Design Review Board.

FISCAL CONSIDERATION

None

BOARD OR COMMITTEE RECOMMENDATION

See above.

RECOMMENDATION/MOTION

Move to approve the appointment of Larry Bradbury to the Design Review Board with a term expiring September 30, 2022.



Business of the City Council City of Gig Harbor, WA

Subject: Resolution No. 1216 - Reject all Bids for the Skansie Netshed Repainting Project

Proposed Council Action: Pass Resolution No. 1216 rejecting all bids for the Skansie Netshed Repainting Project.

Dept. Origin: Public Works

Prepared by: Marcos McGraw *MM*
Project Engineer

For Agenda of: August 9, 2021

Exhibits: Resolution No. 1216

Concurred by Mayor:

Approved by City Administrator:

Approved as to form by City Atty:

Approved by Finance Director:

Approved by City Engineer:

Approved by Public Works Director:

Initial &
Date

VK 8-3-21

AP 8/2/21

By email 7/28/21

DP 8/2/21

TW 7/29/21

MX 7/29/21

Expenditure Required	\$0.00	Amount Budgeted	\$135,000.00	Appropriation Required	\$0.00
-----------------------------	---------------	------------------------	---------------------	-------------------------------	---------------

INFORMATION/BACKGROUND

The Skansie Netshed, located over the water at Skansie Park, requires maintenance to preserve its function as a vital, historic structure within the public park. The 2021 Budget authorized \$135,000 to complete the maintenance work. In June 2021, the city solicited bids to make minor siding repairs and repaint the net shed. However, the bids exceeded the budgeted amount. City staff believe the high bids are due to construction of a required work platform and coverings to protect the environment and short project period to complete the work by September 30th, 2021. The City intends to restructure the scope of work for the Project consisting of minor structural repairs, re-roofing, and repainting in 2022. City staff recommends that the City reject all bids.

BID RESULTS

The Project was competitively bid using the City's Public Works Bidding process. On July 15, 2021, the City received two (2) responsive bids for the Project. Bid results are summarized below.

BIDDER	BID AMOUNT
1. DP Wain Construction	\$172,677.56
2. Long Painting	\$250,289.34

FISCAL CONSIDERATION

The project is included in the 2021 Budget, under the City Parks Development Fund as Objective 8. The total project budget identified in the 2021 Budget is \$135,000. The 2021 budgeted amount will not be used in 2021. City staff will update the scope of work and request for increased project funding within the 2022 budget equivalent to the increase in scope.

BOARD OR COMMITTEE RECOMMENDATION

None.

RECOMMENDATION/MOTION

Pass Resolution No. 1216 rejecting all bids for the Skansie Net Shed Repainting Project.

RESOLUTION NO. 1216

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
GIG HARBOR, WASHINGTON, REJECTING ALL BIDS
RECEIVED ON SKANSIE NET SHED REPAINTING
PROJECT**

WHEREAS, the City of Gig Harbor recently invited bids on the Skansie Net Shed Repainting Project using the City's Public Works Bidding process; and

WHEREAS, on July 15, 2021, the City received two responsive bids; and

WHEREAS, both bids exceeded the amount allocated in the budget; and

WHEREAS, the City plans to revise the scope of work and readvertise the work in 2022; and

WHEREAS, the City wants to reject all bids in accordance with the City's reservation of right to reject any or all bids as set forth in its Invitation to Bidders and as authorized by RCW 39.26.160; Now, therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, DOES
HEREBY RESOLVE AS FOLLOWS:

Section 1. Rejection of Bids. All bids received by the City of Gig Harbor on the Skansie Net Shed Repainting Project are hereby rejected.

RESOLVED this 9th day of August 2021

CITY OF GIG HARBOR

MAYOR, KIT KUHN

ATTEST/AUTHENTICATED:

INTERIM CITY CLERK, JOSH STECKER

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
RESOLUTION NO. 1216

**PROCLAMATION OF THE MAYOR
OF THE CITY OF GIG HARBOR**

**Honoring Nevin Harrison for Winning a Gold Medal at the
2020 Olympic Games in Tokyo, Japan**

WHEREAS, on August 5, 2021, at the age of 19, Nevin Harrison won a gold medal in the 2020 Olympic Games in Tokyo, Japan, in the inaugural women's canoe single 200-meter race; and

WHEREAS, Ms. Harrison, as the youngest competitor in the race, posted a winning time of 45.932 seconds; and

WHEREAS, Ms. Harrison became the first winner of this Olympic event. She also became the first American to win a medal in canoeing since 2004 and the first American to win a gold medal in canoeing since 1988; and

WHEREAS, while canoe racing is individual competition, it requires the support of coaches and teammates; and

WHEREAS, Ms. Harrison has trained with the Gig Harbor Canoe & Kayak Racing Team; and

WHEREAS, the Gig Harbor Canoe & Kayak Racing Team has done much to support the community and provide opportunities for our youth;

NOW, THEREFORE, BE IT RESOLVED THAT, I, Kit Kuhn, Mayor, City of Gig Harbor, do hereby recognize Nevin Harrison for her accomplishment of winning a gold medal at the 2020 Tokyo Olympics and thank her and the Gig Harbor Canoe & Kayak racing team for the honor they have brought to the City of Gig Harbor, the State of Washington, and the United States of America.

In Witness Whereof, I have hereunto set my hand and caused the Seal of the City of Gig Harbor to be affixed this 9th day of August, 2021.

Mayor, City of Gig Harbor

Date

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

Subject: Second reading of ordinance providing for the issuance and sale of limited tax general obligation refunding bonds

Proposed Council Action:

Adopt the ordinance

Dept. Origin: Finance

Prepared by: David Rodenbach

For Agenda of: August 9, 2021

Exhibits: Ordinance

Initial & Date

Concurred by Mayor:

KK 8-3-21

Approved by City Administrator:

AP 8/2/21

Approved as to form by City Atty:

checked per email

Approved by Finance Director:

8-2-21

Expenditure Required	Amount Budgeted	Appropriation Required
-------------------------	--------------------	---------------------------

INFORMATION / BACKGROUND

This is the second reading of an ordinance providing for the issuance and sale of limited tax general obligation (LTGO) bonds in an amount not to exceed \$1,150,000.

The proceeds of these bonds will be used to refund the outstanding 2010 LTGO bonds.

- As of June 30, 2021, the 2010 LTGO bonds had \$2,645,000 outstanding and available to be retired early.
- The City has \$1,593,631 in the Civic Center Debt Reserve fund available to pay down a portion of this debt. This fund was originally established for this very purpose.
- The remaining balance will be funded by the new LTGO bonds with an amount not to exceed \$1,150,000.

The new refunding bonds will mature June 1, 2026 and carry an estimated interest rate of 1.70%. The net present value savings for the refunding is estimated at \$161,700.

FISCAL CONSIDERATION

The city, through this refunding bond issue, will save the general fund approximately \$368,000 each year in reduced principal and interest payments through 2026.

The city's contribution to this refunding transaction will come from the Civic Center Debt Reserve fund. This fund was created in 2001 to accumulate funds for early retirement of civic center debt. As of June 30, 2021, the fund has \$1,593,631

RECOMMENDATION / MOTION

Move to: Pass ordinance after second reading.

CITY OF GIG HARBOR, WASHINGTON

LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2021

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF A LIMITED TAX GENERAL OBLIGATION REFUNDING BOND IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,150,000 TO PROVIDE FUNDS TO REFUND CERTAIN OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY; DELEGATING CERTAIN AUTHORITY TO APPROVE THE FINAL TERMS OF THE BOND TO THE DESIGNATED REPRESENTATIVE IN CONNECTION WITH THE SALE.

APPROVED ON AUGUST 9, 2021

PREPARED BY:

K&L GATES LLP

CITY OF GIG HARBOR, WASHINGTON
ORDINANCE NO. _____

TABLE OF CONTENTS*

	Page
Section 1. Definitions.....	2
Section 2. Authorization of Bond and Bond Details.....	6
Section 3. Registration, Exchange and Payments.....	6
Section 4. Prepayment	7
Section 5. Form of Bond.....	7
Section 6. Execution of Bond	10
Section 7. Disposition of Bond Proceeds; Refunding Plan and Procedures	10
Section 8. Tax Covenants; Special Designation	12
Section 9. Bond Fund and Provision for Tax Levy Payments.....	13
Section 10. Sale of the Bond.....	14
Section 11. Undertaking to Provide Ongoing Disclosure.....	15
Section 12. Ordinance and Laws a Contract with the Purchaser	15
Section 13. Ratification; General Authorization.....	16
Section 14. Severability	16
Section 15. Effective Date	17
Exhibit A Form of Escrow Deposit Agreement	
Exhibit B Form of Costs of Issuance Agreement	

* This Table of Contents and the cover page are not a part of this ordinance; they are included for convenience of the reader only.

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF A LIMITED TAX GENERAL OBLIGATION REFUNDING BOND IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,150,000 TO PROVIDE FUNDS TO REFUND CERTAIN OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY; DELEGATING CERTAIN AUTHORITY TO APPROVE THE FINAL TERMS OF THE BOND TO THE DESIGNATED REPRESENTATIVE IN CONNECTION WITH THE SALE.

WHEREAS, the City of Gig Harbor, Washington (the “City”) issued on June 29, 2010, its Limited Tax General Obligation and Refunding Bonds, 2010 pursuant to Ordinance No. 1190 passed on June 14, 2010, in the original aggregate principal amount of \$7,730,000 (the “2010 Bonds”), which remain outstanding as follows:

Maturity Date (June 1)	Principal Amounts	Interest Rates
2022	\$ 485,000	4.50%
2023	505,000	4.50
2024	525,000	4.50
2025	550,000	4.50
2026	580,000	4.50

; and

WHEREAS, the 2010 Bonds maturing on and after June 1, 2021 are callable for redemption in whole or in part on any date on or after June 1, 2020, at a price of par plus accrued interest to the date of redemption; and

WHEREAS, after due consideration it appears to the City Council that debt service savings may be obtained by refunding all or a portion of the callable 2010 Bonds (the “Refunding Candidates”) through the issuance of a limited tax general obligation refunding bond of the City in the aggregate principal amount of not to exceed \$1,150,000 (the “Bond”), in addition to using approximately \$1,600,000 of dedicated reserve funds of the City; and

WHEREAS, in order to provide the funds required for such purpose, the City now desires to authorize the issuance of a Bond; and

WHEREAS, the City Council has determined to delegate to certain City officials the authority, for a limited time, to solicit proposals and accept bid for the purchase of the Bond and approve the final principal amount, to select the Refunding Candidates to be defeased and/or refunded (the "Refunded Bonds"), the interest rate, maturity date, and prepayment provisions of the Bond authorized herein under such terms and conditions as are approved by this ordinance;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, DOES ORDAIN, as follows:

Section 1. Definitions. As used in this ordinance, unless a different meaning clearly appears from the context:

Acquired Obligations mean the Government Obligations acquired by the City under the terms of this ordinance and the Escrow Agreement to effect the defeasance and refunding of the Refunded Bonds.

