

AGENDA
GIG HARBOR CITY STUDY SESSION
Thursday, April 14, 2022 – 2:00 p.m.
Virtual Meeting

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

CALL TO ORDER/ROLL CALL

DISCUSSION ITEMS

1. UGA Analysis

Documents:

[STAFF MEMO UGA Analysis.pdf](#)
[URBAN GROWTH AREA ASSESSMENT AND GUIDELINES.pdf](#)
[URBAN GROWTH AREA ASSESSMENT AND GUIDELINES Track Changes.pdf](#)
[UGA Analysis Presentation.pdf](#)

2. Stormwater Source Control Program

Documents:

[STAFF MEMO Stormwater Source Control Program.pdf](#)

3. 2022 Active CIP Schedule Update

Documents:

[STAFF MEMO Updates to the Public Outreach Matrix and CIP Schedule.pdf](#)

4. Council Guidelines & Procedures

Documents:

[STAFF MEMO Council Guidelines and Procedures.pdf](#)

ADJOURN

AMERICANS WITH DISABILITIES (ADA) ACCOMMODATIONS

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



Staff Memorandum

TO: Planning Commission

FROM: Planning Division Staff

SUBJECT: City Council Study Session – April 14, 2022 – Gig Harbor UGA Analysis Review

DATE: April 8, 2022

At the previous City Council meeting on **March 10th, 2022**, staff presented a report that provides an assessment of Gig Harbor's Urban Growth Areas (UGAs) and recommendations for action. The Planning Division and Planning Commission, assisted by BERK, Inc, has been coordinating this review to provide long-term guidance to City Council on decisions related to area-wide and site-specific annexations in the coming years.

Since that meeting, several edits have been coordinated based on the feedback received from Council. Changes from the draft report provided at the March 10th meeting include the following:

- The map classifying **Strategic Areas** as well as the supporting text in the document has been edited:
 - The Strategic Areas have been **reorganized in priority order** based on the actions to be taken by the City in the short-term. Note that areas to be removed from the UGAs have been treated separately in this categorization.
 - The title "Planned potential annexation areas" has been changed to "**Phased potential annexation areas**".
 - The designation "Long-term management areas" has been **made consistent** throughout the document, as there were some places where these areas were referenced as "Urban servicing management areas".
 - Maps referencing Strategic Areas note that they are now **classified by priority**.

- A short discussion of **fire flow and sewer issues** have been noted for Purdy in the infrastructure section and the description of the area. Note that further detail on this would require future studies.
- A section has been added to note **potential changes to revenue from sewer charges** if UGAs are incorporated. This section describes the issue in particular and highlights how future growth in revenue from sewer charges may be impacted. Note that this is based on older rates and does not include a breakdown of impacts for current customers in the UGA. This may be changed in the final version.

All of these edits are reflected in two versions of the report. One that contains the edits in tracked changes and one that incorporates the edits into a clean draft. Both versions have been provided in your materials packet.

In addition to these edits, staff and the consultant have created separate strategy maps to reflect requested changes by Council. These changes would include:

- Assigning Canterwood and the north section of Peacock Hill to “Long-term management areas”.
- Assigning the south section of Peacock Hill to be a “Local-led potential annexation area”.
- Indicating that Madrona Links should be removed from the UGA.

These changes would be generally consistent with the findings of the analysis, and could be incorporated into the final strategy document. They are not, however, represented in the materials provided here.

We look forward to discussing the report further at the upcoming study session. Please let us know if you have any questions or concerns in the meantime.

Thank you

City of Gig Harbor

URBAN GROWTH AREA ASSESSMENT AND GUIDELINES

BERK Consulting Inc.

April 2022

Summary

The city of Gig Harbor is surrounded by approximately 2,800 acres of unincorporated Pierce County that are designated as 13 Urban Growth Areas (or UGAs). These UGAs are identified by the city for long-term coordination of urban growth to reduce urban sprawl, plan for urban-level services, and encourage coordination with the county on long-term planning for areas close to the city.

The city may wish to include these areas within its boundaries in the future. Annexing areas into the city may result in greater tax revenues as well as providing more government representation to the residents in the annexed areas. There may be other benefits to annexation as well, including improving the efficiency of service delivery, managing opportunities for new growth through the city's development regulations and zoning requirements, and addressing local environmental issues in a more consistent way. However, the costs of providing additional services and the necessary investments in infrastructure can also have a fiscal impact on city finances. Coordinating future annexation should consider all these impacts when finding long-term solutions.

This report provides the city of Gig Harbor with high-level strategic guidance for considering future annexations of the city's Urban Growth Areas. This guidance is informed by a survey of the existing UGAs and analysis of potential annexation impacts, including impacts on the city's budget.

Major findings from the analysis include the following:

- **There are a wide range of impacts associated with annexing certain UGAs, with most providing a net negative effect on operating budgets.** Exhibit A provides a summary of the yearly change to budgets associated with both the costs of supplying services to these areas and the increases in city revenues from areas upon annexation. Overall, these impacts range from positive fiscal impacts associated with residential neighborhoods with high property values, to negative impacts in areas dominated by institutional uses which do not provide city revenue.
- **Certain areas may also require infrastructure investments that would increase costs.** Many of the UGAs surrounding Gig Harbor would require more investment in infrastructure. Further development in the Purdy UGA, for example, would require investment in stormwater infrastructure, while linking the neighborhoods in the Reid Road UGA to the city sewer system would need significant funding for new facilities. While an engineering costing study for these elements was outside of the scope of this study, further work may need to be coordinated to ensure the city can appropriately support this new infrastructure.
- **Coordinating annexation will require different solutions in different areas.** Given the differences between each UGA, there is no "one-size-fits-all" solution. While the consent of residents and landowners is important, some areas like the Burnham Drive UGA are so small that a more administrative process may be appropriate, while other areas like the Canterwood and Reid Road UGAs are large enough such that community planning and outreach may be necessary. Additionally, certain areas like the Purdy and Bujacich UGAs may be dominated by institutional uses that may be less ideal for the city to incorporate. As such, each area should be considered differently.

Guidelines

The report provides ten evaluation guidelines to assess the costs and benefits of individual annexation proposals in a consistent way. These are:

1. **Is the annexation proposal consistent with the city's Comprehensive Plan and other existing policies?** Under statute, an annexation proposal (including a proposed zoning ordinance) must comply with the Comprehensive Plan, and potentially other policies.
2. **Is the annexation proposal supported by those that could be impacted?** Proposals should have the support of residents, businesses, landowners, neighbors, and Pierce County. If there are concerns, applicants should work to resolve outstanding issues.
3. **Does the proposal provide a net positive fiscal impact to the city?** Consideration of the proposed annexation should include an assessment of the fiscal impacts to the city. Expected net costs should be weighed against other benefits in this list.
4. **Would the proposed annexation result in a significant increase of land, development, and/or population to the city?** There may be a need to phase larger annexations that would significantly expand the population, employment, or area of the city to provide Gig Harbor with the opportunity to plan for capacity expansion.
5. **Is the proposed annexation area defined to reduce the number of annexations by the city?** Conversely, given the overhead required to administer the annexation process, annexation areas should be as large as possible and avoid annexing UGAs piecemeal if possible.
6. **Does the proposal keep or create logical boundaries for the city?** Annexations should be favored if they will result in more regular city boundaries, minimize islands or pockets of development, and give clarity about city and county jurisdiction.
7. **Is the proposed annexation area currently or likely to be developed to urban densities?** Annexations should prioritize areas that are currently built out, or with significant supplies of vacant land that would allow the area to accommodate urban densities.
8. **Could city planning and zoning increase the density or otherwise improve the quality of future development in the proposed annexation area?** In cases where the city may be reviewing locations with development (or even redevelopment/infill) opportunities, the potential for city zoning to improve or benefit new development projects should be recognized, especially if it would lead to more compact and efficient development patterns.
9. **Would city policy and planning result in better environmental protection and management for the proposed annexation areas?** In addition to supporting improved development, annexations may give opportunities to manage certain areas more effectively under city programs, plans, and statutes. This may include management of shoreline, riparian and wetland areas, other critical areas, and tree canopy.
10. **Are there any other public benefits or concerns that would be associated with annexation?** No guidelines can completely define all the questions that may arise. Other significant public benefits such as opportunities for parks and other public facilities may be considered as part of an annexation review. In these cases, the value of these benefits to the public (both within the city and the annexation area) should be weighed against the other criteria as needed.

Proposed Strategic Approach and Recommendations

This section provides strategic approaches to managing the consideration and process of annexing new lands into the city within a 20-year planning horizon. Note that this is to guide long-term approaches to annexation, as no current annexation petitions have been reviewed as a part of this report. The categorization of specific UGAs into the strategic approaches is based on the consideration of each of the evaluation guidelines described above.

1. **City-led potential annexation areas.** In specific cases, there may be a city interest in leading annexation, primarily to maintain logical city boundaries and reducing boundaries that complicate service delivery. This should rely on the abbreviated methods for either direct petitions or interlocal agreements to streamline this process.
2. **Local-led potential annexation areas.** It would be desirable to annex certain smaller UGAs or portions of larger UGAs. In addition, given the size of these areas, annexation would not require extensive planning and coordination. The city should encourage property owners, residents, businesses (if applicable), and local organizations to follow one of the direct petition methods (preferably the alternative direct petition method for residential areas) to begin annexation.
3. **Phased potential annexation areas.** Annexations of the larger UGAs would require more planning and potentially the phasing of annexations over time. These include the Canterwood and Reid Road UGAs as well as most of the Peacock Hill UGA. Relying on an interlocal agreement with Pierce County, which would involve consultation with these areas, proposed zoning regulations, and potential Comprehensive Plan Amendments, may present a more consistent and forward-thinking approach to managing annexation.
4. **Long-term management areas.** There may be no strong rationale for annexing part or all of certain UGAs in the short- or long-term. However, urban sewer servicing would still be required. These areas may be retained as UGAs, but the city would not pursue or encourage annexation.

Aside from these considerations of the UGA, other recommendations include the following:

- **Certain areas should be removed from the UGAs.** There is no substantive interest to the city to retain the McCormick Forest Park as part of the Bujacich UGA, given its ownership by PenMet and long-term status as a park. Removing the area from the UGA would not have a significant impact on overall growth planning.
- **The guidelines should be considered as part of the Comprehensive Plan 2024 updates** and incorporated where they have the support of the community and city leadership. Doing so would give clarity to potentially impacted residents, businesses, and landowners.
- **The city should work to integrate private water providers** operating in the UGAs where possible. While this has been included as a goal in the Comprehensive Plan, a plan to integrate potable water services should be prioritized if annexation policies are changed.
- **A regular review of the impacts of annexation to the city should be conducted** to confirm the results of this report and inform updates as necessary. This includes infrastructure studies on the development of sewer infrastructure for these areas. Additionally, updates from other studies, such as the upcoming police services study, should be integrated with these recommendations.

Exhibit A. Projected Yearly City Operating Surplus/Deficit after Annexation, by Subarea.

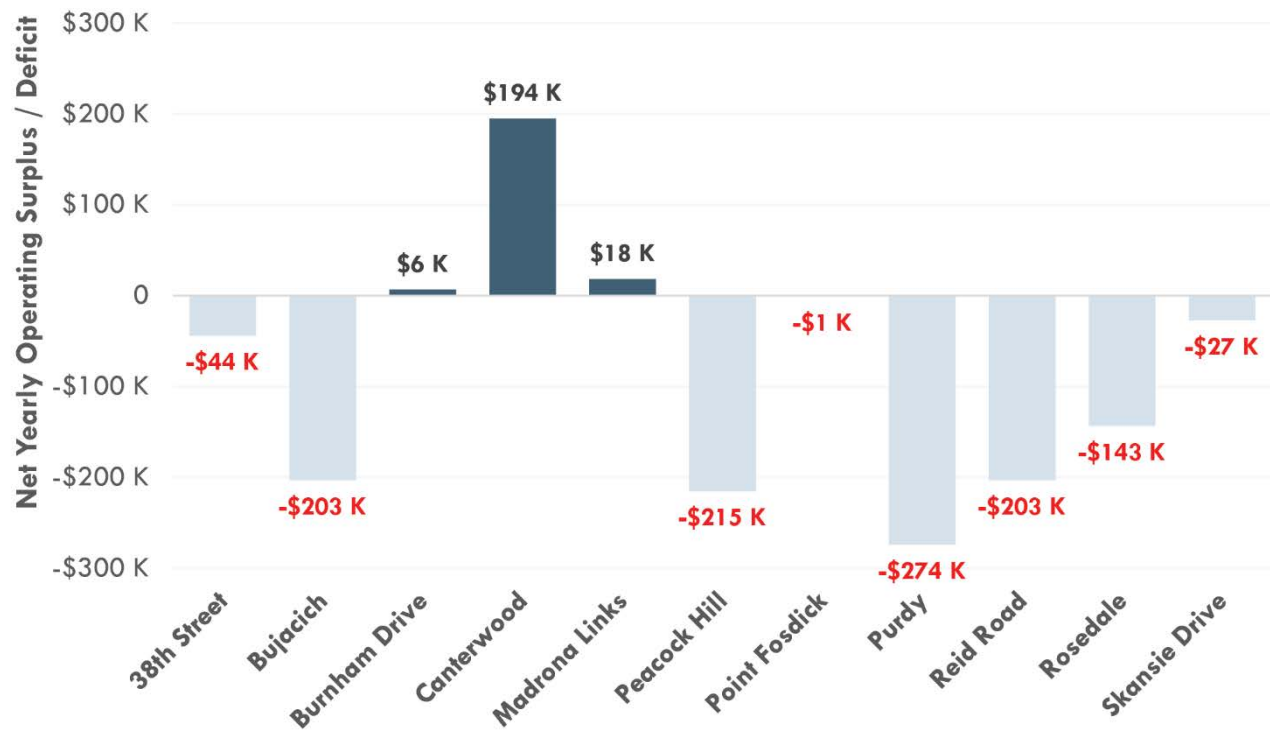
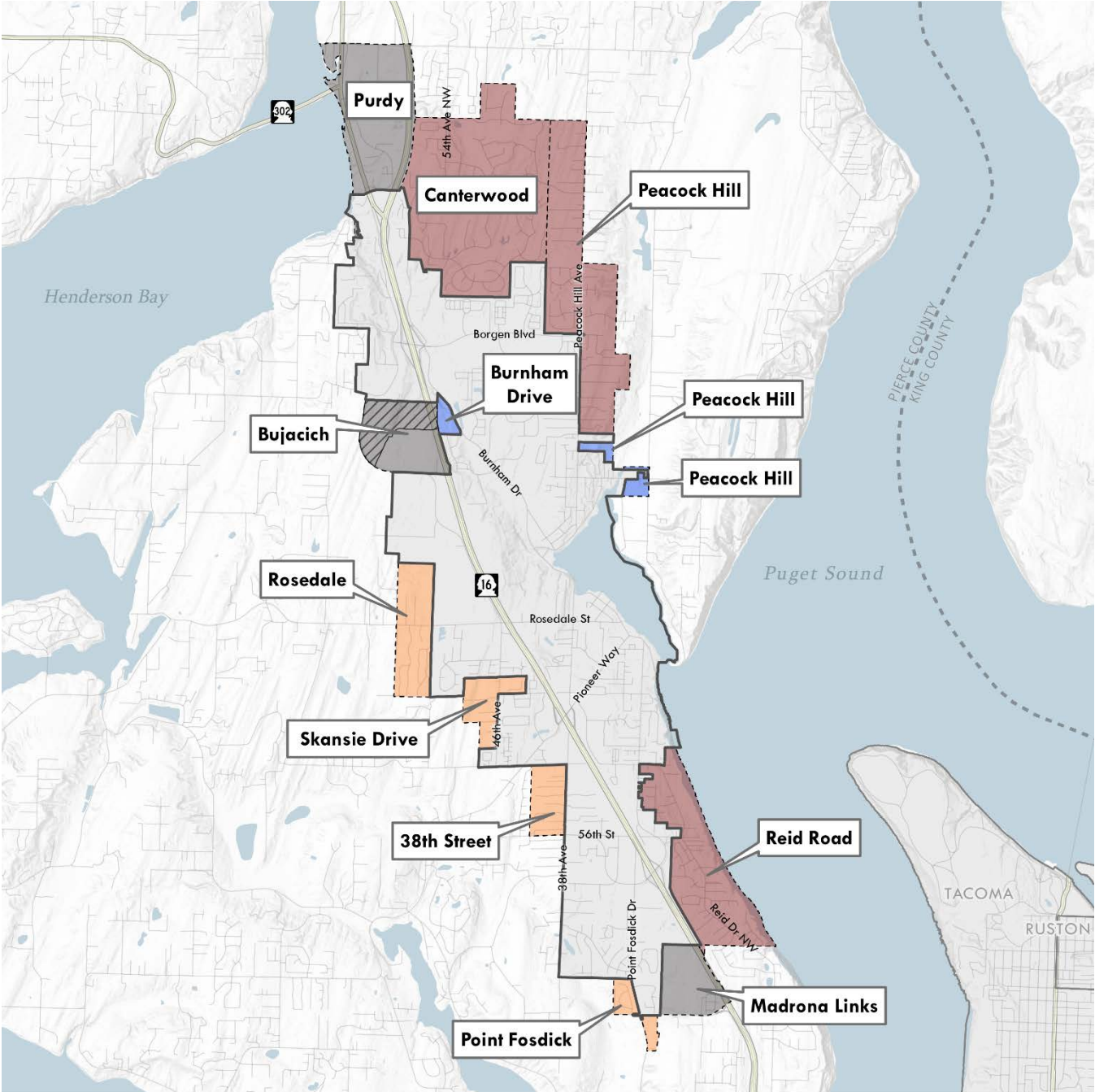


Exhibit B. Projected Changes to City Yearly Operating Revenue and Costs after Annexation, by Subarea.

Subarea	Projected Revenue (2021 dollars)	Projected Costs (2021 dollars)	Surplus/Deficit Per Year (2021 dollars)
38th Street	\$116,183	\$160,531	(\$44,348)
Bujacich	\$67,124	\$270,107	(\$202,983)
Burnham Drive	\$6,543	\$104	\$6,439
Canterwood	\$1,140,423	\$946,092	\$194,330
Madrona Links	\$48,762	\$30,603	\$18,159
Peacock Hill	\$510,966	\$726,121	(\$215,155)
Point Fosdick	\$47,452	\$48,700	(\$1,248)
Purdy	\$297,771	\$571,643	(\$273,872)
Reid Road	\$576,710	\$779,658	(\$202,948)
Rosedale	\$131,441	\$274,615	(\$143,174)
Skansie Drive	\$81,334	\$108,482	(\$27,148)
TOTAL	\$3,024,709	\$3,916,657	(\$891,948)

Sources: City of Gig Harbor, 2021; BERK, 2021

Exhibit C: Recommended Strategic Areas by Priority for Urban Growth Area Management.



Legend

- City UGAs
- Cities
- Counties
- Water
- Highways
- Public Streets

Strategic Areas by Priority

- 1. City-led potential annexation areas
- 2. Local-led potential annexation areas
- 3. Phased potential annexation areas
- 4. Long-term management areas
- Areas to be removed

BERK
Map Date: April 2022

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

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Overview

Introduction

The city of Gig Harbor is surrounded by approximately 2,800 acres of unincorporated Pierce County in 13 Urban Growth Areas (or UGAs). These UGAs are designated by the city as part of the long-term management of urban growth to reduce urban sprawl, plan for urban-level services, and encourage coordination with the county on long-term planning for areas close to the city.

The city may wish to include these areas within city boundaries in the future. For the residents of these areas, annexation into the city may provide the following:

- **More government representation.** Residents in UGAs may want a greater say in local government about local infrastructure and services.
- **Greater local application of tax revenue.** Landowners, businesses, and residents may want more of the taxes they pay to support local services and infrastructure.
- **City planning and development standards.** There may be areas of UGAs that are appropriate for more intensive uses and city servicing, zoning, and development standards would be more appropriate to support these activities.
- **Higher levels of urban services.** Areas in the city may have levels of service for government facilities such as police protection, parks, and infrastructure that are higher than in the county, and may require new investment in these areas.

For the city, including new areas within its corporate boundaries can also have benefits, such as:

- **Increase in the local tax base and potential net tax revenue.** In some cases, annexed areas can provide a net increase in tax revenues once the costs of supporting new areas are considered. This may improve the city's financial position and the increase in the tax base can also improve its bonding capacity.
- **Reduction in redundancies and other inefficiencies.** As the city and county are both responsible for providing services such as police protection or building inspection, there may be inefficiencies, duplication, and general confusion in jurisdiction and service delivery. Consolidating some areas under the city can help to improve efficiency and certainty and provide higher levels of service at lower cost.
- **Improved long-range planning and growth management.** Providing more direct regulation and management of annexed areas can give the city greater latitude to coordinate long-range planning. This could be important, for example, if an annexed area includes developable lands that could accommodate more growth than would currently be permitted under county land use regulations.
- **Effective management of other systems and services.** There may be other aspects of incorporated areas that the city may wish to manage as well. This can include, for example, controlling development at the "gateways" to the city, providing consistent protection of shorelines and creeks,

and maintaining urban forest cover. This may be related to a range of different city policies, and the priorities as they would apply to annexed areas would be determined by local government.

- **Logical boundaries.** There may be cases where city boundaries are not regular and do not necessarily represent the actual boundaries of the community. Annexation can reduce fragmentation and allow the boundaries to be orderly and more regular in certain locations.

With respect to both residents and the city, there can also be drawbacks and costs to annexation. For residents, greater regulation may not be desirable, and there might be real or perceived increases in certain taxes and fees associated with the city. For the city, limitations often involve balancing the net cost of servicing annexed areas with policy objectives that can be achieved through annexation.

Although there are city-led approaches to annexation, the process under Washington State law often starts through a petition by residents or landowners within a certain area for incorporation. In this type of process, the city has a specific role in deciding whether to accept or deny a petition, and if changes to a petition would be required. Typically, this process is coordinated on an as-needed basis when petitions are submitted to City Council for review.

As opposed to deciding whether individual petitions should go forward with a case-by-case approach, this report presents a strategy and series of guidelines to give direction to the city and Council on how to manage future annexation of the UGAs. Overall, this framework recognizes that the city has three general options about current UGAs:

- **Removing properties from UGAs altogether.** In cases where there is no development that requires sewer servicing from the city and future growth potential in a location is minimal, the city may decide to coordinate with Pierce County to remove certain sites from the UGA. This allows the UGA boundaries to reflect long-term expectations of development.
- **Maintaining the status quo.** The city may not actively pursue annexation in certain areas but will still review petitions for annexation from landowners and residents. Providing clear guidance on what Council would accept for a petition should be a priority in these areas, to ensure that these applications are treated in a consistent and fair way, and that petitioners understand Council's expectations for annexation.
- **Encouraging annexation.** Finally, the city could actively encourage annexation in some locations, or even pursue the process itself by available means under the statute. In some cases, these annexations may be minor adjustments to address small irregularities in incorporated boundaries. For larger areas, however, annexations may require additional study, coordination, and even phasing to complete, which would need a process different than a standard petition method.

The city will still require flexibility to address certain annexations on a case-by-case basis. However, providing an overall framework for thinking about future annexations can help to guide the city in long-term decision-making and give clarity to landowners and residents in areas that may be annexed in the future.

Objectives

This report provides high-level strategic guidance to the City of Gig Harbor for future consideration of potential annexation areas. This guidance is based on a survey of the existing UGAs, and an analysis of the potential impacts associated with integrating areas into the city's corporate boundaries.

Exhibit 1 provides a map of Gig Harbor's UGAs, including the designations provided. These designations are consistent with those provided in the current Gig Harbor Comprehensive Plan.

The guidelines and report recommendations will work to address the following:

- What are the criteria that the city should use to decide whether an annexation petition should move forward?
- What are the planning considerations to integrating new areas into the city?
- What adjustments should the city require to accept an annexation petition?
- How should annexation guidelines be integrated into other planning and policy development?

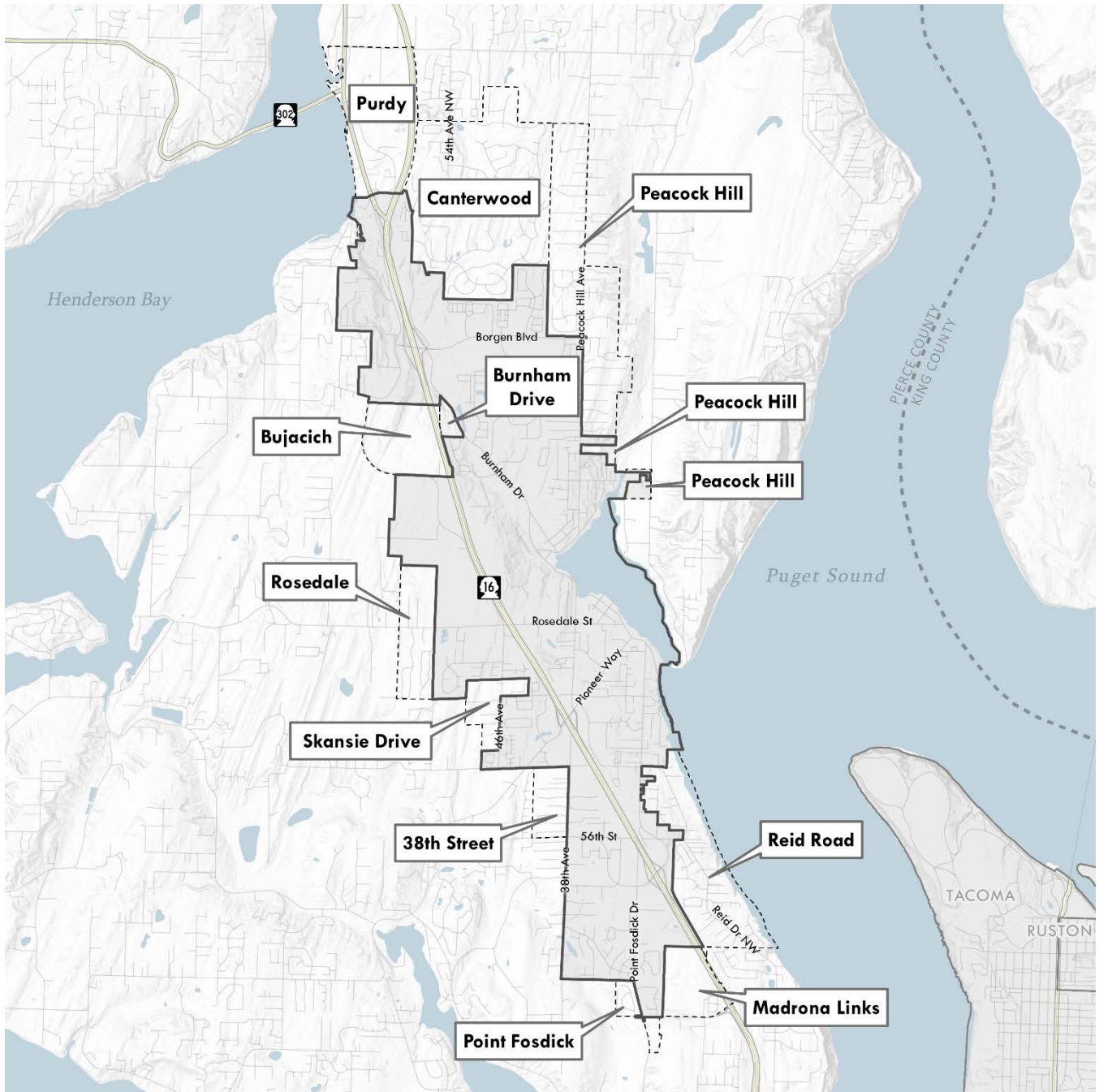
This report does not provide a timeline for city-led annexation of the UGAs, only to highlight potential opportunities for proactive actions that the city can take with future annexation. This report also does not replace studies of individual annexation petitions, and specific assessments of petitions submitted to the City Council should be examined to determine their expected effects on the community.

Outline

This report includes the following elements:

- A **summary of the annexation process** and current policies of the city of Gig Harbor regarding proposed annexations.
- A **review of Gig Harbor and the UGAs**, including information on current population and land use in each of these locations.
- An **assessment of the potential impacts of annexation**, focusing on the effects to city operations.
- **Recommendations** based on the assessment, including guidelines the City Council can use to evaluate annexation petitions and other actions to guide annexation policy in Gig Harbor. An appendix provides an evaluation of the individual UGAs as defined in the Comprehensive Plan.

Exhibit 1. Gig Harbor Urban Growth Areas.



Legend

- City UGAs
- Cities
- Counties
- Water
- Highways
- Public Streets



Map Date: September 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary of the Annexation Process

Overview

UGAs are places designated by cities and counties where urban growth can occur outside of a city's corporate boundaries.¹ A city's UGAs often fall into two distinct categories:

- areas which are banked as a source of developable land for future expansion, and
- locations close to cities where growth is managed to urban densities by the county but will eventually be developed out to urban densities and incorporated within the city.

Under regional and county planning efforts, UGAs and incorporated cities are typically the focus of growth planning, with growth in rural areas outside of UGAs discouraged to reduce sprawl. Regional and county planning, including the PSRC VISION 2050 Regional Growth Strategy and Pierce County's Countywide Planning Policies explicitly direct new growth into these areas.²

Enabling Statutes

In the State of Washington, the details of annexation of UGAs are provided in statute.³ As a code city, Gig Harbor is largely covered under [Chapter 35A.14 RCW](#) (Annexation by Code Cities). However, the *Growth Management Act* ([Chapter 36.70A RCW](#)) also provides specific requirements for the designation and planning of UGAs ([RCW 36.70A.110](#)). Annexations may only occur in locations that are contiguous to the current city boundary ([RCW 35A.14.010](#)) and within a UGA ([RCW 35A.14.005](#)). As a result, annexation areas are usually managed as part of a city's long-range land use planning through the Comprehensive Plan.

Other aspects of annexation specified through state law include:

- The **management of special districts**, primarily related to whether annexation will add or remove areas from these districts and the transfer of assets, personnel, and debt related to a fire protection district. Annexation of areas into Gig Harbor will not directly affect Gig Harbor Fire & Medic One, the Pierce County Library System, the Port of Tacoma, or the Peninsula School District as the city is included in their service areas. However, annexation would remove properties from the Peninsula Metropolitan Park District and McCormick Forest Park is in one of the city's UGAs.
- The **disposition of franchises**, such as the provision of water services in annexed areas by private companies. Note that under [RCW 35A.14.900](#) existing franchises and permits are canceled, but the city must grant a seven-year franchise except under certain conditions.

¹ See [RCW 36.70A.110\(1\)](#).

² See [Countywide Planning Policies for Pierce County, Washington](#) (pg. 74–94) for specific policies employed by Pierce County regarding management of UGAs and annexation processes.

³ Washington Municipal Research and Services Center (MRSC) provides a more comprehensive handbook that describes all elements of the annexation process. This section draws from this source, as well as other related documentation. MRSC, 2020. [Annexation by Washington Cities and Towns](#). (June 2020 version)

- The **transfer of county roads** to city management, including the allocation of county road district taxes levied against annexed properties.
- **Determining the population of the annexed areas** for the allocation of state funding in coordination with the state Office of Financial Management (OFM).⁴
- **Coordination of new revenue**, including provisions related to property tax receipts, sales and use tax revenue, and state-shared revenues. Note that changes in state-shared tax revenues will be dependent on changes in the official state population estimates as noted above.
- **Assumption of city debt by annexed properties**, which may change the requirements for annexation under certain conditions, depending on the method used.
- **Comprehensive planning and zoning** for the annexed areas, which can be specified before annexation is complete. For code cities, [RCW 35A.14.330](#) allows for zoning regulations to be developed for UGAs which would be put in force upon annexation. (Note that Gig Harbor has implemented these regulations for its UGAs, as described below.) Zoning regulations may also be provided as part of a direct petition for annexation.⁵

Approaches to Annexation

State law provides several approaches by which annexation can occur. However, many of them are either not relevant for Gig Harbor's UGAs or are not typically used given limitations of the approach.

Direct Petition

Most annexations, and the likely format of the annexations to be managed through these guidelines, use a "**direct petition method**." Under the statute, a direct petition requires the written consent of the:

- Owners of at least 60 percent of the property value in the area, based on assessed value.⁶
- Owners of a majority of the acreage and a majority of voters in the area to be annexed (considered the "**alternative direct petition method**").⁷

Under both methods, the general process is:

- **Initial written notice.** For the process to begin, an initial written notice must be provided by representation from the areas to be annexed. This includes a proposal for the area to be annexed by a representation that includes owners of at least 10% of the assessed value (under a direct petition) or at least 10% of the acreage (alternative direct petition) of the area. Notification would also need to be provided to the Boundary Review Board within 180 days of the proposal.⁸

⁴ See [RCW 35A.14.700](#) for more details about this process.

⁵ See [RCW 35A.14.120](#) and [RCW 35A.14.420](#).

⁶ The direct petition method is managed under [RCW 35A.14.120](#) to [150](#).

⁷ The alternative direct petition method is managed under [RCW 35A.14.420](#) to [450](#).

⁸ See Pierce County BRB [Notice of Intention Format](#).

- **Meeting with Council.** An initial meeting between the Council and the initiating parties is set to determine if the Council will approve or modify the proposed annexation, whether a proposed zoning regulation should be included, and if the annexed area should assume city debt.
- **Circulation and filing of petition.** Upon approval by the Council, a petition would be circulated describing the annexation, including a map of the proposed annexation and details of related conditions. This petition must be signed by property owners representing at least 60% of property value, or property owners representing at least 50% of acreage and at least 50% of resident voters.
- **Public hearing.** Upon receipt and certification of the petition, the city Council is required to hold a public hearing. The city would then pass an ordinance that would enact the annexation, which would include other elements of the annexation petition such as proposed zoning regulations.
- **Review by Boundary Review Board.** Note that the Pierce County Boundary Review Board may assume jurisdiction upon request of the county or other impacted government unit, a petition of 5% of registered voters or property owners representing 5% of property value, or potentially a petition by affected registered voters within ¼ mile of the annexation. This must be initiated within 45 days of receiving the notice of intention, and may result in the Board approving, disapproving, or modifying the proposal.
- **Notice of annexation.** After the ordinance is passed, certification must be provided to the OFM within 30 days, and notice provided to other agencies, including county departments and agencies, local franchises and permit-holders, the Department of Revenue, and city departments.

Election

An alternate approach is the **election method**, which relies on a special election of residents within an annexation area.⁹ This can be initiated either by Council resolution or a petition of 10% of the qualified voters that cast a vote in the last general election. Typically, this is less common since it requires the additional costs of administering a special election for the targeted area.

Interlocal Agreements

Under statute, a code city such as Gig Harbor may also annex areas from Pierce County through an **interlocal agreement** negotiated between the two governments.¹⁰ This requires notification of all other impacted government districts and adjacent cities, which must consent and be a party to the agreement for it to proceed. The annexation process requires public hearings conducted by the city and county, either separate or joint, regarding the proposed interlocal agreement, as well as publication of the proposed interlocal agreement. A city ordinance would be needed to complete the annexation once the interlocal agreement is complete.

⁹ The election method is managed under [RCW 35A.14.015](#) to [100](#).

¹⁰ This method is effective as of June 11, 2020; see [SL 2020 c. 142](#).

A comparable approach has also been used for annexing unincorporated islands of territory ([RCW 35A.14.460](#)). In these cases, at least 60% of the boundary of the annexed area needed to be contiguous with a city.

One notable advantage to the use of an interlocal agreement is that it can allow for the phased annexation of certain areas over time. In such a case, new annexation ordinances would be required over time to complete each phase of annexation. This may be useful for larger areas where consultation and review could examine a broader area, with clear statements about the order of annexation over time.

Although this does provide a stronger city-led alternative for annexation, the lack of fixed statutory requirements as with a petition or election may not provide the same clarity as other methods. This should be accompanied by a robust public engagement process, and annexation ordinances may still face review from the Boundary Review Board.

Additional Approaches

The statute provides additional annexation approaches in specific cases:

- **Annexation of an unincorporated island of territory** ([RCW 35A.14.295](#)) can occur for islands or pockets of land surrounded by the city. This process is more abbreviated given the nature of the annexation, but a petition signed by voters representing at least 10% of the votes cast in the last general state election can require a referendum on the issue. This may be applicable in certain areas of Gig Harbor, but the risk of an election from a petition may make this less desirable as an option.
- **Annexation of areas for municipal purposes** ([RCW 35A.14.300](#)) may occur for locations within the county that would be necessary for city uses, such as water or wastewater facilities. These annexations do not have to be contiguous and are not subject to review, but the territory must be city-owned. This is not currently under consideration by the city.
- **Annexation of federally owned lands** ([RCW 35A.14.310](#)) can occur with the agreement of the federal government or an acceptance of a gift, grant, or lease. This land must be within 4 miles of the city. This is also not a type of annexation that the city is looking to pursue.
- **Boundary line adjustments** ([RCW 35.13.300](#)) include cases where a portion of a parcel of land included within a city can be wholly included or excluded from the city. This has limited applications with minor effects and is largely not relevant to this discussion.

Gig Harbor and Annexation

Comprehensive Plan

The city of Gig Harbor's Comprehensive Plan has policies to guide annexations.¹¹ The Plan will be updated by 2024, which may result in updates to what is identified here.

Major elements from the Comprehensive Plan include the following:

¹¹ See the [Gig Harbor Comprehensive Plan webpage](#) for more information, including the most recent version of the Plan.

- **Delineation of UGAs.** According to 2.1.4(a), the city’s UGAs are defined specifically as areas where “efficient urban level services” can be provided over the next 20 years, versus locations which should be rural or are difficult to service. These definitions are expected to be reviewed every five years to account for changes in development.
- **Timing of annexations.** Although priorities for service extensions and timing of acceptable development are noted as important under 2.1.6, it also indicates that annexations are only to be considered when a private party petitions for inclusion in the city.
- **Wastewater infrastructure capacity and management.** Goal 9.5t specifies that the city’s wastewater treatment plant should provide services to the UGAs as well as the city, and 13.1.4 defines its sanitary sewer service areas in the county to be coterminous with the UGAs. Development within 200 feet of the city sewer line in the UGAs is required to have a sewer connection (9.5.1(c)).
- **Management of water systems.** 2.4.2(c) prioritizes planning for small water systems to be merged into the municipal water system.
- **Interlocal coordination of planning.** Under [Pierce County Resolution 95-96](#), the city and county engage in joint planning and oversight for the UGAs to achieve consistency with certain development standards. This also allows the city to review the impacts of development in the UGAs.
- **Land use designations.** The Comprehensive Plan’s Land Use Map provides high-level land use categories for the UGAs in addition to the city proper, which is provided in Exhibit 2. This largely designates the UGAs under “Residential Low” (RL) zoning, which is generally consistent with the form of development in these locations. The Peacock Hill and Burnham Drive UGAs also include the “Residential Medium” (RM) designation. “Public/Institutional” (PI) and “Employment Centers” (EC) designations are found in the Purdy and Bujacich UGAs, and there are areas under “Commercial/Business” (CB) in the Purdy UGA as well. Note that a portion of the Point Fosdick UGA does not have any designation under the Land Use Map.

Municipal Code

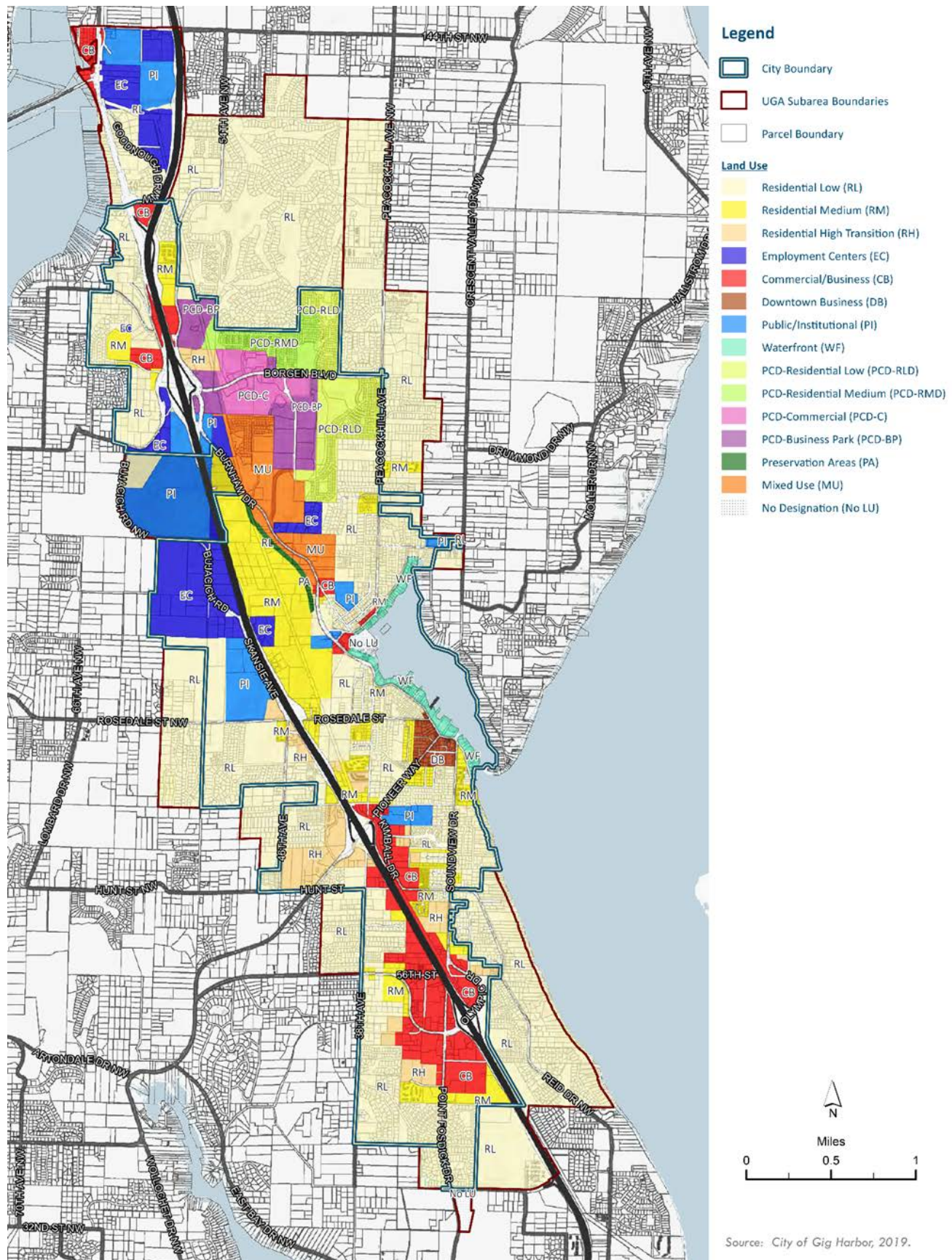
Additional elements of city policies and regulations with respect to UGAs can be found in the Gig Harbor Municipal Code, some of which extend the policies of the Comprehensive Plan. Major considerations include the following:

- **Annexation requirements.** [Chapter 17.88 GHMC](#) highlights the process of deciding the zoning designation for annexed properties, which defaults to an R-1 zone or whichever would be compliant with the Land Use Map from the Comprehensive Plan. A comprehensive use plan may be developed by the Planning Commission at the request of the petitioner or Council to provide alternative zoning designations or the Planning Commission may convene a public hearing after annexation to determine an appropriate designation.
- **Servicing outside the city.** [Chapter 13.34 GHMC](#) supplies details about the extension of services outside the boundaries of the city. This regulation highlights that sewer extensions further than the boundaries of the UGAs can only be carried out if necessary to protect the environment and public health and can be supported at rural densities. Utility extension agreements also need to provide

conditions to the provision of service. This includes payments of fees, as well as an agreement not to protest annexation as per [GHMC 13.34.040\(A\)\(8\)](#).