Approved Bid means the winning bid submitted for the Bond and all terms stated therein and may include a separate agreement, at the option of and approved by the Designated Representative.

Bond means the City of Gig Harbor, Washington Limited Tax General Obligation Refunding Bond, 2021, to be issued in the aggregate amount of not to exceed \$1,150,000 issued pursuant to this ordinance.

Bond Counsel means K&L Gates LLP.

Bond Fund means the Limited Tax General Obligation Bond Redemption Fund, 2021 created pursuant to Section 9 of this ordinance.

Bond Register means the registration records maintained by the Bond Registrar for the purpose of identifying ownership of the Bond.

Bond Registrar means the fiscal agent of the State of Washington, initially appointed by the Designated Representative for the purposes of registering and authenticating the Bond, maintaining the Bond Register, effecting transfer of ownership of the Bond and paying interest on and principal of the Bond. The term **Bond Registrar** shall include any successor to the functions of the fiscal agent appointed by the Designated Representative pursuant to RCW 39.46.030(3)(b).

Call Date means such date as indicated in writing by the Designated Representative.

City means the City of Gig Harbor, Washington, a municipal corporation of the State of Washington.

City Administrator means the duly qualified, appointed and acting City Administrator of the City, or any other officer who succeeds to the duties now delegated to that office.

Closing Date means the date of issuance and delivery of the Bond to the Purchaser.

Code means the Internal Revenue Code of 1986, as amended, and shall include all applicable regulations and rulings relating thereto.

Cost of Issuance Agreement means the agreement of that name, to be entered into by the City and the Escrow Agent, providing for the payment of certain costs of issuance with respect to the issuance of the Bond.

Council means the City Council as the general legislative authority of the City, as the same shall be duly and regularly constituted from time to time.

Designated Representative means any of the following: (a) the Mayor, (b) the Finance Director, (c) the City Administrator or (d) any official or employee of the City designated in writing by any of the foregoing.

Escrow Agent means U.S. Bank National Association, Seattle, Washington.

Escrow Agreement means the Escrow Deposit Agreement to be dated as of the date of closing and delivery of the Bond.

Final Maturity Date means the date as determined in the Approved Bid, but no later than June 1, 2026.

Finance Director means the duly qualified, appointed and acting Finance Director of the City, or any other officer who succeeds to the duties now delegated to that office.

First Interest Payment Date means the first interest payment date for the Bond set forth in the Approved Bid.

Fiscal Agent means U.S. Bank National Association, as the fiscal agency of the State of Washington, pursuant to the Agreement for Fiscal Agency Services, dated February 1, 2015, as amended, between the State of Washington and U.S. Bank National Association.

Mayor means the duly qualified, elected and acting Mayor of the City, or any other person who succeeds to the duties now delegated to that office.

Placement Agent means D.A. Davidson & Co., Seattle, Washington.

Principal Payment Dates mean the dates on which principal of the Bond is payable in accordance with the Approved Bid.

Purchaser means the initial purchasing entity or bank purchaser of the Bond.

Refunded Bonds mean the Refunding Candidates selected by the Designated Representative pursuant to Section 7 hereof.

Refunding Candidates mean the 2010 Bonds maturing on and after June 1, 2022.

Registered Owner means the person named as the registered owner of a Bond in the Bond Register.

Rule means the SEC's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Savings Target means a dollar amount equal to at least four percent (4.00%) of the outstanding principal of the Refunded Bonds.

SEC means the United States Securities and Exchange Commission.

2010 Bond Ordinance means Ordinance No. 1190, passed by the City Council on June 14, 2010.

2010 Bonds mean the Limited Tax General Obligation and Refunding Bonds, 2010 of the City issued under date of June 29, 2010, as more particularly described in the recitals of this ordinance.

Interpretation. In this ordinance, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this ordinance;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect; and

(e) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Authorization of Bond and Bond Details. For the purpose of refunding the Refunded Bonds and paying the costs of issuance related thereto, and thereby effecting a savings to the City and its taxpayers, the City shall issue its limited tax general obligation refunding bond in the aggregate principal of not to exceed \$1,150,000 (the “Bond”).

The Bond shall be designated as the “City of Gig Harbor, Washington, Limited Tax General Obligation Refunding Bond, 2021,” shall be dated as of the Closing Date, shall be fully registered as to both principal and interest, shall be issued as a single fully registered bond, and shall be numbered in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification.

The Bond shall bear interest at the per annum rate(s), payable on the date(s) and maturing in principal amount(s) set forth in the Approved Bid, pursuant to Section 10 of this ordinance.

Section 3. Registration, Exchange and Payments. The City hereby initially specifies and adopts the system of registration approved by the Washington State Finance Committee from time to time through the appointment of state fiscal agents. The duties of the Bond

Registrar hereunder shall be limited to authenticating the Bond and to remitting money to the Purchaser on the payment dates as provided therein. Principal of and interest on the Bond shall be payable in lawful money of the United States of America. Installments of principal of and interest on the Bond shall be paid by check, wire, or electronic transfer on the date due to the Purchaser; *provided, however*, upon final payment of all installments of principal and interest thereon, the Bond shall be submitted to the Bond Registrar for cancellation and surrender.

The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver the Bond and to carry out all of the Bond Registrar's powers and duties under this ordinance.

The Bond shall not be transferable, except in whole to a financial institution subject to the further limitations set forth in the Approved Bid.

Section 4. Prepayment. The Bond shall be subject to prepayment, if any, as provided in the Approved Bid.

Section 5. Form of Bond. The Bond shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. R-1

[\$1,150,000]

STATE OF WASHINGTON

CITY OF GIG HARBOR

LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2021

INTEREST RATE: _____ % per annum

MATURITY DATE: [June 1, 2026]

REGISTERED OWNER: _____

TAX IDENTIFICATION #: _____

PRINCIPAL AMOUNT: [ONE MILLION ONE HUNDRED FIFTY THOUSAND] AND NO/100 DOLLARS

THE CITY OF GIG HARBOR, WASHINGTON, a municipal corporation organized and existing under and by virtue of the laws and Constitution of the State of Washington (the "City"), hereby acknowledges itself to owe, and for value received promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount specified above, together with interest thereon, at the Interest Rate, which interest shall be payable [semi][annually] on _____ 1 and _____ 1 of each year until paid, commencing on _____ 1, 202__ . Principal shall be repaid in annual installments as provided on Exhibit A attached hereto. Interest shall be calculated on the basis of [a 360-day year consisting of twelve 30-day months]. The final payment of all outstanding principal, together with interest thereon, shall be due on [June 1, 2026] .

Both principal of and interest on this bond are payable in lawful money of the United States of America. Payments made to the Registered Owner shall be applied first to accrued interest and then to principal as of the date such payment is actually received by the Registered Owner. Installments of the principal of and interest on this bond shall be paid by check or draft of the fiscal agent of the State of Washington (the "Bond Registrar") mailed on the date such principal and interest is due or by electronic funds transfer made on the date such interest is due to the Registered Owner at the address appearing on the Bond Register. Upon final payment of all installments of principal and interest thereon, this bond shall be submitted to the Bond Registrar for cancellation and surrender.

This bond may be prepaid in accordance with the following terms; _____.

This bond is issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. _____ duly passed by the City Council on _____, 2021 (the "Bond Ordinance"). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is issued pursuant to the Bond Ordinance for providing funds to refund certain outstanding limited tax general obligation bonds of the City.

By the Bond Ordinance, the City has irrevocably covenanted that, unless the principal of and interest on this bond are paid from other sources, it will make annual levies of taxes without limitation as to rate or amount upon all of the property in the City subject to taxation for the payment of debt service on the Bond in amounts sufficient to pay such principal and interest as provided in the Bond. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and for the payment of such principal and interest.

This bond has been designated by the City as a “qualified tax-exempt obligation” for investment by financial institutions under Section 265(b) of the Code.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Gig Harbor, Washington, has caused this bond to be signed on behalf of the City with the manual or facsimile signature of the Mayor, to be attested by the manual or facsimile signature of the Clerk of the City, and a facsimile of the seal of the City to be impressed, imprinted or otherwise reproduced hereon, as of this _____ day of _____, 2021.

[SEAL]

CITY OF GIG HARBOR, WASHINGTON

By _____
/s/ manual or facsimile signature
Mayor

ATTEST:

/s/ manual or facsimile signature
City Clerk

The Certificate of Authentication for the Bond shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is the bond described in the within-referenced Bond Ordinance as the City of Gig Harbor, Washington Limited Tax General Obligation Refunding Bond, 2021, dated _____, 2021.

WASHINGTON STATE FISCAL AGENT,
as Bond Registrar

By _____
Authorized Signer

Exhibit A
Debt Service Schedule

Section 6. Execution of Bond. The Bond shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and City Clerk, and the seal of the City shall be impressed, imprinted or otherwise reproduced thereon. The Bond shall not be valid or obligatory for any purpose or entitled to the benefits of this ordinance unless and until a Certificate of Authentication, in the form hereinbefore recited, has been manually executed by or on behalf of the Bond Registrar or its duly designated agent.

In case either of the officers who shall have executed the Bond shall cease to be an officer or officers of the City before the Bond so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, the Bond may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. The Bond may be signed and attested on behalf of the City by such persons who at the date of the actual execution of the Bond are the proper officers of the City, although at the original date of the Bond any such person shall not have been such officer of the City.

Section 7. Disposition of Bond Proceeds; Refunding Plan and Procedures.

(a) *Refunding Plan.* A portion of the proceeds of sale of the Bond, together with other funds of the City, if any, provided by the City shall be delivered to the Escrow Agent for the purpose of defeasing the Refunded Bonds and paying related costs of issuance. Money received by the Escrow Agent from Bond proceeds shall be used immediately by the Escrow Agent upon receipt thereof in accordance with the terms of the Escrow Agreement to defease the Refunded Bonds as authorized by the 2010 Bond Ordinance, respectively, and pay costs of issuance of the Bond. The Escrow Agent shall use the beginning cash balance, and/or purchase Government Obligations (which obligations so purchased, are herein called "Acquired

Obligations”), if any, bearing such interest and maturing as to principal and interest in such amounts and at such times to provide for the payment of:

- (1) Interest on the Refunded Bonds as such becomes due on and prior to the Call Date; and
- (2) The redemption price (100% of the principal amount) of the Refunded Bonds payable on the Call Date.

Such Acquired Obligations, if any, shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

(b) *Escrow Agent/Escrow Agreement.* U.S. Bank National Association, is hereby authorized to act as the escrow agent (the “Escrow Agent”) for the Refunded Bonds. The Designated Representative is hereby authorized to designate an accounting firm to act as escrow verification agent, if required. A beginning cash balance, if any, and Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. The proceeds of the Bond after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and expenses of the issuance of the Bond.

In order to carry out the purposes of this section, the Finance Director is authorized and directed to execute and deliver to the Escrow Agent, an Escrow Deposit Agreement and a Cost of Issuance Agreement, if required, each substantially in the forms attached hereto as Exhibit A and Exhibit B, respectively.

(c) *Implementation of Refunding Plan.* The City hereby irrevocably calls the Refunded Bonds for redemption on the Call Date in accordance with the provisions of the 2010

Bond Ordinance, respectively. Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the final establishment of the escrow account and delivery of the Acquired Obligations to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notices of the redemption of the Refunded Bonds in accordance with the applicable provisions of the 2010 Bond Ordinance, respectively. The Finance Director is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notices therefor. The costs of publication of such notices shall be an expense of the City.

The Escrow Agent is hereby authorized and directed to pay to the paying agent for the Refunded Bonds, sums sufficient to pay, when due, the payments specified in of subsection (c) above. All such sums shall be paid from the money and Acquired Obligations deposited with said Escrow Agent pursuant to this section, and the income therefrom and proceeds thereof.

The City will take such actions as are found necessary to ensure that all necessary and proper fees, compensation and expenses of the Escrow Agent shall be paid when due.

Section 8. Tax Covenants; Special Designation.

(a) *Arbitrage Covenant.* The City hereby covenants that it will not make any use of the proceeds of sale of the Bond or any other funds of the City which may be deemed to be proceeds of the Bond pursuant to Section 148 of the Code which will cause the Bond to be an “arbitrage bond” within the meaning of said section and said regulations. The City will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bond) and the applicable regulations thereunder throughout the term of the Bond.

(b) *Designation under Section 265(b) of the Code.* The City hereby designates the Bond as a “qualified tax-exempt obligation” for purchase by financial institutions pursuant to

Section 265(b) of the Code. The City does not anticipate that it will issue more than \$10,000,000 in qualified tax-exempt obligations during the year 2020 (excluding obligations permitted by the Code to be excluded for purposes of the City's qualification as a qualified small issuer).

Section 9. Bond Fund and Provision for Tax Levy Payments. A special fund of the City known as the "Limited Tax General Obligation Bond Redemption Fund, 2021" which fund or account may be designated or re-designated in accordance with the practices of the City from time to time (the "Bond Fund"), is hereby authorized to be established and maintained in the office of the Finance Director of the City. The taxes hereafter levied for the purpose of paying principal of and interest on the Bond and other funds to be used to pay the Bond shall be deposited in the Bond Fund no later than the date such funds are required for the payment of principal of and interest on the Bond. Money in the Bond Fund not needed to pay the interest or principal next coming due may temporarily be deposited in such institutions or invested in such obligations as may be lawful for the investment of City funds.

The City hereby irrevocably covenants and agrees for as long as the Bond is outstanding and unpaid that each year it will include in its budget and levy an *ad valorem* tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with all other revenues and money of the City legally available for such purposes, to pay the principal of and interest on the Bond as the same shall become due. All of such taxes so collected and any other money to be used for such purposes shall be paid into the Bond Fund.

The City hereby irrevocably pledges that the annual tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the tax levy permitted to cities without a vote of the people, and that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on

the Bond will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Bond. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of said taxes and for the prompt payment of the principal of and interest on the Bond as the same shall become due.

Section 10. Sale of the Bond The Council has determined that it would be in the best interest of the City to delegate to the Designated Representative for a limited time the authority, working with the City's Placement Agent, to solicit proposals from financial institutions and review and select a financial institution as the Purchaser. The actions of the Designated Representative in reviewing and approving a term sheet distributed to financial institutions is hereby ratified and approved. The Designated Representative is further authorized to approve the final principal amount, interest rate, maturity dates, including the Final Maturity Date, the Principal Payment Dates and the First Interest Payment Date, prepayment provisions and other terms and conditions of the Bond so long as (i) the aggregate principal amount of the Bond does not exceed \$1,150,000; (ii) the interest rate of the Bond, if issued as a fixed rate per annum, does not exceed 2.20%, or if issued as a variable rate, uses an index approved by the Designated Representative, (iii) the Savings Target is achieved; and (iv) the maximum term of the Bond shall be no later than June 1, 2026 (the final maturity date of the Refunded Bonds). Upon approval of the final terms, the Designated Representative will execute a certificate confirming the final sales terms which certificate shall be made available to the Council.

The authority granted to the Designated Representative by this section shall remain in effect until December 31, 2021. If the sale for the Bond has not been completed by December 31, 2021, the authorization for the issuance of the Bond shall be rescinded, and the Bond shall not be issued nor its sale approved unless the Bond shall have been re-authorized by

ordinance of the City. The ordinance reauthorizing the issuance and sale of the Bond may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance establishing terms and conditions for the authority delegated under this section.

Upon the adoption of this ordinance, the proper officials of the City including the Designated Representative, are authorized and directed to undertake all other actions necessary for the prompt sale, execution and delivery of the Bond and further to execute all closing certificates and documents required to effect the closing and delivery of the Bond in accordance with the terms of the Approved Bid. In furtherance of the foregoing, the Designated Representative is authorized to approve and enter into agreements for the payment of costs of issuance, including the fees and expenses specified in the Approved Bid, including fees and expenses of the Purchaser and other retained services, including Bond Counsel, Placement Agent, Fiscal Agent, and other expenses customarily incurred in connection with issuance and sale of the Bond.

Section 11. Undertaking to Provide Information. The City is exempt from the ongoing disclosure requirements of the Rule by reason of the exemption set forth in subsection (d)(1) of that Rule with respect to the issuance of securities in authorized denominations of \$100,000 or more. If approved in the Approved Bid, the City may undertake to provide certain City operational or financial information to the Purchaser during the term of the Bond.

Section 12. Ordinance and Laws a Contract with the Purchaser. This ordinance is adopted under the authority of and in full compliance with the Constitution and laws of the State of Washington. In consideration of the loan made by the Purchaser, evidenced by the Bond, the provisions of this ordinance and of said laws shall constitute a contract with the Purchaser, and

the obligations of the city and its Council under said laws and under this ordinance shall be enforceable by any court of competent jurisdiction; and the covenants and agreements herein and in the Bond set forth shall be for the equal benefit of the Purchaser and any permitted transferee or assignee.

Section 13. Ratification; General Authorization. The Mayor, City Administrator and Finance Director and other appropriate officers of the City are authorized to take any actions and to execute documents as in their judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this ordinance. All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified.

Section 14. Severability. If one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bond.

Section 15. Effective Date. This ordinance shall take effect and be in full force five (5) days after this ordinance or a summary thereof consisting of the title is published.

PASSED by the Council of the City of Gig Harbor, Washington at a regular meeting held on the 9th day of August, 2021.

CITY OF GIG HARBOR, WASHINGTON

Mayor

ATTEST:

City Clerk

First Reading: July 26, 2021

Date Adopted: August 9, 2021

Date of Publication: _____, 2021

Effective Date: _____, 2021

EXHIBIT A

ESCROW DEPOSIT AGREEMENT

CITY OF GIG HARBOR, WASHINGTON
LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2021

THIS ESCROW AGREEMENT, dated as of _____, 2021 (herein, together with any amendments or supplements hereto, called the "Agreement") is entered into by and between the City of Gig Harbor, Washington (herein called the "City") and U.S. Bank National Association, Seattle, Washington as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"). The notice addresses of the City and the Escrow Agent are shown on Exhibit A attached hereto and made a part hereof.

WITNESSETH:

WHEREAS, the City heretofore has issued and there presently remain outstanding the obligations described in Exhibit B attached hereto (the "Refunded Bonds"); and

WHEREAS, pursuant to Ordinance No. _____ passed on _____, 2021 (the "Bond Ordinance"), the City has determined to issue its Limited Tax General Obligation Refunding Bond, 2021 (the "Bond"); and

WHEREAS, the Escrow Agent has reviewed this Agreement and the Bond Ordinance, and is willing to serve as Escrow Agent; and

WHEREAS, the Bond has been duly authorized to be issued, sold, and delivered for the purpose of obtaining the funds required to provide for the payment of the redemption price of the Refunded Bonds as shown on Exhibit C; and

WHEREAS, the proceeds of the Bond are being used for the purpose of providing funds to pay the costs of refunding the Refunded Bonds; and

[**WHEREAS**, _____, has prepared a verification report which is dated _____, 2021 (the "Verification Report") relating to the source and use of funds available to accomplish the refunding of the Refunded Bonds, the investment of such funds and the adequacy of such funds and investments to provide for the payment of the debt service due on the Refunded Bonds; and]

WHEREAS, simultaneously herewith, the City is entering into a Cost of Issuance Agreement with the Escrow Agent to provide for the payment of costs of issuance relating to the Bond; and

WHEREAS, pursuant to the Bond Ordinance, the Refunded Bonds have been designated for redemption prior to their scheduled maturity dates and, after provision is made for such redemption, the Refunded Bonds will come due in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in Exhibit C attached hereto and made a part hereof; and

WHEREAS, the City desires that, concurrently with the delivery of the Bond to the Purchaser, the proceeds of the Bond, [together with certain other available funds of the City,] shall be [applied to purchase certain direct obligations of the United States of America hereinafter defined as (the “Escrowed Securities”) to be] deposited to the credit of the Refunding Account and to establish a beginning cash balance (if needed) in the Refunding Account; and

WHEREAS, when [the Escrowed Securities] [the proceeds of the Bond] have been deposited with the Escrow Agent for the payment of all principal and interest of the Refunded Bonds when due, then the Refunded Bonds shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Bonds, the City and the Escrow Agent mutually undertake, promise and agree for themselves and their respective representatives and successors, as follows:

Article 1. Definitions

Section 1.1. Definitions.

Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

Escrowed Securities mean the [noncallable Government Obligations described in Exhibit D attached to this Agreement, or] cash or other noncallable obligations substituted therefore pursuant to Section 4.2 of this Agreement.

Government Obligations mean direct, noncallable (a) United States Treasury Obligations, (b) United States Treasury Obligations – State and Local Government Series, (c) non-prepayable obligations which are unconditionally guaranteed as to full and timely payment of principal and interest by the United States of America or (d) REFCORP debt obligations unconditionally guaranteed by the United States.

Paying Agent means the fiscal agency of the State of Washington, as the paying agent for the Refunded Bonds.

Refunding Account means the fund created by this Agreement to be established, held and administered by the Escrow Agent pursuant to the provisions of this Agreement.

Section 1.2. Other Definitions.

The terms “Agreement,” “City,” “Escrow Agent,” “Bond Ordinance,” “Verification Report,” “Refunded Bonds,” and “Bond” when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.3. Interpretations.

The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Bonds in accordance with applicable law.

Article 2. Deposit of Funds and Escrowed Securities

Section 2.1. Deposits in the Refunding Account.