- **Shooting sports facility permitting.** [GHMC 5.12.040](#) requires that shooting sports facilities annexed into the city reapply for an operating license within six months of annexation.

Exhibit 2. Land Use Designations, City of Gig Harbor Comprehensive Plan.



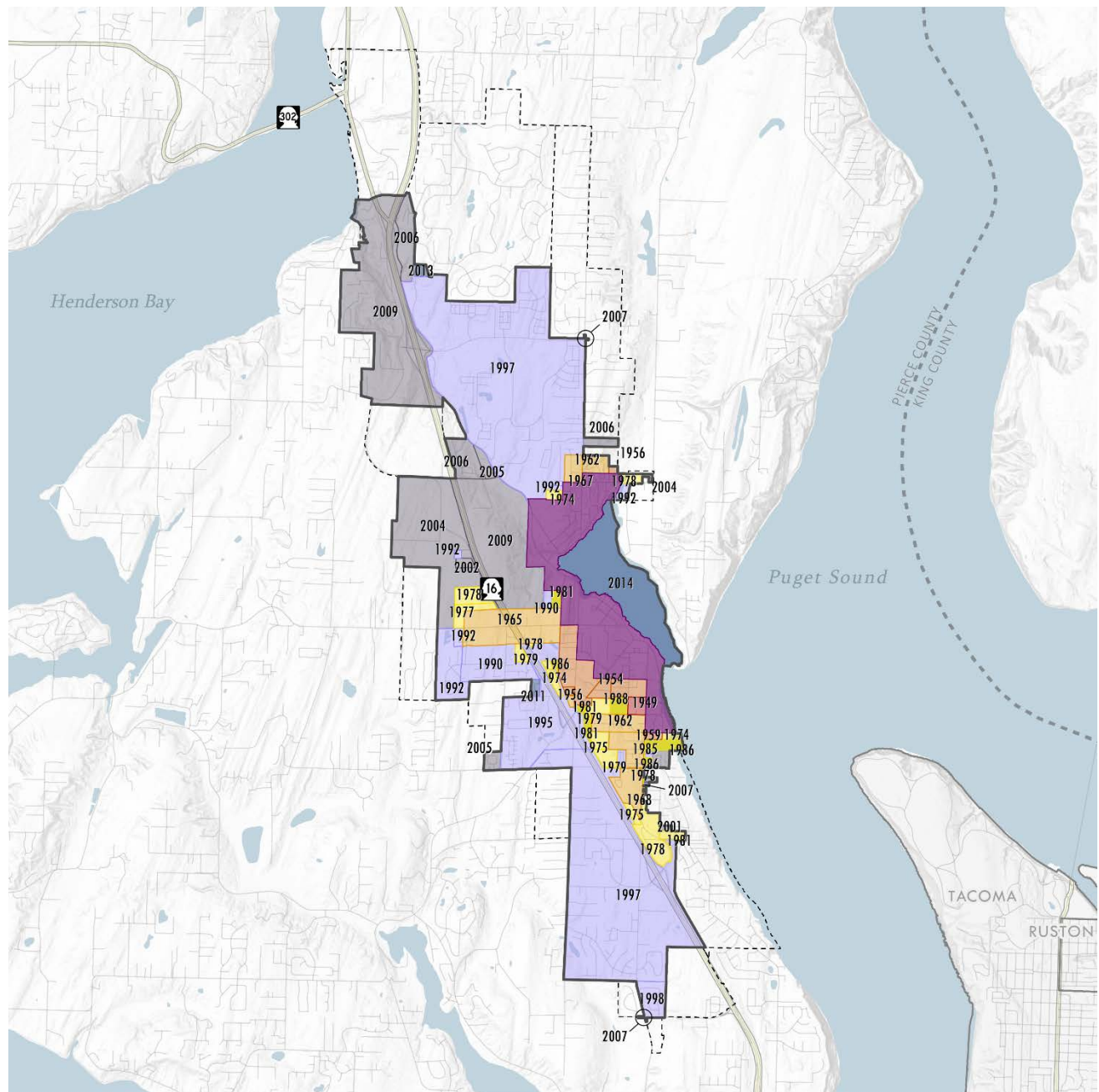
History of Annexation

Previous annexations demonstrate how the city has grown over the past 75 years. A color-coded map is presented in Exhibit 3 highlighting the history of annexations since incorporation and Exhibits 4 and 5 provide total increases in the city's boundary area¹² and population, respectively, by year from annexations since 1980.

For Gig Harbor, there have been only minor expansions of city boundaries on land since 2009, when the city completed the Burnham/Sehmel annexation in the north and the 96th Street annexation in the central part of the city to add a total of 626 acres to Gig Harbor. Despite the size of these areas, OFM estimated that only 345 more residents were added at that time given the low amount of development found in these areas.

¹² Note that the 2014 annexation implemented by [City Ordinance 1293](#) annexes 190 acres in Gig Harbor Bay to the extreme low tide line. In this case, the area of annexation noted does not represent land area.

Exhibit 3. Annexation History, City of Gig Harbor.



Legend

- City UGAs
- Cities
- Counties
- Water
- Highways
- Public Streets

Year of Annexation

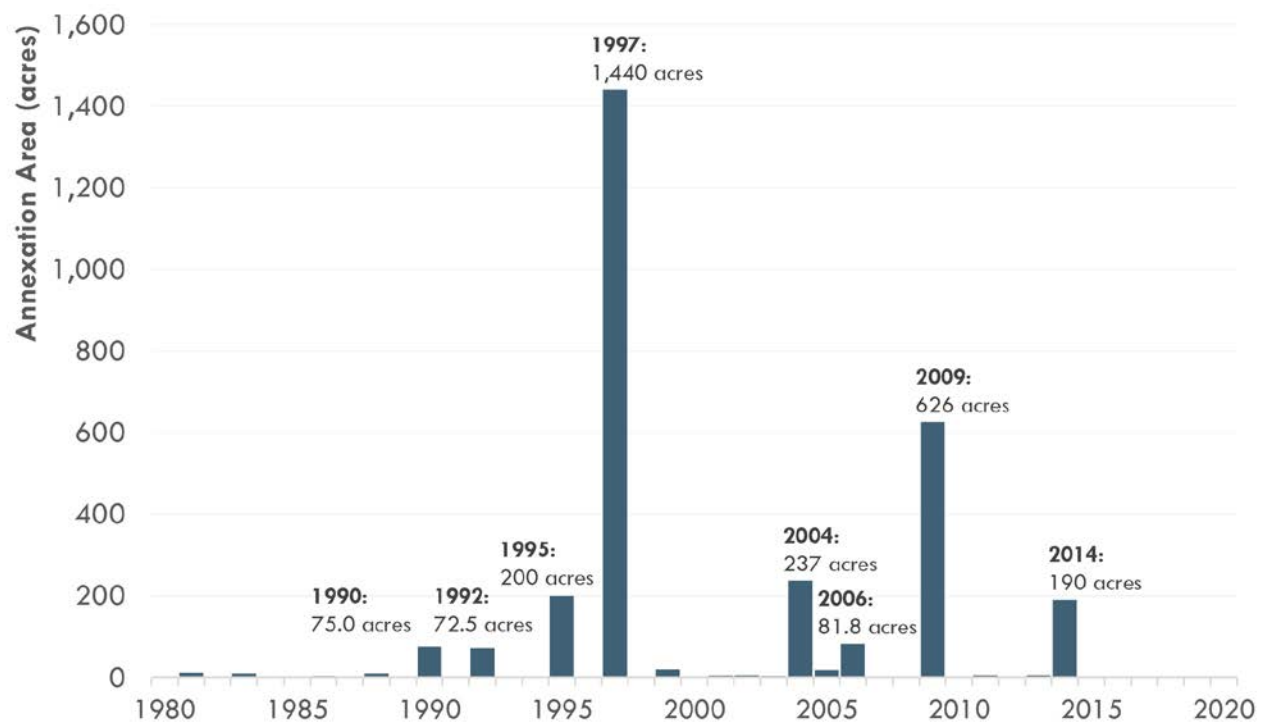
- Original incorporation (1946)
- 1947–1949
- 1950–1959
- 1960–1969
- 1970–1979
- 1980–1989
- 1990–1999
- 2000–2009
- 2010–present



Map Date: September 2021

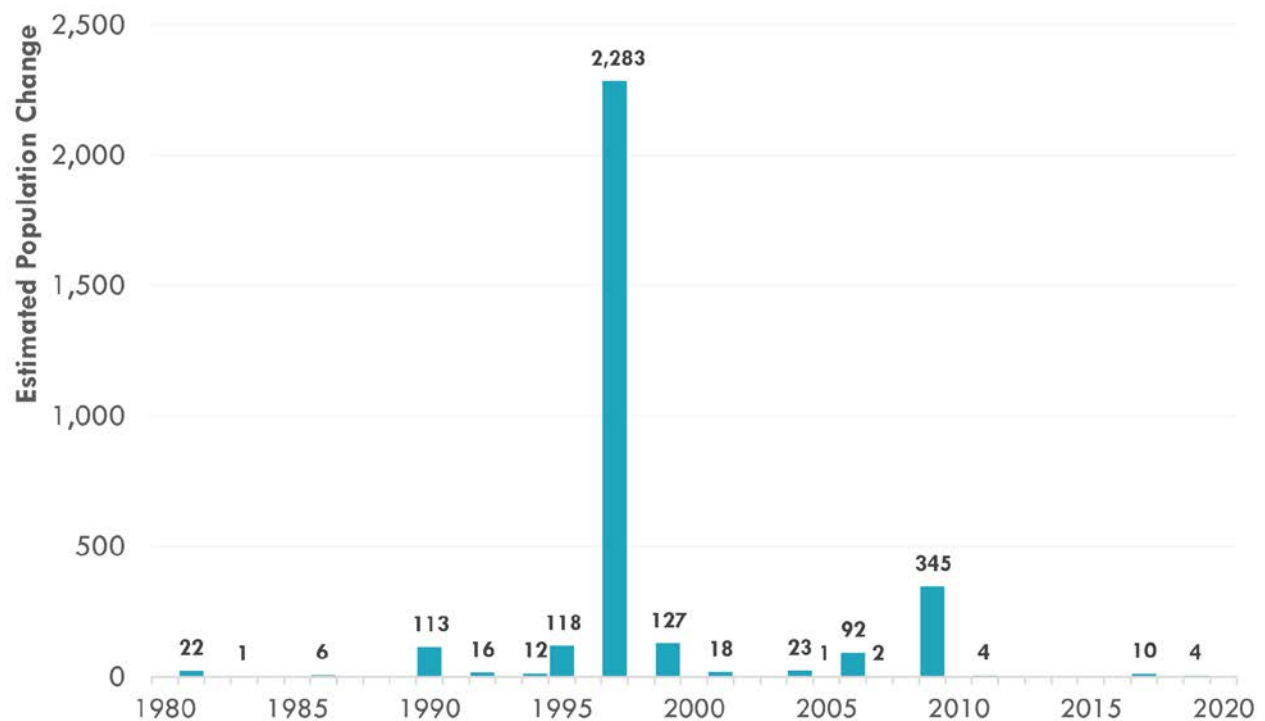
Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Exhibit 4. Total Size of Annexations by Year, Acres, City of Gig Harbor.



Source: WA Office of Financial Management, 2021.

Exhibit 5. Estimated Increase in Population from Annexation by Year, City of Gig Harbor.



Source: WA Office of Financial Management, 2021.

Review of Urban Growth Areas

Overview

Exhibit 6 provides a high-level summary of the size of the current UGAs and the total assessed value of land in 2021 (including comparisons to the City of Gig Harbor). Overall, the areas within the UGA include 2,574 gross acres (not including water bodies), with 2,249 acres of land outside of current rights-of-way. According to the Pierce County Assessor-Treasurer, this amounts to \$1.85 billion in assessed property value.

Altogether, the UGAs represent a considerable portion of the combined growth area, comprising about 41% of the total area and 35% of the combined value.

Exhibit 6. Summary of UGA Subareas.

UGA Subarea	Gross Acres (land)	Net Acres	2021 Assessed Value
38th Street	78.1	69.4	\$71,069,200
Bujacich	175.4	150.0	\$44,013,300
Burnham Drive	18.3	17.6	\$244,900
Canterwood	753.2	679.4	\$812,245,700
Madrona Links	119.3	105.2	\$29,971,200
Peacock Hill	483.3	435.4	\$270,756,500
Point Fosdick	39.0	36.0	\$31,191,800
Purdy	337.7	241.8	\$95,668,000
Reid Road	339.3	303.1	\$371,267,300
Rosedale	152.5	136.5	\$78,145,200
Skansie Drive	78.4	74.5	\$46,246,000
Total	2,574	2,249	\$1,850,819,100
City of Gig Harbor	3,764	3,119	\$3,478,997,723¹

¹ This includes real and personal property, as well as state-assessed utilities.

Sources: Pierce County GIS, 2021; Pierce County Assessor-Treasurer, 2021; City of Gig Harbor, 2021; Office of Financial Management, 2021; BERK, 2021.

Highlights of Urban Growth Areas

Summaries of the individual UGAs are given below, based in part on their descriptions provided in the Comprehensive Plan.¹³ The Appendix provides detailed summaries for each individual UGA.

38th Street

The 38th Street UGA is located to the southwest of the city and is about 78 total acres. The area is largely developed with single-family homes and a church. There may be stormwater and septic concerns in this area.

Bujacich

This area is about 176 acres, with most of the UGA incorporating the Washington Corrections Center for Women (operated by the state) and McCormick Forest Park (managed by PenMet). The primary reason for including this area in the UGA is to allow for servicing of the Corrections Center, although there are some minor commercial uses close to Bujacich Rd and 54th Ave. The area is largely built out, however, with few opportunities to accommodate additional growth.

Burnham Drive

The Burnham Drive UGA is the smallest of the UGAs surrounding Gig Harbor. It includes about 18 acres across five parcels and includes an auto repair garage and some single-family housing. Note that this unincorporated area is largely surrounded by the city and has no access points managed by the county.

Canterwood

The Canterwood UGA includes about 753 total acres, with most of the area consisting of a master-planned community anchored by the Canterwood Golf & Country Club. This area represents the largest UGA, both in terms of area and number of housing units. The master-planned community is largely built out, although there is a small amount of vacant land located just outside of the planned community.

Madrona Links

The Madrona Links UGA includes a total of about 119 acres, with 95 acres consisting of the Madrona Links public golf course run by PenMet. The southeast corner of the UGA includes 55 townhomes adjacent to the golf course. This area is completely built out, with no developable sites in the UGA.

Peacock Hill

The Peacock Hill UGA is located to the northeast of the city, and includes two smaller disconnected portions to the south close to Vernhardson St. This area is about 483 acres and includes two churches, the Canterwood Homeowners Association facilities, and largely residential development in other locations. This area also includes a considerable amount of vacant and underutilized land that could be used for future development.

¹³ See the Gig Harbor Comprehensive Plan, [Chapter 2](#), pages 2-4 to 2-5.

Point Fosdick

The Point Fosdick UGA contains approximately 41 acres and is located south of the city along Point Fosdick Drive. This area is split between two non-adjacent portions, with the northwest area consisting of a built-out low-density residential area of around 23 acres, and about 13 acres to the southeast consisting of vacant land currently zoned as “Neighborhood Center” by Pierce County. Note that this vacant land is not provided with a land use designation under the Gig Harbor Comprehensive Plan.

Purdy

The Purdy UGA is approximately 338 acres, and it includes Peninsula High School and Purdy Elementary, managed by the Peninsula School District. The city’s primary interest in this area is providing sewer services. There is a utility facility found here (Peninsula Light Co.), as well as a mix of commercial and residential uses. While there are some vacant lands that could be developed, stormwater drainage challenges would make it difficult to use these areas.

Reid Road

The Reid Road UGA is approximately 339 acres, with a neighborhood that consists mostly of single-family housing, with a small amount of multi-family housing. While there are some remaining parcels, the area is largely built out. This area is not currently serviced by sewer and lift stations would be required to extend services out to the neighborhood.

Rosedale

The Rosedale UGA is found on the western boundary of the city. It includes about 153 acres of largely single-family housing development. There are some sites for infill and development within this UGA, although wetlands and critical areas may complicate further development in many locations.

Skansie Drive

The Skansie Drive UGA is located on the southwestern edge of the city, and separates the administration of Skansie Ave. It is about 78 acres and includes mostly single-family homes. There may be opportunities for infill development, but the potential for new construction in this area is low due to the current lot layout. Additionally, portions of this area may not currently be serviced by city sewer.

Current Zoning and Planning

To assess the roles that the subareas would play in the city if annexed, the first step is to evaluate current planning within these areas. County zoning designations in the UGAs are summarized in the following exhibits:

- Exhibit 7 provides an overall summary of the amount of zoning applied to all UGAs based on net acres. Exhibit 8 presents a breakdown of these amounts by individual subarea.
- Exhibit 9 provides a current zoning map for both Gig Harbor and the UGAs, highlighting the designations for both the city and the county.
- Exhibit 10 includes the land use map from the Gig Harbor Comprehensive Plan, which includes designations that would apply to the UGAs upon annexation.

These elements demonstrate the following:

- **There is a high proportion of single-family development across all subareas.** Most of the land is devoted to single-family residential areas or a master-planned community (Canterwood), with about 81% or 1,815 acres designated accordingly. The master-planned community in Canterwood includes about 588 acres, or about one-third of this total.
- **Significant public uses are in the UGAs, especially in non-residential areas.** Public institutional uses, parks, and recreation amount to an additional 292 acres, or 13% of the total net area. This is dominated by Peninsula High School and Purdy Elementary School (Purdy subarea), the Madrona Links Golf Course, and the Washington Corrections Center for Women in Bujacich.
- **There is a relatively small proportion of commercial uses which are largely concentrated.** Employment uses are reflected in only about 6% of the total area, which includes mixed-use zoning. Almost all of this, about 125 acres, is located in the Purdy subarea. There is a limited amount of land zoned as “Neighborhood Center” located in the southern portion of Point Fosdick.

Exhibit 7. City of Gig Harbor UGAs, Total Net Acres by Current Zoning Designation, All Areas.

County Zoning	Net Acres
Activity Center	5.4
Community Center	9.5
Community Employment	60.2
Master Planned Community	587.5
Mixed Use Districts	51.1
Moderate Density Single Family	29.0
Neighborhood Center	15.3
Park & Recreation	159.1
Public Institutional	132.6
Single Family	1,198
TOTAL	2,248

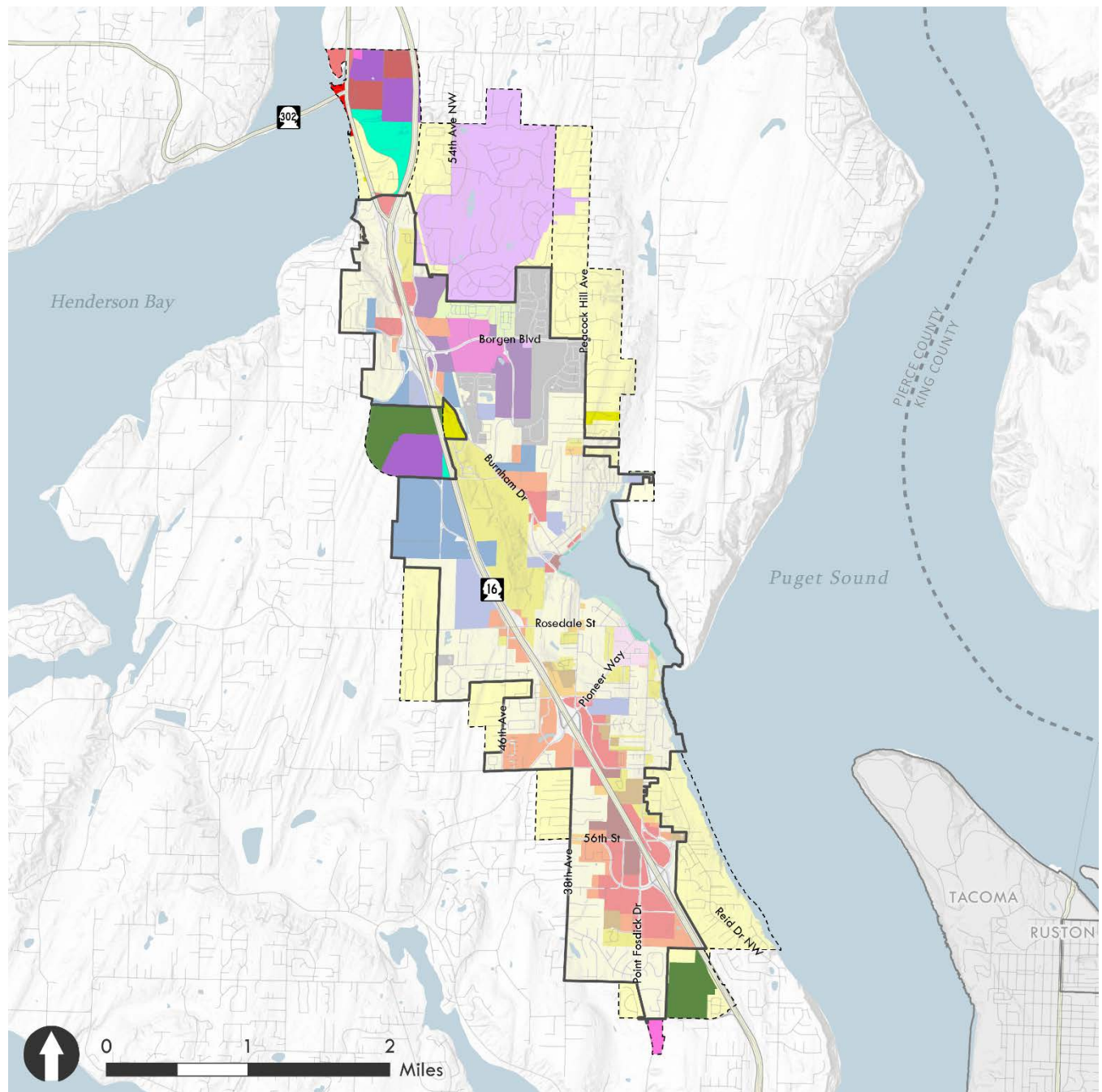
Source: City of Gig Harbor, 2021; Pierce County GIS, 2021; BERK, 2021.

Exhibit 8. City of Gig Harbor UGAs, Total Net Acres by Current Zoning and Area.

UGA Subarea and County Zoning	Net Acres
38th Street	
Single Family	69.4
Total	69.4
Bujacich	
Community Employment	3.4
Park & Recreation	79.1
Public Institutional	67.4
Total	150.0
Burnham Drive	
Moderate Density Single Family	17.6
Total	17.6
Canterwood	
Master Planned Community	570.2
Single Family	109.2
Total	679.4
Madrona Links	
Park & Recreation	77.6
Single Family	27.6
Total	105.2
Peacock Hill	
Master Planned Community	17.3
Moderate Density Single Family	11.0
Park & Recreation	2.3
Single Family	404.7
Total	435.4
Point Fosdick	
Neighborhood Center	13.0
Single Family	23.0
Total	36.0
Purdy	
Activity Center	5.4
Community Center	9.5
Community Employment	56.8
Mixed Use Districts	51.1
Moderate Density Single Family	0.4
Neighborhood Center	2.3
Public Institutional	65.2
Single Family	51.2
Total	241.8
Reid Road	
Single Family	303.1
Total	303.1
Rosedale	
Single Family	135.7
Total	135.7
Skansie Drive	
Single Family	74.5
Total	74.5
GRAND TOTAL	2,248

Sources: City of Gig Harbor, 2021; Pierce County GIS, 2021; BERK, 2021.

Exhibit 9. City of Gig Harbor and UGAs, Current Zoning.



Legend

- City UGAs
- Cities
- Counties
- Water
- Highways
- Public Streets

Pierce County Zoning

- Activity Center
- Single Family
- Moderate Density Single Family
- Community Center
- Mixed Use Districts
- Neighborhood Center
- Community Employment
- Master Planned Community
- Public Institutional
- Park & Recreation

Gig Harbor Zoning

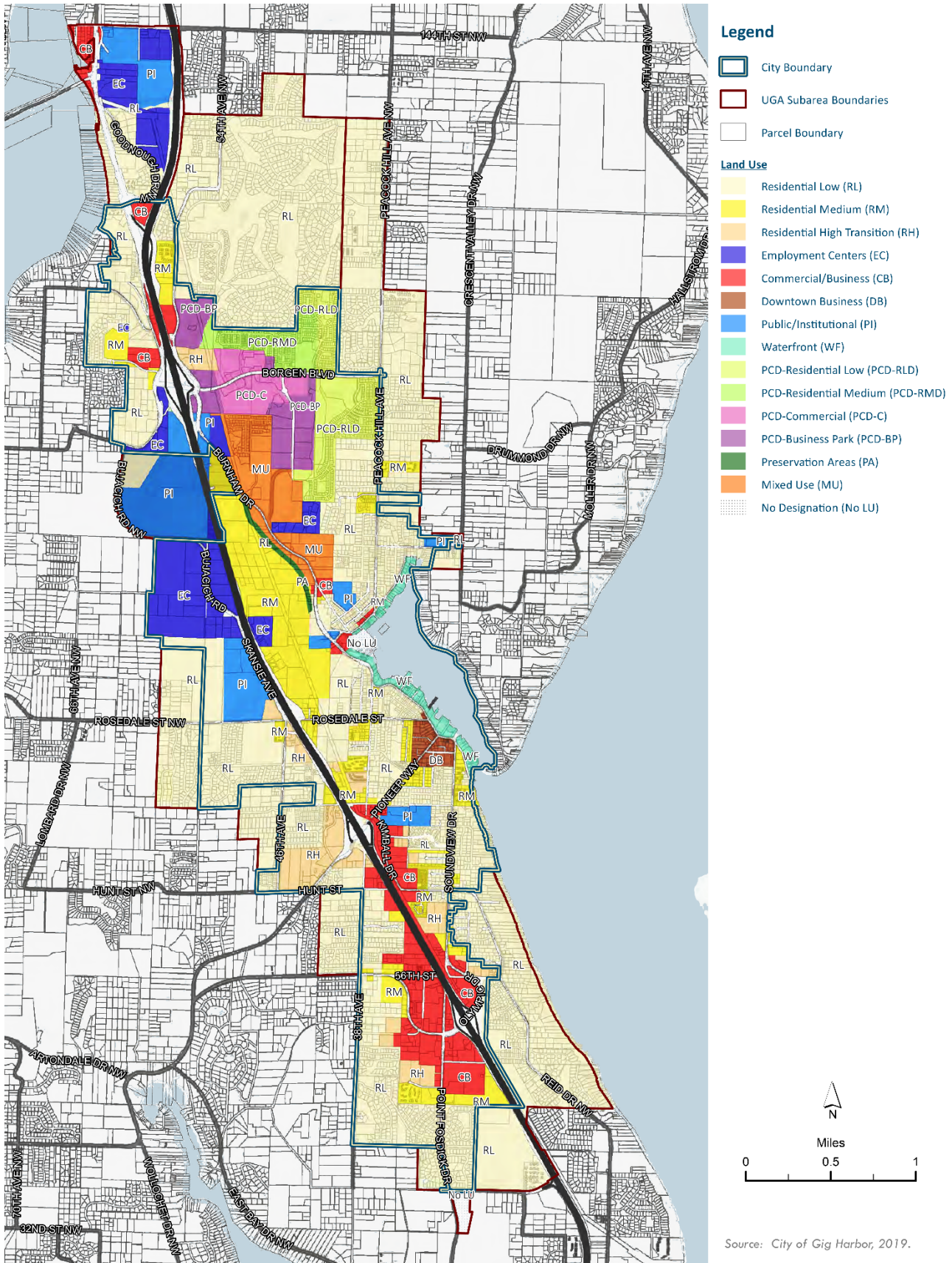
- B-1
- B-2
- C-1
- DB
- ED
- PCD-BP
- PCD-C
- PCD-NB
- PI
- PRD
- R-1
- R-2
- R-3
- RB-1
- RB-2
- RMD
- WC
- WM
- WR



Map Date: September 2021

Sources: Pierce County GIS, 2021; ESRI, 2021; City of Gig Harbor, 2021; BERK, 2021.

Exhibit 10. Land Use Designations, City of Gig Harbor Comprehensive Plan.



Current Land Use and Development

A map of the current land uses located in Gig Harbor and the surrounding UGAs is provided in Exhibit 11. This information highlights the current uses as determined through preliminary data from the 2020 Buildable Lands Report obtained from Pierce County. In addition to a general classification of land uses, this also highlights areas which are currently vacant but may be developable under current zoning in the County.

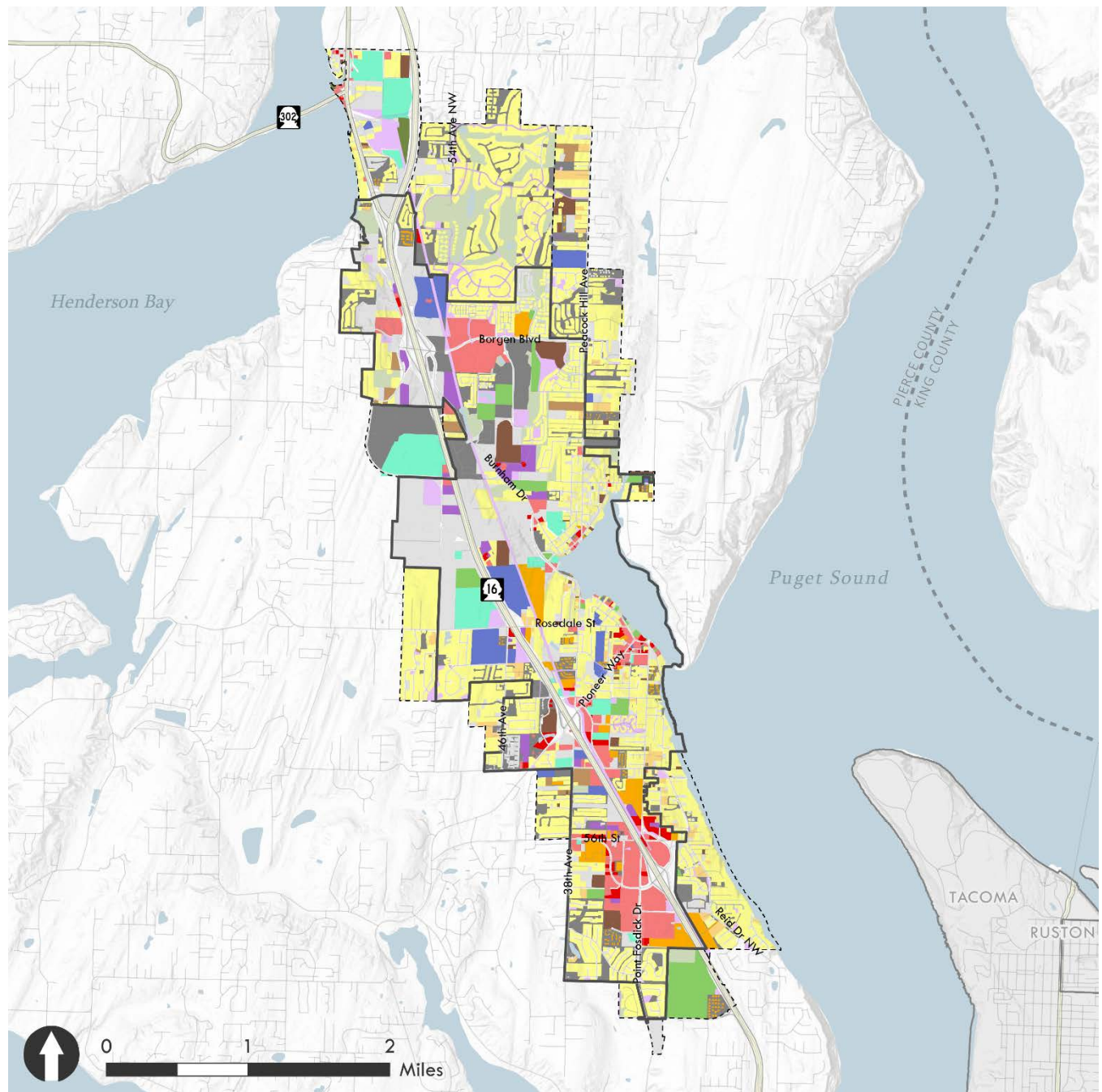
This is supplemented by the following tables:

- Exhibit 12 provides a summary of the total number of housing units and the square footage of non-residential development found in the individual subareas.
- Exhibit 13 provides statistics on the total amount of vacant, developable land located in the individual subareas based on the data from the Buildable Lands Report. This includes parcels noted in the UGAs as being vacant (including single-unit lots in plats), as well as properties which may be underutilized and able to accommodate additional development in the future.
- Exhibit 14 provides estimates of the additional housing and employment capacity within each of the UGAs, drawn from the information used to develop the 2021 Pierce County Buildable Lands Report.

This information highlights the following:

- **There is a significant amount of non-residential development in institutional uses.** As noted previously, the Peninsula High School and Purdy Elementary in the Purdy subarea, and the Washington Corrections Center for Women in Bujacich comprise the largest proportion of non-residential development in the UGAs. While there may be reasons to annex these areas, these sites are exempt from property taxes.
- **Most non-residential development and opportunities for employment expansion in the UGAs is clustered in the Purdy subarea.** While there may be nominal non-residential/employment uses in other areas, including community and institutional uses such as churches, the bulk of development for employment uses is sited in the Purdy subarea. This highlights that these subareas will likely bring minimal employment and sales tax revenue into the city as compared to the current land base.
- **The most significant opportunities for new commercial development are available in Purdy and Point Fosdick.** The information from the Buildable Lands Report suggests that while there are still some opportunities for residential development in most neighborhoods, locations for commercial development are likely to be limited to the Purdy and Point Fosdick subareas, with a nominal amount potentially available for development in the Bujacich subarea.

Exhibit 11. City of Gig Harbor and UGAs, Current Land Use.



Legend

- City UGAs
- Cities
- Counties
- Water
- Highways
- Public Streets

Current Land Use

- Vacant (developable)
- Single Family Residential
- Duplex/Triplex/Fourplex
- Apartment/Condo
- Manufactured/Mobile Home
- Other Residential
- Commercial Retail and Services
- Office
- Communication/Transportation/Utilities

- Industrial/Warehouse
- Government and Education
- Cultural/Institutional/Religious
- Parks and Recreation
- Open Space/Floodway/Tidelands
- Resource
- Other Vacant/Unclassified



Map Date: September 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Exhibit 12. Existing Development in UGA Subareas.

UGA Subarea	Housing Units	Non-Residential Development (in SF)						
		Community/ Institutional	Office	Restaurant	Retail	Other Services	Utilities	Warehousing
38th Street	129	21,749	-	-	-	-	-	-
Bujacich	18	325,494	-	-	-	-	-	2,400
Burnham Drive	7	-	-	-	-	3,600	-	-
Canterwood	822	14,039	24,354	-	-	-	-	-
Madrona Links	52	-	-	-	-	-	-	-
Peacock Hill	605	40,472	-	-	-	-	-	32,847
Point Fosdick	47	-	-	-	-	-	-	-
Purdy	156	284,932	22,565	2,318	21,302	6,173	39,184	-
Reid Road	590	-	-	-	-	-	-	-
Rosedale	157	-	-	-	-	-	-	-
Skansie Drive	104	-	-	-	-	-	-	-
Total	2,687	686,686	46,919	2,318	21,302	9,773	39,184	35,247

Sources: Pierce County GIS, 2021; Pierce County Assessor-Treasurer, 2021; City of Gig Harbor, 2021; BERK, 2021.

Exhibit 13. Vacant Land in UGA Subareas, by County Zoning.

UGA Subarea and Zone	Developable Land (acres)		
	Vacant	Vacant (single unit)	Underutilized
38th Street			
Single Family	3.0	0.1	14.5
Bujacich			
Community Employment	0.4	-	0.8
Burnham Drive			
Moderate Density Single Family	-	-	13.0
Canterwood			
Master Planned Community	-	0.9	-
Single Family	14.8	5.4	7.5
Madrona Links			
(none)	-	-	-
Peacock Hill			
Single Family	22.5	6.6	107.2
Point Fosdick			
Neighborhood Center	13.0	-	-
Purdy			
Activity Center	-	-	0.1
Community Center	1.7	2.1	3.5
Community Employment	7.4	-	3.6
Mixed Use Districts	23.8	0.4	26.3
Moderate Density Single Family	-	-	0.4
Neighborhood Center	-	-	1.9
Public Institutional	0.6	-	-
Single Family	6.5	5.7	2.2
Reid Road			
Single Family	2.0	15.3	29.9
Rosedale			
Single Family	0.5	1.0	75.4
Skansie Drive			
Single Family	2.0	2.9	38.5
TOTAL	98.2	40.4	324.6

Sources: Pierce County GIS, 2021; Pierce County Assessor-Treasurer, 2021; City of Gig Harbor, 2021; BERK, 2021.

Exhibit 14. Estimated Remaining Employment and Housing Capacity, by UGA Subarea.

UGA Subarea	Housing Capacity	Employment Capacity
38th Street	60	0
Bujacich	0	9
Burnham Drive	25	0
Canterwood	86	0
Madrona Links	0	0
Peacock Hill	390	0
Point Fosdick	13	123
Purdy	267	706
Reid Road	147	0
Rosedale	290	0
Skansie Drive	133	0
Total	1,411	838
City of Gig Harbor	2,046	3,943

Sources: Pierce County Buildable Lands Report and Inventory, 2021.

Assessment of Annexation Impacts

Overview

This analysis provides an overview of the impacts of annexation beyond the land uses and housing that would be incorporated into the city. This includes estimates of the fiscal impacts of incorporating these areas into the city, both current and future, as well as other possible effects to be considered in an evaluation of an annexation application.

Fiscal Impacts to Operating Budgets

Method

For this assessment, the fiscal analysis prioritizes costs likely to be incurred by Gig Harbor upon annexation. It is important to note that this is a financial policy study intended to provide a reasonable estimate of potential costs and revenues and not a budget development exercise. This analysis informs the development and evaluation of guidelines for future annexations.

The analysis is limited to the city's General Fund and road funds. Although there are other accounts, these make up nearly all the changes projected from increased population, employment, and land area. Therefore, this excludes expenses and revenues from utility enterprise funds such as stormwater management, which is funded by user fees, and the development services fund, which is funded by license and permit fees and other service charges. As these funds are funded on a cost-recovery basis, it is believed that any other annexation costs will be met from additional revenue as needed.

With respect to **revenue**, the analysis includes the following budget components:

- **Property taxes** based on assessed value in the UGAs.
- **Sales taxes** based on taxable retail sales estimates for the city and an estimate of taxes per square foot for retail and restaurant uses.
- **Utility taxes** based on per capita/per job estimates and current population and employment.
- **Other taxes** assumed to be proportional to population and employment.
- **Licenses and permits** assumed to be proportional to population and employment.
- **Intergovernmental transfers** assumed to be proportional to population and employment.
- **Charges for services**, assumed to be proportional to population and employment.
- **Fines and forfeits** assumed to be proportional to population and employment.

The following components for **expenditures** are included:

- **Maintenance and operation costs for city streets** are assumed to be proportional to the centerline miles of roadway in a UGA.
- **Police protection coverage** based on discussions with the Chief of Police about increases in costs to maintain existing levels of police protection.

- **Other municipal expenditures** such as community development, the Municipal Court, etc. are assumed to be proportional to estimated population and employment.

In cases where both population and employment are expected to influence a budget item, these values are combined. Because workers and residents are likely to have different demands on city services and revenues, a weighting factor to account for their different contributions. With parks, for example, it is assumed that workers will have about 10% of the demand for city parks and green space as residents, which is used when combining workers and residents together to find out the final impacts per person.

Other considerations for estimating net costs and revenues include:

- Estimates of costs and revenues relied on pre-COVID budget figures to reflect “business as usual” projections. Values from the projections are assumed to be in 2021 dollars.
- Property taxes are highly constrained by the 1% restriction on levy increases under [RCW 84.55.010](#). Future projections of property taxes will be strongly dependent on this cap on levy amounts.
- The potential for future special levies authorized by the voters is not included. The expected revenue that could be received would increase if additional assessed value were included in the city.
- Sales taxes for new construction of housing are not presented in this assessment. This would provide a significant one-time source of revenue for the city but would require annexation prior to development.
- The timing of an annexation may impact tax receipts, meaning that the initial period of annexation might have challenges with respect to covering early costs of newly annexed areas depending on when an annexation takes place.

In addition to estimates of annexations if development were to happen today, this assessment also relies on two additional assessments based on city data regarding available buildable lands:

- Estimates of the net costs/revenue from annexation based on a proportional share of the Pierce County employment and housing targets for the UGAs.
- Estimates of the net costs/revenue from annexation if all vacant/underutilized land was built out.

The analysis gives estimates of likely costs and benefits of future annexations along a probable range where additional development may have occurred. These figures are not intended to supply estimates of how development may occur in these areas, or projections about future increases in housing and employment uses.

Results: Current Annexation

The following exhibits give estimates of the impact of annexing the current UGAs on the city's operating budget:

- Exhibit 15 provides a summary of the overall impacts of annexing each individual UGA into the city under current conditions.
- Exhibit 16 provides a breakdown to projected total revenues and costs for each UGA.
- Exhibit 17 presents a breakdown of the expected changes to individual categories of city revenue from annexation, by UGA.
- Exhibit 18 includes a comparable breakdown of expected changes to costs in the city budget from annexation, summed by UGA.