Concurrently with the sale and delivery of the Bond the City shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Refunding Account, the funds (from the proceeds of the Bond [and a cash contribution by the City]) [sufficient to purchase the Escrowed Securities described in Exhibit D attached hereto,] and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the City in writing.

Article 3. Creation and Operation of Refunding Account

Section 3.1. Refunding Account.

The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the Refunding Account (the "Refunding Account"). The Escrow Agent hereby agrees that upon receipt thereof it will deposit to the credit of the Refunding Account the funds [and the Escrowed Securities described in Exhibit D attached hereto]. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Refunding Account, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.2 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Bonds, any balance then remaining in the Refunding Account shall be transferred to the City, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.2. Payment of Principal and Interest.

The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent from the cash balances from time to time on deposit in the Refunding Account, the amounts required to pay the principal of the Refunded Bonds at their respective redemption dates and interest thereon to such redemption dates in the amounts and at the times shown in Exhibit C attached hereto.

Section 3.3. Sufficiency of Refunding Account.

The City represents that, based upon the information provided in the Verification Report, the receipt[s] of the [principal of and interest on the Escrowed Securities] [Bond proceeds] will assure that the cash balance on deposit from time to time in the Refunding Account will be at all times sufficient to provide moneys for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Bonds as such interest comes due and the principal of the Refunded Bonds as the Refunded Bonds are paid on an optional redemption date prior to maturity, all as more fully set forth in Exhibit E attached hereto. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Refunding Account shall be insufficient to transfer the amounts required by the Paying Agent to make the payments set forth in Section 3.2, the City shall timely deposit in the Refunding Account, from any funds that are lawfully available herefore, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Refunding Account or the City's failure to make additional deposits thereto.

Section 3.4. Trust Fund.

The Escrow Agent or its affiliate, shall hold at all times the Refunding Account [, the Escrowed Securities] and all other assets of the Refunding Account, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the [Escrowed Securities or any other] assets of the Refunding Account to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Refunding Account only as set forth herein. The [Escrowed Securities and other] assets of the Refunding Account shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Bonds; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Bonds shall be entitled to the same preferred claim and first lien upon the [Escrowed Securities, the proceeds thereof, and] all other assets of the Refunding Account to which they are entitled as owners of the Refunded Bonds. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the City, and the Escrow Agent shall have no right to title with respect thereto except as a trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the City or, except to the extent expressly herein provided, by the Paying Agent.

Article 4. Limitation on Investments

Section 4.1. Investments.

Except [for the initial investment in the Escrowed Securities, and except] as provided in Section 4.2 hereof, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder[, or to make substitutions of the Escrowed Securities, or to sell, transfer, or otherwise dispose of the Escrowed Securities].

Section 4.2. Substitution of Securities.

At the written request of the City, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall utilize cash balances in the Refunding Account, [or sell, transfer, otherwise dispose of or request the redemption of the Escrowed Securities] and apply the proceeds therefrom to purchase Refunded Bonds or Government Obligations which do not permit the redemption thereof at the option of the obligor. Any such transaction may be effected by the Escrow Agent only if (a) the Escrow Agent shall have received a written opinion from a firm of certified public accountants that such transaction will not cause the amount of money and securities in the Refunding Account to be reduced below an amount sufficient to provide for the full and timely payment of principal of and interest on all of the remaining Refunded Bonds as they become due, taking into account any optional redemption thereof exercised by the City in connection with such transaction; and (b) the Escrow Agent shall have received the unqualified written legal opinion of its bond counsel or tax counsel to the effect that such transaction will not cause any of the Bond or Refunded Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

Article 5. Application of Cash Balances

Section 5.1. In General.

Except as provided in Section 2.1, 3.2 and 4.2 hereof, no withdrawals, transfers or reinvestment shall be made of cash balances in the Refunding Account. Cash balances shall be held by the Escrow Agent in United States currency as cash balances as shown on the books and records of the Escrow Agent and, except as provided herein, shall not be reinvested by the Escrow Agent; provided, however, a conversion to currency shall not be required (i) for so long as the Escrow Agent's internal rate of return does not exceed 20%, or (ii) if the Escrow Agent's internal rate of return exceeds 20%, the Escrow Agent receives a letter of instructions, accompanied by the opinion of nationally recognized bond counsel, approving the assumed reinvestment of such proceeds at such higher yield.

Article 6. Redemption of Refunded Bonds

Section 6.1. Call for Redemption.

The City hereby irrevocably calls the Refunded Bonds for redemption on their earliest redemption dates, as shown in the Verification Report and on Appendices A-1 and A-2 attached hereto.

Section 6.2. Notice of Redemption/Notice of Defeasance.

The Escrow Agent agrees to give a notice of defeasance and a notice of the redemption of the Refunded Bonds pursuant to the terms of the Refunded Bonds and in substantially the forms attached hereto as Appendices A and B attached hereto and as described on said Appendices A and B to the Paying Agent for distribution as described therein. The notice of defeasance shall be given immediately following the execution of this Agreement, and the notice of redemption shall be given in accordance with the ordinance authorizing the Refunded Bonds. The Escrow

Agent hereby certifies that provision satisfactory and acceptable to the Escrow Agent has been made for the giving of notice of redemption of the Refunded Bonds.

Article 7. Records and Reports

Section 7.1. Records.

The Escrow Agent will keep books of record and account in which complete and accurate entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money [and Escrowed Securities] deposited to the Refunding Account and all proceeds thereof, and such books shall be available for inspection during business hours and after reasonable notice.

Section 7.2. Reports.

While this Agreement remains in effect, the Escrow Agent quarterly shall prepare and send to the City a written report summarizing all transactions relating to the Refunding Account during the preceding financial quarter, including, without limitation, [credits to the Refunding Account as a result of interest payments on or maturities of the Escrowed Securities and] transfers from the Refunding Account for payments on the Refunded Bonds or otherwise, together with a detailed statement of [all Escrowed Securities and] the cash balance on deposit in the Refunding Account as of the end of such period.

Article 8. Concerning the Paying Agent and Escrow Agent

Section 8.1. Representations.

The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 8.2. Limitation on Liability.

The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Bonds shall be limited to the proceeds of [the Escrowed Securities and] the cash balances from time to time on deposit in the Refunding Account. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Refunding Account [or any failure of the obligors of the Escrowed Securities to make timely payment thereon], except for the obligation to notify the City promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Bond shall be taken as the statements of the City and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent.

The Escrow Agent is not a party to the proceedings authorizing the Bond or the Refunded Bonds and is not responsible for nor bound by any of the provisions thereof (except to the extent

that the Escrow Agent may be a place of payment and paying agent and/or a paying agent/registrar herefore). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Refunding Account, or any part thereof, or as to the title of the City thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own neglect or willful misconduct, nor for any loss unless the same shall have been through its negligence or bad faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the City with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Refunding Account, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the City or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the City at any time.

Section 8.3. Successor Escrow Agents.

Any corporation, association or other entity into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust assets and business or any corporation, association or other entity resulting from any such conversion, sale, merger, consolidation or other transfer to which it is a party, *ipso facto*, shall be and become successor escrow agent hereunder, vested with all other matters as was its predecessor, without the execution or filing of any instrument or any further act on the part of the parties hereto, notwithstanding anything herein to the contrary.

If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the City, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the City within 60 days, a successor may be appointed by the owners of a majority in principal amount of the Refunded Bonds then outstanding by an instrument or instruments in writing filed with the City, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or the State of Washington, authorized under such laws to exercise corporate trust powers, having its principal office and place of business in the State of Washington, having a combined capital and surplus of at least \$100,000,000 and subject to the supervision or examination by federal or state authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the City and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the City shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The obligations assumed by the Escrow Agent pursuant to this Agreement may be transferred by the Escrow Agent to a successor Escrow Agent if (a) the requirements of this Section 8.4 are satisfied; (b) the successor Escrow Agent has assumed all the obligations of the Escrow Agent under this Agreement; and (c) all of the [Escrowed Securities and] money held by the Escrow Agent pursuant to this Agreement have been duly transferred to such successor Escrow Agent.

Article 9. Miscellaneous

Section 9.1. Notice.

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the City or the Escrow Agent at the address shown on Exhibit A attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten days prior notice thereof.

Section 9.2. Termination of Responsibilities.

Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the City, the owners of the Refunded Bonds or to any other person or persons in connection with this Agreement.

Section 9.3. Binding Agreement.

This Agreement shall be binding upon the City and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Bonds, the City, the Escrow Agent and their respective successors and legal representatives.

Section 9.4. Severability.

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 9.5. Washington Law Governs.

This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Washington.

Section 9.6. Time of the Essence.

Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 9.7. Notice to Moody's.

In the event that this Agreement or any provision thereof is severed, amended or revoked, the City shall provide written notice of such severance, amendment or revocation to Moody's Investors Service at 7 World Trade Center, 250 Greenwich Street, New York, New York, 10007, Attention: Public Finance Rating Desk/Refunded Bonds.

Section 9.8. Amendments.

This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Refunded Bonds. No such amendment shall be made without first receiving written confirmation from the rating agencies (if any) which have rated the Refunded Bonds that such administrative changes will not result in a withdrawal or reduction of its rating then assigned to the Refunded Bonds. If this Agreement is amended, prior written notice and copies of the proposed changes shall be given to the rating agencies which have rated the Refunded Bonds.

EXECUTED as of the date first written above.

**CITY OF GIG HARBOR,
WASHINGTON**

Finance Director

U.S. BANK NATIONAL ASSOCIATION

as Authorized Signer

Exhibit A	—	Addresses of the City and the Escrow Agent
Exhibit B	—	Description of the Refunded Bonds
Exhibit C	—	Schedule of Debt Service on Refunded Bonds
Exhibit D	—	Description of Beginning Cash Deposit and Escrowed Securities
Exhibit E	—	Refunding Account Cash Flow
Appendix A	—	Notice of Redemption
Appendix B	—	Notice of Defeasance

EXHIBIT A
Addresses of the City and Escrow Agent

City: City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335
Attention: Finance Director

Escrow Agent: U.S. Bank National Association
Global Corporate Trust Services PD-WA-T7CT
1420 Fifth Avenue, 7th Floor
Seattle, WA 98101
Attention: Carolyn Morrison, Trust Officer

EXHIBIT B
Description of the Refunded Bonds

City of Gig Harbor, Washington
Limited Tax General Obligation and Refunding Bonds, 2010

Maturity Year (June 1)	Principal Amount	Interest Rate
2022	\$ 485,000	4.50%
2023	505,000	4.50
2024	525,000	4.50
2025	550,000	4.50
2026	580,000	4.50

EXHIBIT D
Escrow Deposit

I. Cash \$_____

II. Other Obligations

<u>Description</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Yield</u>	<u>Total Cost</u>
		\$ _____	%	\$ _____
Total		\$ _____		\$ _____

EXHIBIT E
Refunding Account Cash Flow

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Cash Balance
	--	\$	\$	\$
	\$	\$	\$	
	\$	\$	\$	

APPENDIX A

NOTICE OF REDEMPTION*

City of Gig Harbor, Washington Limited Tax General Obligation and Refunding Bonds, 2010

NOTICE IS HEREBY GIVEN that the City of Gig Harbor, Washington has called for redemption on _____, 2021, its outstanding Limited Tax General Obligation and Refunding Bonds, 2010 (the "Bonds").

The Bond will be redeemed at a price of one hundred percent (100%) of their principal amount, plus interest accrued to _____, 2021. The redemption price of the Bond is payable on presentation and surrender of the Bonds at the office of:

U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on _____, 2021.

The following Bonds are being redeemed:

Maturity Year (June 1)	Principal Amount	Interest Rate	CUSIP Nos.
2022	\$ 485,000	4.50%	375172DY6
2033	505,000	4.50	375172DZ3
2024	525,000	4.50	375172EA7
2025	550,000	4.50	375172EB5
2026	580,000	4.50	375172EC3

By Order of the City of Gig Harbor, Washington

U.S. Bank National Association, as Paying Agent

Dated: _____.

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003

* This notice shall be given not more than 60 nor less than 20 days prior to _____, 2021 by first class mail to each registered owner of the Refunded Bonds. In addition notice shall be mailed to The Depository Trust Company of New York, New York; D.A. Davidson & Co.; U.S. Bank National Association, as Fiscal Agent; Moody's Investors Service; and to the Municipal Securities Rulemaking Board.

(the “Act”) unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your Bonds.

APPENDIX B

NOTICE OF DEFEASANCE*

City of Gig Harbor, Washington Limited Tax General Obligation and Refunding Bonds, 2010

NOTICE IS HEREBY GIVEN to the owners of that portion of the above-captioned bonds with respect to which, pursuant to an Escrow Agreement dated _____, 2021, by and between City of Gig Harbor, Washington (the "City") and U.S. Bank National Association, Seattle, Washington (the "Escrow Agent"), the City has deposited into an escrow account, held by the Escrow Agent, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money sufficient to pay each year, to and including the respective maturity or redemption dates of such bonds so provided for, the principal thereof and interest thereon (the "Defeased Bonds"). Such Defeased Bonds are therefore deemed to be no longer outstanding pursuant to the provisions of Ordinance No. 1190 of the City, authorizing the issuance of the Defeased Bonds, but will be paid by application of the assets of such escrow account.

The Defeased Bonds are described as follows:

Limited Tax General Obligation and Refunding Bonds, 2010 (Dated June 29, 2010)

Maturity Years (June 1)	Principal Amounts	Interest Rates	CUSIP Nos.	Call Date (at 100%)
2022	\$ 485,000	4.50%	375172DY6	___/___/2020
2023	505,000	4.50	375172DZ3	___/___/2020
2024	525,000	4.50	375172EA7	___/___/2020
2025	550,000	4.50	375172EB5	___/___/2020
2026	580,000	4.50	375172EC3	___/___/2020

*Term Bonds

Information for Individual Registered Owner

The addressee of this notice is the registered owner of Bond Certificate No. _____ of the Defeased Bonds described above, which certificate is in the principal amount of \$ _____. All of which has been defeased as described above.

* This notice shall be given not more than 60 nor less than 20 days prior to _____, 2021 by first class mail to each registered owner of the Refunded Bonds. In addition notice shall be mailed to The Depository Trust Company of New York, New York; D.A. Davidson & Co.; U.S. Bank National Association, as Fiscal Agent; Moody's Investors Service; and to the Municipal Securities Rulemaking Board.

EXHIBIT B

COSTS OF ISSUANCE AGREEMENT

CITY OF GIG HARBOR, WASHINGTON LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2021

THIS COSTS OF ISSUANCE AGREEMENT, dated as of _____, 2021 (herein, together with any amendments or supplements hereto, called the "Agreement"), is entered into by and between the City of Gig Harbor, Washington, (herein called the "City") and U.S. Bank National Association, Seattle, Washington, as Escrow Agent (herein, together with any successor in such capacity, called the "Escrow Agent").

WITNESSETH:

WHEREAS, pursuant to Ordinance No. _____ passed on _____, 2021 (the "Bond Ordinance"), the City has determined to issue its Limited Tax General Obligation Refunding Bond, 2021 (the "Bond") and

WHEREAS, simultaneously herewith, the City is entering into an Escrow Deposit Agreement, dated _____, 2021 under which the Escrow Agent will hold invested proceeds of the Bond in order to pay and redeem the refunded bonds under the terms set forth therein; and

WHEREAS, certain proceeds of the Bond will be delivered to the Escrow Agent on the date of issuance of the Bond that are required to be disbursed to pay costs of issuance of the Bond; and

WHEREAS, the Escrow Agent has agreed, without additional compensation to disburse the Bond proceeds received to pay costs of issuance under the terms of this Agreement;

Section 1. Deposit in the Costs of Issuance Fund.

The Escrow Agent has created on its books a special trust fund and Refunding Account to be known as the Costs of Issuance Fund. The Escrow Agent agrees that upon receipt it will deposit to the credit of the Costs of Issuance Fund the sum of \$_____ to pay those costs of issuance set forth on Exhibit A. Such deposit, all proceeds therefrom, and all cash balances on deposit therein shall be the property of the Costs of Issuance Fund to pay those costs of issuance set forth on Exhibit A upon receipt of invoices. If any of the \$_____ deposit allocated for costs of issuance for the Bond remains unspent on _____, 2021, the Escrow Agent shall transfer such unspent amount to the City, and this Agreement shall be deemed fully performed and terminated.

Section 2. Investments.

The Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder.

Section 3. Limitation on Liability.

The liability of the Escrow Agent to transfer funds for the payment of the costs of issuance identified herein shall be limited to the proceeds of the Bond delivered to the Escrow Agent.

Section 4. Compensation.

The City shall pay to the Escrow Agent fees for performing the services hereunder and under the Escrow Agreement for the expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement and the Escrow Agreement pursuant to the terms of the Fee Schedule attached as Exhibit B. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against funds held under the Escrow Agreement for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses as Escrow Agent or in any other capacity.

Section 5. Notice.

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the City or the Escrow Agent at the address shown on Exhibit A to the Escrow Agreement.

Section 6. Washington Law Governs.

This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the state of Washington.

EXECUTED as of the date first written above.

CITY OF GIG HARBOR, WASHINGTON

Finance Director

U.S. BANK NATIONAL ASSOCIATION

Authorized Signatory

Exhibit A - Costs of Issuance Schedule
Exhibit B - Fee Schedule

EXHIBIT A

Costs of Issuance

Bond Counsel Fee (K&L Gates LLP).....
Escrow Agent Fee (U.S. Bank).....
Placement Agent Fee (D.A. Davidson).....
[Escrow Verification ()]
Total: \$

EXHIBIT B
FEE SCHEDULE

See Attached

CERTIFICATE

I, the undersigned, City Clerk of the City of Gig Harbor, Washington (the “City”) and keeper of the records of the City Council (the “Council”), DO HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance No. _____ of the Council (the “Ordinance”), duly passed at a regular meeting thereof held on the 9th day of August, 2021.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of August, 2021.

City Clerk



Business of the City Council City of Gig Harbor, WA

Subject: Replacement of Lift Station #6 (Ryan Street) – PW Construction Contract Award, Professional Services Contract for Construction Support Services, and Professional Services Contract for Materials Testing Services.

Proposed Council Actions:

1. Authorize the Mayor to execute a Public Works Contract with Gary Harper Construction, Inc. in an amount not to exceed \$1,872,574.90;
2. Authorize the Mayor to execute a Professional Services Contract Amendment #4 for Construction Support Services with HDR, Inc. in an amount not to exceed \$170,496.38;
3. Authorize the Mayor to execute a Professional Services Contract for Materials Testing with MTC, Inc., in an amount not to exceed \$16,194.00;
4. Authorize the City Engineer to approve additional Public Works contract expenditures up to \$150,000.00.

Dept. Origin: Public Works/Engineering

Prepared by: Trent A. Ward
City Engineer

TW

For Agenda of: August 9, 2021

Exhibits:

- Public Works Construction Contract
- Professional Services Contract Amendment for Construction Support Services Scope and Fee
- Professional Services Contract for Materials Testing Services Scope and Fee

Concurred by Mayor:

Approved by City Administrator:

Approved as to form by City Atty:

Approved by Finance Director:

Approved by Public Works Director:

Initial & Date

email 8/6/21

AP 8/6/21

Email - 8/4/21

N/A

8/5/21

Expenditure Required	\$2,459,265.28	Amount Budgeted	\$ 1,400,000.00	Appropriation Required	\$0.00
-----------------------------	-----------------------	------------------------	------------------------	-------------------------------	---------------

INFORMATION/BACKGROUND

This Public Works contract, and associated Professional Services Contracts, will provide for the complete construction of the replacement sanitary sewer lift station #6, located at the intersection of Ryan St., Craig Lane and Cascade Ave. The City's design consultant, HDR, Inc., estimated the probable construction cost to be \$1,463,000.00 on June 21, 2021.

BID RESULTS

The Project was competitively bid using the City's Public Works Bidding process. On August 5, 2021, the City received four (4) responsive bids for the Project. The bid amounts are shown below.

BIDDER	TOTAL BID AMOUNT
1. Gary Harper Construction, Inc.	\$ 1,872,574.90
2. Award Construction, Inc.	\$ 2,126,172.00
3. R.L. Alia Company	\$ 2,199,001.00
4. McClure & Sons	\$ 3,057,155.98

FISCAL CONSIDERATION

The Project is included in the 2021 Budget. A budget summary is shown in the table below:

2021 Budget Project Funding:	
Replacement of Lift Station #6 (Ryan Street) – Wastewater Capital, Objective 5	\$ 1,400,000.00
Total 2021 Budget:	\$1,400,000.00
Project Expenses:	
Design services during 2021 – HDR, Inc.	(\$ 250,000.00)
Public Works Construction Contract – Gary Harper Construction, Inc.	(\$1,872,574.90)
Professional Services Contract Amendment #4 Construction Support – HDR, Inc.	(\$170,496.38)
Materials Testing Services – MTC, Inc. / Professional Services Contract	(\$16,194.00)
City Engineer Change Order Authority Amount *	(\$150,000.00)
Total Budget Over-run**:	\$1,059,265.28

*City Engineer Change Order Authority provides for, if necessary, addressing any unforeseen additional work under the Public Works contract with Gary Harper Construction, Inc.