These calculations highlight the following:

- **From an operating budget perspective, some of the larger annexed areas will represent increases in net costs to the city.** The Canterwood and Madrona Links UGAs represent a net increase in city revenue as compared to other UGAs, owing to the much higher assessed value of residential property. Other areas, particularly larger ones like the Peacock Hill UGA, may on the other hand represent various net costs to the city over time.
- **Areas with large institutional uses may be more challenging for annexation from a fiscal perspective.** Regarding fiscal impacts, the Bujacich and Purdy areas have significant challenges. Part of the reason for this is that the assessed value of property is low, and the institutional uses sited in these areas are exempt from paying property taxes. Additionally, if these areas are annexed, police staffing may need to be increased. These factors will severely limit the city's ability to generate net positive revenue from the annexation of these areas.
- **Annexing some larger residential neighborhoods may also pose some costs.** Although there may be more opportunities for the city to potentially reduce the costs of annexing other residential neighborhoods, these annexations will present added net obligations to the city. Planning for future annexations should consider coordination or phasing given these additional financial outlays over time.
- **Several large annexations will require increases in staffing and other costs.** Aside from the net impacts of annexation, the scale of cost increases for certain larger areas highlight that the city will need to plan for increased staffing levels if these areas are brought into the city. Canterwood represents the most significant rise in costs, with an increase of over \$946,000 per year, and notable increases for the Purdy, Reid Road, and Peacock Hill UGAs. While this should not exclude consideration of these areas, it may require more planning and coordination for additional capacity than other areas that could be annexed.
- **The high dependence on property taxes may present challenges.** As most of the residential areas in this assessment are identified as having positive impacts today, there are concerns that the 1% cap on property tax levies will likely reduce revenues related to costs over time. This may be a challenge over the long term with integrating these areas, but special levies and other potential sources of revenue could make up this gap.

Exhibit 15. Projected Yearly City Operating Surplus/Deficit after Annexation, by Subarea.

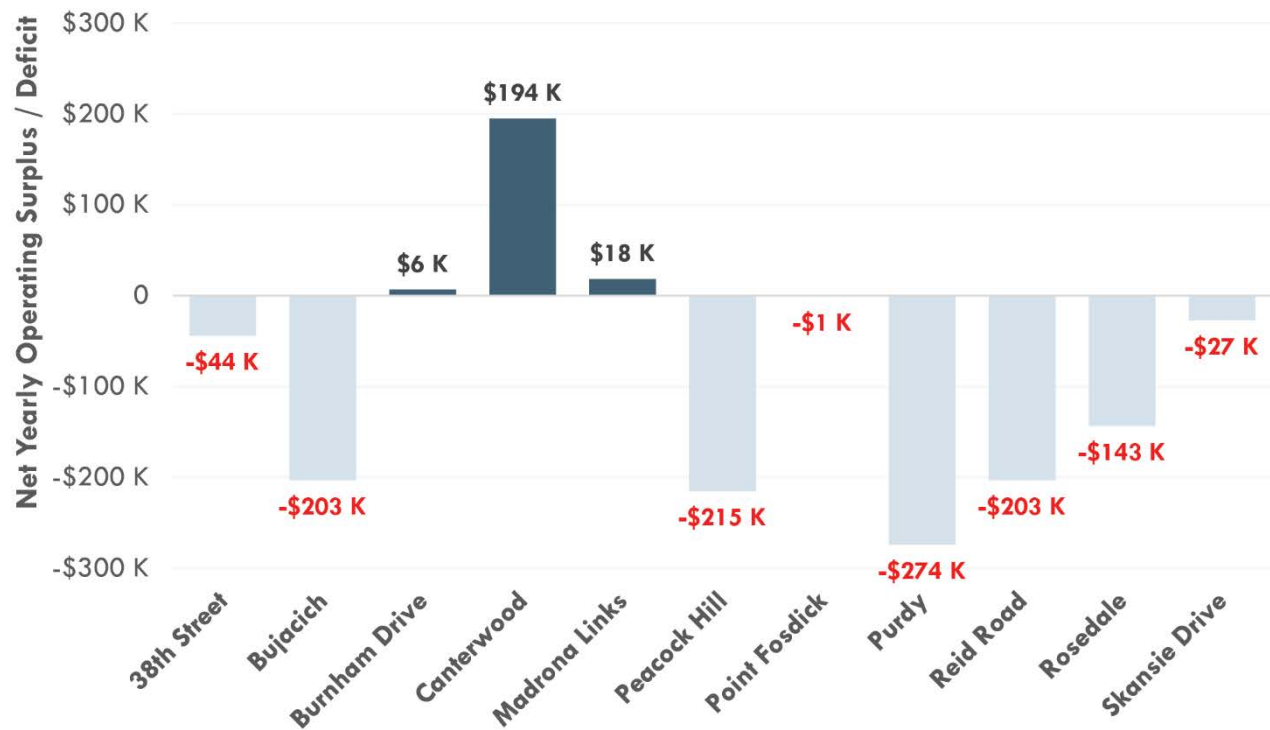


Exhibit 16. Projected Changes to City Yearly Operating Revenue and Costs after Annexation, by Subarea.

Subarea	Projected Revenue (2021 dollars)	Projected Costs (2021 dollars)	Surplus/Deficit Per Year (2021 dollars)
38th Street	\$116,183	\$160,531	(\$44,348)
Bujacich	\$67,124	\$270,107	(\$202,983)
Burnham Drive	\$6,543	\$104	\$6,439
Canterwood	\$1,140,423	\$946,092	\$194,330
Madrona Links	\$48,762	\$30,603	\$18,159
Peacock Hill	\$510,966	\$726,121	(\$215,155)
Point Fosdick	\$47,452	\$48,700	(\$1,248)
Purdy	\$297,771	\$571,643	(\$273,872)
Reid Road	\$576,710	\$779,658	(\$202,948)
Rosedale	\$131,441	\$274,615	(\$143,174)
Skansie Drive	\$81,334	\$108,482	(\$27,148)
TOTAL	\$3,024,709	\$3,916,657	(\$891,948)

Sources: City of Gig Harbor, 2021; BERK, 2021

Exhibit 17. Breakdown of Projected Changes to City Revenue by Type and Subarea, Gig Harbor UGAs, 2021 dollars.

Revenue Type	38th Street	Bujacich	Burnham Drive	Canterwood	Madrona Links	Peacock Hill	Point Fosdick	Purdy	Reid Road	Rosedale	Skansie
Property Tax	\$73,855	\$45,739	\$255	\$844,086	\$31,146	\$281,370	\$32,415	\$99,418	\$385,821	\$81,208	\$48,059
Sales Tax	\$0	\$2,348	\$3,522	\$29,489	\$978	\$32,652	\$0	\$136,691	\$2,117	\$0	\$0
Utility Tax	\$15,532	\$15,298	\$1,313	\$96,105	\$5,836	\$71,275	\$5,275	\$29,259	\$66,220	\$17,621	\$11,673
Other Taxes	\$4,985	\$696	\$271	\$31,768	\$2,010	\$23,382	\$1,816	\$6,029	\$22,802	\$6,068	\$4,019
Intergovernmental	\$10,128	\$1,413	\$550	\$64,536	\$4,083	\$47,499	\$3,690	\$12,248	\$46,322	\$12,326	\$8,165
Charges for Services	\$9,574	\$1,336	\$520	\$61,005	\$3,859	\$44,900	\$3,488	\$11,578	\$43,787	\$11,652	\$7,718
Fines and Forfeits	\$2,108	\$294	\$114	\$13,433	\$850	\$9,887	\$768	\$2,549	\$9,642	\$2,566	\$1,700
TOTAL	\$116,183	\$67,124	\$6,543	\$1,140,423	\$48,762	\$510,966	\$47,452	\$297,771	\$576,710	\$131,441	\$81,334

Sources: City of Gig Harbor, 2021; BERK, 2021

Exhibit 18. Breakdown of Projected Changes to City Expenditures by Type and Subarea, Gig Harbor UGAs, 2021 dollars.

Expenditure Type	38th Street	Bujacich	Burnham Drive	Canterwood	Madrona Links	Peacock Hill	Point Fosdick	Purdy	Reid Road	Rosedale	Skansie Drive
Non-Departmental	\$5,746	\$9,029	\$0	\$43,504	\$1,642	\$25,446	\$1,642	\$15,596	\$25,446	\$7,388	\$4,925
Legislative	\$1,803	\$414	\$104	\$11,451	\$721	\$8,435	\$652	\$2,309	\$8,185	\$2,178	\$1,443
Municipal Court	\$11,998	\$0	\$0	\$47,990	\$0	\$35,993	\$0	\$11,998	\$35,993	\$11,998	\$11,998
Administration/Buildings	\$25,517	\$0	\$0	\$141,131	\$0	\$96,082	\$0	\$25,517	\$96,082	\$25,517	\$25,517
Police	\$0	\$177,405	\$0	\$177,405	\$0	\$0	\$0	\$177,405	\$0	\$0	\$0
Community Development	\$45,060	\$15,020	\$0	\$285,382	\$15,020	\$210,282	\$15,020	\$60,080	\$210,282	\$60,080	\$30,040
Parks and Recreation	\$26,440	\$0	\$0	\$185,078	\$13,220	\$132,199	\$13,220	\$39,660	\$132,199	\$39,660	\$26,440
Streets	\$43,968	\$68,239	\$0	\$54,151	\$0	\$217,686	\$18,167	\$239,078	\$271,473	\$127,795	\$8,120
TOTAL	\$160,531	\$270,107	\$104	\$946,092	\$30,603	\$726,121	\$48,700	\$571,643	\$779,658	\$274,615	\$108,482

Sources: City of Gig Harbor, 2021; BERK, 2021

Results: Buildout

This section considers how future development may affect the fiscal impacts of annexation of the UGAs on operating budgets. While different land use and development projections are plausible, the Pierce County Buildable Lands Report gives more extensive information regarding the total potential development capacity in the UGAs under current policy.

The following assessment provides an evaluation of the additional net fiscal impacts if these areas were built out to their full development capacity according to this available information. This analysis assumes the following:

- The evaluation is based on the results from the final Buildable Lands Inventory developed by Pierce County and relies on the calculations for resulting increases to housing and employment.
- Increases in assessment values per housing unit are generally estimated based on the improvement value per unit for housing within the UGA and the improvement value per square foot for employment uses.
- Calculations of sales taxes assume that 60% of new development in Point Fosdick consists of retail uses and 40% of new development in Bujacich and Purdy consist of retail uses where sales taxes would apply.
- It is assumed that no additional police coverage would be required for these areas at buildout. Increases in staffing would reduce these net effects.

Results are provided below, with Exhibit 19 providing overall estimates of financial impacts to the city, broken down by total estimated revenues and costs (Exhibit 20), detailed revenues (Exhibit 21), and detailed costs (Exhibit 22).

This information highlights the following:

- **Annexation of areas in Bujacich and Purdy are unlikely to result in positive fiscal impacts in the future.** Given the land uses and needs for these areas, these two UGAs will not bring in sufficient revenue to cover estimated costs. For Bujacich, this is primarily due to the need for additional police coverage as well as the low taxable property value in this area. With Purdy, this is because of the potential mix of jobs in this location, lower taxable value of property, and low sales taxes from employment uses in this area.
- **Residential areas will have greater net impacts at buildout, although most of these differences appear to be minor.** For many of the residential UGAs, incorporating additional development would have largely positive effects, primarily based on the estimated increases in property tax revenue from new development. In these cases, annexation decisions would not likely be significantly impacted by the current potential for these areas to accommodate growth, which highlights that the fiscal impacts in these areas are expected to be stable over time.
- **These results can be adjusted by changes from city development regulations.** For this assessment, development capacity is based on estimates from the Buildable Lands Inventory, which relies on current county zoning regulations. If the city were to change zoning to accommodate greater population density or more development these calculations would change.

Exhibit 19. Buildout Estimate of Yearly City Operating Surplus/Deficit after Annexation, by Subarea.

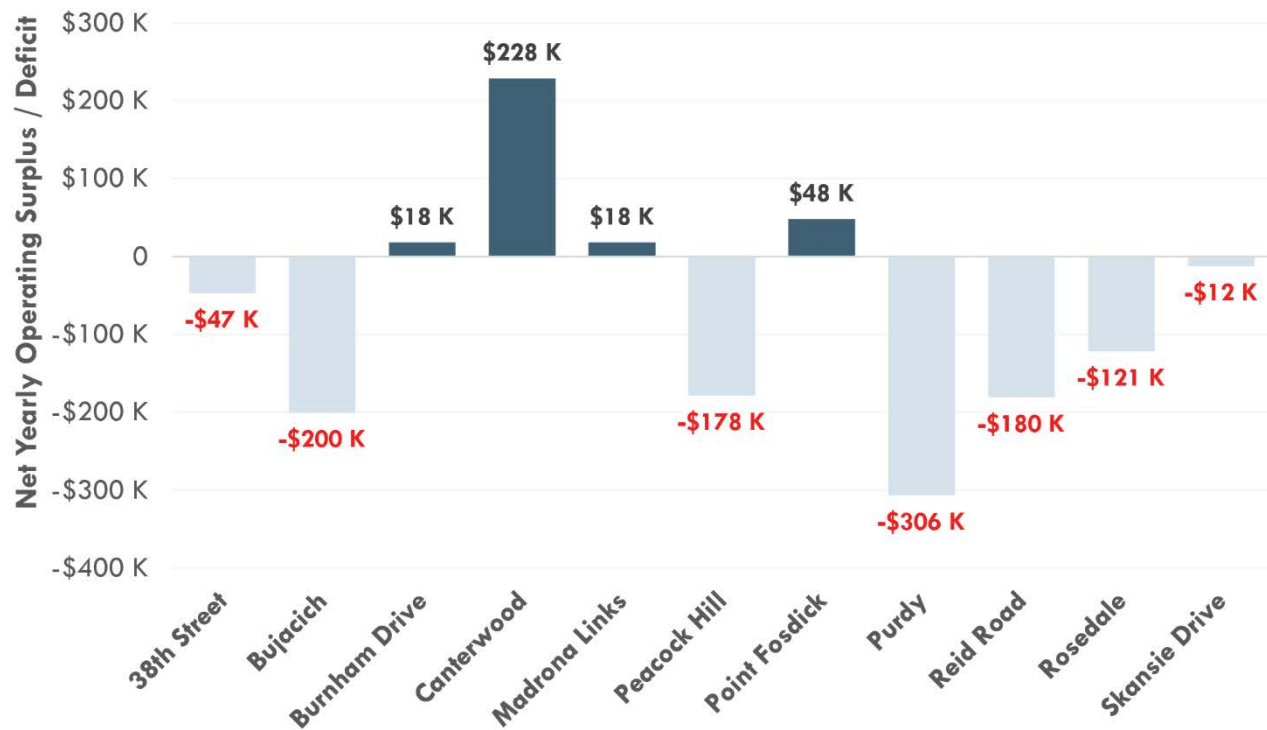


Exhibit 20. Projected Changes to City Yearly Operating Revenue and Costs after Annexation, by Subarea.

Subarea	Projected Revenue (2021 dollars)	Projected Costs (2021 dollars)	Surplus/Deficit Per Year (2021 dollars)
38th Street	\$143,901	\$190,803	(\$46,903)
Bujacich	\$69,748	\$270,113	(\$200,365)
Burnham Drive	\$18,092	\$266	\$17,826
Canterwood	\$1,217,240	\$988,831	\$228,409
Madrona Links	\$48,762	\$30,603	\$18,159
Peacock Hill	\$715,449	\$893,656	(\$178,207)
Point Fosdick	\$97,064	\$48,865	\$48,199
Purdy	\$588,368	\$894,568	(\$306,201)
Reid Road	\$676,699	\$857,188	(\$180,489)
Rosedale	\$277,465	\$398,798	(\$121,333)
Skansie Drive	\$142,775	\$155,071	(\$12,296)
TOTAL	\$3,995,561	\$4,728,763	(\$733,201)

Sources: City of Gig Harbor, 2021; BERK, 2021

Exhibit 21. Breakdown of Buildout Estimate for Changes to City Revenue by Type and Subarea, Gig Harbor UGAs.

Revenue Type	38th Street	Bujacich	Burnham Drive	Canterwood	Madrona Links	Peacock Hill	Point Fosdick	Purdy	Reid Road	Rosedale	Skansie
Property Tax	\$92,561	\$45,881	\$8,049	\$907,986	\$31,146	\$427,274	\$46,156	\$207,723	\$463,730	\$183,674	\$89,523
Sales Tax	\$0	\$4,356	\$3,522	\$29,489	\$978	\$32,652	\$27,437	\$241,679	\$2,117	\$0	\$0
Utility Tax	\$18,694	\$15,772	\$2,630	\$100,636	\$5,836	\$91,824	\$12,441	\$80,526	\$73,965	\$32,901	\$18,680
Other Taxes	\$6,074	\$696	\$724	\$33,328	\$2,010	\$30,457	\$2,052	\$10,873	\$25,469	\$11,329	\$6,432
Intergovernmental	\$12,339	\$1,413	\$1,471	\$67,706	\$4,083	\$61,874	\$4,169	\$22,089	\$51,740	\$23,015	\$13,067
Charges for Services	\$11,664	\$1,336	\$1,391	\$64,001	\$3,859	\$58,488	\$3,941	\$20,880	\$48,909	\$21,756	\$12,352
Fines and Forfeits	\$2,568	\$294	\$306	\$14,093	\$850	\$12,879	\$868	\$4,598	\$10,770	\$4,791	\$2,720
TOTAL	\$143,901	\$69,748	\$18,092	\$1,217,240	\$48,762	\$715,449	\$97,064	\$588,368	\$676,699	\$277,465	\$142,775

Sources: City of Gig Harbor, 2021; BERK, 2021

Exhibit 22. Breakdown of Buildout Estimate for Changes to City Expenditures by Type and Subarea, Gig Harbor UGAs.

Expenditure Type	38th Street	Bujacich	Burnham Drive	Canterwood	Madrona Links	Peacock Hill	Point Fosdick	Purdy	Reid Road	Rosedale	Skansie Drive
Non-Departmental	\$7,388	\$9,029	\$0	\$45,146	\$1,642	\$33,654	\$1,642	\$30,371	\$28,729	\$13,133	\$7,388
Legislative	\$2,193	\$420	\$266	\$12,011	\$721	\$10,974	\$817	\$4,508	\$9,142	\$4,067	\$2,309
Municipal Court	\$11,998	\$0	\$0	\$47,990	\$0	\$47,990	\$0	\$23,995	\$35,993	\$11,998	\$11,998
Administration/Buildings	\$25,517	\$0	\$0	\$166,648	\$0	\$141,131	\$0	\$70,566	\$141,131	\$70,566	\$25,517
Police	\$0	\$177,405	\$0	\$177,405	\$0	\$0	\$0	\$354,810	\$0	\$0	\$0
Community Development	\$60,080	\$15,020	\$0	\$300,402	\$15,020	\$270,362	\$15,020	\$105,141	\$225,302	\$105,141	\$60,080
Parks and Recreation	\$39,660	\$0	\$0	\$185,078	\$13,220	\$171,858	\$13,220	\$66,099	\$145,418	\$66,099	\$39,660
Streets	\$43,968	\$68,239	\$0	\$54,151	\$0	\$217,686	\$18,167	\$239,078	\$271,473	\$127,795	\$8,120
TOTAL	\$190,803	\$270,113	\$266	\$988,831	\$30,603	\$893,656	\$48,865	\$894,568	\$857,188	\$398,798	\$155,071

Sources: City of Gig Harbor, 2021; BERK, 2021

Sewer Fees

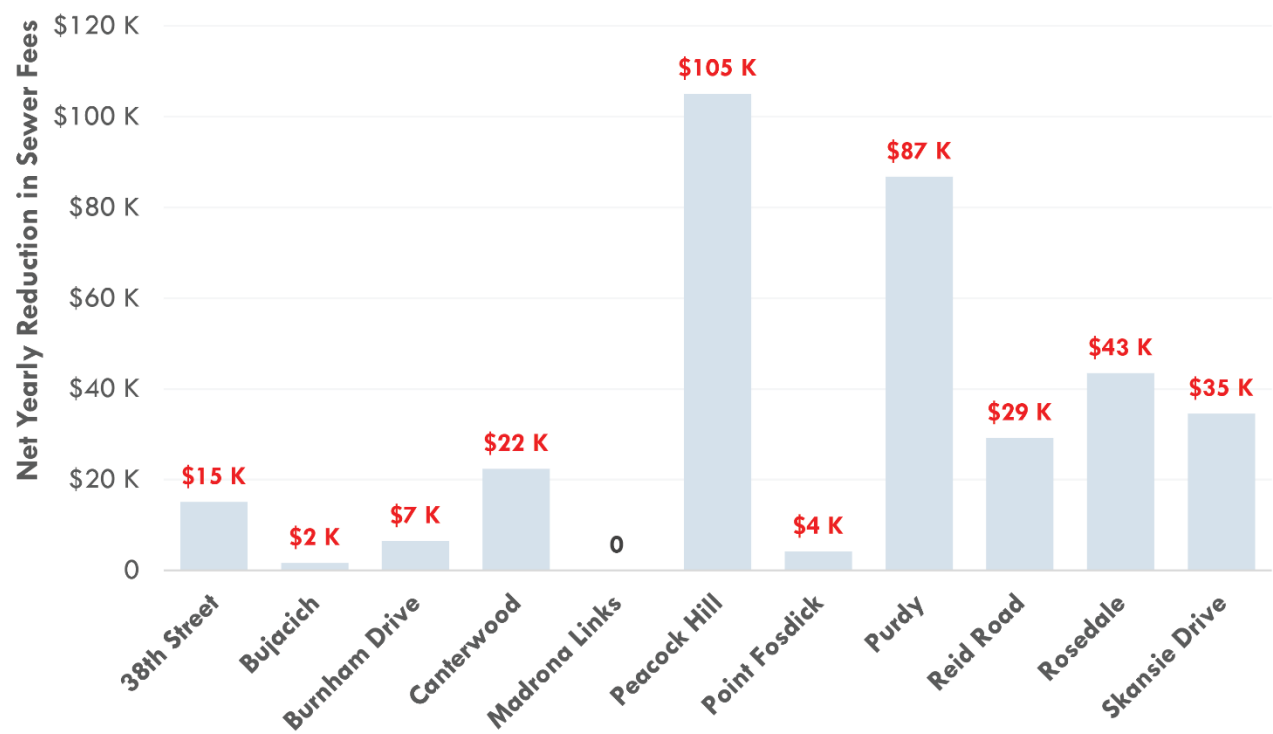
In addition to the effects that annexation would have on overall operating expenses, there are also changes that City budgets would experience due to adjustments in sewer servicing fees. The City currently charges increased rates to customers located in the UGA versus those within the incorporated boundaries. In concept, this is intended to provide support for the maintenance and operations of the system that would otherwise be supported by general City expenditures.

Unlike the fiscal expenditures detailed above, the impact of these changes is subject to other considerations. Increases in sewer servicing fees are not restricted in the same ways as property and sales taxes, meaning that these impacts are more subject to change. If the City is interested in minimizing the impacts of annexation, for example, these charges may be adjusted to increase overall rates to compensate.

From a current survey of the UGAs coordinated by the Public Works Department, the annual revenue collected from all UGAs amounts to \$630,630. This would be reduced by one-third if these areas are incorporated into the City, for a **net loss of \$210,210 per year** overall.

With respect to potential future expansions, the impacts of incorporating the UGAs into City limits are provided in Exhibit 23. Including all of these areas into the City would result in an additional reduction of about \$348,620 from possible future sewer accounts, based on current rates. This would be highest in Peacock Hill (a potential loss of \$105,040 per year at full buildout) and Purdy (a loss of \$86,700).

Exhibit 23. Reductions in Potential Sewer Fees from Incorporation at Current Rates, by Subarea.



Sources: City of Gig Harbor, 2021; BERK, 2021

Capital and Infrastructure Investment

This section provides a high-level inventory of capital and infrastructure investments necessary for the UGAs. Although operating costs are possible to project based on estimates from current budgets, the capital expenditures needed for these areas, both in the short and long term, are harder to evaluate. The city should pursue follow-up studies prior to annexation to provide more information about the nature of these costs.

Based on available sources, the following capital investments may be required for the individual UGAs:

38th Street

- This area may require more investment in sewer and stormwater infrastructure to address drain fields and on-site septic concerns.

Canterwood

- Surface water may need to be managed with education and outreach, given the presence of the golf course.
- Additional capital investment in stormwater management and sewer servicing may be required but the costs of these improvements are not currently known. Further engineering studies will be required to understand these costs.
- The [2016 Parks, Recreation, and Open Space \(PROS\) Plan](#) recommends that land be purchased for a city park in this UGA. Note that there are existing private open space and recreational uses in this area.

Madrona Links

- Surface water may need to be managed with education and outreach, given the presence of the golf course.
- Additional capital investment in stormwater management may be required but is not currently known.

Peacock Hill

- Although there is a force main located along Peacock Hill Drive, many of the properties currently rely on on-site septic for wastewater. This may require more investment, and further servicing studies will be required to understand the full nature of these costs.

Purdy

- Significant drainage issues in this area would require new stormwater infrastructure.
- Existing sewer servicing and fire flow issues would limit additional development in this area, and would need to be addressed if future growth were coordinated for this area.
- Management and cleanup of sites in this area, especially those with potential discharges into Henderson Bay, would be needed for new development to proceed in many locations.
- The Pierce County Transportation Improvement Program does note the need for road improvements on 38th Ave NW from 36th St NW to the city limits.

Reid Road

- Although there is a force main servicing part of this area, extensions to sewer infrastructure will be required, potentially including additional sewer lift and pump stations.

Rosedale

- This area may require more investment in sewer and stormwater infrastructure to address drain fields and on-site septic concerns.

Skansie Drive

- More investment may be needed to extend sewer services to these areas, especially if more dense infill development over the long term would be desirable.

Other needs include the following:

- **Management of riparian areas and surface water quality.** The UGAs include more of the McCormick Creek, Goodnough Creek, Purdy Creek, and Soundview basins, which will require management of riparian habitat for water quality and storm water management.
- **Fish passage barriers.** As McCormick Creek is fish-bearing, there may be concerns about fish passage barriers along its run. The required timeframe for these replacements is not known.
- **Parks.** Aside from larger facilities such as designated golf courses (public and private) and McCormick Forest Park, there are no local parks found in the UGAs. While an update to the PROS plan is expected in 2021, the desired 2030 levels of service under the 2016 PROS would suggest that an additional 81.6 acres would be required for the UGAs at present, with up to 102 acres required at build-out. This would include about 36 acres of new neighborhood parks, as well as 37 acres of natural areas and 21 acres of open space. This would likely require some investment in most UGAs to try to secure land for parks and open space. However, final costs will be dependent on the updated 2021 PROS plan and the corresponding levels of service included.

Other Considerations

Aside from these elements of revenue and cost, other considerations with annexation include the following:

- **Shoreline protection.** While the Reid Road UGA is covered under the city's Shoreline Master Program (SMP), the Purdy UGA is not included. Annexation of this area would allow the city to incorporate this area into water and shoreline protection efforts.
- **Tree canopy protections and landscaping.** Incorporating the UGAs into the city will allow future development in these areas to be managed under [Chapter 17.78](#) GHMC for protection of significant trees and existing native vegetation, and requirements for planting and landscaping. This may provide additional protection beyond what is required by the County under [PCC 18J.15.030](#).
- **Police response times.** For residents of UGAs that are dependent on the Pierce County Sheriff for emergency response, response times may be significantly higher. Annexation can provide these areas with better coverage and faster response times from the Gig Harbor Police Department.

Recommendations

Major Considerations

There are three broad considerations for future actions by the city with respect to annexation:

- There should be **consensus about annexation** among UGA residents, landowners, and businesses. Additionally, other governments affected like Pierce County and Special Districts (e.g., PenMet) should also largely approve. While methods like direct petitions and interlocal agreements outline how the public and impacted members of the community can participate in the process, the city should ensure that all involved parties are properly considered. These considerations can help the process reflect the intent of the stakeholders involved and can reduce the chance that an annexation would be challenged through BRB review.
- **Annexations should benefit citizens, businesses, and landowners** in both the city and the UGAs in the long term. While the direct financial expenses incurred by the city and other parties are important, other policy considerations and advantages should be examined as well. While annexing certain areas may result in a net cost to the city, other areas may provide a net benefit to the community when annexed, such as the ability to encourage new construction aligned with Gig Harbor zoning and development regulations. However, the city should not be forced to engage with a process that would have a net negative impact on stakeholders while giving no evident benefit.
- **Annexations should be appropriately designed** to allow an area to be integrated effectively with the city. Locations which have strong existing connections to the city should be preferred for annexation. For areas that would require significant planning or would bring in a dramatic increase in population, annexations may need be phased to allow the city to evaluate the effects over time and coordinate the ability to meet the needs of new areas.

Note that other considerations often applied to Urban Growth Areas, such as identifying future developable lands to meet long-term growth targets or long-term phasing of extensions to infrastructure, are largely not applicable to Gig Harbor given the local context.

Guidelines for Annexations

Based on these high-level considerations, the criteria below should be used to evaluate annexation proposals and comparable actions in Gig Harbor. Note that these guidelines do not provide hard thresholds for the individual parameters outlined, as many of these elements are qualitative and may require tradeoffs between different elements. Instead, these questions provide an overall framework for evaluating individual applications.

The guidelines include the following:

1. **Is the annexation proposal consistent with the city's Comprehensive Plan and other existing policy?** Any annexation proposal to be approved by Council must be compliant with the Comprehensive Plan and cannot be adopted if it does not align with existing policies. While the annexation of areas themselves would be allowed under the Comprehensive Plan, note that this may be relevant for reviewing a proposed zoning ordinance submitted as part of a petition, as it would need to be compliant with the Land Use Map in the Plan.

- 2. Is the annexation proposal generally supported by those that could be impacted?** Although many methods require the consent of landowners in the annexed area, proposed annexations should generally be supported by residents and local businesses and should not unduly impact surrounding neighbors. Additionally, proposals should not generally receive strong objections from Pierce County. If there may be significant opposition to an annexation in any way, even if the method may not require public engagement or resident approval, the proposed annexation may require reasonable adjustments, mitigation, or other conditions to address any potential concerns expressed.
- 3. Does the proposal provide a net positive fiscal impact to the city?** An assessment of the fiscal impacts of an annexation proposal should include estimates of changes to the following:
- Revenue (including taxes and state-shared revenues)
 - Yearly operating costs
 - Preservation and rehabilitation of existing infrastructure needed
 - Expected new capital facilities and infrastructure needed

Generally, an annexation should result in minimal negative impacts to the city's budget. If there are cases where an annexation may result in a sizable net cost, especially over the short term, this may be balanced with other criteria related to public benefits. Significant required infrastructure investments may also be addressed through joint coordination and planning with Pierce County.

- 4. Would the proposal result in a significant increase of land, development, and population?** Aside from major annexations in the mid- to late-1990s, individual annexations in Gig Harbor have generally been no larger than 300–400 acres and accommodated no more than around 100–150 existing housing units. While areas smaller than this could likely be annexed without significant impacts to capacity, larger annexations should be phased over time to ensure that local service capacity can be scaled up appropriately.
- 5. Is the annexed area defined to reduce the number of annexations by the city?** While guideline 4 recommends that larger parcels be divided for the purposes of a phased annexation, several smaller annexations may also be challenging due to the increased staff time required for processing. Where possible, annexations should be large enough to minimize these costs by taking up a significant portion of a UGA.
- 6. Does this proposal keep or create logical boundaries for the city?** Annexations should be favored if they will result in more regular city boundaries. As the statute requires almost all annexations to share a boundary with the city, this would include:
- eliminating islands or pockets of unincorporated territory.
 - minimizing spurs and notches into unincorporated Pierce County, especially those that would create islands or pockets.
 - keeping tax parcels completely within an annexation area.
 - reducing street segments that would be divided between city and county management
 - minimizing conditions where city lands can only be accessed via county roads.
 - acknowledging perceived neighborhood boundaries and streets, landscape features, and other elements that would form expected local boundaries.

- extending current neighborhoods or linking new neighborhoods that are adjacent to existing areas of the city.
- reducing confusion with identifying city versus county territory.

7. **Is this area currently or likely to be developed to urban densities?** Annexations should prioritize areas that are currently built out, or with significant supplies of vacant land that would allow for the area to accommodate urban densities. Areas that do not include significant urban development and are unlikely to be developed further are not desirable for annexation.
8. **Could city planning and zoning increase the density or otherwise improve the quality of future development?** In cases where the city may be reviewing locations with development (or even redevelopment/infill) opportunities, the potential for new development projects to benefit from city zoning should be recognized, especially if it would lead to more compact and efficient development patterns.
9. **Would city policy and planning result in better environmental protection and management for annexed areas?** In addition to supporting improved development, annexations may provide an opportunity to manage certain areas more effectively under city programs, plans, and statutes. This may include management of shoreline, riparian and wetland areas, other critical areas, and tree canopy.
10. **Are there any other public benefits or concerns that would be associated with annexation?** There are no standards that can completely define all the questions that may arise during a review. Other major public benefits (e.g., opportunities for parks and other public amenities), as well as additional expenses or obstacles to future development and servicing, may arise as part of an annexation review. The levels and importance of these prospective benefits and costs should be assessed on a case-by-case basis.

Proposed Strategic Approach

Classifying UGAs

Considering the current and future characteristics of the Gig Harbor UGAs outlined in this report, managing these areas over the long term (around a 20-year planning horizon) may be categorized in one of five ways based on the expected approach to be used. A map defining the boundaries of these areas is included in Exhibit 24.

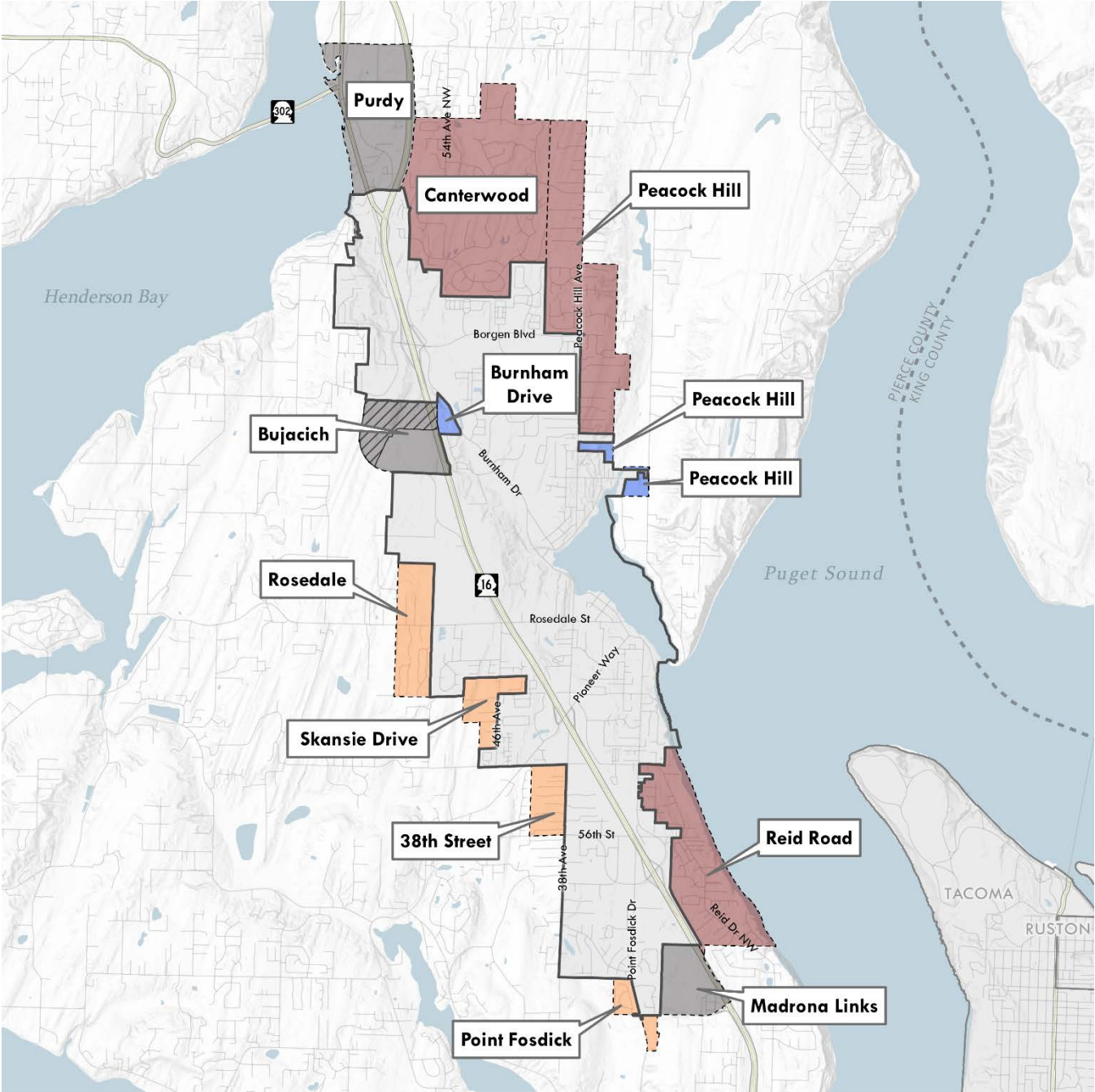
These categories of areas include the following:

1. **City-led potential annexation areas.** In specific cases, there may be a city interest in leading annexation, primarily to keep logical city boundaries that do not complicate service delivery. This should rely on the abbreviated methods for either direct petitions or interlocal agreements to streamline this process.¹⁴
2. **Local-led potential annexation areas.** It would be desirable to annex some smaller UGAs or portions of larger UGAs. In addition, given the size of these areas, annexation would not require extensive planning and coordination. The city should encourage property owners, residents, businesses (if applicable), and local organizations to follow one of the direct petition methods (preferably the alternative direct petition method for residential areas) to begin annexation.
3. **Phased potential annexation areas.** Annexations of larger UGAs would require more planning and potentially the phasing of annexations over time. These include the Canterwood and Reid Road UGAs as well as most of the Peacock Hill UGA. Relying on an interlocal agreement with Pierce County, which would involve consultation with these areas, proposed zoning regulations, and potential Comprehensive Plan Amendments, may present a more consistent and forward-thinking approach to managing annexation.
4. **Long-term servicing management areas.** There may be no strong rationale for annexing part or all of certain UGAs in the short- or long-term. However, urban sewer servicing would still be required. These areas may be retained as UGAs, but the city would not pursue or encourage annexation.

In addition, this map also shows **areas to be removed from the UGAs**. There is no interest to the city to keep the McCormick Forest Park as part of the Bujacich UGA, given its ownership by PenMet and long-term status as a park. Removing the area from the UGA would not have a significant impact on overall growth planning.

¹⁴ Please refer to [RCW 35A.14.295](#) for the streamlined petition method, and [RCW 35A.14.460](#) for the streamlined interlocal agreement approach.

Exhibit 24. Recommended Strategic Areas by Priority for Urban Growth Area Management.



Legend

- City UGAs
- Cities
- Counties
- Water
- Highways
- Public Streets

Strategic Areas by Priority

- 1. City-led potential annexation areas
- 2. Local-led potential annexation areas
- 3. Phased potential annexation areas
- 4. Long-term management areas
- Areas to be removed



Map Date: April 2022

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Short-Term Direction

Although the consent of residents and owners should be required as part of this process, the city should generally commit to promoting annexation of these areas (excluding the long-term management areas) over a 20-year timeframe. This would include:

- Directed engagement and outreach with residents and landowners as well as potential negotiation for an interlocal agreement with Pierce County for **city-led potential annexation areas**.
- Establishment of ongoing outreach and information distribution to residents and landowners in **local-led potential annexation areas** to encourage local petitions for annexation to be submitted to the Council.
- Coordination with local neighborhood associations and Pierce County on developing interlocal agreements for **phased potential annexations areas** using a staged approach. This should involve the Reid Road and the Canterwood/Peacock Hill UGAs in sequence, based on Council priorities and expectations about required infrastructure planning.
- Ongoing sewer infrastructure management and servicing in the **long-term servicing management areas**, as discussed in current policy approaches.

These approaches should be clearly defined as part of the updated Comprehensive Plan scheduled for 2024, incorporated as part of the city's Land Use Element policies.

Long-Term Strategic Considerations

Over time, new situations may change the conditions in the UGAs and require a realignment of the city's approaches with respect to future annexations. These would have to be evaluated through regular reviews over time.

Potential future adjustments to this strategy may include the following:

- **Long-term redevelopment in the Madrona Links UGA.** Some public and private golf courses in the region have closed due to changing market demand. While the Canterwood Golf Club is unlikely to be affected, the Madrona Links Golf Course could be affected in the future. If the Peninsula Metropolitan Parks District decides in the future to release this site as surplus land for development, the city may need to consider annexation to provide development options and facilitate integration into surrounding neighborhoods.
- **Long-term investment in stormwater infrastructure in the Purdy UGA.** Existing drainage and stormwater infrastructure in the Purdy region would not be sufficient to support additional growth, and the city would be forced to make considerable investments to address these needs for new development to occur in these areas. However, if new infrastructure were to be developed in these places through other sources of funding, the area's long-term development potential might be reconsidered.
- **Annexation of areas remaining over the long term.** Owners and residents may not petition for annexation, possibly due to a lack of interest. If community-led annexation areas are remaining in the UGAs after a 10- to 15-year period, the city should look to examine whether a city-led solution

in these areas is desirable or if these areas should be maintained as long-term management areas with no future intention for annexation.

Other Recommendations

Aside from recommendations about how areas should be annexed into Gig Harbor, there are other actions that should be considered in long-range management for these areas. These steps would not be required for annexation, but they may improve overall coordination of future policies, plans, and services.