** Wastewater Fund ending fund balance is sufficient to cover the budget over-run amount for this project.

BOARD OR COMMITTEE RECOMMENDATION

N/A

RECOMMENDATION/MOTION

1. Authorize the Mayor to execute a Public Works Contract with Gary Harper Construction, Inc. in an amount not to exceed \$1,872,574.90;
2. Authorize the Mayor to execute a Professional Services Contract Amendment #4 for Construction Support Services with HDR, Inc. in an amount not to exceed \$170,496.38;
3. Authorize the Mayor to execute a Professional Services Contract for Materials Testing with MTC, Inc., in an amount not to exceed \$16,194.00;
4. Authorize the City Engineer to approve additional Public Works contract expenditures up to \$150,000.00.

PUBLIC WORKS CONTRACT

REPLACEMENT OF SANITARY SEWER LIFT STATION #6 CSSP-1705

THIS AGREEMENT, made and entered into, this ____ day of _____, 20____, by and between the City of Gig Harbor, a Non-Charter Code city in the State of Washington, hereinafter called the "City", and Gary Harper Construction Inc., organized under the laws of the State of Washington, located and doing business at, 14831 223rd St SE, Snohomish, WA 98296 hereinafter called the "Contractor."

WITNESSETH:

That in consideration of the terms and conditions contained herein and attached and made a part of this Contract, the parties hereto covenant and agree as follows:

1. The Contractor shall do all of the work and furnish all of the labor, materials, tools, and equipment necessary for the construction of the Replacement of Sanitary Sewer System Lift Station Number 6 Project, all in accordance with the Technical Specifications, Conditions of the Construction Contract and Supplementary Conditions of the Contract, and shall perform any changes in the Work, all in full compliance with the Project Manual entitled "Replacement of Sanitary Sewer System Lift Station Number 6 Project, CSSP-1705," which are by this reference incorporated herein and made a part hereof; and agrees to accept payment for the same in accordance with the said Project Manual, including the schedule of prices in the "Proposal," the sum One Million Eight Hundred Seventy-Two Thousand Five Hundred Seventy-Four Dollars and Ninety Cents, \$1,872,574.90), including state sales tax, subject to the provisions of the Project Manual.
 2. Work shall commence and contract time shall begin as stated in Section SC 1-08.5 of the Supplementary Conditions. All Contract Work shall be physically complete as stated in Section SC 1-08.5.
 3. The Contractor agrees to pay the City Liquidated Damages for each and every working day all Work remains uncompleted after expiration of the specified time, as stated in Section SC 1-08.9.
 4. The Contractor shall provide for and bear the expense of all labor, materials, tools and equipment of any sort whatsoever that may be required for the full performance of the Work provided for in this Contract upon the part of the Contractor.
 5. The term "Project Manual" shall mean and refer to the following: "Invitation to Bidders," "Bid Form," "Addenda" if any, "Specifications," "Plans," "Contract," "Performance Bond," "Payment Bond," "Notice to Proceed," "Change Orders" if any, and any documents referenced or incorporated into the Project Manual, including, but not limited to the Standard General Conditions, the Supplementary Conditions and the Technical Specifications.
 6. The City agrees to pay the Contractor for materials furnished and Work performed in the manner and at such times as set forth in the Project Manual.
-

7. The Contractor for himself/herself, and for his/her heirs, executors, administrators, successors, assigns, agents, subcontractors, and employees, does hereby agree to the full performance of all of the covenants herein contained upon the part of the Contractor.
8. It is further provided that no liability shall attach to the City by reason of entering into this Contract, except as expressly provided herein.

IN WITNESS WHEREOF the parties hereto have caused this Contract to be executed the day and year first hereinabove written:

CITY of GIG HARBOR:

CONTRACTOR:

Kit Kuhn, Mayor
City of Gig Harbor

Date: _____

(Signature of Official)

(Print Name)

(Title)

(Email Address)

Date: _____

ATTEST:

City Clerk

APPROVED FOR FORM:

City Attorney

**FOURTH AMENDMENT
TO
PROFESSIONAL SERVICES CONTRACT
BETWEEN THE CITY OF GIG HARBOR AND
HDR ENGINEERING, INC.**

THIS FOURTH AMENDMENT is made to that certain Professional Services Contract dated October 15, 2019, as amended (the "Agreement") February 24, 2020, as amended again December 3, 2020, as amended again January 12, 2021 by and between the City of Gig Harbor, a Washington municipal corporation (hereinafter the "City"), and HDR Engineering Inc., a corporation organized under the laws of the State of Nebraska (hereinafter the "Consultant").

RECITALS

WHEREAS, the City is presently engaged in completing the Replacement of Sanitary Sewer System Lift Station #6 Design Project and desires to extend consultation services in connection with the project; and

WHEREAS, section 17 of the Agreement requires the parties to execute an amendment to the Agreement in order to modify the scope of work to be performed by the Consultant and to amend the amount of compensation paid by the City;

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

1. Scope of Work. Section 1 of the Agreement is further amended to add the work as shown in **Exhibit A**, attached to this Amendment and incorporated herein.

2. Payment. Section 2(A) of the Agreement is amended to increase compensation to the Consultant for the work to be performed as described in **Exhibit A** in an amount not to exceed One Hundred Seventy Thousand Four Hundred Ninety-Six Dollars and Thirty-Eight Cents (\$ 170,496.38), as shown in **Exhibit B**, attached to this Amendment and incorporated herein.

3. Duration of Work. Section 3 of the Agreement is amended to extend the duration of this Agreement to March 1, 2022.

[Remainder of page left intentionally blank]

EXCEPT AS EXPRESSLY MODIFIED BY THIS AMENDMENT, ALL TERMS AND CONDITIONS OF THE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, the parties have executed this Amendment on this _____ day of _____, 20__.

CONSULTANT

By: 
Sr. Vice President

CITY OF GIG HARBOR

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

EXHIBIT A

City of Gig Harbor

Replacement of Sanitary Sewer System Lift Station Number 6 Project (CSSP-1705)

Scope of Services Services During Construction Amendment No. 4

August 2021



**905 Plum Street SE
Suite 200, Town Square 3
Olympia WA 98501-9000
(360) 570-4400**



Table of Contents

Task 1000	1
Objective.....	1
HDR Services	1
City Responsibilities.....	1
Assumptions.....	1
Deliverables	1
Task 1100 – Services During Construction	2
Objective.....	2
HDR Services	2
City Responsibilities.....	2
Assumptions.....	3
Deliverables	4
Task 1300 – Services During Construction Electrical Design.....	5
Objective.....	5
RSE Services.....	5
City Responsibilities.....	5
Assumptions.....	5
Deliverables	6
Task 1300 – Services During Construction Geotechnical Support	6
Objective.....	6
Landau Services.....	6
Assumptions.....	6
Estimated Fee for Professional Services	6

SCOPE OF SERVICES

HDR Engineering, Inc. (HDR) recently completed the design of Sanitary Sewer Lift Station Number 6 (LS 6A). HDR has completed the bid ready set of construction documents for the City of Gig Harbor (City) as part of the previous scope of services. This amendment is for the additional work requested by the City for services during construction for LS 6A.0– Services During Construction. The services provided in this amendment will be on a time and material basis, and shall not exceed the amount of the approved amendment.

Task 1000

Objective

The purpose of this task is to monitor, control, and adjust the scope, schedule, and budget as well as provide monthly status reporting, accounting, and invoicing, and management of the HDR project team including our subconsultants in coordination for the LS 6A project.

HDR Services

1. Coordinate and manage the HDR project team.
2. Prepare monthly invoice and progress report describing services completed during the period, issues to be addressed, and services planned for the next period.
3. Conduct a Project Approach and Resource Review (PARR) to review the project, team, and resources needed for the project with senior management.
4. Prepare a Construction Management Plan to clearly communicate objectives, scopes, budgets, schedule, contact information, roles and responsibilities, construction quality assurance, communications protocols, health and safety requirements including job hazard analysis (JHA) forms for field work, and guidelines to project team members.

City Responsibilities

1. Prompt processing and payment of compliant invoices. The City will make one progress payment each month provided they are complete and accurate from the consultant and in the format requested by the City.

Assumptions

1. The project duration for Tasks 1000, 1100, and 1200 will be 10 consecutive months assumed to occur between September 2021 and June 2022.
2. During invoicing periods when no work is performed, HDR will not submit an invoice/status report to the City for that billing period.

Deliverables

1. Monthly progress report and invoice (pdf format, via email)(one copy with invoice).

Task 1100 – Services During Construction

Objective

The purpose of this task is provide assistance during the construction phase of the LS 6A project.

HDR Services

1. Attend the preconstruction conference with the City and the Contractor.
2. Attend weekly construction progress meeting via Microsoft Teams or other virtual meeting platform, up to one (1) hour each for the duration of the project. Prepare meeting summary notes.
3. Up to six (6) site field visits, including preparation of daily inspection reports.
4. RFIs – Prepare and distribute responses to Requests for Information (RFIs) by the Contractor on the drawings, specifications, or other Contract Documents.
5. Track and log submittals and RFIs.
6. Submittals – Review material and equipment submittals for conformance to the design intent of the Project and for compliance with the information given in the Contract Documents.
7. Review of the Contractor completed Start-Up/Testing Plan.
8. Review Contractor provided O&M Manuals verifying contractor supplied equipment/supplies conform with the Contract Document requirements, approved submittals, RFI's, and change order
9. Prepare technical content for change orders.
10. Construction Field Observation – Provide one hundred twenty (120) hours of staff time for field observation assistance during construction as requested by the City.
11. Commissioning/Startup – Provide one site visit for commissioning and startup support.
12. Project Closeout – document observed deviations from contract requirements, and provide a list of punch list items in the form of a brief letter-report to the City.
13. Record Documents – Prepare Record Drawings from the City and Contractor provided observation notes and drawings.

City Responsibilities

1. Issue documents for bidding.
2. Schedule and lead the preconstruction conference with the Contractor.
3. Contract Administration – Provide construction contract administrative functions including issuing notice-to-proceed and monthly progress pay estimates.
4. Attend weekly construction progress meetings to be held with Contractor at City Hall.
5. Provide onsite daily inspection.
6. Hold and facilitate preconstruction meeting.
7. City to review Contractor schedule and schedule updates.
8. Coordinate special inspections.

-
9. City has the sole responsibility to authorize any changes to the construction contract.
 10. Negotiate change proposal request contractor pricing.
 11. Provide work change directives to Contractor when fair and reasonable pricing for a change item cannot be negotiated or when a change item is critical to the project schedule.
 12. Coordinate with HDR for site visits and timing for field observation.
 13. City will prepare and administer field orders, work change directives, and change proposal requests.
 14. Receive and review Contractor's required substantial completion submittal and determine if Project is ready for substantial completion inspection.
 15. Coordinate, conduct and document the substantial completion inspection and issuance of the Certificate of Substantial Completion.
 16. Review progress of corrective action on punchlist items and periodically update and re-issue the punchlist and issuance of Certificate of Substantial Completion for the entire or designated portions of the Work.
 17. Receive and review Contractor's final completion submittal.
 18. Prepare substantial and final completion forms.
 19. Coordinate final inspection meeting and physical walk-through of the Project.
 20. Collect close-out documents required by Contract Documents.
 21. Provide observation notes and drawing edits to be incorporated Record Drawings.

Assumptions

1. The virtual preconstruction conference will be a maximum of two (2) hours in duration and include up to two (2) consultant staff and one (1) subconsultant staff, see Task 1200.
2. Assume 48 submittals and 14 resubmittals for review (3 hours per submittal and 2 hours per resubmittal to process and review, total of 172 hours)
 - A. 10 Mechanical Submittals
 - B. 14 Architecture Submittals
 - C. 2 Landscape Submittals
 - D. 6 Civil Submittals
 - E. 16 Structural Submittals
3. Assume 20 RFIs at 2 hours each (total of 40 hours).
4. Preparation and administration of field orders, work change directives, and change proposal requests is not included in this scope.
5. Assume 4 change orders at 8 hours each (total of 32 hours).
6. Assume 36 weekly 1-hour virtual construction meetings attended by one HDR staff (total of 36 hours). Two hours is budgeted for each construction meeting. Weekly construction meeting summary notes will be distributed to the City within 48 hours of the meeting.
7. Assume 15 Construction Field Observation site visits attended by one HDR staff at 8 hours each, including travel time (total of 120 hours).

-
8. Review of the Contractor Start-Up and testing plan at 4 hours.
 9. Assume Commissioning/Startup Site Visit attended by one HDR staff at 10 hours, including travel time.
 10. Assume 6 Final Site Visits/Project Closeout Visits at 10 hours each, including travel time.
 - A. 2 Structural Site Visits
 - B. 2 Landscape Site Visits
 - C. 2 Civil/Mechanical Site Visits
 11. Review of the Contractor supplied and assembled equipment O&M Manuals. Assume 4 O&M manuals at 6 hours each.
 12. Equipment Training by Consultant is not required.
 13. Consultant's observation of the work performed under the construction contract shall not relieve Contractor from responsibility for performing work in accordance with applicable contract documents.
 14. Consultant shall not control or have charge of, and shall not be responsible for construction means, methods, techniques, sequences, procedures of construction, health or safety programs or precautions connected with the work and shall not manage, supervise, control or have charge of construction.
 15. Consultant shall not be responsible for the acts or omissions of construction Contractor(s) or other parties on the project.
 16. Field observations will be performed in accordance with industry-recognized standard practices.
 17. Contractor is responsible for compliance with permit conditions; therefore Consultant cannot ensure Contractor's compliance with permit conditions. Consultant will only notify City of observed conditions and violations.
 18. Review Contractor's required substantial completion submittal, and determine if Project is ready for substantial completion inspection.
 19. Review Contractor's required final completion submittal.
 20. Attend the final inspection meeting and physical walk-through of the Project, including:
 21. Contractor will maintain a set of drawings on-site to document (red-line) changes to work to be submitted for creation of Record Drawings. As-Constructed records from the Contractor will be provided to HDR. HDR will prepare Record Drawings showing only the information provided by the Contractor and/or City, and will not be responsible for the content or accuracy of the Record Drawings other than the information provided. Record Drawings will not be stamped or sealed by HDR or Subconsultant.
 22. HDR will prepare 32 Record Drawing sheets. CAD drafting time is assumed to be 2 hours per sheet (totaling 64 hours) as well as 8 hours for project manager and discipline review time.

Deliverables

1. Preconstruction Meeting Summary Notes (pdf format, via email)
2. Weekly Agenda and Meeting Summary Notes (pdf format, via email).

-
3. Submittal reviews (pdf format, via email).
 4. RFI responses (pdf format, via email).
 5. Daily Inspection reports (pdf format, via email).
 6. Technical contents of change orders (pdf format, via email).
 7. Contractor provided O&M Manual review comments (electronic files, via email).
 8. Review comments for Contractor Start-Up and testing plan (pdf, via email).
 9. Record drawings (11"x17") (pdf format, via email).

Task 1200 – Services During Construction Electrical Design

Objective

HDR will subconsultant with Richard Sample Engineering (RSE) to provide electrical design for the project.

RSE Services

1. Review electrical equipment and material submittals and provide written response as scoped in Task 1100.
2. Review RFI documentation received from the Contractor and provide written response as scoped in Task 1100.
3. Develop technical content for change order documentation as scoped in Task 1100.
4. Perform onsite inspection at 60 percent construction completion. Develop inspection checklist and punch list as scoped in Task 1100.
5. Perform arc flash calculations, develop documents and equipment labels.
6. Perform onsite inspection at 95 percent construction completion. Develop punch list. Install arc flash labels on equipment.
7. Review of Manufacturer's Operations & Maintenance manuals as scoped in Task 1100.
8. Prepare record drawings as scoped in Task 1100.

City Responsibilities

1. Coordinate submittal review, answer questions, and provide guidance and direction in the design of the lift station electrical system.

Assumptions

1. Assume 30 hours for review of electrical equipment submittals and resubmittals.
2. Assume 20 hours for RFI review and responses.
3. Assume 24 hours for change orders.
4. Assume 2 inspection, checklist, and punchlist site visits including travel, meals, and lodging.
5. Assume 30 hours for 12 Record Drawing sheets.

Deliverables

1. Submittal reviews (pdf format, via email).
2. RFI responses (pdf format, via email).
3. On site observation reports (pdf format, via email).
- 4.
5. Record drawings (11" x 17") (pdf format, via email).

Task 1300 – Services During Construction Geotechnical Support

Objective

HDR will retain Landau Associates Inc.(LAI) to provide limited geotechnical construction observation services at the Lift Station 6 site.

Landau Services

1. Visit the site when requested by the HDR or the City. The purpose of the site visits will be to evaluate foundation bearing surfaces.
2. Prepare field reports to document LAI's observations and any supplemental recommendations provided.

Assumptions

A separate material testing firm hired by the City will provide compaction testing services for the project. RFI review and response, and review of the material testing firm's daily reports are excluded from LAI's scope and fee estimate.

Deliverables

1. Field reports (pdf format, via email).

Exhibit B

Estimated Fee for Professional Services

The estimated total contract amount to complete the professional services identified in this Scope of Services is offered on a **time-and-materials basis not-to-exceed \$170,496.38**. Following are estimated professional services costs for the tasks provided in this scope of services. The following table is provided only to show the City an approximate breakdown of estimated costs.

The schedule of rates and staff identified in the table above are current. During the course of the contract, HDR may need to bill for staff not identified or listed in the table, and HDR will bill at hourly rates that are based direct labor rates at the time services are provided. Expenses and subconsultants will be billed at a 5% Markup

Task	Estimated Task Cost
Task 1000 – Services During Construction Project Management	\$9,057.41
Task 1100 – Services During Construction	\$129,560.97
Task 1200 – Services During Construction Electrical Support	\$30,124.50
Task 1300 – Services During Construction	\$1,753.50
Total	\$170,496.38

LABOR ESTIMATE, HDR ENGINEERING STAFF

City of Qlg Harbor: Uft Station 6 CM

HDR																			
	Johnson, Ty M	Bartle, Brian D	Jacobson, Karstin R	Jensen, Todd R	Griffenberg, Edward C	Hijazi, Mohamed H	Cheang, Chan	Sutton, Karl M	French, Cameron C	Kendall, Dennis J Jr (Dennis)	Raczewski, Matthew R	Gurrad, Matthew C	Allaben, Charles C	Gibbs, Troy M	Total Labor Hours	Total Labor Dollars			
Project Role	Project Manager	PG	Project Engineer	CM Support	Startup	Structural Engineer	Architect	Mechanical Engineer	Inspection	CAD	Project Controller	Architect	Pump QC	Mechanics/Civil QC					
Billing Rate	236.32	353.85	174.30	293.25	254.53	273.15	251.46	180.13	180.00	148.79	140.80	187.46	349.79	197.76					
1000	Services During Construction Project Management														49	\$	8,836.19		
	Project Setup											2			3	\$	455.90		
	PARR	0.5	0.5									0.5			2	\$	452.64		
	Coordination and Monitoring	2	1		3										11	\$	2,577.75		
	Invoicing / Status Reporting / EV / WorkPlan					10						10			20	\$	3,151.00		
	Subconsultant Management					6									6	\$	1,045.80		
	Project Closeout					1						2			3	\$	455.90		
	Construction Management Plan					4									4	\$	897.20		
1100	Services During Construction														638	\$	125,531.01		
	Preconstruction Conference	3				3									6	\$	1,231.68		
	Weekly Conference Calls					72									72	\$	12,549.60		
	Site Field Visits					10			20						60	\$	12,555.20		
	RFIs	4				6		8	6	10		6	1	1	40	\$	8,884.43		
	Submittals	10				12			54	38	35	10	8	2	2	172	\$	39,439.84	
	Start-Up/Testing Plan					4									4	\$	1,018.12		
	O&M Manuals					6			4	4	4			4	24	\$	5,641.30		
	Change Orders	2			4				4	4		12			32	\$	8,610.68		
	Construction Field Observation										120				120	\$	19,200.00		
	Commissioning/Startup					10									10	\$	2,545.30		
	Substantial and Final Completion Forms	1							1			1			6	\$	1,382.82		
	Project Closeout	1						1	1	1			1		6	\$	1,382.82		
	Record Drawings	4				4						64			72	\$	11,229.04		
	Submittal/RFI Tracking										12				12	\$	1,920.00		
	Task Total Hours	27.50	1.50	140.50	7.00	20.00	90.00	64.00	52.00	156.00	76.00	14.50	36.00	7.00	3.00	685.00			
	Task Total Fee	\$ 6,498.80	\$ 530.79	\$ 24,489.15	\$ 2,052.75	\$ 5,090.60	\$ 24,583.00	\$ 13,576.84	\$ 9,366.78	\$ 24,960.00	\$ 11,384.04	\$ 2,041.60	\$ 6,748.56	\$ 2,448.53	\$ 593.28		\$ 134,367.20		

EXPENSES

City of Gig Harbor: Lift Station 6 CM

		HDR Owned Vehicle Mileage/mile	Copies/Page 11x17 B&W	Total ODC	ODC Markup	Total ODC + Markup
		Travel	Office Expenses			
OTHER DIRECT COSTS		Each	Each		5.00%	
Unit Cost		\$0.75	\$0.09			
1000	Services During Construction Project Management					
	Quantity	0	50			
	Task Total	\$0.00	\$4.50	\$4.50	\$0.23	\$4.73
1100	Services During Construction					
	Quantity	1200	100			
	Task Total	\$900.00	\$9.00	\$909.00	\$45.45	\$954.45
Total ODC		\$ 900.00	\$ 13.50	\$ 913.50	\$ 45.68	\$ 959.18

SUBCONSULTANTS

City of Gig Harbor: Lift Station 6 CM

HDR		Landau	RSE	Total Subconsultants	Sub Markup	Total Subconsultants + Markup
SUBCONSULTANTS					5.00%	
1000	Services During Construction Project Management					
	Task Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1100	Services During Construction					
	Task Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1200	Service During Construction Electrical Support					
	Task Total	\$0.00	\$28,690.00	\$28,690.00	\$1,434.50	\$30,124.50
1300	Services During Construction Geotechnical Support					
	Task Total	\$1,670.00	\$0.00	\$1,670.00	\$83.50	\$1,753.50
Total Subconsultants		\$ 1,670.00	\$ 28,690.00	\$ 30,360.00	\$ 1,518.00	\$ 31,878.00

**PROFESSIONAL SERVICES CONTRACT
BETWEEN THE CITY OF GIG HARBOR AND
MATERIALS TESTING & CONSULTING, INC.**

THIS AGREEMENT is made by and between the City of Gig Harbor, a Washington municipal corporation (the "City"), and Materials Testing & Consulting, Inc., a Washington corporation (the "Consultant").