These recommendations include the following:

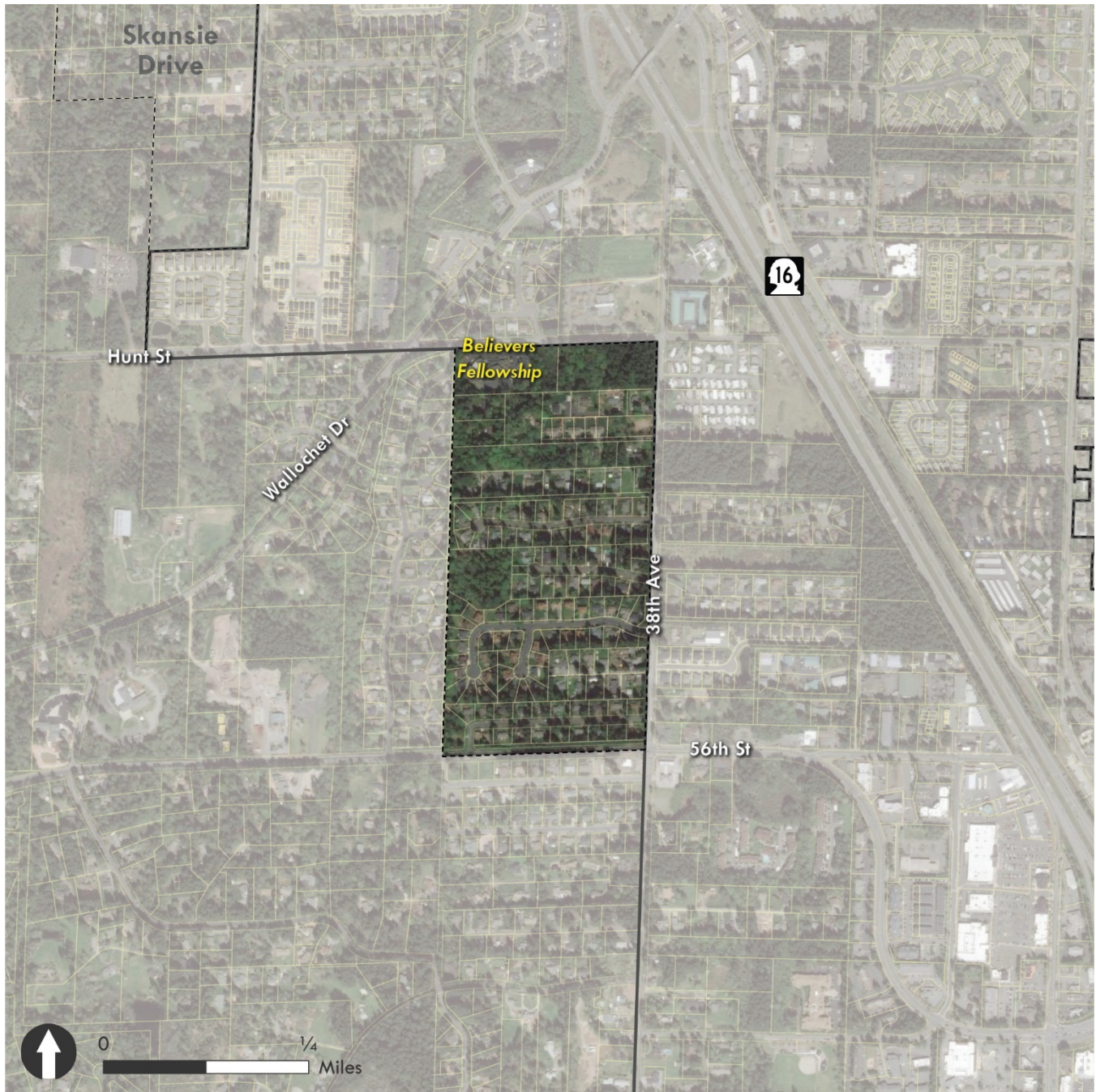
- **Further engineering studies will be necessary to provide an understanding of servicing costs.** Although this study presents a picture of the costs involved with annexation, detailed costing of long-term infrastructure investments is not explored in this work. Detailed engineering design studies would be necessary to identify more specific costs and provide clear estimates of the capital investments needed in these areas if annexations were to move forward.
- **Any phasing should consider boundaries of existing communities.** Under the proposed approach for using interlocal agreements for the Reid Road and the Canterwood/Peacock Hill UGAs, any phasing should respect the boundaries of existing communities wherever possible. For example, phased annexations in Canterwood should annex the entire planned community at once and integrate other areas separately if necessary. This can reduce friction and improve clarity on jurisdiction within these neighborhoods.
- **Include updated UGA policies in the Comprehensive Plan.** Policies regarding the integration of UGAs into the city should be included in the 2024 updates to the Comprehensive Plan. While the guidelines are provided to the Council as a framework to evaluate individual proposals, clarifying the city's intentions for these areas can reduce confusion and concern among potentially impacted residents, businesses, and landowners.
- **Coordinate integration of private water providers into the city system.** Under Goal 2.4.2(c) of the Comprehensive Plan, the city is expected to coordinate with other agencies and water purveyors to consolidate small water systems into the overall municipal system to ensure efficient and high-quality service delivery. Although smaller water systems may continue to be licensed in the short term, this annexation strategy should provide a plan to integrate potable water services.
- **Maintain a process to provide a regular review of impacts of annexations on the city.** City officials should produce a regular update one year after an annexation has occurred to identify actual impacts to the city and any concerns with variances from the anticipated impacts to ensure the city's annexation strategy is delivering the expected outcomes. This evaluation will assist the city in improving its annexation management strategy so that the final processes are appropriate for the community and do not create capacity issues or other challenges.

Appendix: Area Summaries

This Appendix provides a detailed assessment by individual UGA, which includes:

- A summary of the individual UGA, including key statistics on size, assessed value, and existing development, as well as the recommended strategic designation.
- Current Pierce County zoning active for the area.
- Statistics on buildable lands in the individual UGA, including summations of vacant and underutilized land, as well as estimates of the additional housing and employment that could be accommodated in this area.
- Fiscal impacts, both under current development and at buildout.
- A high-level assessment of capital costs that would be required for this area.

38th Street



Legend

- City UGAs
- Cities
- Parcels



Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	78.1 acres
Land area (net)	69.4 acres
2021 assessed value	\$71,069,200
Housing units	129

Non-residential

Community/Institutional	21,749 sf
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The 38th Street UGA located to the southwest of the city and is about 78 total acres. The area is largely developed with single-family homes and a church. There may be stormwater and septic concerns in this area related to current development.

Recommended Designation

2. Local-led potential annexation area. Annexation of this area would likely be straightforward, potentially providing minimal impacts to the city but not requiring significant planning to complete. A local petition should provide evidence of local support.

Current Zoning

Zone	Net Acres
Single Family	69.4
Total	69.4

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 60 housing units could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Single Family	3.0	0.1	14.5

Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$73,855	\$92,561
Sales Tax	\$0	\$0
Utility Tax	\$15,532	\$18,694
Other Taxes	\$4,985	\$6,074
Intergovernmental	\$10,128	\$12,339
Charges for Services	\$9,574	\$11,664
Fines and Forfeits	\$2,108	\$2,568
TOTAL	\$116,183	\$143,901
Operating Costs		
Non-Departmental	\$5,746	\$7,388
Legislative	\$1,803	\$2,193
Municipal Court	\$11,998	\$11,998
Administration/Buildings	\$25,517	\$25,517
Police	\$0	\$0
Community Development	\$45,060	\$60,080
Parks and Recreation	\$26,440	\$39,660
Streets	\$43,968	\$43,968
TOTAL	\$160,531	\$190,803
TOTAL IMPACT	(\$44,348)	(\$46,903)

Expected Capital Costs

- This area may require additional investment in sewer and stormwater infrastructure to address drain fields and on-site septic concerns. Further servicing studies will be required to understand the full nature of these costs.

Bujacich



Legend

- City UGAs
- Cities
- Parcels



Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	175.4 acres
Land area (net)	150.0 acres
2021 assessed value	\$44,013,300
Housing units	18

Non-residential

Community/Institutional	325,494 sf
Warehousing	2,400 sf

This area is about 176 acres, with most of the UGA incorporating the Washington Corrections Center for Women (operated by the state), and McCormick Forest Park (managed by PenMet). The primary reason for including this area in the UGA is to allow for servicing of the Corrections Center, although there are some minor commercial uses close to Bujacich Rd and 54th Ave. The area is largely built out, however, with few opportunities to accommodate additional growth.

Recommended Designation

4. Long-term management area / area to be removed. There are minimal benefits to annexation of this area by the city. The area should largely be maintained in the UGA to continue to provide sewer servicing, but McCormick Forest Park may be removed from the UGA given that no sewer servicing is required there. Higher costs are associated with the need for increased coverage from the police department associated with the prison.

Current Zoning

Zone	Net Acres
Single Family	69.4
Total	69.4

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 9 jobs could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Community Employment	0.4	-	0.8

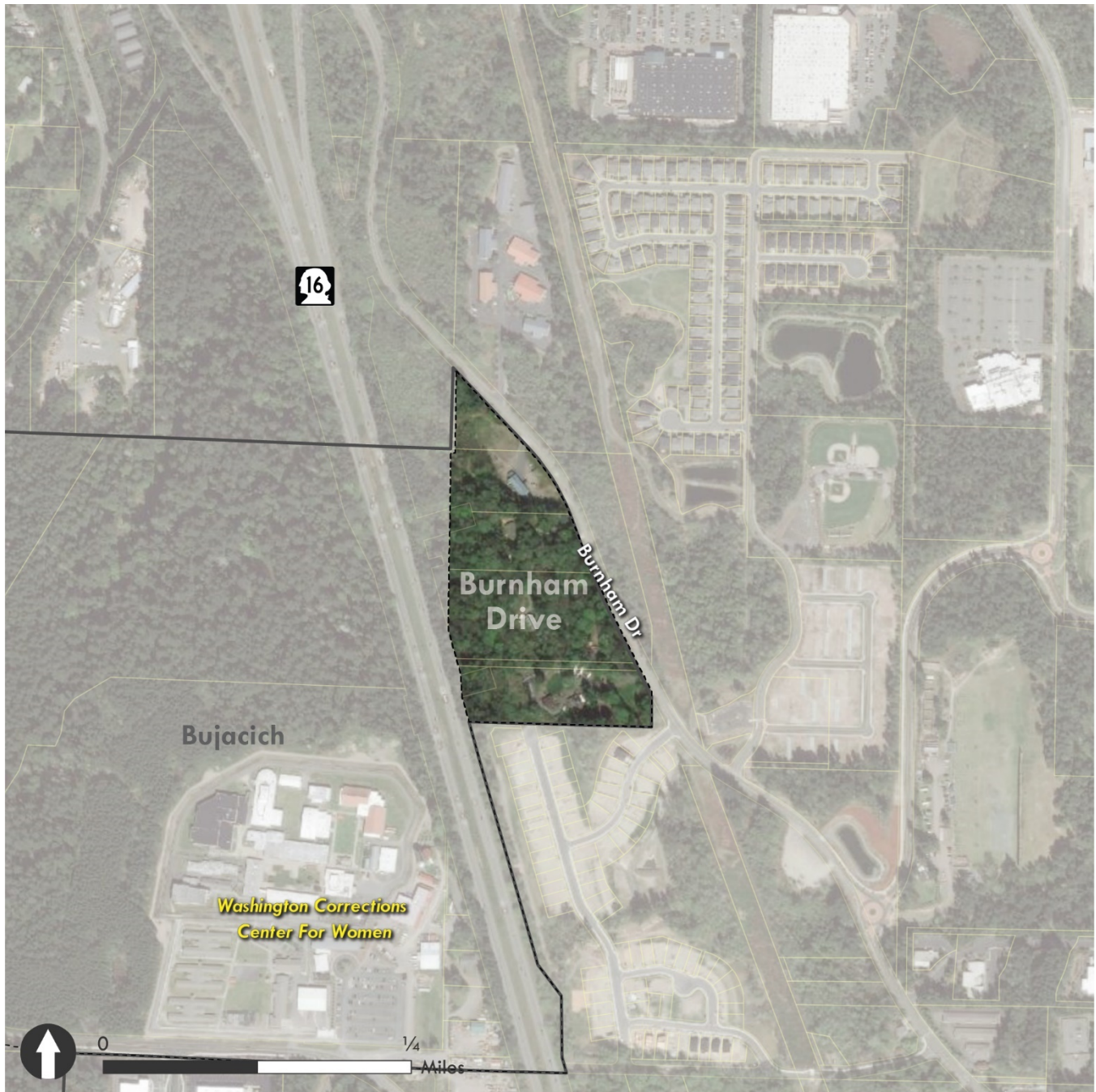
Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$45,739	\$45,881
Sales Tax	\$2,348	\$4,356
Utility Tax	\$15,298	\$15,772
Other Taxes	\$696	\$696
Intergovernmental	\$1,413	\$1,413
Charges for Services	\$1,336	\$1,336
Fines and Forfeits	\$294	\$294
TOTAL	\$67,124	\$69,748
Operating Costs		
Non-Departmental	\$9,029	\$9,029
Legislative	\$414	\$420
Municipal Court	\$0	\$0
Administration/Buildings	\$0	\$0
Police	\$177,405	\$177,405
Community Development	\$15,020	\$15,020
Parks and Recreation	\$0	\$0
Streets	\$68,239	\$68,239
TOTAL	\$270,107	\$270,113
TOTAL IMPACT	(\$202,983)	(\$200,365)

Expected Capital Costs

No additional capital costs are expected.

Burnham Drive



Legend

-  City UGAs
-  Cities
-  Parcels



Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	18.3 acres
Land area (net)	17.6 acres
2021 assessed value	\$244,900
Housing units	7

Non-residential

Other Services	3,600 sf
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The Burnham Drive UGA is the smallest of the UGAs surrounding Gig Harbor. It includes about 18 acres across five parcels and includes an auto repair garage and some single-family housing. Note that this unincorporated area is largely surrounded by the city and has no access points managed by the county.

Recommended Strategic Designation

1. City-led potential annexation area. The small area of this UGA and the configuration of its boundaries suggests that a streamlined process could be faster and more efficient, especially if led by the city. Incorporating this area will also reduce the need for the County to manage an area effectively surrounded by the city.

Current Zoning

Zone	Net Acres
Community Employment	3.4
Park & Recreation	79.1
Public Institutional	67.4
Total	150.0

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 25 housing units could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Moderate Density Single Family	-	-	13.0

Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$255	\$8,049
Sales Tax	\$3,522	\$3,522
Utility Tax	\$1,313	\$2,630
Other Taxes	\$271	\$724
Intergovernmental	\$550	\$1,471
Charges for Services	\$520	\$1,391
Fines and Forfeits	\$114	\$306
TOTAL	\$6,543	\$18,092
Operating Costs		
Non-Departmental	\$0	\$0
Legislative	\$104	\$266
Municipal Court	\$0	\$0
Administration/Buildings	\$0	\$0
Police	\$0	\$0
Community Development	\$0	\$0
Parks and Recreation	\$0	\$0
Streets	\$0	\$0
TOTAL	\$104	\$266
TOTAL IMPACT	\$6,439	\$17,826

Expected Capital Costs

No additional capital costs are expected.

Canterwood



Legend

- City UGAs
- Cities
- Parcels



Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	753.2 acres
Land area (net)	679.4 acres
2021 assessed value	\$812,245,700
Housing units	822

Non-residential

Community/Institutional	14,039 sf
Office	24,354 sf

The Canterwood UGA includes about 753 total acres, with most of the area consisting of a master-planned community anchored by the Canterwood Golf & Country Club. This area represents the largest UGA, both in terms of area and number of housing units. The master-planned community is built out, although is a small amount of vacant land in the areas outside of the community. There is an existing security service for the planned community, but additional police coverage would still be required for responses to calls, coordination with local security, and coverage for other areas in the UGA.

Recommended Strategic Designation

3. Phased potential annexation area. Given the potential need for a phased annexation, as well as additional planning, outreach, and coordination, an interlocal agreement with Pierce County may provide the best framework for managing the annexation of this UGA. This should be coordinated with planning for the annexation of the Peacock Hill UGA, given the connections between the two areas.

Current Zoning

Zone	Net Acres
Master Planned Community	570.2
Single Family	109.2
Total	679.4

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 86 housing units could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Master Planned Community	-	0.9	-
Single Family	14.8	5.4	7.5

Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$844,086	\$907,986
Sales Tax	\$29,489	\$29,489
Utility Tax	\$96,105	\$100,636
Other Taxes	\$31,768	\$33,328
Intergovernmental	\$64,536	\$67,706
Charges for Services	\$61,005	\$64,001
Fines and Forfeits	\$13,433	\$14,093
TOTAL	\$1,140,423	\$1,217,240
Operating Costs		
Non-Departmental	\$43,504	\$45,146
Legislative	\$11,451	\$12,011
Municipal Court	\$47,990	\$47,990
Administration/Buildings	\$141,131	\$166,648
Police	\$177,405	\$177,405
Community Development	\$285,382	\$300,402
Parks and Recreation	\$185,078	\$185,078
Streets	\$54,151	\$54,151
TOTAL	\$946,092	\$988,831
TOTAL IMPACT	\$194,330	\$228,409

Expected Capital Costs

- There may be requirements to manage surface water quality issues with education and outreach, given the presence of the golf course.
- Additional capital investment in stormwater management and sewer servicing may be required but is not currently known. Additional studies will be required to understand the full nature of these costs.
- The [2016 Parks, Recreation, and Open Space \(PROS\) Plan](#) recommends that land be purchased for a city park in this UGA.

Madrona Links



Legend

- City UGAs
- Cities
- Parcels

BERK
Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	119.3 acres
Land area (net)	105.2 acres
2021 assessed value	\$29,971,200
Housing units	52

Non-residential

(none)

The Madrona Links UGA includes a total of about 119 acres, with 95 acres consisting of the Madrona Links public golf course run by PenMet. The southeast corner of the UGA includes 55 townhomes adjacent to the golf course. This area is completely built out, with no developable sites in the UGA.

Recommended Strategic Designation

4. Long-term servicing management area. While the area does present a net positive fiscal impact, the residential community in Madrona Links is buffered from the rest of the city, and management of Madrona Links would need to be negotiated with PenMet. As such, while sewer servicing of this area should continue, there may be no other substantive reasons to encourage annexation. Note that this may change based on future conditions, such as if the Madrona Links golf course would be redeveloped for other uses.

Current Zoning

Zone	Net Acres
Park & Recreation	77.6
Single Family	27.6
Total	105.2

Buildable Land

Current estimates of available buildable lands suggest that under current zoning no additional development could be accommodated in the UGA.

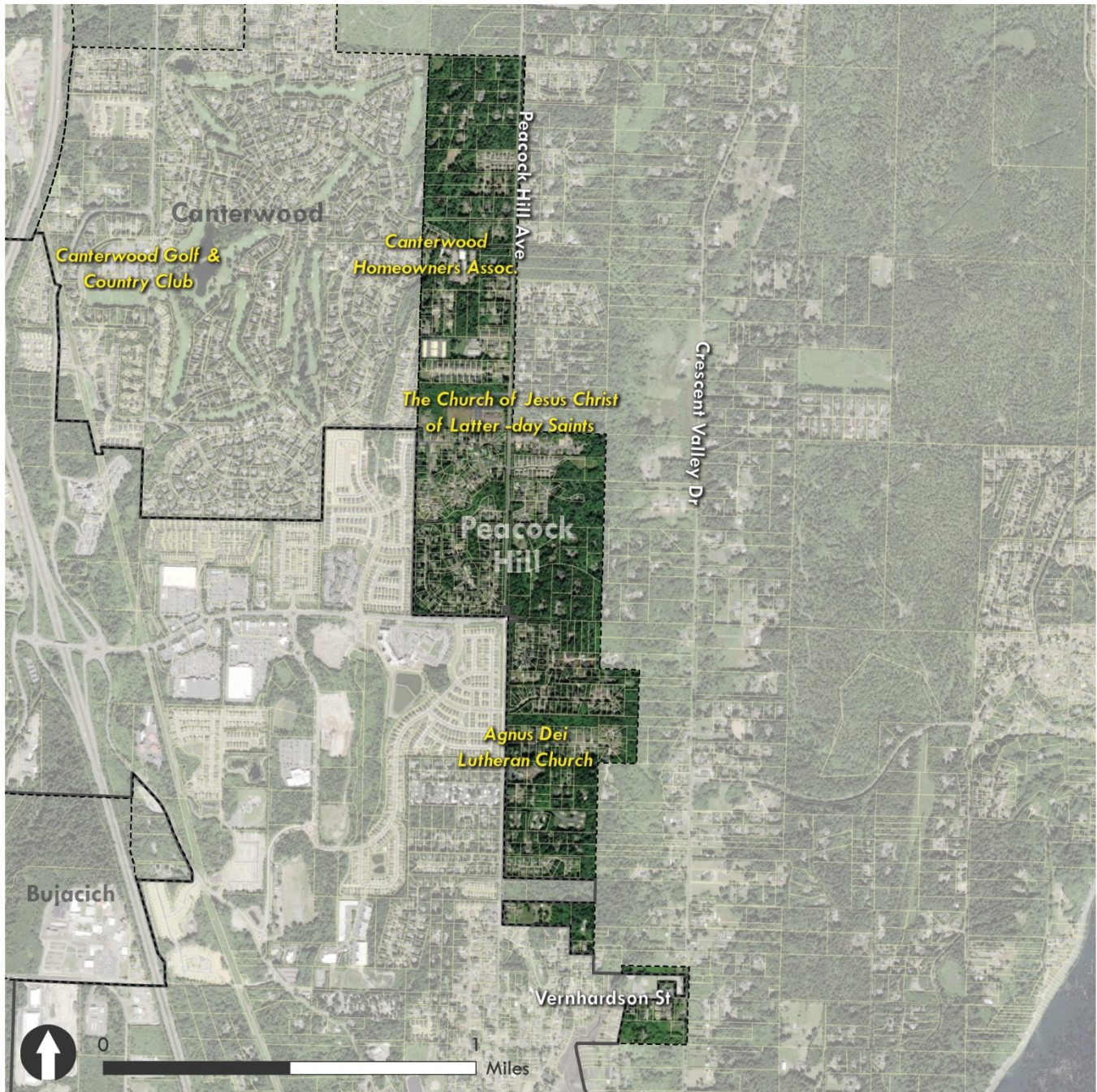
Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$31,146	\$31,146
Sales Tax	\$978	\$978
Utility Tax	\$5,836	\$5,836
Other Taxes	\$2,010	\$2,010
Intergovernmental	\$4,083	\$4,083
Charges for Services	\$3,859	\$3,859
Fines and Forfeits	\$850	\$850
TOTAL	\$48,762	\$48,762
Operating Costs		
Non-Departmental	\$1,642	\$1,642
Legislative	\$721	\$721
Municipal Court	\$0	\$0
Administration/Buildings	\$0	\$0
Police	\$0	\$0
Community Development	\$15,020	\$15,020
Parks and Recreation	\$13,220	\$13,220
Streets	\$0	\$0
TOTAL	\$30,603	\$30,603
TOTAL IMPACT	\$18,159	\$18,159

Expected Capital Costs

- There may be requirements to manage surface water quality issues with education and outreach, given the presence of the golf course.
- Additional capital investment in stormwater management may be required but is not currently known; further studies will be required to understand the full nature of these costs.

Peacock Hill



Legend

- City UGAs
- Cities
- Parcels



Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	483.3 acres
Land area (net)	435.4 acres
2021 assessed value	\$270,756,500
Housing units	605

Non-residential

Community/Institutional	40,472 sf
Warehousing	32,847 sf

The Peacock Hill UGA is located to the northeast of the city, and includes two smaller disconnected portions to the south close the Vernhardson St. This area is about 483 acres and includes two churches, the Canterwood Homeowners Association facilities, and largely residential development in other locations. This area also includes a considerable amount of vacant and underutilized land that could be used for future development.

Recommended Strategic Designation

3. Phased potential annexation area / 1. City-led annexation area. Given the potential need for a phased annexation, as well as additional planning, outreach, and coordination, an interlocal agreement with Pierce County may provide the best framework for managing the annexation of this UGA. This should be done in conjunction with the Canterwood UGA as well, given the integration between these two areas.

Note that there are some portions of the Peacock Hill UGA in the south that are small and better to integrate through a city-led action, potentially with a streamlined process. The small number of owners and amount of land would suggest that this may not need a more involved process.

Current Zoning

Zone	Net Acres
Master Planned Community	17.3
Moderate Density Single Family	11.0
Park & Recreation	2.3
Single Family	404.7
Total	435.4

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 390 housing units could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Single Family	22.5	6.6	107.2

Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$281,370	\$427,274
Sales Tax	\$32,652	\$32,652
Utility Tax	\$71,275	\$91,824
Other Taxes	\$23,382	\$30,457
Intergovernmental	\$47,499	\$61,874
Charges for Services	\$44,900	\$58,488
Fines and Forfeits	\$9,887	\$12,879
TOTAL	\$510,966	\$715,449
Operating Costs		
Non-Departmental	\$25,446	\$33,654
Legislative	\$8,435	\$10,974
Municipal Court	\$35,993	\$47,990
Administration/Buildings	\$96,082	\$141,131
Police	\$0	\$0
Community Development	\$210,282	\$270,362
Parks and Recreation	\$132,199	\$171,858
Streets	\$217,686	\$217,686
TOTAL	\$726,121	\$893,656
TOTAL IMPACT	(\$215,155)	(\$178,207)

Expected Capital Costs

- Although there is a force main located along Peacock Hill Drive, many of the properties currently rely on on-site septic for wastewater. This may require additional investment, which should be determined through additional engineering studies.

Point Fosdick



Legend

- City UGAs
- Cities
- Parcels

BERK
Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	39.0 acres
Land area (net)	36.0 acres
2021 assessed value	\$31,191,800
Housing units	47

Non-residential

(none)

The Point Fosdick UGA contains approximately 41 acres and is located south of the city along Point Fosdick Drive. This area is split between two non-adjacent portions, with the northwest area consisting of a built-out low-density residential area of around 23 acres, and about 13 acres to the southeast consisting of vacant land currently zoned as “Neighborhood Center” by Pierce County. Note that this vacant land is not provided with a land use designation under the Gig Harbor Comprehensive Plan.

Recommended Strategic Designation

2. Local-led potential annexation area. Annexation of this area would likely be straightforward, likely providing minimal impacts to the city and not requiring significant planning to complete. A local petition should provide evidence of local support.

Current Zoning

Zone	Net Acres
Neighborhood Center	13.0
Single Family	23.0
Total	36.0

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 13 housing units and 123 jobs could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Neighborhood Center	13.0	-	-

Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$32,415	\$46,156
Sales Tax	\$0	\$27,437
Utility Tax	\$5,275	\$12,441
Other Taxes	\$1,816	\$2,052
Intergovernmental	\$3,690	\$4,169
Charges for Services	\$3,488	\$3,941
Fines and Forfeits	\$768	\$868
TOTAL	\$47,452	\$97,064
Operating Costs		
Non-Departmental	\$1,642	\$1,642
Legislative	\$652	\$817
Municipal Court	\$0	\$0
Administration/Buildings	\$0	\$0
Police	\$0	\$0
Community Development	\$15,020	\$15,020
Parks and Recreation	\$13,220	\$13,220
Streets	\$18,167	\$18,167
TOTAL	\$48,700	\$48,865
TOTAL IMPACT	(\$1,248)	\$48,199

Expected Capital Costs

No additional capital costs are expected.

Purdy



Legend

- City UGAs
- Cities
- Parcels



Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	337.7 acres
Land area (net)	241.8 acres
2021 assessed value	\$95,668,000
Housing units	156

Non-residential

Community/Institutional	284,932 sf
Office	22,565 sf
Restaurant	2,318 sf
Retail	21,302 sf
Other Services	6,173 sf
Utilities	39,184 sf

The Purdy UGA is approximately 338 acres, and it includes Peninsula High School and Purdy Elementary, managed by the Peninsula School District. The city's primary interest in this area is with sewer servicing of these uses. There is a utility facility located here (Peninsula Light Co.), as well as a mix of commercial and residential uses. While there are some vacant lands that could be developed, stormwater drainage challenges would make it difficult to utilize these areas.

Recommended Designation

4. Long-term servicing management area. There are minimal benefits to annexation of this area by the city, given the presence of institutional uses, high expected capital expenditures, and significant yearly operating costs required to support the area. Overall, the area should be maintained as a UGA to continue to provide sewer servicing to the schools located there, but long-term annexation may require ongoing discussions with Pierce County about how best to address stormwater infrastructure deficiencies and the need for contaminated site cleanup in this area.

Current Zoning

Zone	Net Acres
Activity Center	5.4
Community Center	9.5
Community Employment	56.8
Mixed Use Districts	51.1
Moderate Density Single Family	0.4
Neighborhood Center	2.3
Public Institutional	65.2
Single Family	51.2
Total	241.8

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 267 housing units and 706 jobs could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Activity Center	-	-	0.1
Community Center	1.7	2.1	3.5
Community Employment	7.4	-	3.6
Mixed Use Districts	23.8	0.4	26.3
Moderate Density Single Family	-	-	0.4
Neighborhood Center	-	-	1.9
Public Institutional	0.6	-	-
Single Family	6.5	5.7	2.2

Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property tax	\$99,418	\$207,723
Sales tax	\$136,691	\$241,679
Utility Tax	\$29,259	\$80,526
Other Taxes	\$6,029	\$10,873
Intergovernmental	\$12,248	\$22,089
Charges for Services	\$11,578	\$20,880
Fines and forfeits	\$2,549	\$4,598
TOTAL	\$297,771	\$588,368
Operating Costs		
Non-Departmental	\$15,596	\$30,371
Legislative	\$2,309	\$4,508
Municipal Court	\$11,998	\$23,995
Administration/Buildings	\$25,517	\$70,566
Police	\$177,405	\$354,810
Community Development	\$60,080	\$105,141
Parks and Recreation	\$39,660	\$66,099
Streets	\$239,078	\$239,078
TOTAL	\$571,643	\$894,568
TOTAL IMPACT	(\$273,872)	(\$306,201)

Expected Capital Costs

- Significant drainage issues in this area would require new infrastructure; current costs of these improvements are not known.
- Existing sewer servicing and fire flow issues would limit additional development in this area, and would need to be addressed if future growth were coordinated for this area.
- Management and cleanup of sites in this area, especially those with potential discharges into Henderson Bay, would be required for new development to proceed in many locations. No estimates of costs are available but are likely considerable.
- The Pierce County Transportation Improvement Program does note the need for road improvements on 38th Ave NW from 36th St NW to the city limits.

Reid Road



Legend

- City UGAs
- Cities
- Parcels



Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	339.3 acres
Land area (net)	303.1 acres
2021 assessed value	\$371,267,300
Housing units	590

Non-residential

(none)

The Reid Road UGA is approximately 339 acres, with a neighborhood that consists almost completely of single-family housing, with a small amount of multi-family housing. While there are some remaining parcels, the area is largely built out. This area is not currently serviced by sewer and lift stations would be required to extend services out to the neighborhood.

Recommended Designation

3. Phased potential annexation area. As there may be a need for a phased annexation of the Reid Road UGA, as well as additional planning, outreach, and coordination with the neighborhood, an interlocal agreement with Pierce County may provide the best framework for managing the annexation of this UGA. This may also include potential negotiations with Pierce County to determine effective ways of financing sewer upgrades in this area.

Current Zoning

Zone	Net Acres
Single Family	303.1
Total	303.1

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 147 housing units could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Single Family	2.0	15.3	29.9

Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$385,821	\$463,730
Sales Tax	\$2,117	\$2,117
Utility Tax	\$66,220	\$73,965
Other Taxes	\$22,802	\$25,469
Intergovernmental	\$46,322	\$51,740
Charges for Services	\$43,787	\$48,909
Fines and Forfeits	\$9,642	\$10,770
TOTAL	\$576,710	\$676,699
Operating Costs		
Non-Departmental	\$25,446	\$28,729
Legislative	\$8,185	\$9,142
Municipal Court	\$35,993	\$35,993
Administration/Buildings	\$96,082	\$141,131
Police	\$0	\$0
Community Development	\$210,282	\$225,302
Parks and Recreation	\$132,199	\$145,418
Streets	\$271,473	\$271,473
TOTAL	\$779,658	\$857,188
TOTAL IMPACT	(\$202,948)	(\$180,489)

Expected Capital Costs

- Although there is a force main servicing part of this area, extensions to sewer infrastructure will be required, potentially including additional sewer lift and pump stations.

Rosedale



Legend

-  City UGAs
-  Cities
-  Parcels



Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	152.5 acres
Land area (net)	136.5 acres
2021 assessed value	\$78,145,200
Housing units	157

Non-residential

(none)

The Rosedale UGA is located on the western boundary of the city. It includes about 153 acres, and largely incorporates single-family housing development. There are some additional sites for infill and development within the UGA, although wetlands and critical areas may complicate further development in many locations.

Recommended Strategic Designation

4. Local-led potential annexation area. Annexation of this area would likely be straightforward. Although there would likely be some concern with increased costs to the city, annexation of part or all of this UGA would not likely require significant planning to complete. If these costs would be reasonable for the city to bear, a local petition by landowners and/or residents. should provide evidence of local support to move this process forward.

Current Zoning

Zone	Net Acres
Single Family	135.7
Total	135.7

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 290 housing units could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Single Family	0.5	1.0	75.4

Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property tax	\$81,208	\$183,674
Sales tax	\$0	\$0
Utility Tax	\$17,621	\$32,901
Other Taxes	\$6,068	\$11,329
Intergovernmental	\$12,326	\$23,015
Charges for Services	\$11,652	\$21,756
Fines and forfeits	\$2,566	\$4,791
TOTAL	\$131,441	\$277,465
Operating Costs		
Non-Departmental	\$7,388	\$13,133
Legislative	\$2,178	\$4,067
Municipal Court	\$11,998	\$11,998
Administration/Buildings	\$25,517	\$70,566
Police	\$0	\$0
Community Development	\$60,080	\$105,141
Parks and Recreation	\$39,660	\$66,099
Streets	\$127,795	\$127,795
TOTAL	\$274,615	\$398,798
TOTAL IMPACT	(\$143,174)	(\$121,333)

Expected Capital Costs

- This area may require additional investment in sewer and stormwater infrastructure to address drain fields and on-site septic concerns. Further studies will be required to understand the full nature of these costs.

Skansie Drive



Legend

- City UGAs
- Cities
- Parcels

BERK
Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	78.4 acres
Land area (net)	74.5 acres
2021 assessed value	\$46,246,000
Housing units	104

Non-residential

(none)

The Skansie Drive UGA is located on the southwestern edge of the city, and separates the administration of Skansie Ave. It is about 78 acres in size and includes mostly single-family homes. There may be opportunities for infill development, but the potential for new construction in this area is low due to the current lot layout. Additionally, portions of this area may not currently be serviced by city sewer.

Recommended Strategic Designation

4. Local-led potential annexation area. Annexation of this area would likely be straightforward, likely providing minimal impacts to the city and not requiring significant planning to complete. A local petition by landowners and/or residents. should provide evidence of local support to move this process forward.

Current Zoning

Zone	Net Acres
Single Family	74.5
Total	74.5

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 133 housing units could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Single Family	2.0	2.9	38.5

Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$48,059	\$89,523
Sales Tax	\$0	\$0
Utility Tax	\$11,673	\$18,680
Other Taxes	\$4,019	\$6,432
Intergovernmental	\$8,165	\$13,067
Charges for Services	\$7,718	\$12,352
Fines and Forfeits	\$1,700	\$2,720
TOTAL	\$81,334	\$142,775
Operating Costs		
Non-Departmental	\$4,925	\$7,388
Legislative	\$1,443	\$2,309
Municipal Court	\$11,998	\$11,998
Administration/Buildings	\$25,517	\$25,517
Police	\$0	\$0
Community Development	\$30,040	\$60,080
Parks and Recreation	\$26,440	\$39,660
Streets	\$8,120	\$8,120
TOTAL	\$108,482	\$155,071
TOTAL IMPACT	(\$27,148)	(\$12,296)

Expected Capital Costs

- Additional investment may be required to extend sewer services to these areas, especially if more dense infill development over the long term would be desirable. Further servicing studies will be required to understand the full nature of these costs.

Appendix: Example Annexation Evaluation

Overview

This appendix is highlighted to show how the checklist and guidelines provided in this report can be applied to individual annexation applications. To this end, this section will include a high-level summary of relevant elements of this example, as well as a step-by-step guide showing how individual points from the guidelines can be stepped through to help with the decision-making process.

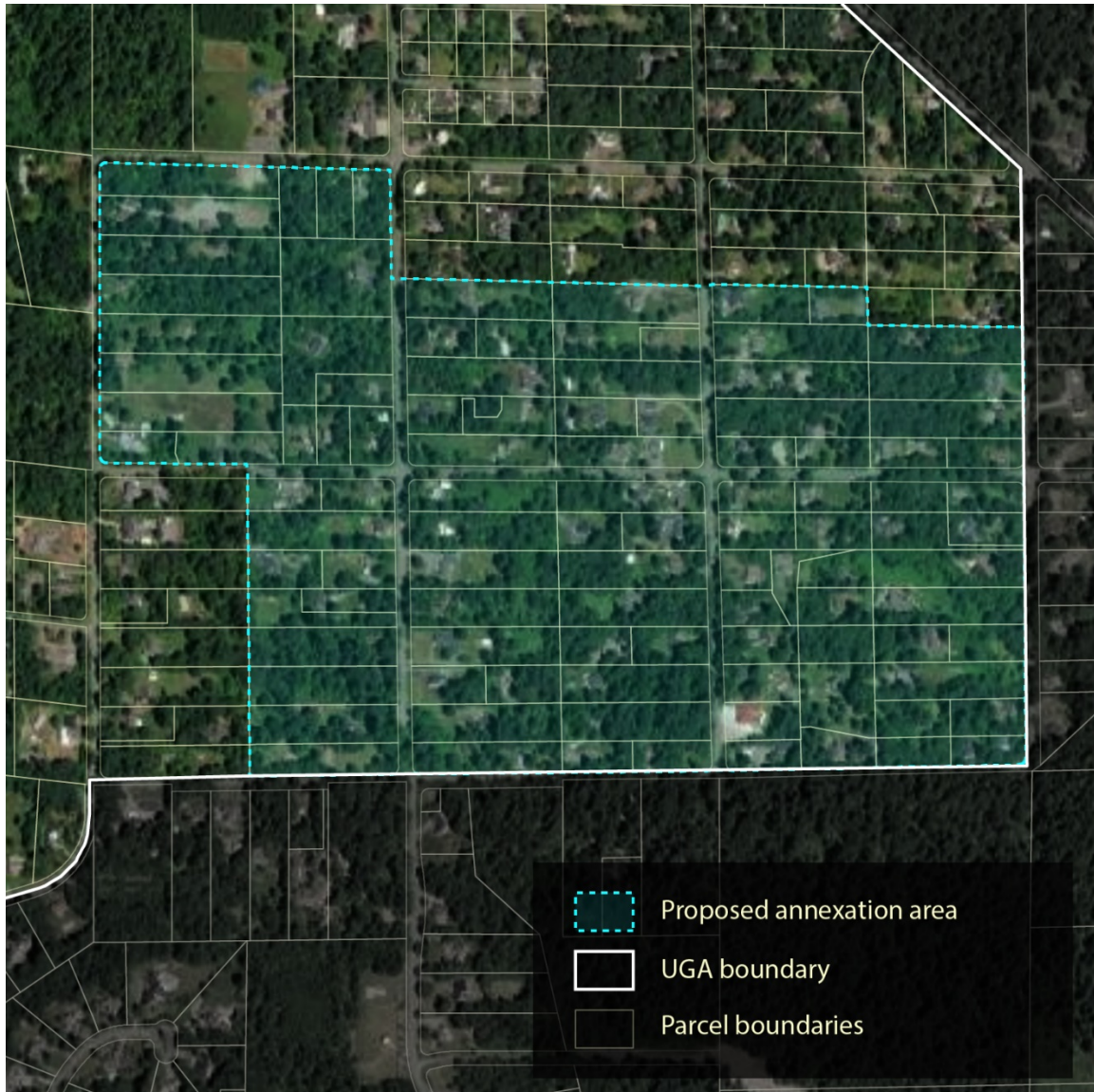
Summary of the Example

The area for this example proposed annexation is shown in Exhibit 25. This represents a petition presented by a selected group of residents representing over 10% of property value, as per the direct petition method under [RCW 35A.14.120](#). Certain areas were not included in the proposed annexation area due to some concerns about the willingness of these property owners to be included as part of the process.

Information that may be relevant to evaluating decisions regarding annexation include the following:

- **Location.** The area for this example proposed annexation (shown in Exhibit 25) is located on the edge of the city, in an area that has already been developed as a single-family neighborhood with sewer servicing. The site is close to local arterials managed by both the city and the county overall, and there is an existing street grid in this area.
- **Extent of the annexation.** The proposed annexation covers almost 80 acres, and currently includes about 105 tax parcels and 91 single-family homes. Under current zoning designations from the county, this site could accommodate an additional 25 homes. There are no commercial uses in this area, although there is a church located on the southern side of the site.
- **Planning.** This area is currently included in the city's Comprehensive Plan as an Urban Growth Area, and the Land Use Map designates it as a single-family neighborhood. No additional planning is expected to be required.
- **Expected impacts to operating revenue.** Under current conditions, most of the expected revenue from this area would be in the form of property taxes. The area accommodates approximately \$90 million in assessed value and would generate about \$94,000 per year under current conditions, or \$120,000 per year at full buildout. Utility taxes would generate an additional \$21,000 per year (or \$27,000 at buildout).
- **Expected impacts to operating expenses.** As annexation wouldn't require additional police staffing, costs would be expected to be limited to increasing general capacity with city staff. This would amount to around \$140,000 per year, or about \$175,000 per year at buildout.
- **Overall operating fiscal impacts.** The net impacts to city finances would include net costs of about \$20–25,000 per year, depending on buildout.

Exhibit 25. Map of Example Proposed Annexation.



- **Infrastructure impacts.** This annexation would involve incorporating all or part of several streets into the city, and potentially upgrading these streets over time to city standards. This area is already serviced with sewer, but drainage issues suggest that this area may require additional infrastructure, including potential upgrades to local culverts and additional drainage ponds.
- **Other considerations.** There are several sites in this area that have older trees that may be a priority to protect for aesthetics and habitat. Additionally, this area traditionally views itself as part of the city.

Guideline Analysis

1. Is the annexation proposal consistent with the city's Comprehensive Plan and other existing policy?

Yes. The annexation is located within a UGA in the Comprehensive Plan, and land uses for the UGA are detailed in the Land Use Map. No other inconsistencies have been noted with existing policies.

2. Is this annexation proposal generally supported by those that could be impacted?

Yes. The process is currently being led by resident landowners who submitted a petition, and the direct petition process will require the approval of owners representing over 60% of the assessed value in the identified area. Council should encourage a greater number of owners to sign the final petition and should provide opportunities at public hearings for impacted landowner that may be affected to express their concerns.

3. Does this proposed annexation represent a net positive fiscal impact to the city?

No. The annexation would pose a general increase in net operating costs to the city and may include additional capital expenditures for stormwater management and street upgrades. However, these costs may be acceptable to the city as part of long-term management of UGAs.

4. Would this proposal result in a significant increase of land, development, and population?

No. Incorporating this area of 80 acres would be significant but would not represent a significant increase in city population, and no increase in commercial space or employment is expected.

5. Is the annexed area defined to reduce the number of annexations by the city?

No. The annexation area does not include entire blocks, suggesting that additional annexations would be required in this area to accommodate adjacent properties. The small size of the annexation may also suggest that there are other areas in the UGA that could be included in the annexation process.

6. Does this proposal maintain or create logical boundaries for the city?

No. The proposed boundaries do not encompass entire blocks, and certain streets may be split between county and city ownership.

7. Is this area currently or likely to be developed to urban densities?

Yes. This area is currently developed as a single-family neighborhood with lower densities generally comparable to existing neighborhoods within the city.

8. Could city planning and zoning increase the density or otherwise improve the quality of future development?

Yes. Long-range planning in this area could be coordinated to provide additional density over time, including provisions for infill and redevelopment. This should be explored as part of long-term strategic planning but may be accommodated in the interim through existing city zoning.

9. Would city policy and planning result in better environmental protection and management for annexed areas?

Yes. There are concerns in this area related to stormwater management and tree canopy protection which could be addressed through current city policies and future initiatives. The ability for the city to address these issues should be weighed by Council in making the final decision.

10. Are there any other public benefits or concerns that would be associated with annexation?

While no other direct issues are clear from the description of this example, Council should consider the potential concerns of owners that are not included in the proposed annexation area, especially if these concerns may impact the process.

Decisions

In this example, Council would be weighing several key issues for their decision as identified in the analysis:

- **Would annexation be worth the expected nominal costs to the city?** Note that while the magnitude of the costs are relatively low, multiple annexation processes may result in larger cumulative impacts.
- **Is this the most effective configuration for the area to be annexed?** This is true both in terms of the geometry of the site, which could be made more regular to conform to existing blocks, and in terms of size, which could encompass a broader area of the UGA.
- **What are the other concerns by landowners and residents with respect to this annexation?** If certain areas are excluded, could these areas be incorporated into the annexation petition by addressing these issues? Would these issues also result in challenges to the petition even if some residents are excluded?
- **Can the city address long-term needs for infrastructure and environmental protection in this area?** With respect to needs for road and stormwater improvements, is the city positioned to deal with these issues within a reasonable length of time?

For this scenario, it is reasonable that Council may accept the petition, conditional on several elements:

- A determination of whether the area could encompass entire blocks and increase the regularity of the proposed boundary, which may depend on engaging excluded landowners to determine potential concerns. This could result in Council expanding the boundaries of the petition.
- An evaluation by staff about whether this would increase the number of likely annexation petitions for this UGA, and whether the remainder of the UGA could potentially be included in this petition. This may require a new petition.
- A general assessment of the expected infrastructure costs needed to support this area, potential sources of funding, and projected timeframes for improvements. While this may not halt the petition, this may require additional planning by the city to coordinate.

City of Gig Harbor

URBAN GROWTH AREA ASSESSMENT AND GUIDELINES

BERK Consulting Inc.

April February 2022

Summary

The city of Gig Harbor is surrounded by approximately 2,800 acres of unincorporated Pierce County that are designated as 13 Urban Growth Areas (or UGAs). These UGAs are identified by the city for long-term coordination of urban growth to reduce urban sprawl, plan for urban-level services, and encourage coordination with the county on long-term planning for areas close to the city.

The city may wish to include these areas within its boundaries in the future. Annexing areas into the city may result in greater tax revenues as well as providing more government representation to the residents in the annexed areas. There may be other benefits to annexation as well, including improving the efficiency of service delivery, managing opportunities for new growth through the city's development regulations and zoning requirements, and addressing local environmental issues in a more consistent way. However, the costs of providing additional services and the necessary investments in infrastructure can also have a fiscal impact on city finances. Coordinating future annexation should consider all these impacts when finding long-term solutions.

This report provides the city of Gig Harbor with high-level strategic guidance for considering future annexations of the city's Urban Growth Areas. This guidance is informed by a survey of the existing UGAs and analysis of potential annexation impacts, including impacts on the city's budget.

Major findings from the analysis include the following:

- **There are a wide range of impacts associated with annexing certain UGAs, with most providing a net negative effect on operating budgets.** Exhibit A provides a summary of the yearly change to budgets associated with both the costs of supplying services to these areas and the increases in city revenues from areas upon annexation. Overall, these impacts range from positive fiscal impacts associated with residential neighborhoods with high property values, to negative impacts in areas dominated by institutional uses which do not provide city revenue.
- **Certain areas may also require infrastructure investments that would increase costs.** Many of the UGAs surrounding Gig Harbor would require more investment in infrastructure. Further development in the Purdy UGA, for example, would require investment in stormwater infrastructure, while linking the neighborhoods in the Reid Road UGA to the city sewer system would need significant funding for new facilities. While an engineering costing study for these elements was outside of the scope of this study, further work may need to be coordinated to ensure the city can appropriately support this new infrastructure.
- **Coordinating annexation will require different solutions in different areas.** Given the differences between each UGA, there is no "one-size-fits-all" solution. While the consent of residents and landowners is important, some areas like the Burnham Drive UGA are so small that a more administrative process may be appropriate, while other areas like the Canterwood and Reid Road UGAs are large enough such that community planning and outreach may be necessary. Additionally, certain areas like the Purdy and Bujacich UGAs may be dominated by institutional uses that may be less ideal for the city to incorporate. As such, each area should be considered differently.

Guidelines

The report provides ten evaluation guidelines to assess the costs and benefits of individual annexation proposals in a consistent way. These are:

1. **Is the annexation proposal consistent with the city's Comprehensive Plan and other existing policies?** Under statute, an annexation proposal (including a proposed zoning ordinance) must comply with the Comprehensive Plan, and potentially other policies.
2. **Is the annexation proposal supported by those that could be impacted?** Proposals should have the support of residents, businesses, landowners, neighbors, and Pierce County. If there are concerns, applicants should work to resolve outstanding issues.
3. **Does the proposal provide a net positive fiscal impact to the city?** Consideration of the proposed annexation should include an assessment of the fiscal impacts to the city. Expected net costs should be weighed against other benefits in this list.
4. **Would the proposed annexation result in a significant increase of land, development, and/or population to the city?** There may be a need to phase larger annexations that would significantly expand the population, employment, or area of the city to provide Gig Harbor with the opportunity to plan for capacity expansion.
5. **Is the proposed annexation area defined to reduce the number of annexations by the city?** Conversely, given the overhead required to administer the annexation process, annexation areas should be as large as possible and avoid annexing UGAs piecemeal if possible.
6. **Does the proposal keep or create logical boundaries for the city?** Annexations should be favored if they will result in more regular city boundaries, minimize islands or pockets of development, and give clarity about city and county jurisdiction.
7. **Is the proposed annexation area currently or likely to be developed to urban densities?** Annexations should prioritize areas that are currently built out, or with significant supplies of vacant land that would allow the area to accommodate urban densities.
8. **Could city planning and zoning increase the density or otherwise improve the quality of future development in the proposed annexation area?** In cases where the city may be reviewing locations with development (or even redevelopment/infill) opportunities, the potential for city zoning to improve or benefit new development projects should be recognized, especially if it would lead to more compact and efficient development patterns.
9. **Would city policy and planning result in better environmental protection and management for the proposed annexation areas?** In addition to supporting improved development, annexations may give opportunities to manage certain areas more effectively under city programs, plans, and statutes. This may include management of shoreline, riparian and wetland areas, other critical areas, and tree canopy.
10. **Are there any other public benefits or concerns that would be associated with annexation?** No guidelines can completely define all the questions that may arise. Other significant public benefits such as opportunities for parks and other public facilities may be considered as part of an annexation review. In these cases, the value of these benefits to the public (both within the city and the annexation area) should be weighed against the other criteria as needed.

Proposed Strategic Approach and Recommendations

This section provides strategic approaches to managing the consideration and process of annexing new lands into the city within a 20-year planning horizon. Note that this is to guide long-term approaches to annexation, as no current annexation petitions have been reviewed as a part of this report. The categorization of specific UGAs into the strategic approaches is based on the consideration of each of the evaluation guidelines described above.

- ~~*—Areas to be removed from the UGAs. There is no substantive interest to the city to retain the McCormick Forest Park as part of the Bujacich UGA, given its ownership by PenMet and long-term status as a park. Removing the area from the UGA would not have a significant impact on overall growth planning.~~
- 1. Urban servicing City-led potential annexation areas. In specific cases, there may be a city interest in leading annexation, primarily to maintain logical city boundaries and reducing boundaries that complicate service delivery. This should rely on the abbreviated methods for either direct petitions or interlocal agreements to streamline this process.
- 2. Local-led potential annexation areas. It would be desirable to annex certain smaller UGAs or portions of larger UGAs. In addition, given the size of these areas, annexation would not require extensive planning and coordination. The city should encourage property owners, residents, businesses (if applicable), and local organizations to follow one of the direct petition methods (preferably the alternative direct petition method for residential areas) to begin annexation.
- 3. Phased potential annexation areas. Annexations of the larger UGAs would require more planning and potentially the phasing of annexations over time. These include the Canterwood and Reid Road UGAs as well as most of the Peacock Hill UGA. Relying on an interlocal agreement with Pierce County, which would involve consultation with these areas, proposed zoning regulations, and potential Comprehensive Plan Amendments, may present a more consistent and forward-thinking approach to managing annexation.
- *4. Long-term management areas.** There may be no strong rationale for annexing part or all of certain UGAs in the short- or long-term. However, urban sewer servicing would still be required. These areas may be retained as UGAs, but the city would not pursue or encourage annexation.
- ~~*1. Local-led potential annexation areas. It would be desirable to annex certain smaller UGAs or portions of larger UGAs. In addition, given the size of these areas, annexation would not require extensive planning and coordination. The city should encourage property owners, residents, businesses (if applicable), and local organizations to follow one of the direct petition methods (preferably the alternative direct petition method for residential areas) to begin annexation.~~
- ~~*1. Planned potential annexation areas. Annexations of the larger UGAs would require more planning and potentially the phasing of annexations over time. These include the Canterwood and Reid Road UGAs as well as most of the Peacock Hill UGA. Relying on an interlocal agreement with Pierce County, which would involve consultation with these areas, proposed zoning regulations, and potential Comprehensive Plan Amendments, may present a more consistent and forward-thinking approach to managing annexation.~~

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- ~~*1. **City led potential annexation areas.** In specific cases, there may be a city interest in leading annexation, primarily to maintain logical city boundaries and reducing boundaries that complicate service delivery. This should rely on the abbreviated methods for either direct petitions or interlocal agreements to streamline this process.~~

Aside from these considerations of the UGA, other recommendations include the following:

- **Certain areas should be removed from the UGAs.** There is no substantive interest to the city to retain the McCormick Forest Park as part of the Bujacich UGA, given its ownership by PenMet and long-term status as a park. Removing the area from the UGA would not have a significant impact on overall growth planning.
- **The guidelines should be considered as part of the Comprehensive Plan 2024 updates** and incorporated where they have the support of the community and city leadership. Doing so would give clarity to potentially impacted residents, businesses, and landowners.
- **The city should work to integrate private water providers** operating in the UGAs where possible. While this has been included as a goal in the Comprehensive Plan, a plan to integrate potable water services should be prioritized if annexation policies are changed.
- **A regular review of the impacts of annexation to the city should be conducted** to confirm the results of this report and inform updates as necessary. This includes infrastructure studies on the development of sewer infrastructure for these areas. Additionally, updates from other studies, such as the upcoming police services study, should be integrated with these recommendations.

Exhibit A. Projected Yearly City Operating Surplus/Deficit after Annexation, by Subarea.

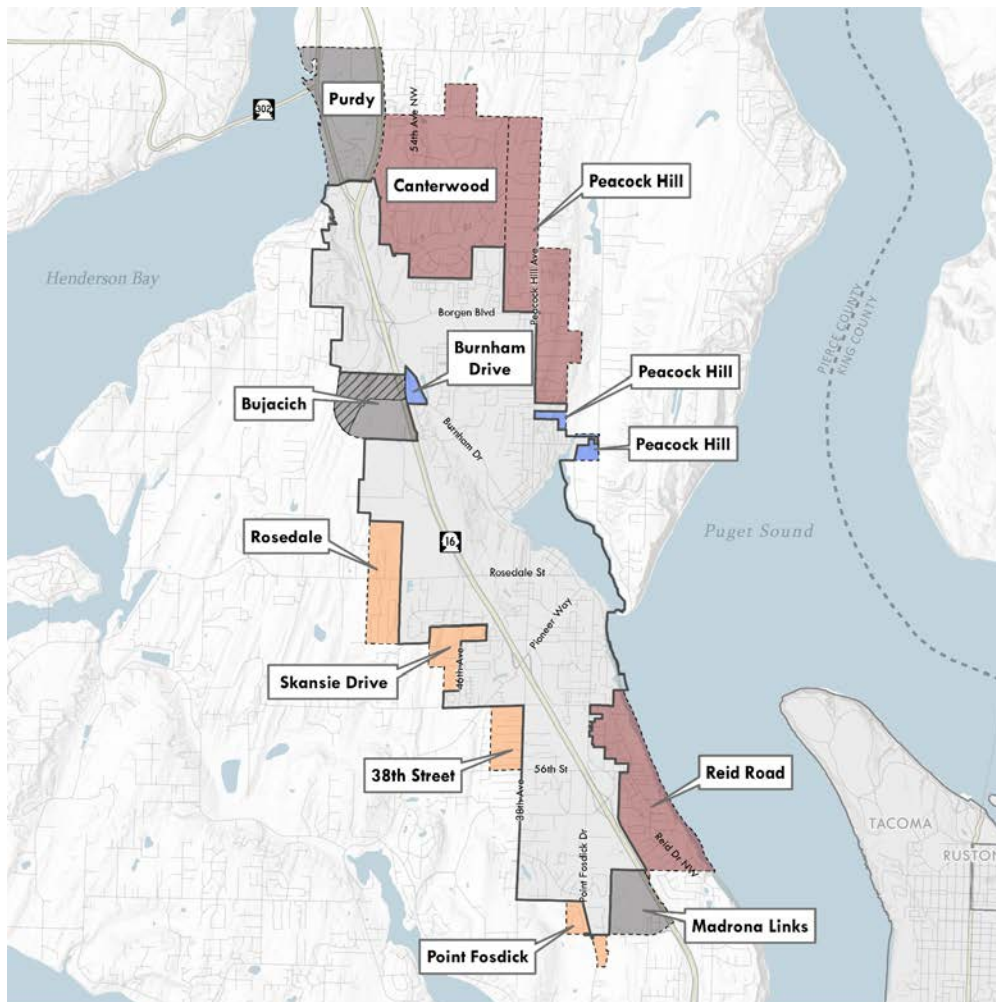


Exhibit B. Projected Changes to City Yearly Operating Revenue and Costs after Annexation, by Subarea.

Subarea	Projected Revenue (2021 dollars)	Projected Costs (2021 dollars)	Surplus/Deficit Per Year (2021 dollars)
38th Street	\$116,183	\$160,531	(\$44,348)
Bujacich	\$67,124	\$270,107	(\$202,983)
Burnham Drive	\$6,543	\$104	\$6,439
Canterwood	\$1,140,423	\$946,092	\$194,330
Madrona Links	\$48,762	\$30,603	\$18,159
Peacock Hill	\$510,966	\$726,121	(\$215,155)
Point Fosdick	\$47,452	\$48,700	(\$1,248)
Purdy	\$297,771	\$571,643	(\$273,872)
Reid Road	\$576,710	\$779,658	(\$202,948)
Rosedale	\$131,441	\$274,615	(\$143,174)
Skansie Drive	\$81,334	\$108,482	(\$27,148)
TOTAL	\$3,024,709	\$3,916,657	(\$891,948)

Sources: City of Gig Harbor, 2021; BERK, 2021

Exhibit C: Recommended Strategic Areas by Priority Strategy for Urban Growth Area Management.



Legend

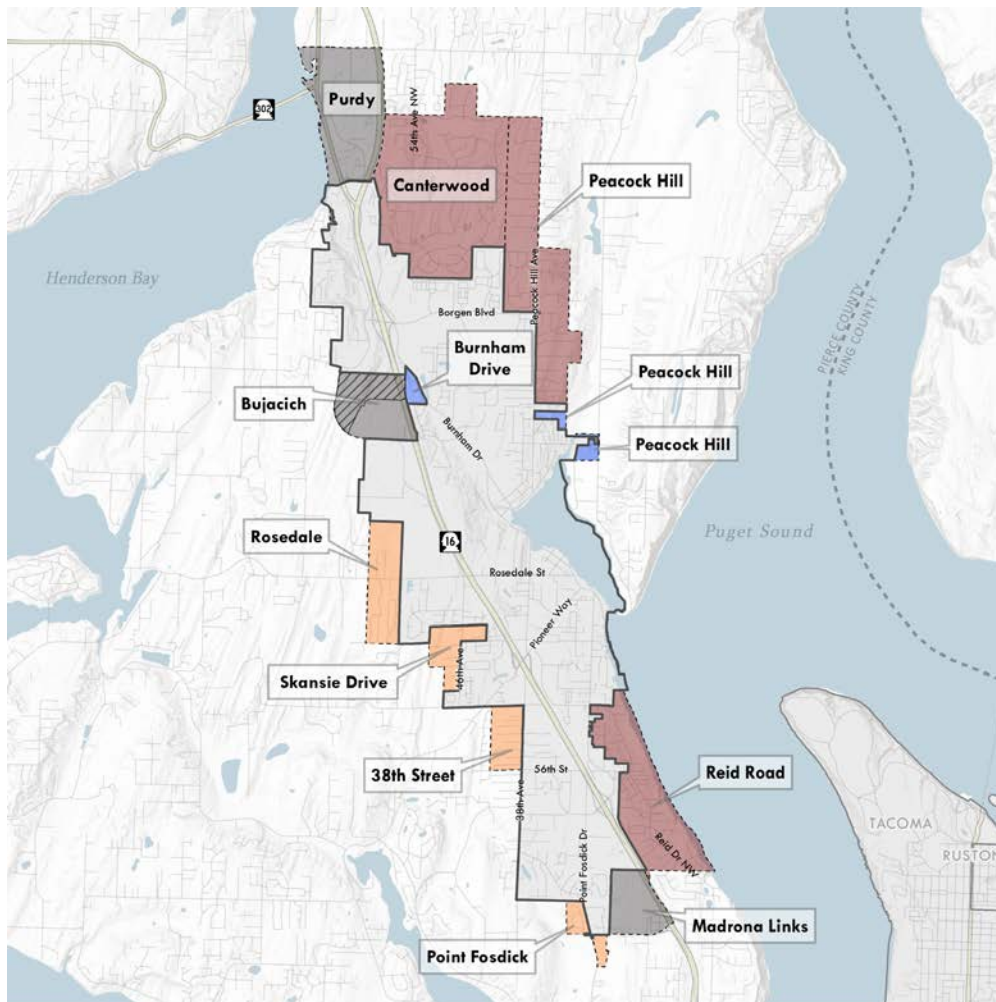
- City UGAs
- Cities
- Counties
- Water
- Highways
- Public Streets

Strategic Areas by Priority

- 1. City-led potential annexation areas
- 2. Local-led potential annexation areas
- 3. Phased potential annexation areas
- 4. Long-term management areas
- Areas to be removed

BERK
Map Date: April 2022

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.



Legend

- City UGAs
- Cities
- Counties
- Water
- Highways
- Public Streets

Strategic Areas

- Areas to be removed
- Long-term management areas
- Local-led potential annexation areas
- Planned potential annexation areas
- City-led potential annexation areas

BERK
Map Date: November 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

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Overview

Introduction

The city of Gig Harbor is surrounded by approximately 2,800 acres of unincorporated Pierce County in 13 Urban Growth Areas (or UGAs). These UGAs are designated by the city as part of the long-term management of urban growth to reduce urban sprawl, plan for urban-level services, and encourage coordination with the county on long-term planning for areas close to the city.

The city may wish to include these areas within city boundaries in the future. For the residents of these areas, annexation into the city may provide the following:

- **More government representation.** Residents in UGAs may want a greater say in local government about local infrastructure and services.
- **Greater local application of tax revenue.** Landowners, businesses, and residents may want more of the taxes they pay to support local services and infrastructure.
- **City planning and development standards.** There may be areas of UGAs that are appropriate for more intensive uses and city servicing, zoning, and development standards would be more appropriate to support these activities.
- **Higher levels of urban services.** Areas in the city may have levels of service for government facilities such as police protection, parks, and infrastructure that are higher than in the county, and may require new investment in these areas.

For the city, including new areas within its corporate boundaries can also have benefits, such as:

- **Increase in the local tax base and potential net tax revenue.** In some cases, annexed areas can provide a net increase in tax revenues once the costs of supporting new areas are considered. This may improve the city's financial position and the increase in the tax base can also improve its bonding capacity.
- **Reduction in redundancies and other inefficiencies.** As the city and county are both responsible for providing services such as police protection or building inspection, there may be inefficiencies, duplication, and general confusion in jurisdiction and service delivery. Consolidating some areas under the city can help to improve efficiency and certainty and provide higher levels of service at lower cost.
- **Improved long-range planning and growth management.** Providing more direct regulation and management of annexed areas can give the city greater latitude to coordinate long-range planning. This could be important, for example, if an annexed area includes developable lands that could accommodate more growth than would currently be permitted under county land use regulations.
- **Effective management of other systems and services.** There may be other aspects of incorporated areas that the city may wish to manage as well. This can include, for example, controlling development at the "gateways" to the city, providing consistent protection of shorelines and creeks,

and maintaining urban forest cover. This may be related to a range of different city policies, and the priorities as they would apply to annexed areas would be determined by local government.

- **Logical boundaries.** There may be cases where city boundaries are not regular and do not necessarily represent the actual boundaries of the community. Annexation can reduce fragmentation and allow the boundaries to be orderly and more regular in certain locations.

With respect to both residents and the city, there can also be drawbacks and costs to annexation. For residents, greater regulation may not be desirable, and there might be real or perceived increases in certain taxes and fees associated with the city. For the city, limitations often involve balancing the net cost of servicing annexed areas with policy objectives that can be achieved through annexation.

Although there are city-led approaches to annexation, the process under Washington State law often starts through a petition by residents or landowners within a certain area for incorporation. In this type of process, the city has a specific role in deciding whether to accept or deny a petition, and if changes to a petition would be required. Typically, this process is coordinated on an as-needed basis when petitions are submitted to City Council for review.

As opposed to deciding whether individual petitions should go forward with a case-by-case approach, this report presents a strategy and series of guidelines to give direction to the city and Council on how to manage future annexation of the UGAs. Overall, this framework recognizes that the city has three general options about current UGAs:

- **Removing properties from UGAs altogether.** In cases where there is no development that requires sewer servicing from the city and future growth potential in a location is minimal, the city may decide to coordinate with Pierce County to remove certain sites from the UGA. This allows the UGA boundaries to reflect long-term expectations of development.
- **Maintaining the status quo.** The city may not actively pursue annexation in certain areas but will still review petitions for annexation from landowners and residents. Providing clear guidance on what Council would accept for a petition should be a priority in these areas, to ensure that these applications are treated in a consistent and fair way, and that petitioners understand Council's expectations for annexation.
- **Encouraging annexation.** Finally, the city could actively encourage annexation in some locations, or even pursue the process itself by available means under the statute. In some cases, these annexations may be minor adjustments to address small irregularities in incorporated boundaries. For larger areas, however, annexations may require additional study, coordination, and even phasing to complete, which would need a process different than a standard petition method.

The city will still require flexibility to address certain annexations on a case-by-case basis. However, providing an overall framework for thinking about future annexations can help to guide the city in long-term decision-making and give clarity to landowners and residents in areas that may be annexed in the future.

Objectives

This report provides high-level strategic guidance to the City of Gig Harbor for future consideration of potential annexation areas. This guidance is based on a survey of the existing UGAs, and an analysis of the potential impacts associated with integrating areas into the city's corporate boundaries.

Exhibit 1 provides a map of Gig Harbor's UGAs, including the designations provided. These designations are consistent with those provided in the current Gig Harbor Comprehensive Plan.

The guidelines and report recommendations will work to address the following:

- What are the criteria that the city should use to decide whether an annexation petition should move forward?
- What are the planning considerations to integrating new areas into the city?
- What adjustments should the city require to accept an annexation petition?
- How should annexation guidelines be integrated into other planning and policy development?

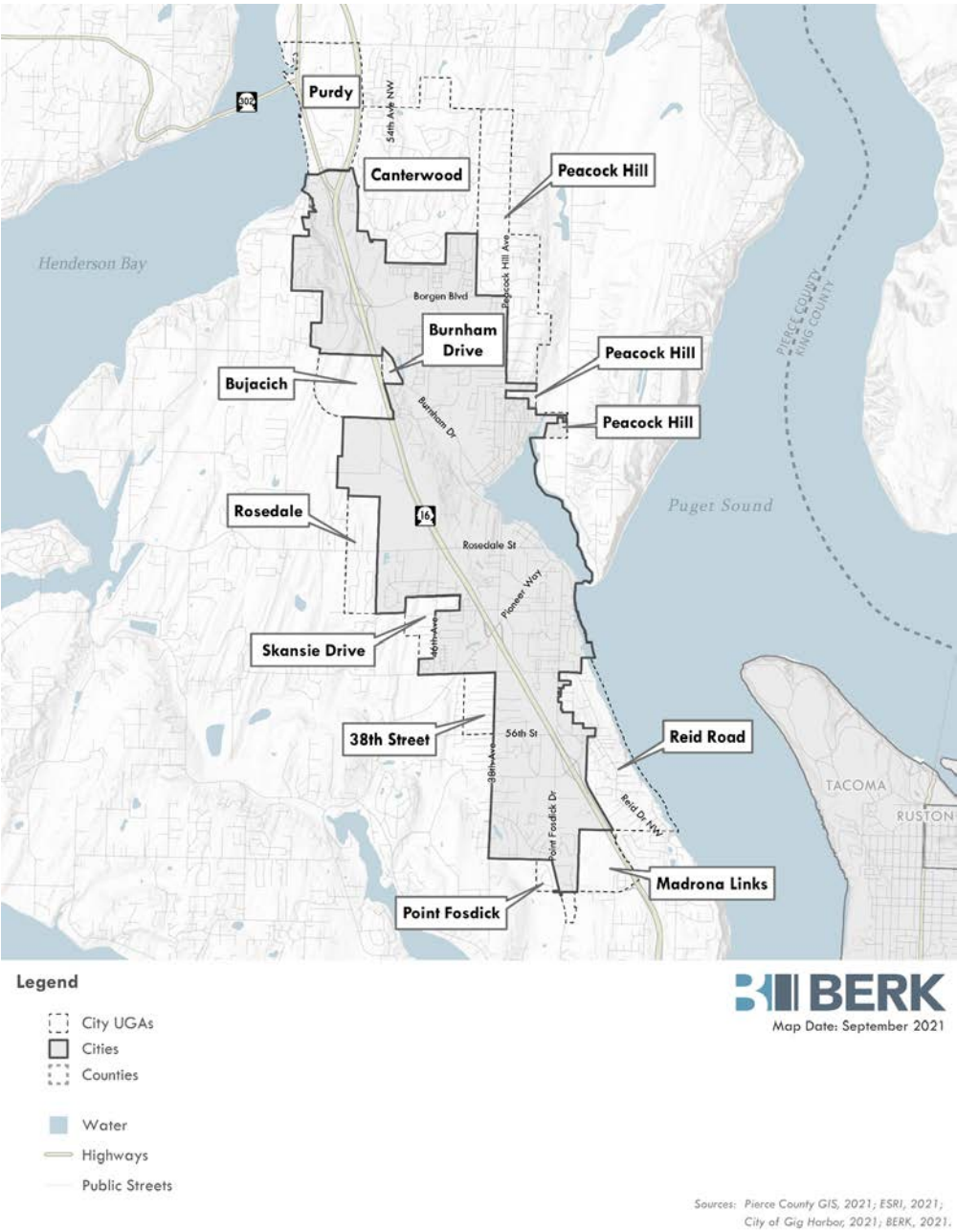
This report does not provide a timeline for city-led annexation of the UGAs, only to highlight potential opportunities for proactive actions that the city can take with future annexation. This report also does not replace studies of individual annexation petitions, and specific assessments of petitions submitted to the City Council should be examined to determine their expected effects on the community.

Outline

This report includes the following elements:

- A **summary of the annexation process** and current policies of the city of Gig Harbor regarding proposed annexations.
- A **review of Gig Harbor and the UGAs**, including information on current population and land use in each of these locations.
- An **assessment of the potential impacts of annexation**, focusing on the effects to city operations.
- **Recommendations** based on the assessment, including guidelines the City Council can use to evaluate annexation petitions and other actions to guide annexation policy in Gig Harbor. An appendix provides an evaluation of the individual UGAs as defined in the Comprehensive Plan.

Exhibit 1. Gig Harbor Urban Growth Areas.



Summary of the Annexation Process

Overview

UGAs are places designated by cities and counties where urban growth can occur outside of a city's corporate boundaries.¹ A city's UGAs often fall into two distinct categories:

- areas which are banked as a source of developable land for future expansion, and
- locations close to cities where growth is managed to urban densities by the county but will eventually be developed out to urban densities and incorporated within the city.

Under regional and county planning efforts, UGAs and incorporated cities are typically the focus of growth planning, with growth in rural areas outside of UGAs discouraged to reduce sprawl. Regional and county planning, including the PSRC VISION 2050 Regional Growth Strategy and Pierce County's Countywide Planning Policies explicitly direct new growth into these areas.²

Enabling Statutes

In the State of Washington, the details of annexation of UGAs are provided in statute.³ As a code city, Gig Harbor is largely covered under ~~Chapter 35A.14 RCW~~~~Chapter 35A.14 RCW~~ (Annexation by Code Cities). However, the Growth Management Act (~~Chapter 36.70A RCW~~~~Chapter 36.70A RCW~~) also provides specific requirements for the designation and planning of UGAs (~~RCW 36.70A.110~~~~RCW 36.70A.110~~). Annexations may only occur in locations that are contiguous to the current city boundary (~~RCW 35A.14.010~~~~RCW 35A.14.010~~) and within a UGA (~~RCW 35A.14.005~~~~RCW 35A.14.005~~). As a result, annexation areas are usually managed as part of a city's long-range land use planning through the Comprehensive Plan.

Other aspects of annexation specified through state law include:

- The **management of special districts**, primarily related to whether annexation will add or remove areas from these districts and the transfer of assets, personnel, and debt related to a fire protection district. Annexation of areas into Gig Harbor will not directly affect Gig Harbor Fire & Medic One, the Pierce County Library System, the Port of Tacoma, or the Peninsula School District as the city is included in their service areas. However, annexation would remove properties from the Peninsula Metropolitan Park District and McCormick Forest Park is in one of the city's UGAs.
- The **disposition of franchises**, such as the provision of water services in annexed areas by private companies. Note that under ~~RCW 35A.14.900~~~~RCW 35A.14.900~~ existing franchises and permits are canceled, but the city must grant a seven-year franchise except under certain conditions.

¹ See [RCW 36.70A.110\(1\)](#).

² See [Countywide Planning Policies for Pierce County, Washington](#) (pg. 74–94) for specific policies employed by Pierce County regarding management of UGAs and annexation processes.

³ Washington Municipal Research and Services Center (MRSC) provides a more comprehensive handbook that describes all elements of the annexation process. This section draws from this source, as well as other related documentation. MRSC, 2020. [Annexation by Washington Cities and Towns](#). (June 2020 version)

- The **transfer of county roads** to city management, including the allocation of county road district taxes levied against annexed properties.
- **Determining the population of the annexed areas** for the allocation of state funding in coordination with the state Office of Financial Management (OFM).⁴
- **Coordination of new revenue**, including provisions related to property tax receipts, sales and use tax revenue, and state-shared revenues. Note that changes in state-shared tax revenues will be dependent on changes in the official state population estimates as noted above.
- **Assumption of city debt by annexed properties**, which may change the requirements for annexation under certain conditions, depending on the method used.
- **Comprehensive planning and zoning** for the annexed areas, which can be specified before annexation is complete. For code cities, ~~RCW 35A.14.330~~~~RCW 35A.14.330~~ allows for zoning regulations to be developed for UGAs which would be put in force upon annexation. (Note that Gig Harbor has implemented these regulations for its UGAs, as described below.) Zoning regulations may also be provided as part of a direct petition for annexation.⁵

Approaches to Annexation

State law provides several approaches by which annexation can occur. However, many of them are either not relevant for Gig Harbor's UGAs or are not typically used given limitations of the approach.

Direct Petition

Most annexations, and the likely format of the annexations to be managed through these guidelines, use a "**direct petition method**." Under the statute, a direct petition requires the written consent of the:

- Owners of at least 60 percent of the property value in the area, based on assessed value.⁶
- Owners of a majority of the acreage and a majority of voters in the area to be annexed (considered the "**alternative direct petition method**").⁷

Under both methods, the general process is:

- **Initial written notice.** For the process to begin, an initial written notice must be provided by representation from the areas to be annexed. This includes a proposal for the area to be annexed by a representation that includes owners of at least 10% of the assessed value (under a direct petition) or at least 10% of the acreage (alternative direct petition) of the area. Notification would also need to be provided to the Boundary Review Board within 180 days of the proposal.⁸

⁴ See [RCW 35A.14.700](#) for more details about this process.

⁵ See [RCW 35A.14.120](#) and [RCW 35A.14.420](#).

⁶ The direct petition method is managed under [RCW 35A.14.120](#) to [150](#).

⁷ The alternative direct petition method is managed under [RCW 35A.14.420](#) to [450](#).

⁸ See Pierce County BRB [Notice of Intention Format](#).

- **Meeting with Council.** An initial meeting between the Council and the initiating parties is set to determine if the Council will approve or modify the proposed annexation, whether a proposed zoning regulation should be included, and if the annexed area should assume city debt.
- **Circulation and filing of petition.** Upon approval by the Council, a petition would be circulated describing the annexation, including a map of the proposed annexation and details of related conditions. This petition must be signed by property owners representing at least 60% of property value, or property owners representing at least 50% of acreage and at least 50% of resident voters.
- **Public hearing.** Upon receipt and certification of the petition, the city Council is required to hold a public hearing. The city would then pass an ordinance that would enact the annexation, which would include other elements of the annexation petition such as proposed zoning regulations.
- **Review by Boundary Review Board.** Note that the Pierce County Boundary Review Board may assume jurisdiction upon request of the county or other impacted government unit, a petition of 5% of registered voters or property owners representing 5% of property value, or potentially a petition by affected registered voters within ¼ mile of the annexation. This must be initiated within 45 days of receiving the notice of intention, and may result in the Board approving, disapproving, or modifying the proposal.
- **Notice of annexation.** After the ordinance is passed, certification must be provided to the OFM within 30 days, and notice provided to other agencies, including county departments and agencies, local franchises and permit-holders, the Department of Revenue, and city departments.

Election

An alternate approach is the **election method**, which relies on a special election of residents within an annexation area.⁹ This can be initiated either by Council resolution or a petition of 10% of the qualified voters that cast a vote in the last general election. Typically, this is less common since it requires the additional costs of administering a special election for the targeted area.

Interlocal Agreements

Under statute, a code city such as Gig Harbor may also annex areas from Pierce County through an **interlocal agreement** negotiated between the two governments.¹⁰ This requires notification of all other impacted government districts and adjacent cities, which must consent and be a party to the agreement for it to proceed. The annexation process requires public hearings conducted by the city and county, either separate or joint, regarding the proposed interlocal agreement, as well as publication of the proposed interlocal agreement. A city ordinance would be needed to complete the annexation once the interlocal agreement is complete.

⁹ The election method is managed under [RCW 35A.14.015](#) to [100](#).

¹⁰ This method is effective as of June 11, 2020; see [SL 2020 c. 142](#).

A comparable approach has also been used for annexing unincorporated islands of territory (RCW 35A.14.460, ~~RCW 35A.14.460~~). In these cases, at least 60% of the boundary of the annexed area needed to be contiguous with a city.

One notable advantage to the use of an interlocal agreement is that it can allow for the phased annexation of certain areas over time. In such a case, new annexation ordinances would be required over time to complete each phase of annexation. This may be useful for larger areas where consultation and review could examine a broader area, with clear statements about the order of annexation over time.

Although this does provide a stronger city-led alternative for annexation, the lack of fixed statutory requirements as with a petition or election may not provide the same clarity as other methods. This should be accompanied by a robust public engagement process, and annexation ordinances may still face review from the Boundary Review Board.

Additional Approaches

The statute provides additional annexation approaches in specific cases:

- **Annexation of an unincorporated island of territory** (RCW 35A.14.295, ~~RCW 35A.14.295~~) can occur for islands or pockets of land surrounded by the city. This process is more abbreviated given the nature of the annexation, but a petition signed by voters representing at least 10% of the votes cast in the last general state election can require a referendum on the issue. This may be applicable in certain areas of Gig Harbor, but the risk of an election from a petition may make this less desirable as an option.
- **Annexation of areas for municipal purposes** (RCW 35A.14.300, ~~RCW 35A.14.300~~) may occur for locations within the county that would be necessary for city uses, such as water or wastewater facilities. These annexations do not have to be contiguous and are not subject to review, but the territory must be city-owned. This is not currently under consideration by the city.
- **Annexation of federally owned lands** (RCW 35A.14.310, ~~RCW 35A.14.310~~) can occur with the agreement of the federal government or an acceptance of a gift, grant, or lease. This land must be within 4 miles of the city. This is also not a type of annexation that the city is looking to pursue.
- **Boundary line adjustments** (RCW 35.13.300, ~~RCW 35.13.300~~) include cases where a portion of a parcel of land included within a city can be wholly included or excluded from the city. This has limited applications with minor effects and is largely not relevant to this discussion.

Gig Harbor and Annexation

Comprehensive Plan

The city of Gig Harbor's Comprehensive Plan has policies to guide annexations.¹¹ The Plan will be updated by 2024, which may result in updates to what is identified here.

Major elements from the Comprehensive Plan include the following:

¹¹ See the [Gig Harbor Comprehensive Plan webpage](#) for more information, including the most recent version of the Plan.

- **Delineation of UGAs.** According to 2.1.4(a), the city's UGAs are defined specifically as areas where "efficient urban level services" can be provided over the next 20 years, versus locations which should be rural or are difficult to service. These definitions are expected to be reviewed every five years to account for changes in development.
- **Timing of annexations.** Although priorities for service extensions and timing of acceptable development are noted as important under 2.1.6, it also indicates that annexations are only to be considered when a private party petitions for inclusion in the city.
- **Wastewater infrastructure capacity and management.** Goal 9.5t specifies that the city's wastewater treatment plant should provide services to the UGAs as well as the city, and 13.1.4 defines its sanitary sewer service areas in the county to be coterminous with the UGAs. Development within 200 feet of the city sewer line in the UGAs is required to have a sewer connection (9.5.1(c)).
- **Management of water systems.** 2.4.2(c) prioritizes planning for small water systems to be merged into the municipal water system.
- **Interlocal coordination of planning.** Under Pierce County Resolution 95-96~~Pierce County Resolution 95-96~~, the city and county engage in joint planning and oversight for the UGAs to achieve consistency with certain development standards. This also allows the city to review the impacts of development in the UGAs.
- **Land use designations.** The Comprehensive Plan's Land Use Map provides high-level land use categories for the UGAs in addition to the city proper, which is provided in Exhibit 2. This largely designates the UGAs under "Residential Low" (RL) zoning, which is generally consistent with the form of development in these locations. The Peacock Hill and Burnham Drive UGAs also include the "Residential Medium" (RM) designation. "Public/Institutional" (PI) and "Employment Centers" (EC) designations are found in the Purdy and Bujacich UGAs, and there are areas under "Commercial/Business" (CB) in the Purdy UGA as well. Note that a portion of the Point Fosdick UGA does not have any designation under the Land Use Map.

Municipal Code

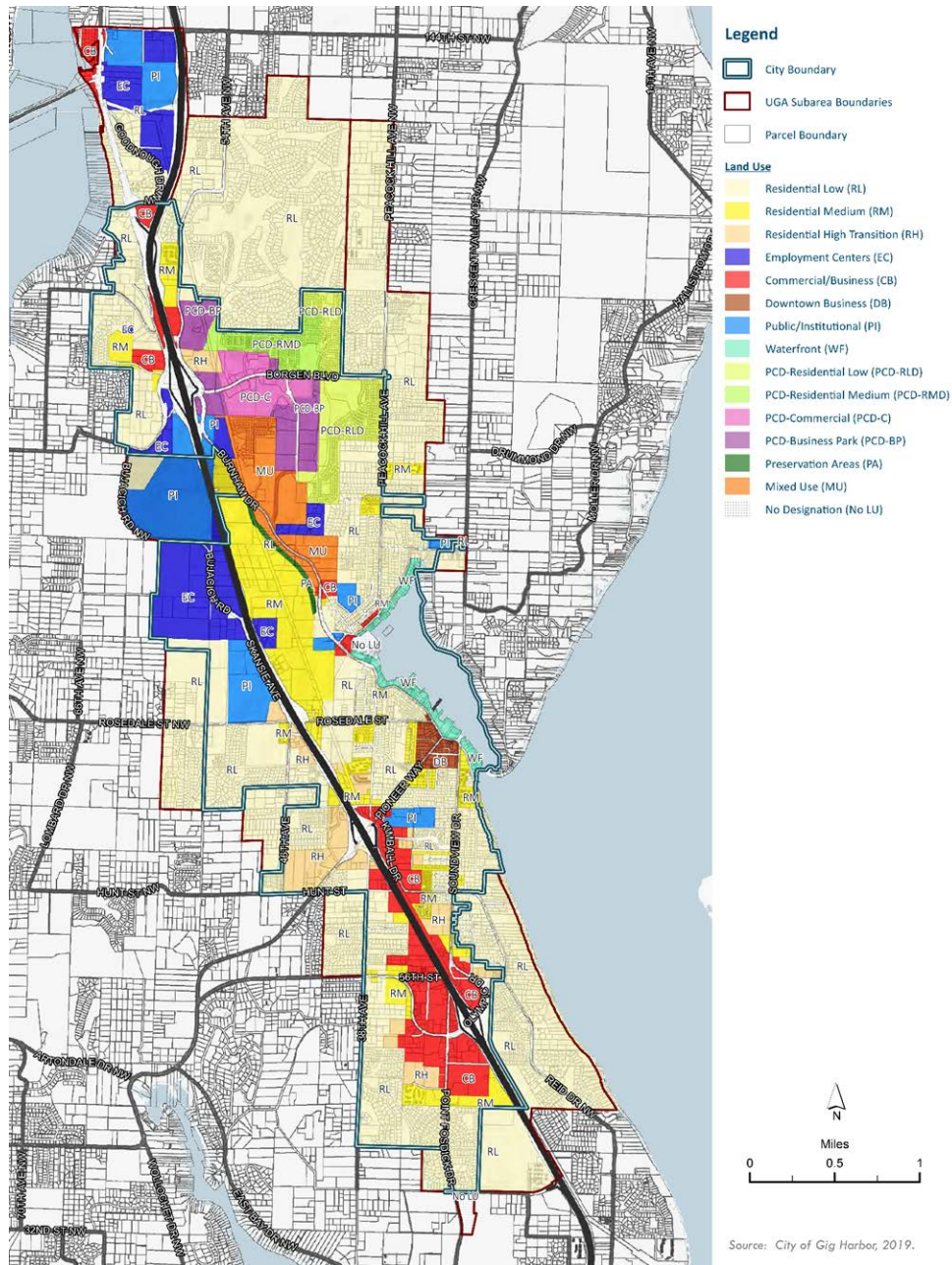
Additional elements of city policies and regulations with respect to UGAs can be found in the Gig Harbor Municipal Code, some of which extend the policies of the Comprehensive Plan. Major considerations include the following:

- **Annexation requirements.** Chapter 17.88 GHMC~~Chapter 17.88 GHMC~~ highlights the process of deciding the zoning designation for annexed properties, which defaults to an R-1 zone or whichever would be compliant with the Land Use Map from the Comprehensive Plan. A comprehensive use plan may be developed by the Planning Commission at the request of the petitioner or Council to provide alternative zoning designations or the Planning Commission may convene a public hearing after annexation to determine an appropriate designation.
- **Servicing outside the city.** Chapter 13.34 GHMC~~Chapter 13.34 GHMC~~ supplies details about the extension of services outside the boundaries of the city. This regulation highlights that sewer extensions further than the boundaries of the UGAs can only be carried out if necessary to protect the environment and public health and can be supported at rural densities. Utility extension

agreements also need to provide conditions to the provision of service. This includes payments of fees, as well as an agreement not to protest annexation as per GHMC 13.34.040(A)(8)~~GHMC 13.34.040(A)(8)~~.