RECITALS

WHEREAS, the City is presently engaged in constructing the Lift Station #6 Replacement Project and desires that the Consultant perform services necessary to provide the following consultation services; and

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

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

TERMS

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

2. **Payment.**

A. The City shall pay the Consultant an amount based on time and materials, not to exceed Sixteen Thousand One Hundred Ninety-four Dollars and Zero Cents (\$16,194.00) for the services described in Section 1 herein. This is the maximum amount to be paid under this Agreement for the work described in **Exhibit A**, and shall not be exceeded without the prior written authorization of the City in the form of a negotiated and executed supplemental agreement. The Consultant's staff and billing rates shall be as described in **Exhibit A**. The Consultant shall not bill for Consultant's staff not identified or listed in **Exhibit A** or bill at rates in excess of the hourly rates shown in **Exhibit A**, unless the parties agree to a modification of this Contract, pursuant to Section 17 herein.

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

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

3. **Duration of Work.** The City and the Consultant agree that work will begin on the tasks described in **Exhibit A** immediately upon execution of this Agreement. The parties agree that the work described in **Exhibit A** shall be completed by December 31, 2022; provided however, that additional time shall be granted by the City for excusable days or extra work. Further, the parties may extend the duration of this Agreement consistent with the terms of Section 17 below.

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

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

6. **Independent Status of Consultant.** The parties to this Agreement, in the performance of it, will be acting in their individual capacities and not as agents, employees, partners, joint ventures, or associates of one another. The employees or agents of one party shall not be considered or construed to be the employees or agents of the other party for any purpose whatsoever.

7. **Indemnification.**

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

B. In the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees or volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

8. Insurance.

A. The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

B. No Limitation. The Consultant's maintenance of insurance as required by this Agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City of Gig Harbor's recourse to any remedy available at law or in equity.

C. Minimum Scope of Insurance. The Consultant shall obtain at no cost to the City and maintain said insurance in force for the duration of this agreement, insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 or a substitute form providing equivalent liability coverage and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The City shall be named by endorsement as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to the Professional's profession.

D. Minimum Amounts of Insurance. The Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.

2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
3. Employer's Liability, each accident \$1,000,000, Employer's Liability Disease-each employee \$1,000,000, and Employer's Liability Disease - Policy Limit \$1,000,000.
4. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim.

E. Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Professional Liability and Commercial General Liability insurance:

1. The Consultant's insurance coverage shall be primary insurance as respect to the City of Gig Harbor. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute to it.
2. The City of Gig Harbor will not waive its right to subrogation against the Consultant. The Consultant's insurance shall be endorsed acknowledging that the City of Gig Harbor will not waive its right to subrogation. The Consultant's insurance shall be endorsed to waive the right of subrogation against the City of Gig Harbor, or any self-insurance, or insurance pool coverage maintained by the City of Gig Harbor.
3. The Consultant's insurance shall be endorsed to state that coverage shall not be cancelled by either party, unless thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.
4. If any coverage is written on a "claims made" basis, then a minimum of a three (3) year extended reporting period shall be included with the claims made policy, and proof of this extended reporting period provided to the City.

F. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII and licensed to conduct business in the State of Washington.

G. Verification of Coverage. The Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work.

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

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

11. Records.

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

B. Consultant acknowledges that the City is an agency governed by the public records disclosure requirements set forth in chapter 42.56 RCW. Consultant shall fully cooperate with and assist the City with respect to any request for public records received by the City concerning any public records generated, produced, created and/or possessed by Consultant and related to the services performed under this Agreement. Upon written demand by the City, the Consultant shall furnish the City with full and complete copies of any such records within ten business days. Consultant's failure to timely provide such records upon demand shall be deemed a material breach of this Agreement. To the extent that the City incurs any monetary penalties, attorneys' fees, and/or any other expenses as a result of such breach, the Consultant shall indemnify and hold harmless the City as set forth in Section 7. For purposes of this section, the terms "public records" and "agency" shall have the same meaning as defined by chapter 42.56 RCW, as construed by Washington courts.

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

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

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

or relinquishment of said covenants, agreements, or options, and the same shall be and remain in full force and effect.

14. Resolution of Disputes and Governing Law.

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

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

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

CONSULTANT:
ATTN: Deane Ramsdell
Materials Testing & Consulting, Inc.
777 Chrysler Drive
Burlington, WA 98233
360-508-6336

City of Gig Harbor
ATTN: Trent Ward, PE
City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335
253-851-6170

16. Subcontracting or Assignment. The Consultant may not assign or subcontract any portion of the services to be provided under this Agreement without the express written consent of the City.

17. Entire Agreement. This Agreement represents the entire integrated agreement between the City and the Consultant, superseding all prior negotiations, representations or agreements, written or oral. This Agreement may be modified, amended, or added to, only by written instrument properly signed by both parties hereto. If extending the duration of the Agreement only, the parties may agree to such duration extension by written instrument approved and signed by the Consultant and by the Mayor if all other terms of the Agreement are unchanged and remain in full force and effect for the entire new duration of the Agreement.

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

CONSULTANT

CITY OF GIG HARBOR

By: 
Its: OWNER

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney



EXHIBIT A

Date: July 08, 2021

Client Name: City of Gig Harbor

Address:

Email: George Flanigan <gflanigan@gigharborwa.gov>

Architect: HDR

Project Name / Location: Lift Station Number 6- On Cascade Ave. at Ryan Lane, Gig Harbor, WA

Contact: George Flanders

Phone: (253)377-6165

Fax:

Based on Plans Dated: 90% submittal

Materials Testing & Consulting, Inc. (MTC) thanks you for the opportunity, and respectfully submits the following proposal to provide materials testing and special inspection services during construction of the above-referenced project.

Combined with our past experience with projects of similar size and scope, we estimate the total cost of our services for this project to be:

Special & Construction Inspection					
Item		Unit	Quantity	Rate	Total
IPD-S - Foundation, Retaining Wall & Slab Subgrade Compaction / VSI		Hour	20	\$ 72.00	\$ 1,440.00
IPD-S - Utility Trench Compaction		Hour	18	\$ 72.00	\$ 1,296.00
IPDS- Site Subgrade and Rock Course Compaction		Hour	12	\$ 72.00	\$ 864.00
IPDA- Asphalt Compaction Testing		Hour	15	\$ 72.00	\$ 1,080.00
SAMPU - Sample Pickup if Required (Allowance)		Hour	12	\$ 72.00	\$ 864.00
RC - Footings-		Hour	15	\$ 75.00	\$ 1,125.00
RC - Cast In Place Walls includes Retaining Walls		Hour	24	\$ 75.00	\$ 1,800.00
RC - Interior Slab on Grade and Trench Drain		Hour	15	\$ 75.00	\$ 1,125.00
Damp Proofing/Coating Thickness Inspections		Hour	15	\$ 75.00	\$ 1,125.00
NDT - Inspection of Coatings and Substrate Preparation-(per SSPC and spec.)		Hour	20	\$ 85.00	\$ 1,700.00
PROPANC - Epoxy & Expansion Anchors		Hour	10	\$ 75.00	\$ 750.00
Subtotal - Special & Construction Inspection:					\$ 13,169.00
Laboratory Testing					
Item		Unit	Quantity	Rate	Total
PROC - Moisture Density Relationship/Proctor with Sieve		Each	2	\$ 295.00	\$ 590.00
SE - Sand Equivalent		Each	1	\$ 95.00	\$ 95.00
FRAC - Fracture Percentage		Each	1	\$ 65.00	\$ 65.00
Ext- Extraction Gradation		Each	1	\$ 275.00	\$ 275.00
RICE - Rice Value		Each	2	\$ 95.00	\$ 190.00
CONC - Concrete Compression Test Cylinders - 4" x 8" - Sets of 5		Each	40	\$ 25.00	\$ 1,000.00
Subtotal - Special & Construction Inspection:					\$ 2,215.00
Project Management & Consulting Services					
Item		Unit	Quantity	Rate	Total
PM - Project Manager		Hour	9	\$ 90.00	\$ 810.00
Subtotal - Project Management & Consulting Services:					\$ 810.00
Budget Estimate for Services - Total:					\$ 16,194.00

- Prices are subject to change if this agreement is not executed within 90 days from the date of the bid.
- All services will be provided on a time and materials basis. The total is an estimate and the actual construction cost will be based on the project schedule and sequencing. The estimate is not a guaranteed price. A four hour minimum charge applies to all work performed, billing is also based on a portal to portal basis. A premium rate of 1.5 times the regular rate will be charge for overtime and 2 times the regular charge for Sunday's and holidays.
- MTC will utilize the laboratory based closest to the project site. MTC offers additional services upon request which will be billed at our regular fee schedule. Acceptance of this proposal will constitute agreement to MTC standard general terms and conditions.
- Invoices are due and payable upon receipt. Any invoice not paid within thirty (30) days of the date rendered may be assessed a finance charge of one-and-one-half (1½%) percent per month, for each month beyond thirty (30) days past due. Invoices not paid within sixty (60) days of the date rendered may result in MTC stopping work until such invoices are paid in full. Invoices not paid within ninety (90) days of the date rendered may be referred to an independent company for collection. Client will be responsible for all expenses incurred by MTC for the collection of any unpaid invoice(s), including collection fees, actual attorneys' fees, and costs for legal counsel as stated in RCW 19.16.250.21. Furthermore, Client acknowledges that MTC may elect to withhold a Final Letter of Compliance for the project, and/or place a lien on any real property until all outstanding invoices and/or fees have been paid in full.
- In closing, our experienced inspection staff will ensure the highest level of quality is brought to your project. We believe that our local staff and vast experience on projects of similar size and scope make MTC the clear team member of choice for this project. We look forward to working with you.

Respectfully Submitted,

Deane Ramsdell

360.508.6336 24/7

Environmental • Geotechnical Engineering • Special Inspection • Non-Destructive Testing • Materials Testing
Burlington • Olympia • Bellingham • Silverdale • Tukwila
p: 360.755.1990 • f: 360.755.1980 • www.mtc-inc.net