- **Shooting sports facility permitting.** ~~GHMC 5.12.040~~GHMC 5.12.040 requires that shooting sports facilities annexed into the city reapply for an operating license within six months of annexation.

Exhibit 2. Land Use Designations, City of Gig Harbor Comprehensive Plan.



History of Annexation

Previous annexations demonstrate how the city has grown over the past 75 years. A color-coded map is presented in Exhibit 3 highlighting the history of annexations since incorporation and Exhibits 4 and 5 provide total increases in the city's boundary area¹² and population, respectively, by year from annexations since 1980.

For Gig Harbor, there have been only minor expansions of city boundaries on land since 2009, when the city completed the Burnham/Sehmel annexation in the north and the 96th Street annexation in the central part of the city to add a total of 626 acres to Gig Harbor. Despite the size of these areas, OFM estimated that only 345 more residents were added at that time given the low amount of development found in these areas.

¹² Note that the 2014 annexation implemented by [City Ordinance 1293](#) annexes 190 acres in Gig Harbor Bay to the extreme low tide line. In this case, the area of annexation noted does not represent land area.

Exhibit 3. Annexation History, City of Gig Harbor.

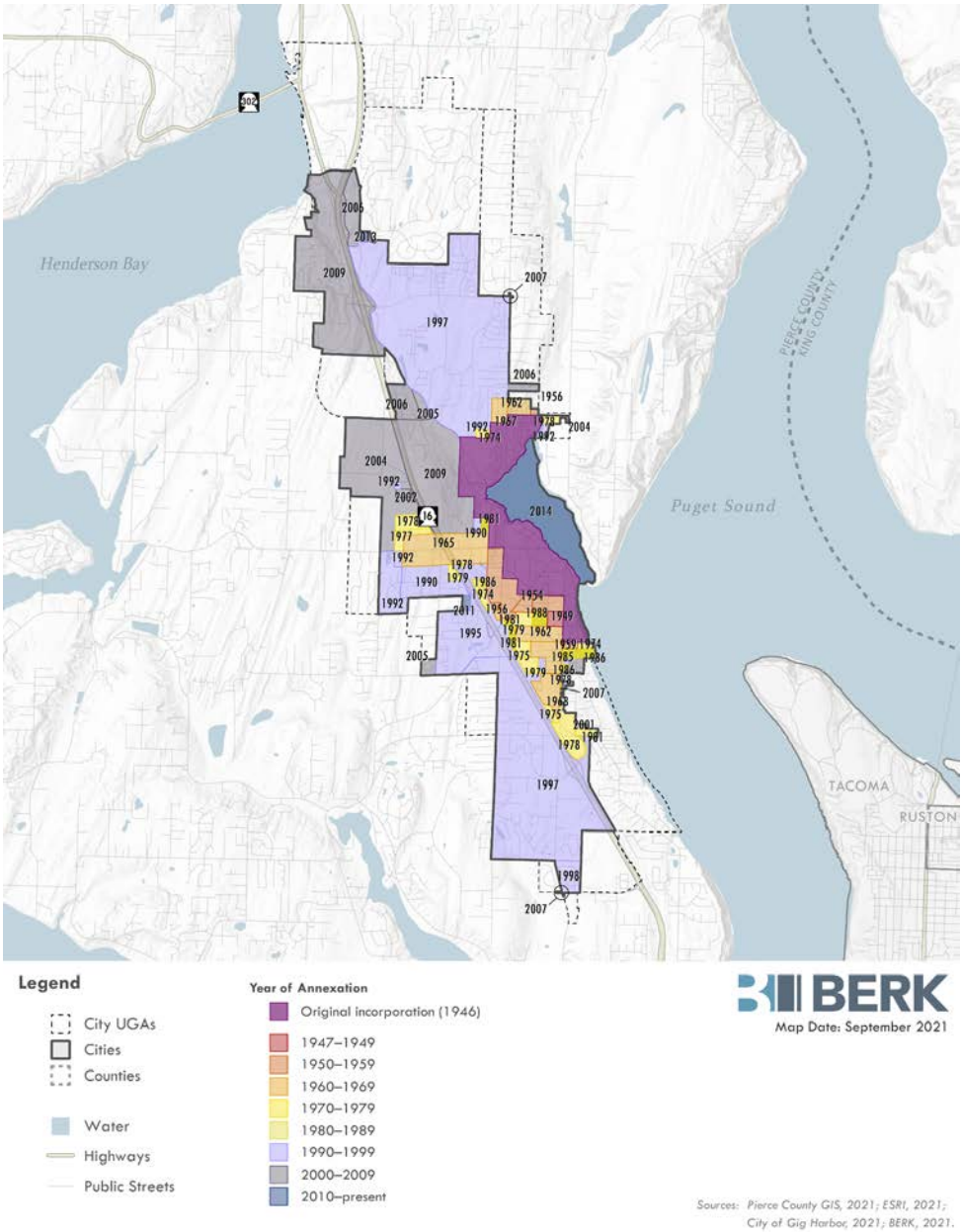
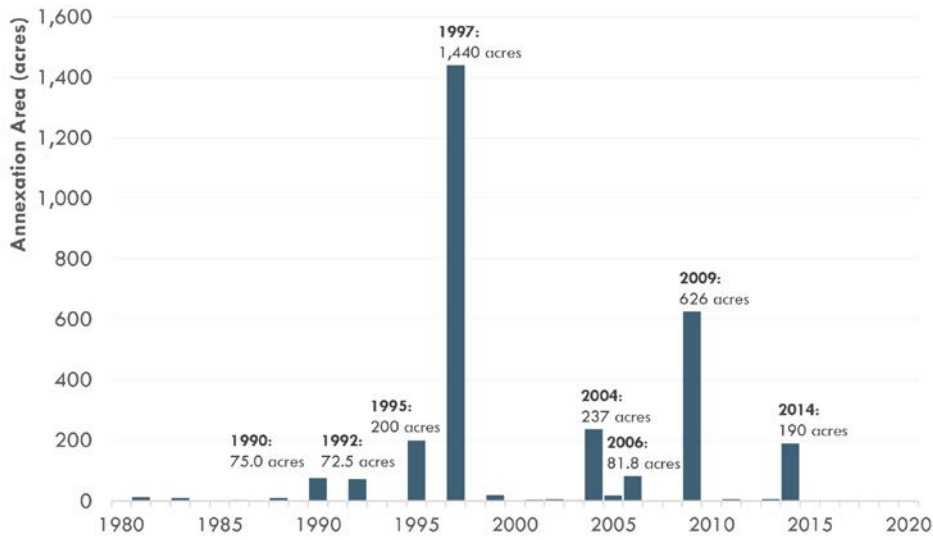
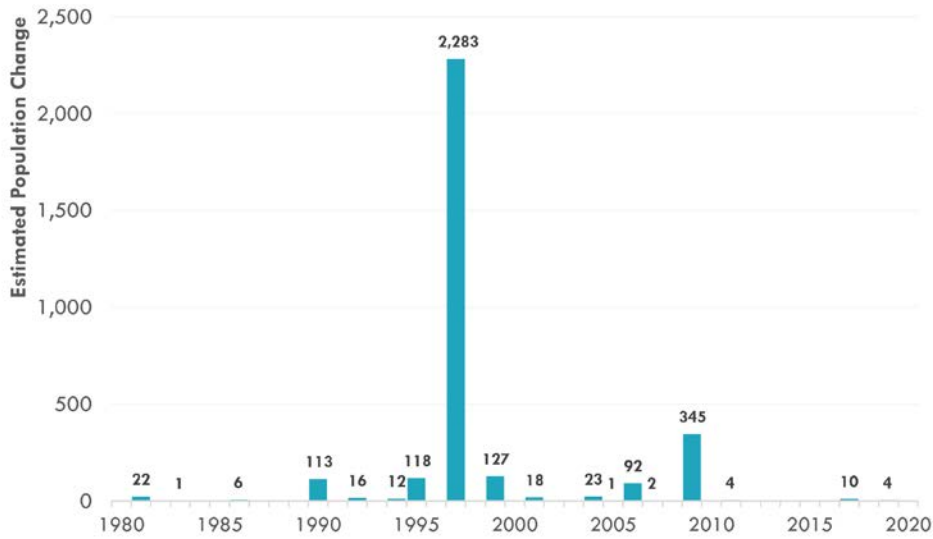


Exhibit 4. Total Size of Annexations by Year, Acres, City of Gig Harbor.



Source: WA Office of Financial Management, 2021.

Exhibit 5. Estimated Increase in Population from Annexation by Year, City of Gig Harbor.



Source: WA Office of Financial Management, 2021.

Review of Urban Growth Areas

Overview

Exhibit 6 provides a high-level summary of the size of the current UGAs and the total assessed value of land in 2021 (including comparisons to the City of Gig Harbor). Overall, the areas within the UGA include 2,574 gross acres (not including water bodies), with 2,249 acres of land outside of current rights-of-way. According to the Pierce County Assessor-Treasurer, this amounts to \$1.85 billion in assessed property value.

Altogether, the UGAs represent a considerable portion of the combined growth area, comprising about 41% of the total area and 35% of the combined value.

Exhibit 6. Summary of UGA Subareas.

UGA Subarea	Gross Acres (land)	Net Acres	2021 Assessed Value
38th Street	78.1	69.4	\$71,069,200
Bujacich	175.4	150.0	\$44,013,300
Burnham Drive	18.3	17.6	\$244,900
Canterwood	753.2	679.4	\$812,245,700
Madrona Links	119.3	105.2	\$29,971,200
Peacock Hill	483.3	435.4	\$270,756,500
Point Fosdick	39.0	36.0	\$31,191,800
Purdy	337.7	241.8	\$95,668,000
Reid Road	339.3	303.1	\$371,267,300
Rosedale	152.5	136.5	\$78,145,200
Skansie Drive	78.4	74.5	\$46,246,000
Total	2,574	2,249	\$1,850,819,100
City of Gig Harbor	3,764	3,119	\$3,478,997,723¹

¹ This includes real and personal property, as well as state-assessed utilities.

Sources: Pierce County GIS, 2021; Pierce County Assessor-Treasurer, 2021; City of Gig Harbor, 2021; Office of Financial Management, 2021; BERK, 2021.

Highlights of Urban Growth Areas

Summaries of the individual UGAs are given below, based in part on their descriptions provided in the Comprehensive Plan.¹³ The Appendix provides detailed summaries for each individual UGA.

38th Street

The 38th Street UGA is located to the southwest of the city and is about 78 total acres. The area is largely developed with single-family homes and a church. There may be stormwater and septic concerns in this area.

Bujacich

This area is about 176 acres, with most of the UGA incorporating the Washington Corrections Center for Women (operated by the state) and McCormick Forest Park (managed by PenMet). The primary reason for including this area in the UGA is to allow for servicing of the Corrections Center, although there are some minor commercial uses close to Bujacich Rd and 54th Ave. The area is largely built out, however, with few opportunities to accommodate additional growth.

Burnham Drive

The Burnham Drive UGA is the smallest of the UGAs surrounding Gig Harbor. It includes about 18 acres across five parcels and includes an auto repair garage and some single-family housing. Note that this unincorporated area is largely surrounded by the city and has no access points managed by the county.

Canterwood

The Canterwood UGA includes about 753 total acres, with most of the area consisting of a master-planned community anchored by the Canterwood Golf & Country Club. This area represents the largest UGA, both in terms of area and number of housing units. The master-planned community is largely built out, although there is a small amount of vacant land located just outside of the planned community.

Madrona Links

The Madrona Links UGA includes a total of about 119 acres, with 95 acres consisting of the Madrona Links public golf course run by PenMet. The southeast corner of the UGA includes 55 townhomes adjacent to the golf course. This area is completely built out, with no developable sites in the UGA.

Peacock Hill

The Peacock Hill UGA is located to the northeast of the city, and includes two smaller disconnected portions to the south close to Vernhardson St. This area is about 483 acres and includes two churches, the Canterwood Homeowners Association facilities, and largely residential development in other locations. This area also includes a considerable amount of vacant and underutilized land that could be used for future development.

¹³ See the Gig Harbor Comprehensive Plan, [Chapter 2](#), pages 2-4 to 2-5.

Point Fosdick

The Point Fosdick UGA contains approximately 41 acres and is located south of the city along Point Fosdick Drive. This area is split between two non-adjacent portions, with the northwest area consisting of a built-out low-density residential area of around 23 acres, and about 13 acres to the southeast consisting of vacant land currently zoned as “Neighborhood Center” by Pierce County. Note that this vacant land is not provided with a land use designation under the Gig Harbor Comprehensive Plan.

Purdy

The Purdy UGA is approximately 338 acres, and it includes Peninsula High School and Purdy Elementary, managed by the Peninsula School District. The city’s primary interest in this area is providing sewer services. There is a utility facility found here (Peninsula Light Co.), as well as a mix of commercial and residential uses. While there are some vacant lands that could be developed, stormwater drainage challenges would make it difficult to use these areas.

Reid Road

The Reid Road UGA is approximately 339 acres, with a neighborhood that consists mostly of single-family housing, with a small amount of multi-family housing. While there are some remaining parcels, the area is largely built out. This area is not currently serviced by sewer and lift stations would be required to extend services out to the neighborhood.

Rosedale

The Rosedale UGA is found on the western boundary of the city. It includes about 153 acres of largely single-family housing development. There are some sites for infill and development within this UGA, although wetlands and critical areas may complicate further development in many locations.

Skansie Drive

The Skansie Drive UGA is located on the southwestern edge of the city, and separates the administration of Skansie Ave. It is about 78 acres and includes mostly single-family homes. There may be opportunities for infill development, but the potential for new construction in this area is low due to the current lot layout. Additionally, portions of this area may not currently be serviced by city sewer.

Current Zoning and Planning

To assess the roles that the subareas would play in the city if annexed, the first step is to evaluate current planning within these areas. County zoning designations in the UGAs are summarized in the following exhibits:

- Exhibit 7 provides an overall summary of the amount of zoning applied to all UGAs based on net acres. Exhibit 8 presents a breakdown of these amounts by individual subarea.
- Exhibit 9 provides a current zoning map for both Gig Harbor and the UGAs, highlighting the designations for both the city and the county.
- Exhibit 10 includes the land use map from the Gig Harbor Comprehensive Plan, which includes designations that would apply to the UGAs upon annexation.

These elements demonstrate the following:

- **There is a high proportion of single-family development across all subareas.** Most of the land is devoted to single-family residential areas or a master-planned community (Canterwood), with about 81% or 1,815 acres designated accordingly. The master-planned community in Canterwood includes about 588 acres, or about one-third of this total.
- **Significant public uses are in the UGAs, especially in non-residential areas.** Public institutional uses, parks, and recreation amount to an additional 292 acres, or 13% of the total net area. This is dominated by Peninsula High School and Purdy Elementary School (Purdy subarea), the Madrona Links Golf Course, and the Washington Corrections Center for Women in Bujacich.
- **There is a relatively small proportion of commercial uses which are largely concentrated.** Employment uses are reflected in only about 6% of the total area, which includes mixed-use zoning. Almost all of this, about 125 acres, is located in the Purdy subarea. There is a limited amount of land zoned as “Neighborhood Center” located in the southern portion of Point Fosdick.

Exhibit 7. City of Gig Harbor UGAs, Total Net Acres by Current Zoning Designation, All Areas.

County Zoning	Net Acres
Activity Center	5.4
Community Center	9.5
Community Employment	60.2
Master Planned Community	587.5
Mixed Use Districts	51.1
Moderate Density Single Family	29.0
Neighborhood Center	15.3
Park & Recreation	159.1
Public Institutional	132.6
Single Family	1,198
TOTAL	2,248

Source: City of Gig Harbor, 2021; Pierce County GIS, 2021; BERK, 2021.

Exhibit 8. City of Gig Harbor UGAs, Total Net Acres by Current Zoning and Area.

UGA Subarea and County Zoning	Net Acres
38th Street	
Single Family	69.4
Total	69.4
Bujacich	
Community Employment	3.4
Park & Recreation	79.1
Public Institutional	67.4
Total	150.0
Burnham Drive	
Moderate Density Single Family	17.6
Total	17.6
Canterwood	
Master Planned Community	570.2
Single Family	109.2
Total	679.4
Madrona Links	
Park & Recreation	77.6
Single Family	27.6
Total	105.2
Peacock Hill	
Master Planned Community	17.3
Moderate Density Single Family	11.0
Park & Recreation	2.3
Single Family	404.7
Total	435.4
Point Fosdick	
Neighborhood Center	13.0
Single Family	23.0
Total	36.0
Purdy	
Activity Center	5.4
Community Center	9.5
Community Employment	56.8
Mixed Use Districts	51.1
Moderate Density Single Family	0.4
Neighborhood Center	2.3
Public Institutional	65.2
Single Family	51.2
Total	241.8
Reid Road	
Single Family	303.1
Total	303.1
Rosedale	
Single Family	135.7
Total	135.7
Skansie Drive	
Single Family	74.5
Total	74.5
GRAND TOTAL	2,248

Sources: City of Gig Harbor, 2021; Pierce County GIS, 2021; BERK, 2021.

Exhibit 9. City of Gig Harbor and UGAs, Current Zoning.

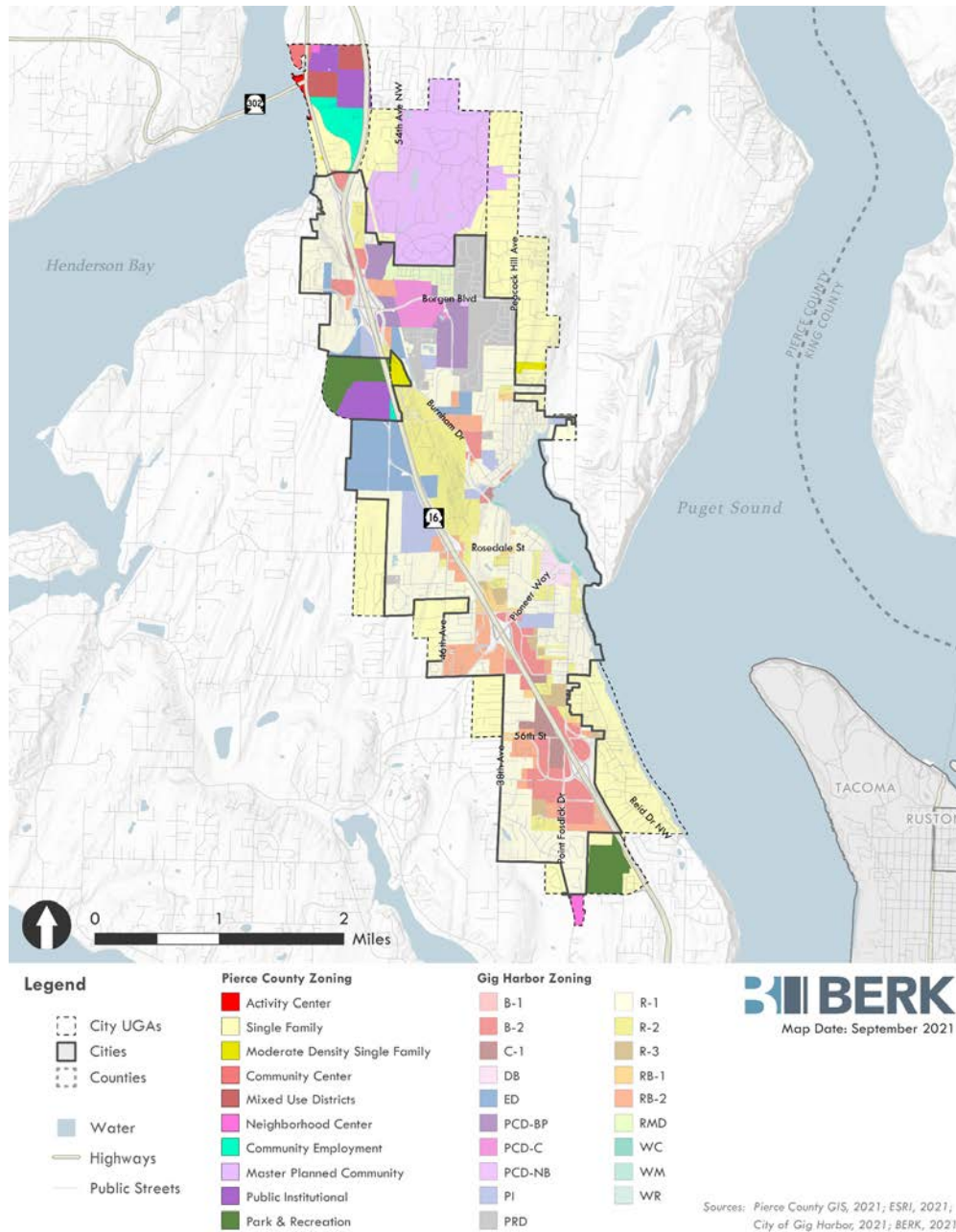
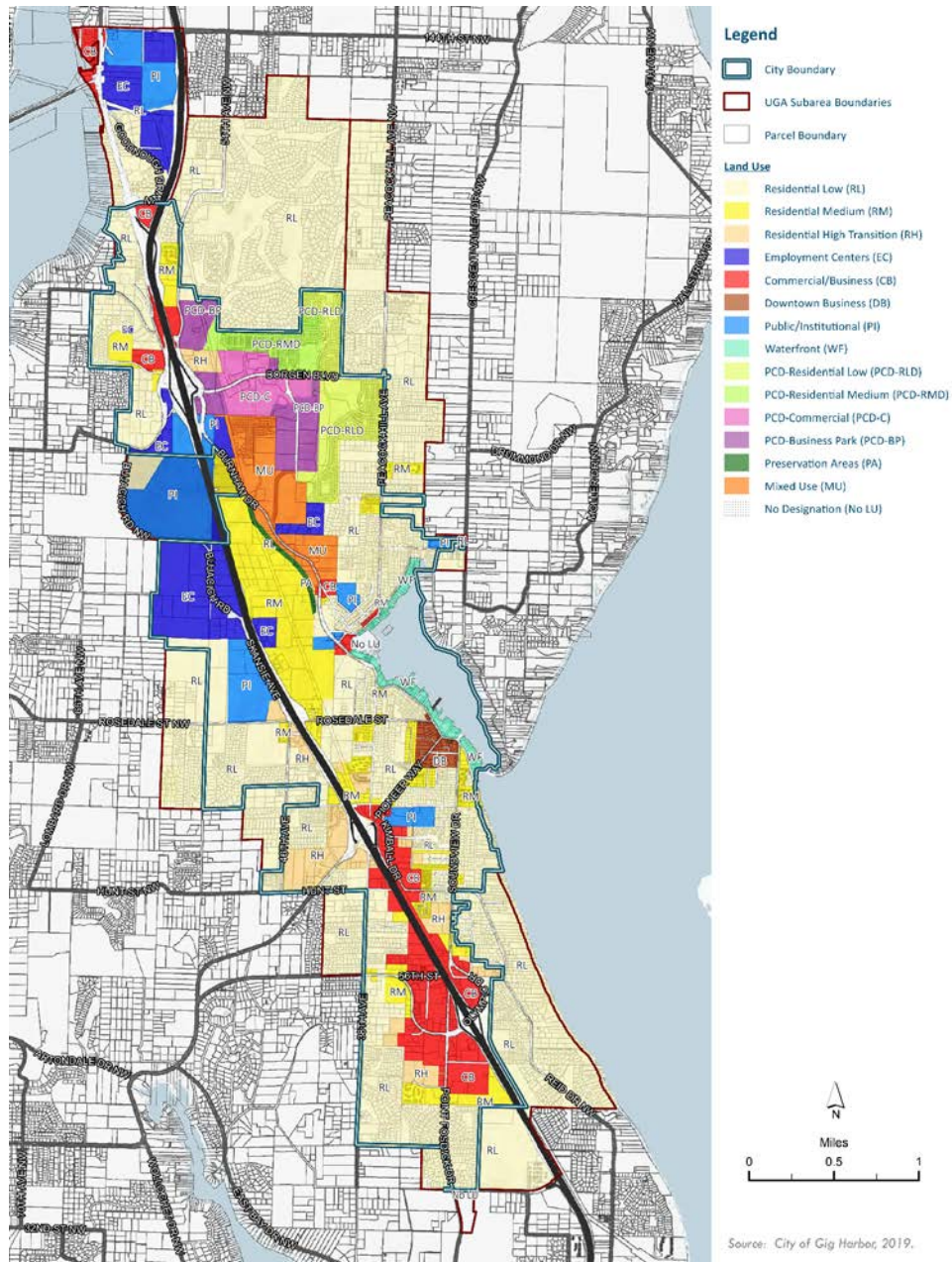


Exhibit 10. Land Use Designations, City of Gig Harbor Comprehensive Plan.



Current Land Use and Development

A map of the current land uses located in Gig Harbor and the surrounding UGAs is provided in Exhibit 11. This information highlights the current uses as determined through preliminary data from the 2020 Buildable Lands Report obtained from Pierce County. In addition to a general classification of land uses, this also highlights areas which are currently vacant but may be developable under current zoning in the County.

This is supplemented by the following tables:

- Exhibit 12 provides a summary of the total number of housing units and the square footage of non-residential development found in the individual subareas.
- Exhibit 13 provides statistics on the total amount of vacant, developable land located in the individual subareas based on the data from the Buildable Lands Report. This includes parcels noted in the UGAs as being vacant (including single-unit lots in plats), as well as properties which may be underutilized and able to accommodate additional development in the future.
- Exhibit 14 provides estimates of the additional housing and employment capacity within each of the UGAs, drawn from the information used to develop the 2021 Pierce County Buildable Lands Report.

This information highlights the following:

- **There is a significant amount of non-residential development in institutional uses.** As noted previously, the Peninsula High School and Purdy Elementary in the Purdy subarea, and the Washington Corrections Center for Women in Bujacich comprise the largest proportion of non-residential development in the UGAs. While there may be reasons to annex these areas, these sites are exempt from property taxes.
- **Most non-residential development and opportunities for employment expansion in the UGAs is clustered in the Purdy subarea.** While there may be nominal non-residential/employment uses in other areas, including community and institutional uses such as churches, the bulk of development for employment uses is sited in the Purdy subarea. This highlights that these subareas will likely bring minimal employment and sales tax revenue into the city as compared to the current land base.
- **The most significant opportunities for new commercial development are available in Purdy and Point Fosdick.** The information from the Buildable Lands Report suggests that while there are still some opportunities for residential development in most neighborhoods, locations for commercial development are likely to be limited to the Purdy and Point Fosdick subareas, with a nominal amount potentially available for development in the Bujacich subarea.

Exhibit 11. City of Gig Harbor and UGAs, Current Land Use.

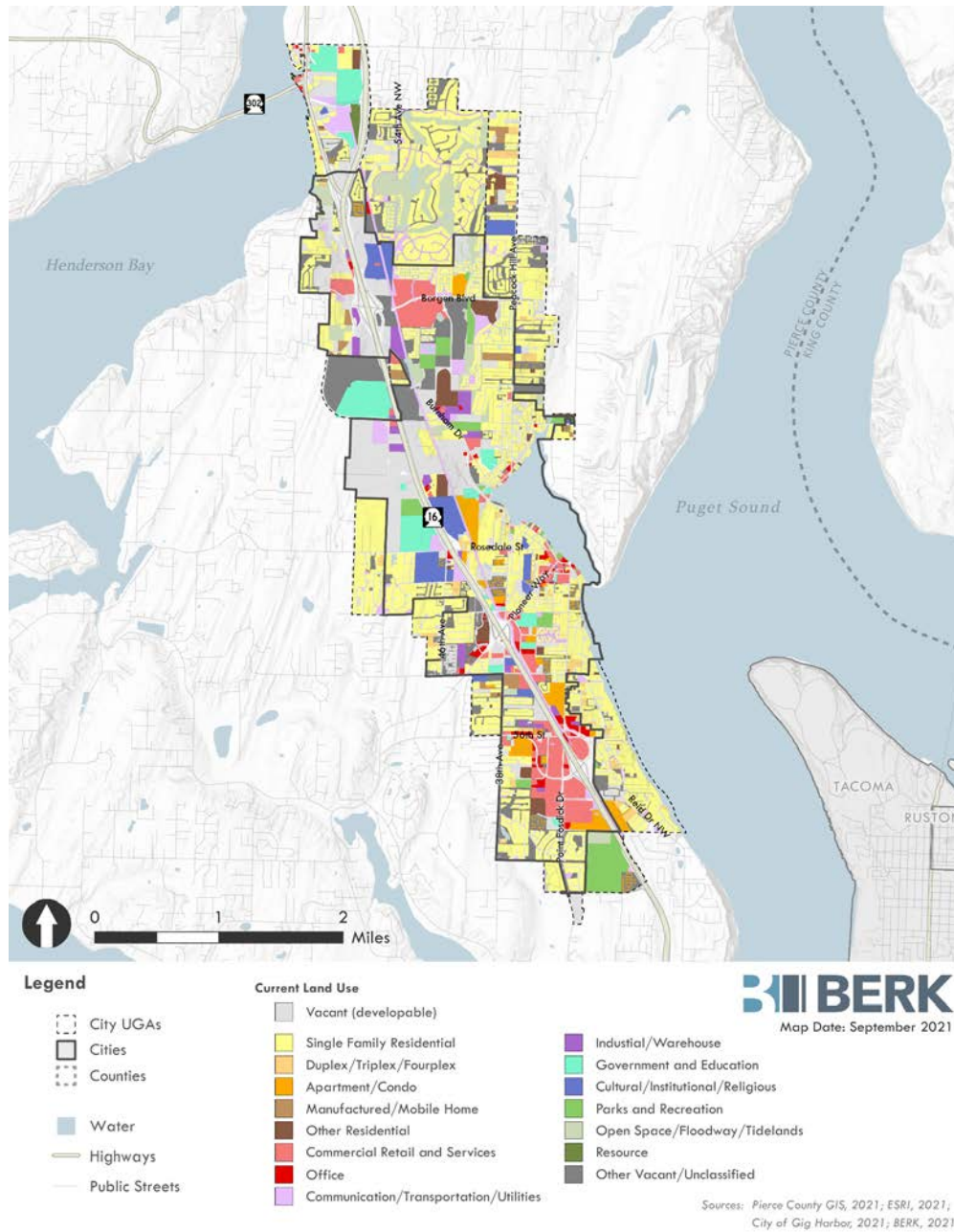


Exhibit 12. Existing Development in UGA Subareas.

UGA Subarea	Housing Units	Non-Residential Development (in SF)						
		Community/ Institutional	Office	Restaurant	Retail	Other Services	Utilities	Warehousing
38th Street	129	21,749	-	-	-	-	-	-
Bujacich	18	325,494	-	-	-	-	-	2,400
Burnham Drive	7	-	-	-	-	3,600	-	-
Canterwood	822	14,039	24,354	-	-	-	-	-
Madrona Links	52	-	-	-	-	-	-	-
Peacock Hill	605	40,472	-	-	-	-	-	32,847
Point Fosdick	47	-	-	-	-	-	-	-
Purdy	156	284,932	22,565	2,318	21,302	6,173	39,184	-
Reid Road	590	-	-	-	-	-	-	-
Rosedale	157	-	-	-	-	-	-	-
Skansie Drive	104	-	-	-	-	-	-	-
Total	2,687	686,686	46,919	2,318	21,302	9,773	39,184	35,247

Sources: Pierce County GIS, 2021; Pierce County Assessor-Treasurer, 2021; City of Gig Harbor, 2021; BERK, 2021.

Exhibit 13. Vacant Land in UGA Subareas, by County Zoning.

UGA Subarea and Zone	Developable Land (acres)		
	Vacant	Vacant (single unit)	Underutilized
38th Street			
Single Family	3.0	0.1	14.5
Bujacich			
Community Employment	0.4	-	0.8
Burnham Drive			
Moderate Density Single Family	-	-	13.0
Canterwood			
Master Planned Community	-	0.9	-
Single Family	14.8	5.4	7.5
Madrona Links			
(none)	-	-	-
Peacock Hill			
Single Family	22.5	6.6	107.2
Point Fosdick			
Neighborhood Center	13.0	-	-
Purdy			
Activity Center	-	-	0.1
Community Center	1.7	2.1	3.5
Community Employment	7.4	-	3.6
Mixed Use Districts	23.8	0.4	26.3
Moderate Density Single Family	-	-	0.4
Neighborhood Center	-	-	1.9
Public Institutional	0.6	-	-
Single Family	6.5	5.7	2.2
Reid Road			
Single Family	2.0	15.3	29.9
Rosedale			
Single Family	0.5	1.0	75.4
Skansie Drive			
Single Family	2.0	2.9	38.5
TOTAL	98.2	40.4	324.6

Sources: Pierce County GIS, 2021; Pierce County Assessor-Treasurer, 2021; City of Gig Harbor, 2021; BERK, 2021.

Exhibit 14. Estimated Remaining Employment and Housing Capacity, by UGA Subarea.

UGA Subarea	Housing Capacity	Employment Capacity
38th Street	60	0
Bujacich	0	9
Burnham Drive	25	0
Canterwood	86	0
Madrona Links	0	0
Peacock Hill	390	0
Point Fosdick	13	123
Purdy	267	706
Reid Road	147	0
Rosedale	290	0
Skansie Drive	133	0
Total	1,411	838
City of Gig Harbor	2,046	3,943

Sources: Pierce County Buildable Lands Report and Inventory, 2021.

Assessment of Annexation Impacts

Overview

This analysis provides an overview of the impacts of annexation beyond the land uses and housing that would be incorporated into the city. This includes estimates of the fiscal impacts of incorporating these areas into the city, both current and future, as well as other possible effects to be considered in an evaluation of an annexation application.

Fiscal Impacts to Operating Budgets

Method

For this assessment, the fiscal analysis prioritizes costs likely to be incurred by Gig Harbor upon annexation. It is important to note that this is a financial policy study intended to provide a reasonable estimate of potential costs and revenues and not a budget development exercise. This analysis informs the development and evaluation of guidelines for future annexations.

The analysis is limited to the city's General Fund and road funds. Although there are other accounts, these make up nearly all the changes projected from increased population, employment, and land area. Therefore, this excludes expenses and revenues from utility enterprise funds such as stormwater management, which is funded by user fees, and the development services fund, which is funded by license and permit fees and other service charges. As these funds are funded on a cost-recovery basis, it is believed that any other annexation costs will be met from additional revenue as needed.

With respect to **revenue**, the analysis includes the following budget components:

- **Property taxes** based on assessed value in the UGAs.
- **Sales taxes** based on taxable retail sales estimates for the city and an estimate of taxes per square foot for retail and restaurant uses.
- **Utility taxes** based on per capita/per job estimates and current population and employment.
- **Other taxes** assumed to be proportional to population and employment.
- **Licenses and permits** assumed to be proportional to population and employment.
- **Intergovernmental transfers** assumed to be proportional to population and employment.
- **Charges for services**, assumed to be proportional to population and employment.
- **Fines and forfeits** assumed to be proportional to population and employment.

The following components for **expenditures** are included:

- **Maintenance and operation costs for city streets** are assumed to be proportional to the centerline miles of roadway in a UGA.
- **Police protection coverage** based on discussions with the Chief of Police about increases in costs to maintain existing levels of police protection.

- **Other municipal expenditures** such as community development, the Municipal Court, etc. are assumed to be proportional to estimated population and employment.

In cases where both population and employment are expected to influence a budget item, these values are combined. Because workers and residents are likely to have different demands on city services and revenues, a weighting factor to account for their different contributions. With parks, for example, it is assumed that workers will have about 10% of the demand for city parks and green space as residents, which is used when combining workers and residents together to find out the final impacts per person.

Other considerations for estimating net costs and revenues include:

- Estimates of costs and revenues relied on pre-COVID budget figures to reflect “business as usual” projections. Values from the projections are assumed to be in 2021 dollars.
- Property taxes are highly constrained by the 1% restriction on levy increases under RCW 84.55.010. Future projections of property taxes will be strongly dependent on this cap on levy amounts.
- The potential for future special levies authorized by the voters is not included. The expected revenue that could be received would increase if additional assessed value were included in the city.
- Sales taxes for new construction of housing are not presented in this assessment. This would provide a significant one-time source of revenue for the city but would require annexation prior to development.
- The timing of an annexation may impact tax receipts, meaning that the initial period of annexation might have challenges with respect to covering early costs of newly annexed areas depending on when an annexation takes place.

In addition to estimates of annexations if development were to happen today, this assessment also relies on two additional assessments based on city data regarding available buildable lands:

- Estimates of the net costs/revenue from annexation based on a proportional share of the Pierce County employment and housing targets for the UGAs.
- Estimates of the net costs/revenue from annexation if all vacant/underutilized land was built out.

The analysis gives estimates of likely costs and benefits of future annexations along a probable range where additional development may have occurred. These figures are not intended to supply estimates of how development may occur in these areas, or projections about future increases in housing and employment uses.

Results: Current Annexation

The following exhibits give estimates of the impact of annexing the current UGAs on the city's operating budget:

- Exhibit 15 provides a summary of the overall impacts of annexing each individual UGA into the city under current conditions.
- Exhibit 16 provides a breakdown to projected total revenues and costs for each UGA.
- Exhibit 17 presents a breakdown of the expected changes to individual categories of city revenue from annexation, by UGA.
- Exhibit 18 includes a comparable breakdown of expected changes to costs in the city budget from annexation, summed by UGA.

These calculations highlight the following:

- **From an operating budget perspective, some of the larger annexed areas will represent increases in net costs to the city.** The Canterwood and Madrona Links UGAs represent a net increase in city revenue as compared to other UGAs, owing to the much higher assessed value of residential property. Other areas, particularly larger ones like the Peacock Hill UGA, may on the other hand represent various net costs to the city over time.
- **Areas with large institutional uses may be more challenging for annexation from a fiscal perspective.** Regarding fiscal impacts, the Bujacich and Purdy areas have significant challenges. Part of the reason for this is that the assessed value of property is low, and the institutional uses sited in these areas are exempt from paying property taxes. Additionally, if these areas are annexed, police staffing may need to be increased. These factors will severely limit the city's ability to generate net positive revenue from the annexation of these areas.
- **Annexing some larger residential neighborhoods may also pose some costs.** Although there may be more opportunities for the city to potentially reduce the costs of annexing other residential neighborhoods, these annexations will present added net obligations to the city. Planning for future annexations should consider coordination or phasing given these additional financial outlays over time.
- **Several large annexations will require increases in staffing and other costs.** Aside from the net impacts of annexation, the scale of cost increases for certain larger areas highlight that the city will need to plan for increased staffing levels if these areas are brought into the city. Canterwood represents the most significant rise in costs, with an increase of over \$946,000 per year, and notable increases for the Purdy, Reid Road, and Peacock Hill UGAs. While this should not exclude consideration of these areas, it may require more planning and coordination for additional capacity than other areas that could be annexed.
- **The high dependence on property taxes may present challenges.** As most of the residential areas in this assessment are identified as having positive impacts today, there are concerns that the 1% cap on property tax levies will likely reduce revenues related to costs over time. This may be a challenge over the long term with integrating these areas, but special levies and other potential sources of revenue could make up this gap.

Exhibit 15. Projected Yearly City Operating Surplus/Deficit after Annexation, by Subarea.



Exhibit 16. Projected Changes to City Yearly Operating Revenue and Costs after Annexation, by Subarea.

Subarea	Projected Revenue (2021 dollars)	Projected Costs (2021 dollars)	Surplus/Deficit Per Year (2021 dollars)
38th Street	\$116,183	\$160,531	(\$44,348)
Bujacich	\$67,124	\$270,107	(\$202,983)
Burnham Drive	\$6,543	\$104	\$6,439
Canterwood	\$1,140,423	\$946,092	\$194,330
Madrona Links	\$48,762	\$30,603	\$18,159
Peacock Hill	\$510,966	\$726,121	(\$215,155)
Point Fosdick	\$47,452	\$48,700	(\$1,248)
Purdy	\$297,771	\$571,643	(\$273,872)
Reid Road	\$576,710	\$779,658	(\$202,948)
Rosedale	\$131,441	\$274,615	(\$143,174)
Skansie Drive	\$81,334	\$108,482	(\$27,148)
TOTAL	\$3,024,709	\$3,916,657	(\$891,948)

Sources: City of Gig Harbor, 2021; BERK, 2021

Exhibit 17. Breakdown of Projected Changes to City Revenue by Type and Subarea, Gig Harbor UGAs, 2021 dollars.

Revenue Type	38th Street	Bujacich	Burnham Drive	Canterwood	Madrona Links	Peacock Hill	Point Fosdick	Purdy	Reid Road	Rosedale	Skansie
Property Tax	\$73,855	\$45,739	\$255	\$844,086	\$31,146	\$281,370	\$32,415	\$99,418	\$385,821	\$81,208	\$48,059
Sales Tax	\$0	\$2,348	\$3,522	\$29,489	\$978	\$32,652	\$0	\$136,691	\$2,117	\$0	\$0
Utility Tax	\$15,532	\$15,298	\$1,313	\$96,105	\$5,836	\$71,275	\$5,275	\$29,259	\$66,220	\$17,621	\$11,673
Other Taxes	\$4,985	\$696	\$271	\$31,768	\$2,010	\$23,382	\$1,816	\$6,029	\$22,802	\$6,068	\$4,019
Intergovernmental	\$10,128	\$1,413	\$550	\$64,536	\$4,083	\$47,499	\$3,690	\$12,248	\$46,322	\$12,326	\$8,165
Charges for Services	\$9,574	\$1,336	\$520	\$61,005	\$3,859	\$44,900	\$3,488	\$11,578	\$43,787	\$11,652	\$7,718
Fines and Forfeits	\$2,108	\$294	\$114	\$13,433	\$850	\$9,887	\$768	\$2,549	\$9,642	\$2,566	\$1,700
TOTAL	\$116,183	\$67,124	\$6,543	\$1,140,423	\$48,762	\$510,966	\$47,452	\$297,771	\$576,710	\$131,441	\$81,334

Sources: City of Gig Harbor, 2021; BERK, 2021

Exhibit 18. Breakdown of Projected Changes to City Expenditures by Type and Subarea, Gig Harbor UGAs, 2021 dollars.

Expenditure Type	38th Street	Bujacich	Burnham Drive	Canterwood	Madrona Links	Peacock Hill	Point Fosdick	Purdy	Reid Road	Rosedale	Skansie Drive
Non-Departmental	\$5,746	\$9,029	\$0	\$43,504	\$1,642	\$25,446	\$1,642	\$15,596	\$25,446	\$7,388	\$4,925
Legislative	\$1,803	\$414	\$104	\$11,451	\$721	\$8,435	\$652	\$2,309	\$8,185	\$2,178	\$1,443
Municipal Court	\$11,998	\$0	\$0	\$47,990	\$0	\$35,993	\$0	\$11,998	\$35,993	\$11,998	\$11,998
Administration/Buildings	\$25,517	\$0	\$0	\$141,131	\$0	\$96,082	\$0	\$25,517	\$96,082	\$25,517	\$25,517
Police	\$0	\$177,405	\$0	\$177,405	\$0	\$0	\$0	\$177,405	\$0	\$0	\$0
Community Development	\$45,060	\$15,020	\$0	\$285,382	\$15,020	\$210,282	\$15,020	\$60,080	\$210,282	\$60,080	\$30,040
Parks and Recreation	\$26,440	\$0	\$0	\$185,078	\$13,220	\$132,199	\$13,220	\$39,660	\$132,199	\$39,660	\$26,440
Streets	\$43,968	\$68,239	\$0	\$54,151	\$0	\$217,686	\$18,167	\$239,078	\$271,473	\$127,795	\$8,120
TOTAL	\$160,531	\$270,107	\$104	\$946,092	\$30,603	\$726,121	\$48,700	\$571,643	\$779,658	\$274,615	\$108,482

Sources: City of Gig Harbor, 2021; BERK, 2021

Results: Buildout

This section considers how future development may affect the fiscal impacts of annexation of the UGAs on operating budgets. While different land use and development projections are plausible, the Pierce County Buildable Lands Report gives more extensive information regarding the total potential development capacity in the UGAs under current policy.

The following assessment provides an evaluation of the additional net fiscal impacts if these areas were built out to their full development capacity according to this available information. This analysis assumes the following:

- The evaluation is based on the results from the final Buildable Lands Inventory developed by Pierce County and relies on the calculations for resulting increases to housing and employment.
- Increases in assessment values per housing unit are generally estimated based on the improvement value per unit for housing within the UGA and the improvement value per square foot for employment uses.
- Calculations of sales taxes assume that 60% of new development in Point Fosdick consists of retail uses and 40% of new development in Bujacich and Purdy consist of retail uses where sales taxes would apply.
- It is assumed that no additional police coverage would be required for these areas at buildout. Increases in staffing would reduce these net effects.

Results are provided below, with Exhibit 19 providing overall estimates of financial impacts to the city, broken down by total estimated revenues and costs (Exhibit 20), detailed revenues (Exhibit 21), and detailed costs (Exhibit 22).

This information highlights the following:

- **Annexation of areas in Bujacich and Purdy are unlikely to result in positive fiscal impacts in the future.** Given the land uses and needs for these areas, these two UGAs will not bring in sufficient revenue to cover estimated costs. For Bujacich, this is primarily due to the need for additional police coverage as well as the low taxable property value in this area. With Purdy, this is because of the potential mix of jobs in this location, lower taxable value of property, and low sales taxes from employment uses in this area.
- **Residential areas will have greater net impacts at buildout, although most of these differences appear to be minor.** For many of the residential UGAs, incorporating additional development would have largely positive effects, primarily based on the estimated increases in property tax revenue from new development. In these cases, annexation decisions would not likely be significantly impacted by the current potential for these areas to accommodate growth, which highlights that the fiscal impacts in these areas are expected to be stable over time.
- **These results can be adjusted by changes from city development regulations.** For this assessment, development capacity is based on estimates from the Buildable Lands Inventory, which relies on current county zoning regulations. If the city were to change zoning to accommodate greater population density or more development these calculations would change.

Exhibit 19. Buildout Estimate of Yearly City Operating Surplus/Deficit after Annexation, by Subarea.

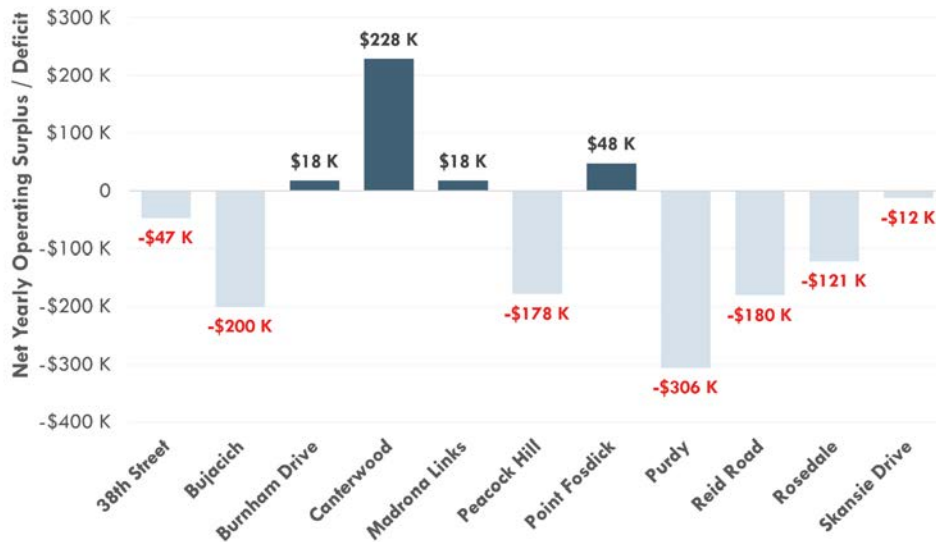


Exhibit 20. Projected Changes to City Yearly Operating Revenue and Costs after Annexation, by Subarea.

Subarea	Projected Revenue (2021 dollars)	Projected Costs (2021 dollars)	Surplus/Deficit Per Year (2021 dollars)
38th Street	\$143,901	\$190,803	(\$46,903)
Bujacich	\$69,748	\$270,113	(\$200,365)
Burnham Drive	\$18,092	\$266	\$17,826
Canterwood	\$1,217,240	\$988,831	\$228,409
Madrona Links	\$48,762	\$30,603	\$18,159
Peacock Hill	\$715,449	\$893,656	(\$178,207)
Point Fosdick	\$97,064	\$48,865	\$48,199
Purdy	\$588,368	\$894,568	(\$306,201)
Reid Road	\$676,699	\$857,188	(\$180,489)
Rosedale	\$277,465	\$398,798	(\$121,333)
Skansie Drive	\$142,775	\$155,071	(\$12,296)
TOTAL	\$3,995,561	\$4,728,763	(\$733,201)

Sources: City of Gig Harbor, 2021; BERK, 2021

Exhibit 21. Breakdown of Buildout Estimate for Changes to City Revenue by Type and Subarea, Gig Harbor UGAs.

Revenue Type	38th Street	Bujacich	Burnham Drive	Canterwood	Madrona Links	Peacock Hill	Point Fosdick	Purdy	Reid Road	Rosedale	Skansie
Property Tax	\$92,561	\$45,881	\$8,049	\$907,986	\$31,146	\$427,274	\$46,156	\$207,723	\$463,730	\$183,674	\$89,523
Sales Tax	\$0	\$4,356	\$3,522	\$29,489	\$978	\$32,652	\$27,437	\$241,679	\$2,117	\$0	\$0
Utility Tax	\$18,694	\$15,772	\$2,630	\$100,636	\$5,836	\$91,824	\$12,441	\$80,526	\$73,965	\$32,901	\$18,680
Other Taxes	\$6,074	\$696	\$724	\$33,328	\$2,010	\$30,457	\$2,052	\$10,873	\$25,469	\$11,329	\$6,432
Intergovernmental	\$12,339	\$1,413	\$1,471	\$67,706	\$4,083	\$61,874	\$4,169	\$22,089	\$51,740	\$23,015	\$13,067
Charges for Services	\$11,664	\$1,336	\$1,391	\$64,001	\$3,859	\$58,488	\$3,941	\$20,880	\$48,909	\$21,756	\$12,352
Fines and Forfeits	\$2,568	\$294	\$306	\$14,093	\$850	\$12,879	\$868	\$4,598	\$10,770	\$4,791	\$2,720
TOTAL	\$143,901	\$69,748	\$18,092	\$1,217,240	\$48,762	\$715,449	\$97,064	\$588,368	\$676,699	\$277,465	\$142,775

Sources: City of Gig Harbor, 2021; BERK, 2021

Exhibit 22. Breakdown of Buildout Estimate for Changes to City Expenditures by Type and Subarea, Gig Harbor UGAs.

Expenditure Type	38th Street	Bujacich	Burnham Drive	Canterwood	Madrona Links	Peacock Hill	Point Fosdick	Purdy	Reid Road	Rosedale	Skansie Drive
Non-Departmental	\$7,388	\$9,029	\$0	\$45,146	\$1,642	\$33,654	\$1,642	\$30,371	\$28,729	\$13,133	\$7,388
Legislative	\$2,193	\$420	\$266	\$12,011	\$721	\$10,974	\$817	\$4,508	\$9,142	\$4,067	\$2,309
Municipal Court	\$11,998	\$0	\$0	\$47,990	\$0	\$47,990	\$0	\$23,995	\$35,993	\$11,998	\$11,998
Administration/Buildings	\$25,517	\$0	\$0	\$166,648	\$0	\$141,131	\$0	\$70,566	\$141,131	\$70,566	\$25,517
Police	\$0	\$177,405	\$0	\$177,405	\$0	\$0	\$0	\$354,810	\$0	\$0	\$0
Community Development	\$60,080	\$15,020	\$0	\$300,402	\$15,020	\$270,362	\$15,020	\$105,141	\$225,302	\$105,141	\$60,080
Parks and Recreation	\$39,660	\$0	\$0	\$185,078	\$13,220	\$171,858	\$13,220	\$66,099	\$145,418	\$66,099	\$39,660
Streets	\$43,968	\$68,239	\$0	\$54,151	\$0	\$217,686	\$18,167	\$239,078	\$271,473	\$127,795	\$8,120
TOTAL	\$190,803	\$270,113	\$266	\$988,831	\$30,603	\$893,656	\$48,865	\$894,568	\$857,188	\$398,798	\$155,071

Sources: City of Gig Harbor, 2021; BERK, 2021

Sewer Fees

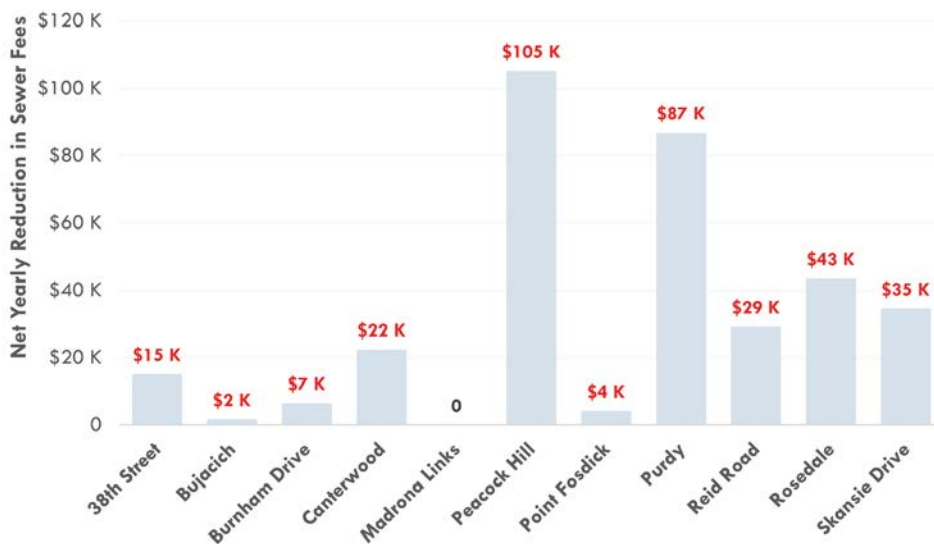
In addition to the effects that annexation would have on overall operating expenses, there are also changes that City budgets would experience due to adjustments in sewer servicing fees. The City currently charges increased rates to customers located in the UGA versus those within the incorporated boundaries. In concept, this is intended to provide support for the maintenance and operations of the system that would otherwise be supported by general City expenditures.

Unlike the fiscal expenditures detailed above, the impact of these changes is subject to other considerations. Increases in sewer servicing fees are not restricted in the same ways as property and sales taxes, meaning that these impacts are more subject to change. If the City is interested in minimizing the impacts of annexation, for example, these charges may be adjusted to increase overall rates to compensate.

From a current survey of the UGAs coordinated by the Public Works Department, the annual revenue collected from all UGAs amounts to \$630,630. This would be reduced by one-third if these areas are incorporated into the City, for a **net loss of \$210,210 per year** overall.

With respect to potential future expansions, the impacts of incorporating the UGAs into City limits are provided in Exhibit 23. Including all of these areas into the City would result in an additional reduction of about \$348,620 from possible future sewer accounts, based on current rates. This would be highest in Peacock Hill (a potential loss of \$105,040 per year at full buildout) and Purdy (a loss of \$86,700).

Exhibit 23. Reductions in Potential Sewer Fees from Incorporation at Current Rates, by Subarea.



Sources: City of Gig Harbor, 2021; BERK, 2021

Capital and Infrastructure Investment

This section provides a high-level inventory of capital and infrastructure investments necessary for the UGAs. Although operating costs are possible to project based on estimates from current budgets, the capital expenditures needed for these areas, both in the short and long term, are harder to evaluate. The city should pursue follow-up studies prior to annexation to provide more information about the nature of these costs.

Based on available sources, the following capital investments may be required for the individual UGAs:

38th Street

- This area may require more investment in sewer and stormwater infrastructure to address drain fields and on-site septic concerns.

Canterwood

- Surface water may need to be managed with education and outreach, given the presence of the golf course.
- Additional capital investment in stormwater management and sewer servicing may be required but the costs of these improvements are not currently known. Further engineering studies will be required to understand these costs.
- The 2016 Parks, Recreation, and Open Space (PROS) Plan ~~2016 Parks, Recreation, and Open Space (PROS) Plan~~ recommends that land be purchased for a city park in this UGA. Note that there are existing private open space and recreational uses in this area.

Madrona Links

- Surface water may need to be managed with education and outreach, given the presence of the golf course.
- Additional capital investment in stormwater management may be required but is not currently known.

Peacock Hill

- Although there is a force main located along Peacock Hill Drive, many of the properties currently rely on on-site septic for wastewater. This may require more investment, and further servicing studies will be required to understand the full nature of these costs.

Purdy

- Significant drainage issues in this area would require new stormwater infrastructure.
- Existing sewer servicing and fire flow issues would limit additional development in this area, and would need to be addressed if future growth were coordinated for this area.
- Management and cleanup of sites in this area, especially those with potential discharges into Henderson Bay, would be needed for new development to proceed in many locations.
- The Pierce County Transportation Improvement Program does note the need for road improvements on 38th Ave NW from 36th St NW to the city limits.

Reid Road

- Although there is a force main servicing part of this area, extensions to sewer infrastructure will be required, potentially including additional sewer lift and pump stations.

Rosedale

- This area may require more investment in sewer and stormwater infrastructure to address drain fields and on-site septic concerns.

Skansie Drive

- More investment may be needed to extend sewer services to these areas, especially if more dense infill development over the long term would be desirable.

Other needs include the following:

- **Management of riparian areas and surface water quality.** The UGAs include more of the McCormick Creek, Goodnough Creek, Purdy Creek, and Soundview basins, which will require management of riparian habitat for water quality and storm water management.
- **Fish passage barriers.** As McCormick Creek is fish-bearing, there may be concerns about fish passage barriers along its run. The required timeframe for these replacements is not known.
- **Parks.** Aside from larger facilities such as designated golf courses (public and private) and McCormick Forest Park, there are no local parks found in the UGAs. While an update to the PROS plan is expected in 2021, the desired 2030 levels of service under the 2016 PROS would suggest that an additional 81.6 acres would be required for the UGAs at present, with up to 102 acres required at build-out. This would include about 36 acres of new neighborhood parks, as well as 37 acres of natural areas and 21 acres of open space. This would likely require some investment in most UGAs to try to secure land for parks and open space. However, final costs will be dependent on the updated 2021 PROS plan and the corresponding levels of service included.

Other Considerations

Aside from these elements of revenue and cost, other considerations with annexation include the following:

- **Shoreline protection.** While the Reid Road UGA is covered under the city's Shoreline Master Program (SMP), the Purdy UGA is not included. Annexation of this area would allow the city to incorporate this area into water and shoreline protection efforts.
- **Tree canopy protections and landscaping.** Incorporating the UGAs into the city will allow future development in these areas to be managed under ~~Chapter 17.78~~Chapter 17.78 GHMC for protection of significant trees and existing native vegetation, and requirements for planting and landscaping. This may provide additional protection beyond what is required by the County under ~~PCC 18J.15.030~~PCC 18J.15.030.

- **Police response times.** For residents of UGAs that are dependent on the Pierce County Sheriff for emergency response, response times may be significantly higher. Annexation can provide these areas with better coverage and faster response times from the Gig Harbor Police Department.

Recommendations

Major Considerations

There are three broad considerations for future actions by the city with respect to annexation:

- There should be **consensus about annexation** among UGA residents, landowners, and businesses. Additionally, other governments affected like Pierce County and Special Districts (e.g., PenMet) should also largely approve. While methods like direct petitions and interlocal agreements outline how the public and impacted members of the community can participate in the process, the city should ensure that all involved parties are properly considered. These considerations can help the process reflect the intent of the stakeholders involved and can reduce the chance that an annexation would be challenged through BRB review.
- **Annexations should benefit citizens, businesses, and landowners** in both the city and the UGAs in the long term. While the direct financial expenses incurred by the city and other parties are important, other policy considerations and advantages should be examined as well. While annexing certain areas may result in a net cost to the city, other areas may provide a net benefit to the community when annexed, such as the ability to encourage new construction aligned with Gig Harbor zoning and development regulations. However, the city should not be forced to engage with a process that would have a net negative impact on stakeholders while giving no evident benefit.
- **Annexations should be appropriately designed** to allow an area to be integrated effectively with the city. Locations which have strong existing connections to the city should be preferred for annexation. For areas that would require significant planning or would bring in a dramatic increase in population, annexations may need be phased to allow the city to evaluate the effects over time and coordinate the ability to meet the needs of new areas.

Note that other considerations often applied to Urban Growth Areas, such as identifying future developable lands to meet long-term growth targets or long-term phasing of extensions to infrastructure, are largely not applicable to Gig Harbor given the local context.

Guidelines for Annexations

Based on these high-level considerations, the criteria below should be used to evaluate annexation proposals and comparable actions in Gig Harbor. Note that these guidelines do not provide hard thresholds for the individual parameters outlined, as many of these elements are qualitative and may require tradeoffs between different elements. Instead, these questions provide an overall framework for evaluating individual applications.

The guidelines include the following:

1. **Is the annexation proposal consistent with the city's Comprehensive Plan and other existing policy?** Any annexation proposal to be approved by Council must be compliant with the Comprehensive Plan and cannot be adopted if it does not align with existing policies. While the annexation of areas themselves would be allowed under the Comprehensive Plan, note that this may be relevant for reviewing a proposed zoning ordinance submitted as part of a petition, as it would need to be compliant with the Land Use Map in the Plan.

2. Is the annexation proposal generally supported by those that could be impacted? Although many methods require the consent of landowners in the annexed area, proposed annexations should generally be supported by residents and local businesses and should not unduly impact surrounding neighbors. Additionally, proposals should not generally receive strong objections from Pierce County. If there may be significant opposition to an annexation in any way, even if the method may not require public engagement or resident approval, the proposed annexation may require reasonable adjustments, mitigation, or other conditions to address any potential concerns expressed.

3. Does the proposal provide a net positive fiscal impact to the city? An assessment of the fiscal impacts of an annexation proposal should include estimates of changes to the following:

- Revenue (including taxes and state-shared revenues)
- Yearly operating costs
- Preservation and rehabilitation of existing infrastructure needed
- Expected new capital facilities and infrastructure needed

Generally, an annexation should result in minimal negative impacts to the city's budget. If there are cases where an annexation may result in a sizable net cost, especially over the short term, this may be balanced with other criteria related to public benefits. Significant required infrastructure investments may also be addressed through joint coordination and planning with Pierce County.

4. Would the proposal result in a significant increase of land, development, and population? Aside from major annexations in the mid- to late-1990s, individual annexations in Gig Harbor have generally been no larger than 300–400 acres and accommodated no more than around 100–150 existing housing units. While areas smaller than this could likely be annexed without significant impacts to capacity, larger annexations should be phased over time to ensure that local service capacity can be scaled up appropriately.

5. Is the annexed area defined to reduce the number of annexations by the city? While guideline 4 recommends that larger parcels be divided for the purposes of a phased annexation, several smaller annexations may also be challenging due to the increased staff time required for processing. Where possible, annexations should be large enough to minimize these costs by taking up a significant portion of a UGA.

6. Does this proposal keep or create logical boundaries for the city? Annexations should be favored if they will result in more regular city boundaries. As the statute requires almost all annexations to share a boundary with the city, this would include:

- eliminating islands or pockets of unincorporated territory.
- minimizing spurs and notches into unincorporated Pierce County, especially those that would create islands or pockets.
- keeping tax parcels completely within an annexation area.
- reducing street segments that would be divided between city and county management
- minimizing conditions where city lands can only be accessed via county roads.
- acknowledging perceived neighborhood boundaries and streets, landscape features, and other elements that would form expected local boundaries.

- extending current neighborhoods or linking new neighborhoods that are adjacent to existing areas of the city.
 - reducing confusion with identifying city versus county territory.
7. **Is this area currently or likely to be developed to urban densities?** Annexations should prioritize areas that are currently built out, or with significant supplies of vacant land that would allow for the area to accommodate urban densities. Areas that do not include significant urban development and are unlikely to be developed further are not desirable for annexation.
8. **Could city planning and zoning increase the density or otherwise improve the quality of future development?** In cases where the city may be reviewing locations with development (or even redevelopment/infill) opportunities, the potential for new development projects to benefit from city zoning should be recognized, especially if it would lead to more compact and efficient development patterns.
9. **Would city policy and planning result in better environmental protection and management for annexed areas?** In addition to supporting improved development, annexations may provide an opportunity to manage certain areas more effectively under city programs, plans, and statutes. This may include management of shoreline, riparian and wetland areas, other critical areas, and tree canopy.
10. **Are there any other public benefits or concerns that would be associated with annexation?** There are no standards that can completely define all the questions that may arise during a review. Other major public benefits (e.g., opportunities for parks and other public amenities), as well as additional expenses or obstacles to future development and servicing, may arise as part of an annexation review. The levels and importance of these prospective benefits and costs should be assessed on a case-by-case basis.

Proposed Strategic Approach

Classifying UGAs

Considering the current and future characteristics of the Gig Harbor UGAs outlined in this report, managing these areas over the long term (around a 20-year planning horizon) may be categorized in one of five ways based on the expected approach to be used. A map defining the boundaries of these areas is included in Exhibit 24.

These categories of areas include the following:

1. **City-led potential annexation areas.** In specific cases, there may be a city interest in leading annexation, primarily to keep logical city boundaries that do not complicate service delivery. This should rely on the abbreviated methods for either direct petitions or interlocal agreements to streamline this process.¹⁴
2. **Local-led potential annexation areas.** It would be desirable to annex some smaller UGAs or portions of larger UGAs. In addition, given the size of these areas, annexation would not require extensive planning and coordination. The city should encourage property owners, residents, businesses (if applicable), and local organizations to follow one of the direct petition methods (preferably the alternative direct petition method for residential areas) to begin annexation.
3. **Phased potential annexation areas.** Annexations of larger UGAs would require more planning and potentially the phasing of annexations over time. These include the Canterwood and Reid Road UGAs as well as most of the Peacock Hill UGA. Relying on an interlocal agreement with Pierce County, which would involve consultation with these areas, proposed zoning regulations, and potential Comprehensive Plan Amendments, may present a more consistent and forward-thinking approach to managing annexation.
4. **Long-term servicing management areas.** There may be no strong rationale for annexing part or all of certain UGAs in the short- or long-term. However, urban sewer servicing would still be required. These areas may be retained as UGAs, but the city would not pursue or encourage annexation.

* In addition, this map also shows areas to be removed from the UGAs. There is no interest to the city to keep the McCormick Forest Park as part of the Bujacich UGA, given its ownership by PenMet and long-term status as a park. Removing the area from the UGA would not have a significant impact on overall growth planning.

~~1. **Urban servicing management areas.** There may be no strong rationale for annexing part or all of certain UGAs in the short- or long-term. However, urban sewer servicing would still be required. These areas may be retained as UGAs, but the city would not pursue or encourage annexation.~~

~~2. **Local-led potential annexation areas.** It would be desirable to annex some smaller UGAs or portions of larger UGAs. In addition, given the size of these areas, annexation would not require extensive planning and coordination. The city should encourage property owners, residents,~~

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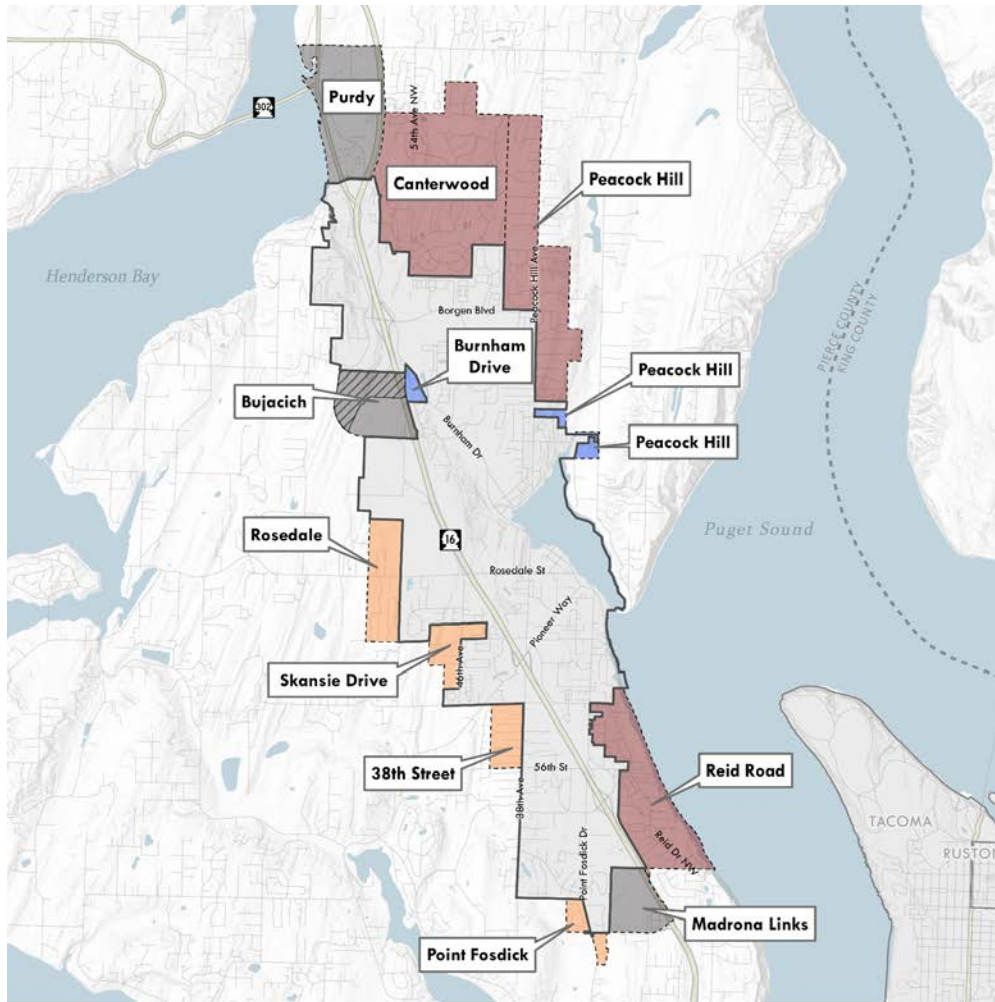
¹⁴ Please refer to RCW 35A.14.295 for the streamlined petition method, and RCW 35A.14.460 for the streamlined interlocal agreement approach.

businesses (if applicable), and local organizations to follow one of the direct petition methods (preferably the alternative direct petition method for residential areas) to begin annexation.

- ~~1. **Planned potential annexation areas.** Annexations of larger UGAs would require more planning and potentially the phasing of annexations over time. These include the Canterwood and Reid Road UGAs as well as most of the Peacock Hill UGA. Relying on an interlocal agreement with Pierce County, which would involve consultation with these areas, proposed zoning regulations, and potential Comprehensive Plan Amendments, may present a more consistent and forward-thinking approach to managing annexation.~~
- ~~1. **City-led potential annexation areas.** In specific cases, there may be a city interest in leading annexation, primarily to keep logical city boundaries that do not complicate service delivery. This should rely on the abbreviated methods for either direct petitions or interlocal agreements to streamline this process.⁺⁵~~

⁺⁵ Please refer to RCW 35A.14.295 for the streamlined petition method, and RCW 35A.14.460 for the streamlined interlocal agreement approach.

Exhibit 24. Recommended Strategic Areas by Priority Strategy for Urban Growth Area Management.



Legend

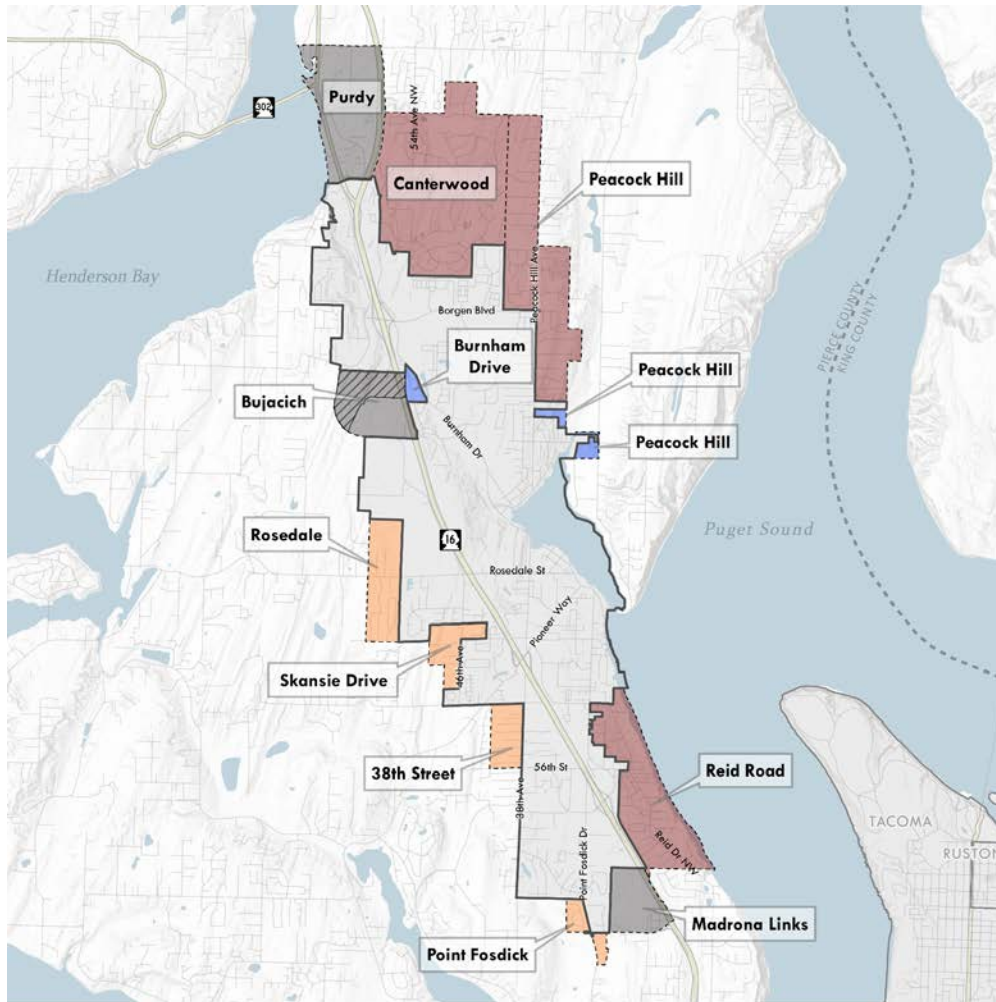
- City UGAs
- Cities
- Counties
- Water
- Highways
- Public Streets

Strategic Areas by Priority

- 1. City-led potential annexation areas
- 2. Local-led potential annexation areas
- 3. Phased potential annexation areas
- 4. Long-term management areas
- Areas to be removed

BERK
Map Date: April 2022

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.



Legend

- City UGAs
- Cities
- Counties
- Water
- Highways
- Public Streets

Strategic Areas

- Areas to be removed
- Long-term management areas
- Local-led potential annexation areas
- Planned potential annexation areas
- City-led potential annexation areas

BERK
Map Date: November 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Short-Term Direction

Although the consent of residents and owners should be required as part of this process, the city should generally commit to promoting annexation of these areas (excluding the ~~long-term urban servicing~~ management areas) over a 20-year timeframe. This would include:

- Directed engagement and outreach with residents and landowners as well as potential negotiation for an interlocal agreement with Pierce County for **city-led potential annexation areas**.
- Establishment of ongoing outreach and information distribution to residents and landowners in **local-led potential annexation areas** to encourage local petitions for annexation to be submitted to the Council.
- Coordination with local neighborhood associations and Pierce County on developing interlocal agreements for **phased potential annexations areas** using a staged approach. This should involve the Reid Road and the Canterwood/Peacock Hill UGAs in sequence, based on Council priorities and expectations about required infrastructure planning.
- Ongoing sewer infrastructure management and servicing in the **long-term servicing management areas**, as discussed in current policy approaches.
- ~~▪ Establishment of ongoing outreach and information distribution to residents and landowners in **local-led potential annexation areas** to encourage local petitions for annexation to be submitted to the Council.~~
- ~~▪ Coordination with local neighborhood associations and Pierce County on developing an interlocal agreement for **planned potential annexations areas** using a phased approach. This should involve the Reid Road and the Canterwood/Peacock Hill UGAs in sequence, based on Council priorities and expectations about required infrastructure planning.~~
- ~~▪ Directed engagement and outreach with residents and landowners as well as potential negotiation for an interlocal agreement with Pierce County for **city-led potential annexation areas**.~~

These approaches should be clearly defined as part of the updated Comprehensive Plan scheduled for 2024, incorporated as part of the city's Land Use Element policies.

Long-Term Strategic Considerations

Over time, new situations may change the conditions in the UGAs and require a realignment of the city's approaches with respect to future annexations. These would have to be evaluated through regular reviews over time.

Potential future adjustments to this strategy may include the following:

- **Long-term redevelopment in the Madrona Links UGA.** Some public and private golf courses in the region have closed due to changing market demand. While the Canterwood Golf Club is unlikely to be affected, the Madrona Links Golf Course could be affected in the future. If the Peninsula Metropolitan Parks District decides in the future to release this site as surplus land for development, the city may need to consider annexation to provide development options and facilitate integration into surrounding neighborhoods.

- **Long-term investment in stormwater infrastructure in the Purdy UGA.** Existing drainage and stormwater infrastructure in the Purdy region would not be sufficient to support additional growth, and the city would be forced to make considerable investments to address these needs for new development to occur in these areas. However, if new infrastructure were to be developed in these places through other sources of funding, the area's long-term development potential might be reconsidered.
- **Annexation of areas remaining over the long term.** Owners and residents may not petition for annexation, possibly due to a lack of interest. If community-led annexation areas are remaining in the UGAs after a 10- to 15-year period, the city should look to examine whether a city-led solution in these areas is desirable or if these areas should be maintained as ~~long-term urban servicing~~ management areas with no future intention for annexation.

Other Recommendations

Aside from recommendations about how areas should be annexed into Gig Harbor, there are other actions that should be considered in long-range management for these areas. These steps would not be required for annexation, but they may improve overall coordination of future policies, plans, and services.

These recommendations include the following:

- **Further engineering studies will be necessary to provide an understanding of servicing costs.** Although this study presents a picture of the costs involved with annexation, detailed costing of long-term infrastructure investments is not explored in this work. Detailed engineering design studies would be necessary to identify more specific costs and provide clear estimates of the capital investments needed in these areas if annexations were to move forward.
- **Any phasing should consider boundaries of existing communities.** Under the proposed approach for using interlocal agreements for the Reid Road and the Canterwood/Peacock Hill UGAs, any phasing should respect the boundaries of existing communities wherever possible. For example, phased annexations in Canterwood should annex the entire planned community at once and integrate other areas separately if necessary. This can reduce friction and improve clarity on jurisdiction within these neighborhoods.
- **Include updated UGA policies in the Comprehensive Plan.** Policies regarding the integration of UGAs into the city should be included in the 2024 updates to the Comprehensive Plan. While the guidelines are provided to the Council as a framework to evaluate individual proposals, clarifying the city's intentions for these areas can reduce confusion and concern among potentially impacted residents, businesses, and landowners.
- **Coordinate integration of private water providers into the city system.** Under Goal 2.4.2(c) of the Comprehensive Plan, the city is expected to coordinate with other agencies and water purveyors to consolidate small water systems into the overall municipal system to ensure efficient and high-quality service delivery. Although smaller water systems may continue to be licensed in the short term, this annexation strategy should provide a plan to integrate potable water services.

- **Maintain a process to provide a regular review of impacts of annexations on the city.** City officials should produce a regular update one year after an annexation has occurred to identify actual impacts to the city and any concerns with variances from the anticipated impacts to ensure the city's annexation strategy is delivering the expected outcomes. This evaluation will assist the city in improving its annexation management strategy so that the final processes are appropriate for the community and do not create capacity issues or other challenges.

Appendix: Area Summaries

This Appendix provides a detailed assessment by individual UGA, which includes:

- A summary of the individual UGA, including key statistics on size, assessed value, and existing development, as well as the recommended strategic designation.
- Current Pierce County zoning active for the area.
- Statistics on buildable lands in the individual UGA, including summations of vacant and underutilized land, as well as estimates of the additional housing and employment that could be accommodated in this area.
- Fiscal impacts, both under current development and at buildout.
- A high-level assessment of capital costs that would be required for this area.

38th Street



Legend

- City UGAs
- Cities
- Parcels

BERK
Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	78.1 acres
Land area (net)	69.4 acres
2021 assessed value	\$71,069,200
Housing units	129

Non-residential

Community/Institutional	21,749 sf
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The 38th Street UGA located to the southwest of the city and is about 78 total acres. The area is largely developed with single-family homes and a church. There may be stormwater and septic concerns in this area related to current development.

Recommended Designation

2. Local-led potential annexation area. Annexation of this area would likely be straightforward, potentially providing minimal impacts to the city but not requiring significant planning to complete. A local petition should provide evidence of local support.

Current Zoning

Zone	Net Acres
Single Family	69.4
Total	69.4

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 60 housing units could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Single Family	3.0	0.1	14.5

Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$73,855	\$92,561
Sales Tax	\$0	\$0
Utility Tax	\$15,532	\$18,694
Other Taxes	\$4,985	\$6,074
Intergovernmental	\$10,128	\$12,339
Charges for Services	\$9,574	\$11,664
Fines and Forfeits	\$2,108	\$2,568
TOTAL	\$116,183	\$143,901
Operating Costs		
Non-Departmental	\$5,746	\$7,388
Legislative	\$1,803	\$2,193
Municipal Court	\$11,998	\$11,998
Administration/Buildings	\$25,517	\$25,517
Police	\$0	\$0
Community Development	\$45,060	\$60,080
Parks and Recreation	\$26,440	\$39,660
Streets	\$43,968	\$43,968
TOTAL	\$160,531	\$190,803
TOTAL IMPACT	(\$44,348)	(\$46,903)

Expected Capital Costs

- This area may require additional investment in sewer and stormwater infrastructure to address drain fields and on-site septic concerns. Further servicing studies will be required to understand the full nature of these costs.

Bujacich



Legend

- City UGAs
- Cities
- Parcels

BERK
Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	175.4 acres
Land area (net)	150.0 acres
2021 assessed value	\$44,013,300
Housing units	18

Non-residential

Community/Institutional	325,494 sf
Warehousing	2,400 sf

This area is about 176 acres, with most of the UGA incorporating the Washington Corrections Center for Women (operated by the state), and McCormick Forest Park (managed by PenMet). The primary reason for including this area in the UGA is to allow for servicing of the Corrections Center, although there are some minor commercial uses close to Bujacich Rd and 54th Ave. The area is largely built out, however, with few opportunities to accommodate additional growth.

Recommended Designation

4. Long-term management/annexation area / area to be removed. There are minimal benefits to annexation of this area by the city. The area should largely be maintained in the UGA to continue to provide sewer servicing, but McCormick Forest Park may be removed from the UGA given that no sewer servicing is required there. Higher costs are associated with the need for increased coverage from the police department associated with the prison.

Current Zoning

Zone	Net Acres
Single Family	69.4
Total	69.4

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 9 jobs could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Community Employment	0.4	-	0.8

Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$45,739	\$45,881
Sales Tax	\$2,348	\$4,356
Utility Tax	\$15,298	\$15,772
Other Taxes	\$696	\$696
Intergovernmental	\$1,413	\$1,413
Charges for Services	\$1,336	\$1,336
Fines and Forfeits	\$294	\$294
TOTAL	\$67,124	\$69,748
Operating Costs		
Non-Departmental	\$9,029	\$9,029
Legislative	\$414	\$420
Municipal Court	\$0	\$0
Administration/Buildings	\$0	\$0
Police	\$177,405	\$177,405
Community Development	\$15,020	\$15,020
Parks and Recreation	\$0	\$0
Streets	\$68,239	\$68,239
TOTAL	\$270,107	\$270,113
TOTAL IMPACT	(\$202,983)	(\$200,365)

Expected Capital Costs

No additional capital costs are expected.

Burnham Drive



Legend

- City UGAs
- Cities
- Parcels

BERK
Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	18.3 acres
Land area (net)	17.6 acres
2021 assessed value	\$244,900
Housing units	7

Non-residential

Other Services	3,600 sf
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The Burnham Drive UGA is the smallest of the UGAs surrounding Gig Harbor. It includes about 18 acres across five parcels and includes an auto repair garage and some single-family housing. Note that this unincorporated area is largely surrounded by the city and has no access points managed by the county.

Recommended Strategic Designation

1. City-led potential annexation area. The small area of this UGA and the configuration of its boundaries suggests that a streamlined process could be faster and more efficient, especially if led by the city. Incorporating this area will also reduce the need for the County to manage an area effectively surrounded by the city.

Current Zoning

Zone	Net Acres
Community Employment	3.4
Park & Recreation	79.1
Public Institutional	67.4
Total	150.0

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 25 housing units could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Moderate Density Single Family	-	-	13.0

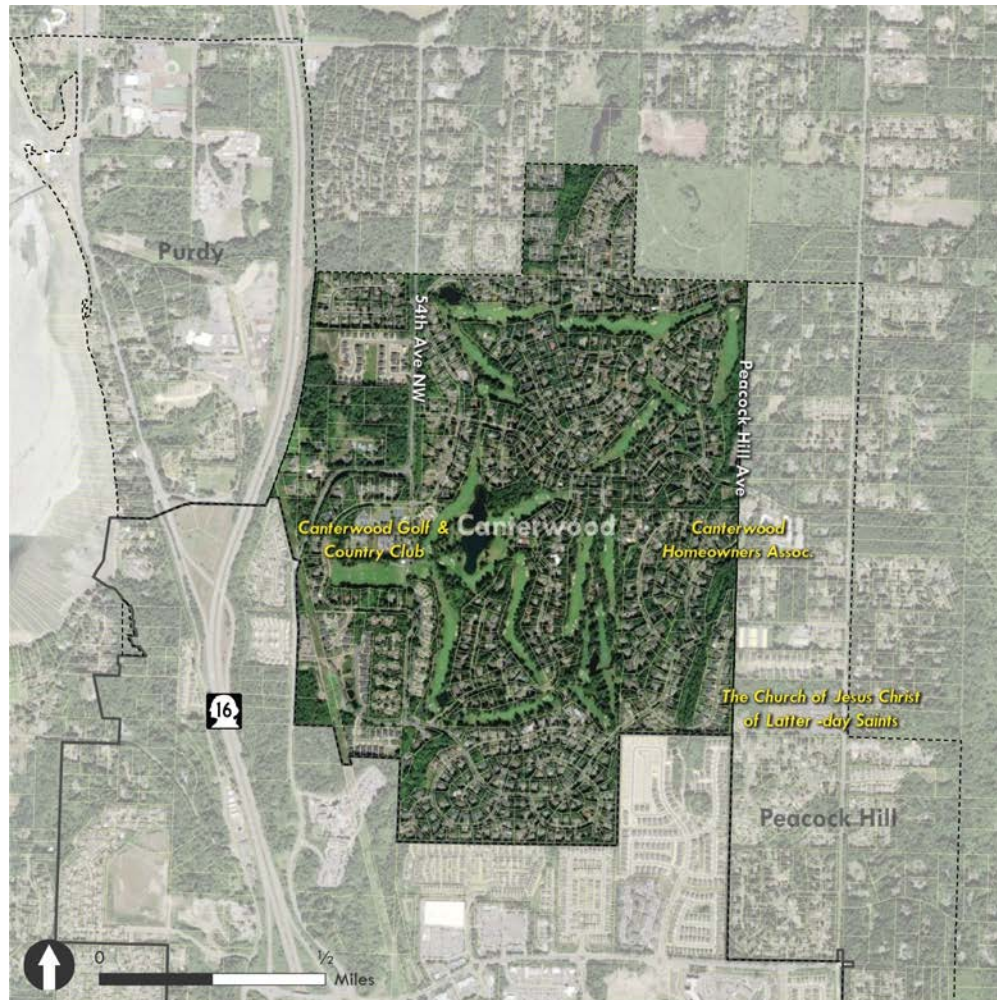
Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$255	\$8,049
Sales Tax	\$3,522	\$3,522
Utility Tax	\$1,313	\$2,630
Other Taxes	\$271	\$724
Intergovernmental	\$550	\$1,471
Charges for Services	\$520	\$1,391
Fines and Forfeits	\$114	\$306
TOTAL	\$6,543	\$18,092
Operating Costs		
Non-Departmental	\$0	\$0
Legislative	\$104	\$266
Municipal Court	\$0	\$0
Administration/Buildings	\$0	\$0
Police	\$0	\$0
Community Development	\$0	\$0
Parks and Recreation	\$0	\$0
Streets	\$0	\$0
TOTAL	\$104	\$266
TOTAL IMPACT	\$6,439	\$17,826

Expected Capital Costs

No additional capital costs are expected.

Canterwood



Legend

- City UGAs
- Cities
- Parcels

BERK
Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	753.2 acres
Land area (net)	679.4 acres
2021 assessed value	\$812,245,700
Housing units	822

Non-residential

Community/Institutional	14,039 sf
Office	24,354 sf

The Canterwood UGA includes about 753 total acres, with most of the area consisting of a master-planned community anchored by the Canterwood Golf & Country Club. This area represents the largest UGA, both in terms of area and number of housing units. The master-planned community is built out, although is a small amount of vacant land in the areas outside of the community. There is an existing security service for the planned community, but additional police coverage would still be required for responses to calls, coordination with local security, and coverage for other areas in the UGA.

Recommended Strategic Designation

3. Phased Planned potential annexation area. Given the potential need for a phased annexation, as well as additional planning, outreach, and coordination, an interlocal agreement with Pierce County may provide the best framework for managing the annexation of this UGA. This should be coordinated with planning for the annexation of the Peacock Hill UGA, given the connections between the two areas.

Current Zoning

Zone	Net Acres
Master Planned Community	570.2
Single Family	109.2
Total	679.4

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 86 housing units could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Master Planned Community	-	0.9	-
Single Family	14.8	5.4	7.5

Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$844,086	\$907,986
Sales Tax	\$29,489	\$29,489
Utility Tax	\$96,105	\$100,636
Other Taxes	\$31,768	\$33,328
Intergovernmental	\$64,536	\$67,706
Charges for Services	\$61,005	\$64,001
Fines and Forfeits	\$13,433	\$14,093
TOTAL	\$1,140,423	\$1,217,240
Operating Costs		
Non-Departmental	\$43,504	\$45,146
Legislative	\$11,451	\$12,011
Municipal Court	\$47,990	\$47,990
Administration/Buildings	\$141,131	\$166,648
Police	\$177,405	\$177,405
Community Development	\$285,382	\$300,402
Parks and Recreation	\$185,078	\$185,078
Streets	\$54,151	\$54,151
TOTAL	\$946,092	\$988,831
TOTAL IMPACT	\$194,330	\$228,409

Expected Capital Costs

- There may be requirements to manage surface water quality issues with education and outreach, given the presence of the golf course.
- Additional capital investment in stormwater management and sewer servicing may be required but is not currently known. Additional studies will be required to understand the full nature of these costs.
- The ~~2016 Parks, Recreation, and Open Space (PROS) Plan~~ ~~2016 Parks, Recreation, and Open Space (PROS) Plan~~ recommends that land be purchased for a city park in this UGA.

Madrona Links



Legend

- City UGAs
- Cities
- Parcels

BERK
Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	119.3 acres
Land area (net)	105.2 acres
2021 assessed value	\$29,971,200
Housing units	52

Non-residential

(none)

The Madrona Links UGA includes a total of about 119 acres, with 95 acres consisting of the Madrona Links public golf course run by PenMet. The southeast corner of the UGA includes 55 townhomes adjacent to the golf course. This area is completely built out, with no developable sites in the UGA.

Recommended Strategic Designation

4. Long-term servicing management/annexation area. While the area does present a net positive fiscal impact, the residential community in Madrona Links is buffered from the rest of the city, and management of Madrona Links would need to be negotiated with PenMet. As such, while sewer servicing of this area should continue, there may be no other substantive reasons to encourage annexation. Note that this may change based on future conditions, such as if the Madrona Links golf course would be redeveloped for other uses.

Current Zoning

Zone	Net Acres
Park & Recreation	77.6
Single Family	27.6
Total	105.2

Buildable Land

Current estimates of available buildable lands suggest that under current zoning no additional development could be accommodated in the UGA.

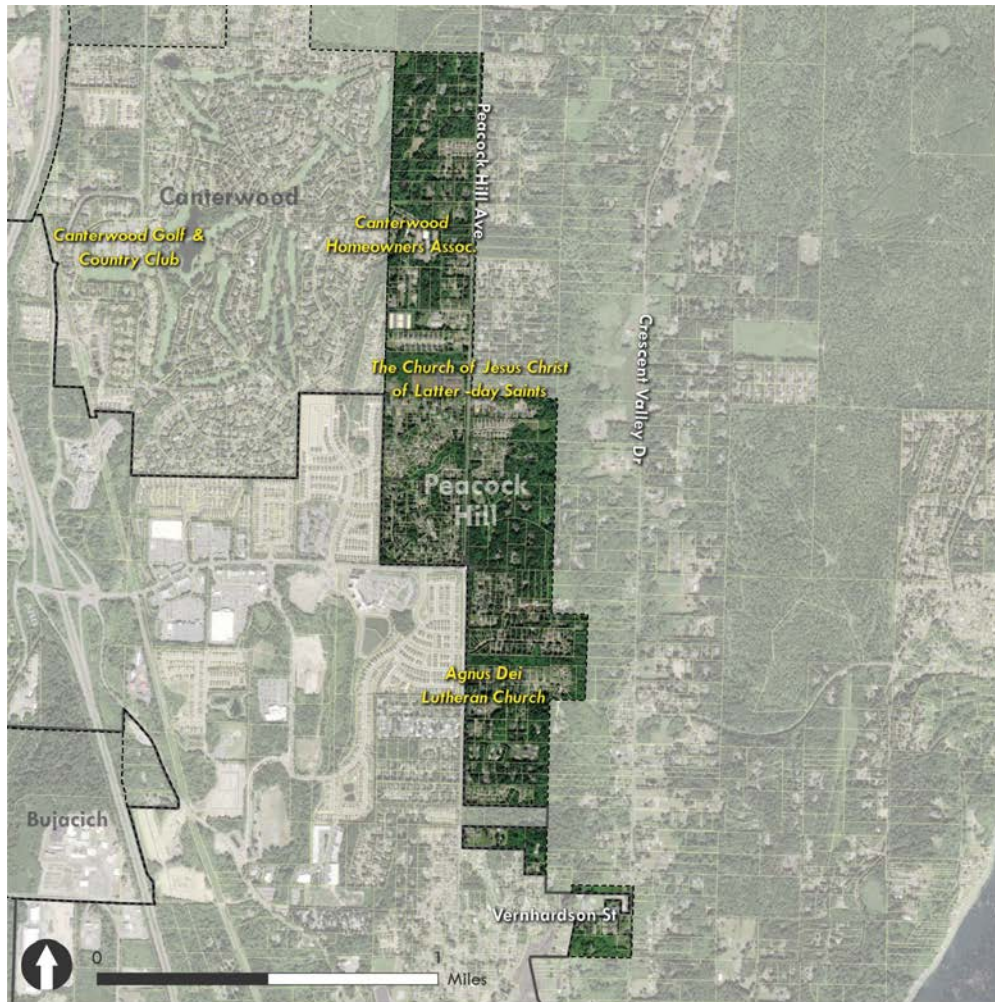
Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$31,146	\$31,146
Sales Tax	\$978	\$978
Utility Tax	\$5,836	\$5,836
Other Taxes	\$2,010	\$2,010
Intergovernmental	\$4,083	\$4,083
Charges for Services	\$3,859	\$3,859
Fines and Forfeits	\$850	\$850
TOTAL	\$48,762	\$48,762
Operating Costs		
Non-Departmental	\$1,642	\$1,642
Legislative	\$721	\$721
Municipal Court	\$0	\$0
Administration/Buildings	\$0	\$0
Police	\$0	\$0
Community Development	\$15,020	\$15,020
Parks and Recreation	\$13,220	\$13,220
Streets	\$0	\$0
TOTAL	\$30,603	\$30,603
TOTAL IMPACT	\$18,159	\$18,159

Expected Capital Costs

- There may be requirements to manage surface water quality issues with education and outreach, given the presence of the golf course.
- Additional capital investment in stormwater management may be required but is not currently known; further studies will be required to understand the full nature of these costs.

Peacock Hill



Legend

- City UGAs
- Cities
- Parcels

BERK
Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	483.3 acres
Land area (net)	435.4 acres
2021 assessed value	\$270,756,500
Housing units	605

Non-residential

Community/Institutional	40,472 sf
Warehousing	32,847 sf

The Peacock Hill UGA is located to the northeast of the city, and includes two smaller disconnected portions to the south close the Vernhardson St. This area is about 483 acres and includes two churches, the Canterwood Homeowners Association facilities, and largely residential development in other locations. This area also includes a considerable amount of vacant and underutilized land that could be used for future development.

Recommended Strategic Designation

3. Phased Planned potential annexation area / 1. City-led annexation area. Given the potential need for a phased annexation, as well as additional planning, outreach, and coordination, an interlocal agreement with Pierce County may provide the best framework for managing the annexation of this UGA. This should be done in conjunction with the Canterwood UGA as well, given the integration between these two areas.

Note that there are some portions of the Peacock Hill UGA in the south that are small and better to integrate through a city-led action, potentially with a streamlined process. The small number of owners and amount of land would suggest that this may not need a more involved process.

Current Zoning

Zone	Net Acres
Master Planned Community	17.3
Moderate Density Single Family	11.0
Park & Recreation	2.3
Single Family	404.7
Total	435.4

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 390 housing units could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Single Family	22.5	6.6	107.2

Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$281,370	\$427,274
Sales Tax	\$32,652	\$32,652
Utility Tax	\$71,275	\$91,824
Other Taxes	\$23,382	\$30,457
Intergovernmental	\$47,499	\$61,874
Charges for Services	\$44,900	\$58,488
Fines and Forfeits	\$9,887	\$12,879
TOTAL	\$510,966	\$715,449
Operating Costs		
Non-Departmental	\$25,446	\$33,654
Legislative	\$8,435	\$10,974
Municipal Court	\$35,993	\$47,990
Administration/Buildings	\$96,082	\$141,131
Police	\$0	\$0
Community Development	\$210,282	\$270,362
Parks and Recreation	\$132,199	\$171,858
Streets	\$217,686	\$217,686
TOTAL	\$726,121	\$893,656
TOTAL IMPACT	(\$215,155)	(\$178,207)

Expected Capital Costs

- Although there is a force main located along Peacock Hill Drive, many of the properties currently rely on on-site septic for wastewater. This may require additional investment, which should be determined through additional engineering studies.

Point Fosdick



Legend

- City UGAs
- Cities
- Parcels

BERK
Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	39.0 acres
Land area (net)	36.0 acres
2021 assessed value	\$31,191,800
Housing units	47

Non-residential

(none)

The Point Fosdick UGA contains approximately 41 acres and is located south of the city along Point Fosdick Drive. This area is split between two non-adjacent portions, with the northwest area consisting of a built-out low-density residential area of around 23 acres, and about 13 acres to the southeast consisting of vacant land currently zoned as “Neighborhood Center” by Pierce County. Note that this vacant land is not provided with a land use designation under the Gig Harbor Comprehensive Plan.

Recommended Strategic Designation

2. Local-led potential annexation area. Annexation of this area would likely be straightforward, likely providing minimal impacts to the city and not requiring significant planning to complete. A local petition should provide evidence of local support.

Current Zoning

Zone	Net Acres
Neighborhood Center	13.0
Single Family	23.0
Total	36.0

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 13 housing units and 123 jobs could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Neighborhood Center	13.0	-	-

Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$32,415	\$46,156
Sales Tax	\$0	\$27,437
Utility Tax	\$5,275	\$12,441
Other Taxes	\$1,816	\$2,052
Intergovernmental	\$3,690	\$4,169
Charges for Services	\$3,488	\$3,941
Fines and Forfeits	\$768	\$868
TOTAL	\$47,452	\$97,064
Operating Costs		
Non-Departmental	\$1,642	\$1,642
Legislative	\$652	\$817
Municipal Court	\$0	\$0
Administration/Buildings	\$0	\$0
Police	\$0	\$0
Community Development	\$15,020	\$15,020
Parks and Recreation	\$13,220	\$13,220
Streets	\$18,167	\$18,167
TOTAL	\$48,700	\$48,865
TOTAL IMPACT	(\$1,248)	\$48,199

Expected Capital Costs

No additional capital costs are expected.

Purdy



Legend

- City UGAs
- Cities
- Parcels

BERK
Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	337.7 acres
Land area (net)	241.8 acres
2021 assessed value	\$95,668,000
Housing units	156

Non-residential

Community/Institutional	284,932 sf
Office	22,565 sf
Restaurant	2,318 sf
Retail	21,302 sf
Other Services	6,173 sf
Utilities	39,184 sf

The Purdy UGA is approximately 338 acres, and it includes Peninsula High School and Purdy Elementary, managed by the Peninsula School District. The city's primary interest in this area is with sewer servicing of these uses. There is a utility facility located here (Peninsula Light Co.), as well as a mix of commercial and residential uses. While there are some vacant lands that could be developed, stormwater drainage challenges would make it difficult to utilize these areas.

Recommended Designation

4. Long-term servicing management/annexation area. There are minimal benefits to annexation of this area by the city, given the presence of institutional uses, high expected capital expenditures, and significant yearly operating costs required to support the area. Overall, the area should be maintained as a UGA to continue to provide sewer servicing to the schools located there, but long-term annexation may require ongoing discussions with Pierce County about how best to address stormwater infrastructure deficiencies and the need for contaminated site cleanup in this area.

Current Zoning

Zone	Net Acres
Activity Center	5.4
Community Center	9.5
Community Employment	56.8
Mixed Use Districts	51.1
Moderate Density Single Family	0.4
Neighborhood Center	2.3
Public Institutional	65.2
Single Family	51.2
Total	241.8

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 267 housing units and 706 jobs could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Activity Center	-	-	0.1
Community Center	1.7	2.1	3.5
Community Employment	7.4	-	3.6
Mixed Use Districts	23.8	0.4	26.3
Moderate Density Single Family	-	-	0.4
Neighborhood Center	-	-	1.9
Public Institutional	0.6	-	-
Single Family	6.5	5.7	2.2

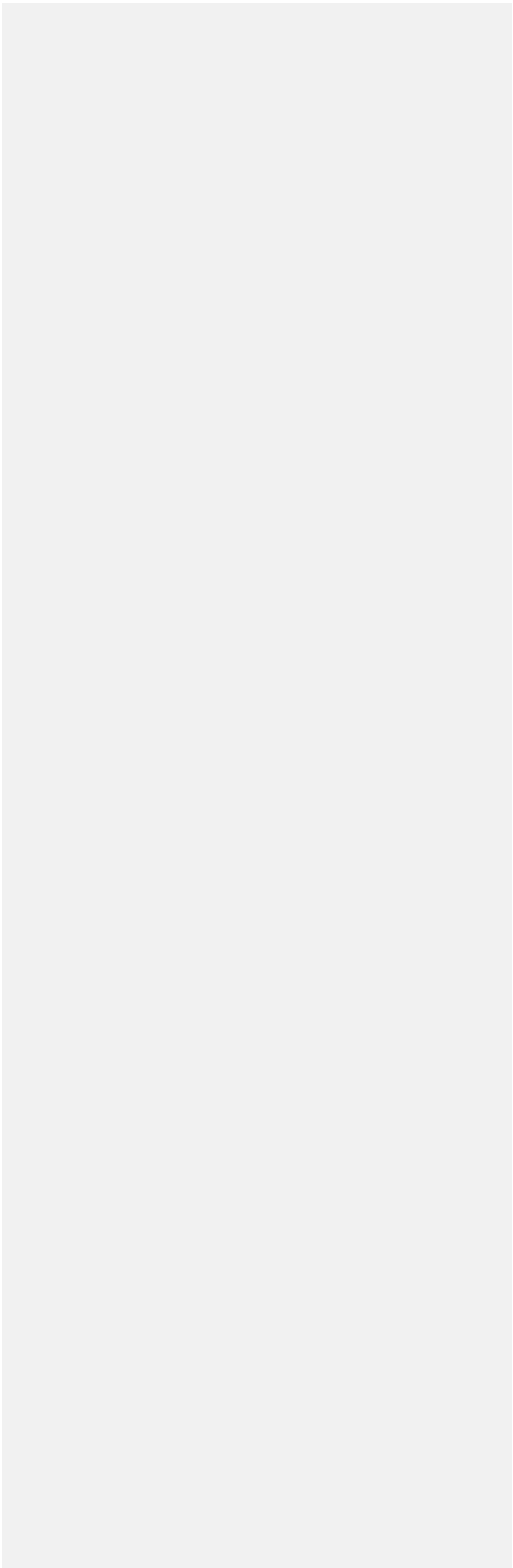
Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property tax	\$99,418	\$207,723
Sales tax	\$136,691	\$241,679
Utility Tax	\$29,259	\$80,526
Other Taxes	\$6,029	\$10,873
Intergovernmental	\$12,248	\$22,089
Charges for Services	\$11,578	\$20,880
Fines and forfeits	\$2,549	\$4,598
TOTAL	\$297,771	\$588,368
Operating Costs		
Non-Departmental	\$15,596	\$30,371
Legislative	\$2,309	\$4,508
Municipal Court	\$11,998	\$23,995
Administration/Buildings	\$25,517	\$70,566
Police	\$177,405	\$354,810
Community Development	\$60,080	\$105,141
Parks and Recreation	\$39,660	\$66,099
Streets	\$239,078	\$239,078
TOTAL	\$571,643	\$894,568
TOTAL IMPACT	(\$273,872)	(\$306,201)

Expected Capital Costs

- Significant drainage issues in this area would require new infrastructure; current costs of these improvements are not known.
- Existing sewer servicing and fire flow issues would limit additional development in this area, and would need to be addressed if future growth were coordinated for this area.
- Management and cleanup of sites in this area, especially those with potential discharges into Henderson Bay, would be required for new development to proceed in many locations. No estimates of costs are available but are likely considerable.
- The Pierce County Transportation Improvement Program does note the need for road improvements on 38th Ave NW from 36th St NW to the city limits.

|



Reid Road



Legend

- City UGAs
- Cities
- Parcels

BERK
Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	339.3 acres
Land area (net)	303.1 acres
2021 assessed value	\$371,267,300
Housing units	590

Non-residential

(none)

The Reid Road UGA is approximately 339 acres, with a neighborhood that consists almost completely of single-family housing, with a small amount of multi-family housing. While there are some remaining parcels, the area is largely built out. This area is not currently serviced by sewer and lift stations would be required to extend services out to the neighborhood.

Recommended Designation

3. Phased~~Planned~~ potential annexation area. As there may be a need for a phased annexation of the Reid Road UGA, as well as additional planning, outreach, and coordination with the neighborhood, an interlocal agreement with Pierce County may provide the best framework for managing the annexation of this UGA. This may also include potential negotiations with Pierce County to determine effective ways of financing sewer upgrades in this area.

Current Zoning

Zone	Net Acres
Single Family	303.1
Total	303.1

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 147 housing units could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Single Family	2.0	15.3	29.9

Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$385,821	\$463,730
Sales Tax	\$2,117	\$2,117
Utility Tax	\$66,220	\$73,965
Other Taxes	\$22,802	\$25,469
Intergovernmental	\$46,322	\$51,740
Charges for Services	\$43,787	\$48,909
Fines and Forfeits	\$9,642	\$10,770
TOTAL	\$576,710	\$676,699
Operating Costs		
Non-Departmental	\$25,446	\$28,729
Legislative	\$8,185	\$9,142
Municipal Court	\$35,993	\$35,993
Administration/Buildings	\$96,082	\$141,131
Police	\$0	\$0
Community Development	\$210,282	\$225,302
Parks and Recreation	\$132,199	\$145,418
Streets	\$271,473	\$271,473
TOTAL	\$779,658	\$857,188
TOTAL IMPACT	(\$202,948)	(\$180,489)

Expected Capital Costs

- Although there is a force main servicing part of this area, extensions to sewer infrastructure will be required, potentially including additional sewer lift and pump stations.

Rosedale



Legend

-  City UGAs
-  Cities
-  Parcels

BERK
Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	152.5 acres
Land area (net)	136.5 acres
2021 assessed value	\$78,145,200
Housing units	157

Non-residential

(none)

The Rosedale UGA is located on the western boundary of the city. It includes about 153 acres, and largely incorporates single-family housing development. There are some additional sites for infill and development within the UGA, although wetlands and critical areas may complicate further development in many locations.

Recommended Strategic Designation

4. Local-led potential annexation area. Annexation of this area would likely be straightforward. Although there would likely be some concern with increased costs to the city, annexation of part or all of this UGA would not likely require significant planning to complete. If these costs would be reasonable for the city to bear, a local petition by landowners and/or residents, should provide evidence of local support to move this process forward.

Current Zoning

Zone	Net Acres
Single Family	135.7
Total	135.7

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 290 housing units could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Single Family	0.5	1.0	75.4

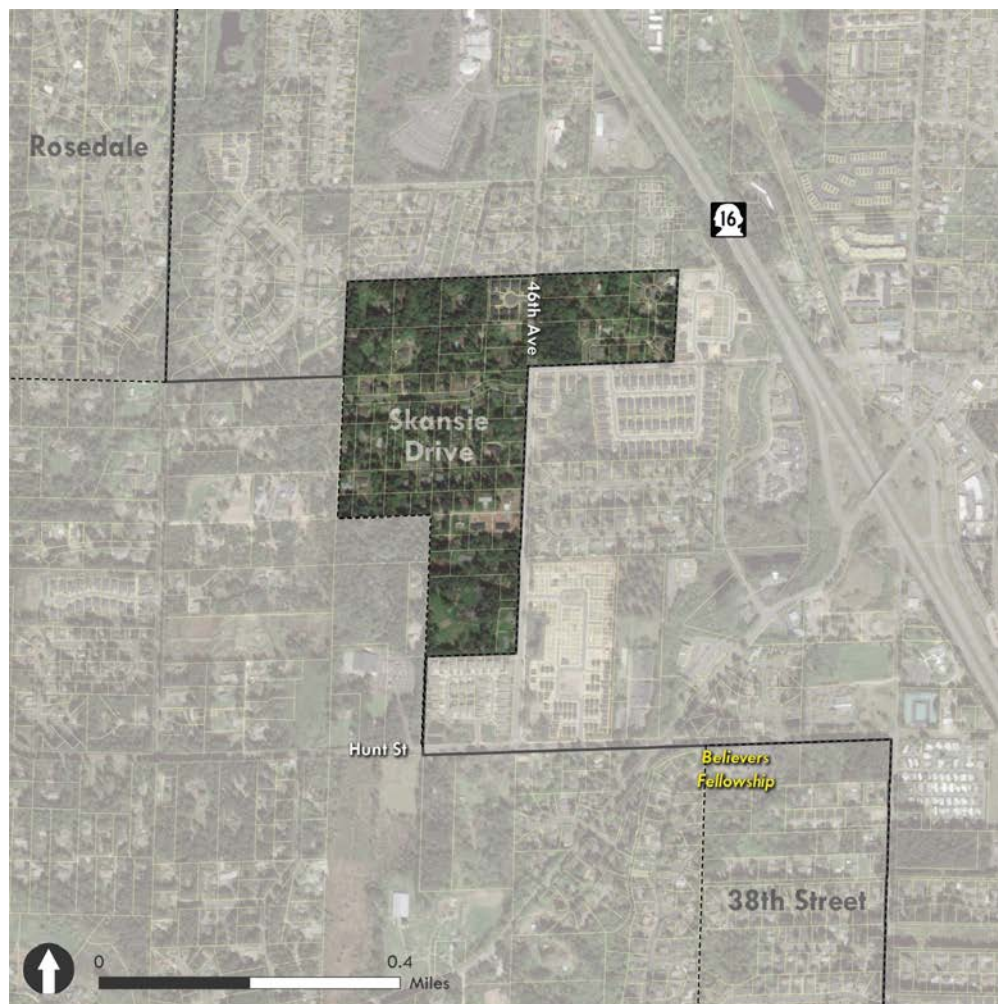
Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property tax	\$81,208	\$183,674
Sales tax	\$0	\$0
Utility Tax	\$17,621	\$32,901
Other Taxes	\$6,068	\$11,329
Intergovernmental	\$12,326	\$23,015
Charges for Services	\$11,652	\$21,756
Fines and forfeits	\$2,566	\$4,791
TOTAL	\$131,441	\$277,465
Operating Costs		
Non-Departmental	\$7,388	\$13,133
Legislative	\$2,178	\$4,067
Municipal Court	\$11,998	\$11,998
Administration/Buildings	\$25,517	\$70,566
Police	\$0	\$0
Community Development	\$60,080	\$105,141
Parks and Recreation	\$39,660	\$66,099
Streets	\$127,795	\$127,795
TOTAL	\$274,615	\$398,798
TOTAL IMPACT	(\$143,174)	(\$121,333)

Expected Capital Costs

- This area may require additional investment in sewer and stormwater infrastructure to address drain fields and on-site septic concerns. Further studies will be required to understand the full nature of these costs.

Skansie Drive



Legend

- City UGAs
- Cities
- Parcels

BERK
Map Date: December 2021

Sources: Pierce County GIS, 2021; ESRI, 2021;
City of Gig Harbor, 2021; BERK, 2021.

Summary

Land area (gross)	78.4 acres
Land area (net)	74.5 acres
2021 assessed value	\$46,246,000
Housing units	104

Non-residential

(none)

The Skansie Drive UGA is located on the southwestern edge of the city, and separates the administration of Skansie Ave. It is about 78 acres in size and includes mostly single-family homes. There may be opportunities for infill development, but the potential for new construction in this area is low due to the current lot layout. Additionally, portions of this area may not currently be serviced by city sewer.

Recommended Strategic Designation

4. Local-led potential annexation area. Annexation of this area would likely be straightforward, likely providing minimal impacts to the city and not requiring significant planning to complete. A local petition by landowners and/or residents, should provide evidence of local support to move this process forward.

Current Zoning

Zone	Net Acres
Single Family	74.5
Total	74.5

Buildable Land

Current estimates of available buildable lands suggest that under current zoning an additional 133 housing units could be accommodated in the UGA.

UGA Subarea and Zone	Buildable Land (in acres)		
	Vacant	Vacant (single unit)	Underutilized
Single Family	2.0	2.9	38.5

Fiscal Impacts

Item	Current	Buildout
Revenue (General Fund/Streets)		
Property Tax	\$48,059	\$89,523
Sales Tax	\$0	\$0
Utility Tax	\$11,673	\$18,680
Other Taxes	\$4,019	\$6,432
Intergovernmental	\$8,165	\$13,067
Charges for Services	\$7,718	\$12,352
Fines and Forfeits	\$1,700	\$2,720
TOTAL	\$81,334	\$142,775
Operating Costs		
Non-Departmental	\$4,925	\$7,388
Legislative	\$1,443	\$2,309
Municipal Court	\$11,998	\$11,998
Administration/Buildings	\$25,517	\$25,517
Police	\$0	\$0
Community Development	\$30,040	\$60,080
Parks and Recreation	\$26,440	\$39,660
Streets	\$8,120	\$8,120
TOTAL	\$108,482	\$155,071
TOTAL IMPACT	(\$27,148)	(\$12,296)

Expected Capital Costs

- Additional investment may be required to extend sewer services to these areas, especially if more dense infill development over the long term would be desirable. Further servicing studies will be required to understand the full nature of these costs.

Appendix: Example Annexation Evaluation

Overview

This appendix is highlighted to show how the checklist and guidelines provided in this report can be applied to individual annexation applications. To this end, this section will include a high-level summary of relevant elements of this example, as well as a step-by-step guide showing how individual points from the guidelines can be stepped through to help with the decision-making process.

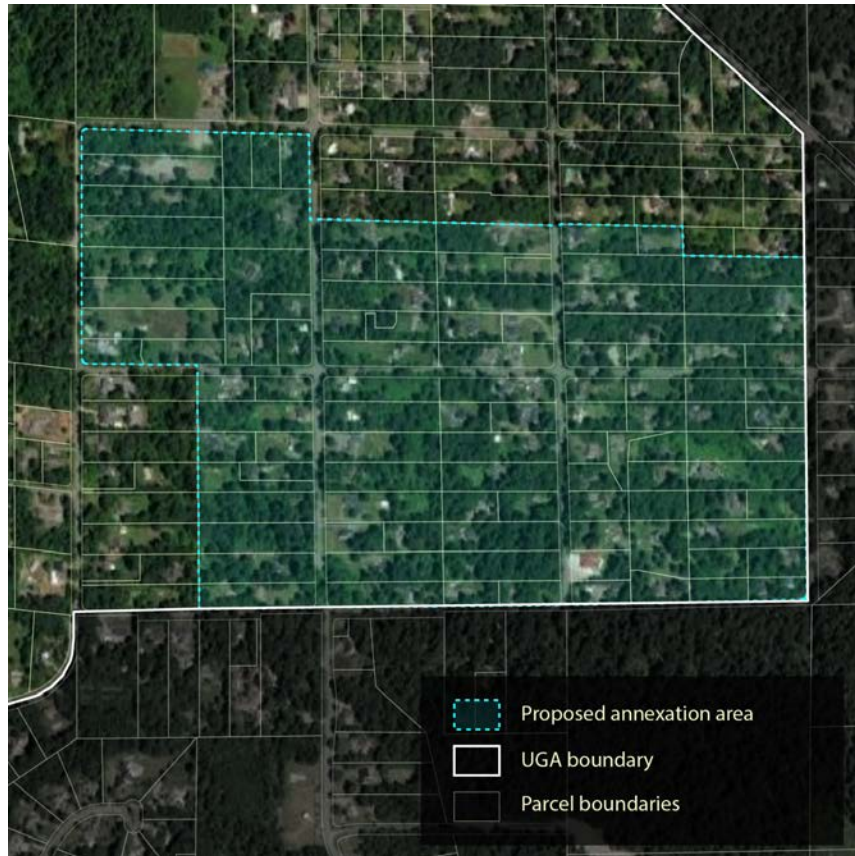
Summary of the Example

The area for this example proposed annexation is shown in Exhibit 25. This represents a petition presented by a selected group of residents representing over 10% of property value, as per the direct petition method under ~~RCW 35A.14.120~~. ~~RCW 35A.14.120~~. Certain areas were not included in the proposed annexation area due to some concerns about the willingness of these property owners to be included as part of the process.

Information that may be relevant to evaluating decisions regarding annexation include the following:

- **Location.** The area for this example proposed annexation (shown in Exhibit 25) is located on the edge of the city, in an area that has already been developed as a single-family neighborhood with sewer servicing. The site is close to local arterials managed by both the city and the county overall, and there is an existing street grid in this area.
- **Extent of the annexation.** The proposed annexation covers almost 80 acres, and currently includes about 105 tax parcels and 91 single-family homes. Under current zoning designations from the county, this site could accommodate an additional 25 homes. There are no commercial uses in this area, although there is a church located on the southern side of the site.
- **Planning.** This area is currently included in the city's Comprehensive Plan as an Urban Growth Area, and the Land Use Map designates it as a single-family neighborhood. No additional planning is expected to be required.
- **Expected impacts to operating revenue.** Under current conditions, most of the expected revenue from this area would be in the form of property taxes. The area accommodates approximately \$90 million in assessed value and would generate about \$94,000 per year under current conditions, or \$120,000 per year at full buildout. Utility taxes would generate an additional \$21,000 per year (or \$27,000 at buildout).
- **Expected impacts to operating expenses.** As annexation wouldn't require additional police staffing, costs would be expected to be limited to increasing general capacity with city staff. This would amount to around \$140,000 per year, or about \$175,000 per year at buildout.
- **Overall operating fiscal impacts.** The net impacts to city finances would include net costs of about \$20–25,000 per year, depending on buildout.

Exhibit 25. Map of Example Proposed Annexation.



- **Infrastructure impacts.** This annexation would involve incorporating all or part of several streets into the city, and potentially upgrading these streets over time to city standards. This area is already serviced with sewer, but drainage issues suggest that this area may require additional infrastructure, including potential upgrades to local culverts and additional drainage ponds.
- **Other considerations.** There are several sites in this area that have older trees that may be a priority to protect for aesthetics and habitat. Additionally, this area traditionally views itself as part of the city.

Guideline Analysis

1. Is the annexation proposal consistent with the city's Comprehensive Plan and other existing policy?

Yes. The annexation is located within a UGA in the Comprehensive Plan, and land uses for the UGA are detailed in the Land Use Map. No other inconsistencies have been noted with existing policies.

2. Is this annexation proposal generally supported by those that could be impacted?

Yes. The process is currently being led by resident landowners who submitted a petition, and the direct petition process will require the approval of owners representing over 60% of the assessed value in the identified area. Council should encourage a greater number of owners to sign the final petition and should provide opportunities at public hearings for impacted landowner that may be affected to express their concerns.

3. Does this proposed annexation represent a net positive fiscal impact to the city?

No. The annexation would pose a general increase in net operating costs to the city and may include additional capital expenditures for stormwater management and street upgrades. However, these costs may be acceptable to the city as part of long-term management of UGAs.

4. Would this proposal result in a significant increase of land, development, and population?

No. Incorporating this area of 80 acres would be significant but would not represent a significant increase in city population, and no increase in commercial space or employment is expected.

5. Is the annexed area defined to reduce the number of annexations by the city?

No. The annexation area does not include entire blocks, suggesting that additional annexations would be required in this area to accommodate adjacent properties. The small size of the annexation may also suggest that there are other areas in the UGA that could be included in the annexation process.

6. Does this proposal maintain or create logical boundaries for the city?

No. The proposed boundaries do not encompass entire blocks, and certain streets may be split between county and city ownership.

7. Is this area currently or likely to be developed to urban densities?

Yes. This area is currently developed as a single-family neighborhood with lower densities generally comparable to existing neighborhoods within the city.

8. Could city planning and zoning increase the density or otherwise improve the quality of future development?

Yes. Long-range planning in this area could be coordinated to provide additional density over time, including provisions for infill and redevelopment. This should be explored as part of long-term strategic planning but may be accommodated in the interim through existing city zoning.

9. Would city policy and planning result in better environmental protection and management for annexed areas?

Yes. There are concerns in this area related to stormwater management and tree canopy protection which could be addressed through current city policies and future initiatives. The ability for the city to address these issues should be weighed by Council in making the final decision.

10. Are there any other public benefits or concerns that would be associated with annexation?

While no other direct issues are clear from the description of this example, Council should consider the potential concerns of owners that are not included in the proposed annexation area, especially if these concerns may impact the process.

Decisions

In this example, Council would be weighing several key issues for their decision as identified in the analysis:

- **Would annexation be worth the expected nominal costs to the city?** Note that while the magnitude of the costs are relatively low, multiple annexation processes may result in larger cumulative impacts.
- **Is this the most effective configuration for the area to be annexed?** This is true both in terms of the geometry of the site, which could be made more regular to conform to existing blocks, and in terms of size, which could encompass a broader area of the UGA.
- **What are the other concerns by landowners and residents with respect to this annexation?** If certain areas are excluded, could these areas be incorporated into the annexation petition by addressing these issues? Would these issues also result in challenges to the petition even if some residents are excluded?
- **Can the city address long-term needs for infrastructure and environmental protection in this area?** With respect to needs for road and stormwater improvements, is the city positioned to deal with these issues within a reasonable length of time?

For this scenario, it is reasonable that Council may accept the petition, conditional on several elements:

- A determination of whether the area could encompass entire blocks and increase the regularity of the proposed boundary, which may depend on engaging excluded landowners to determine potential concerns. This could result in Council expanding the boundaries of the petition.
- An evaluation by staff about whether this would increase the number of likely annexation petitions for this UGA, and whether the remainder of the UGA could potentially be included in this petition. This may require a new petition.
- A general assessment of the expected infrastructure costs needed to support this area, potential sources of funding, and projected timeframes for improvements. While this may not halt the petition, this may require additional planning by the city to coordinate.

City of Gig Harbor Urban Growth Area Assessment & Analysis

CITY OF GIG HARBOR

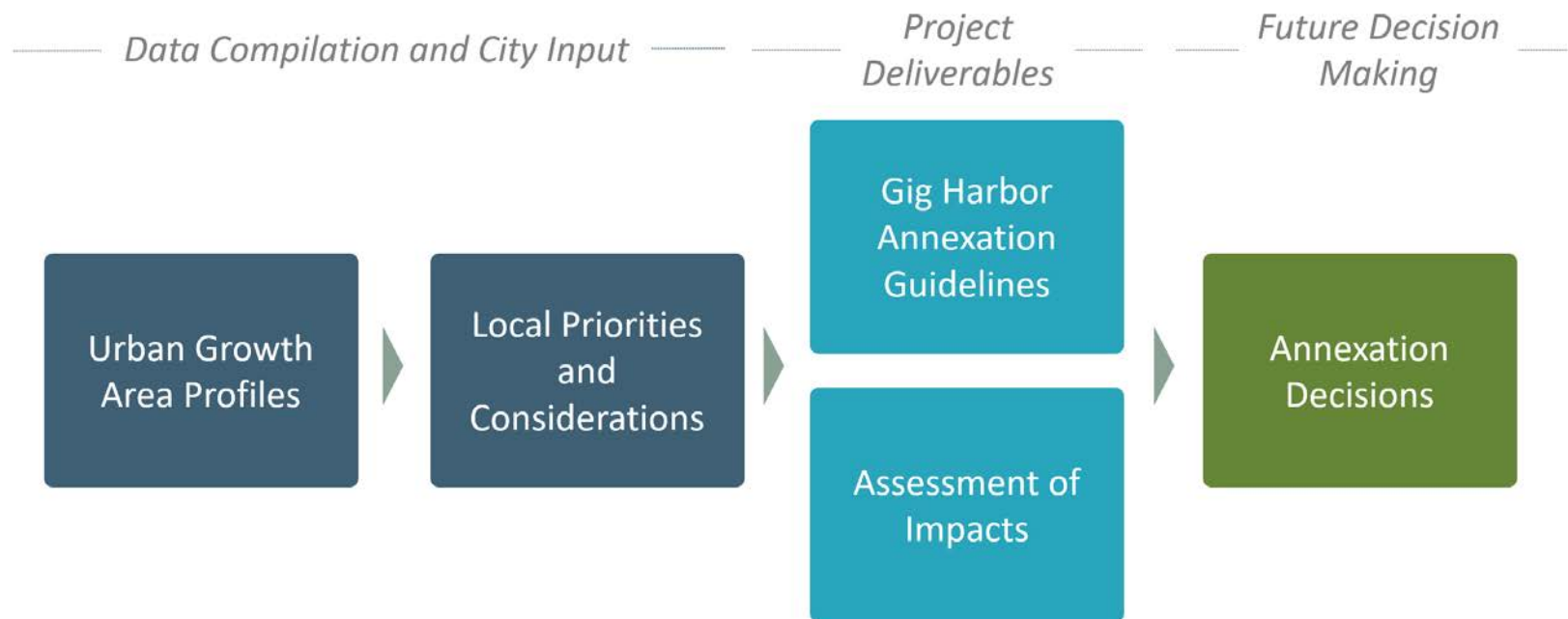
CITY COUNCIL

STUDY SESSION

APRIL 13, 2022



Creating Annexation Guidelines



Update

- ▶ Planning Commission's Work: August – December 2021
- ▶ Council Study Session: March 10, 2022
- ▶ Council Direction:
 - ▶ Amend the titles of the Strategic Approaches/Areas
 - ▶ List the Strategic Approaches/Areas by priority
 - ▶ Address Sewer Fees within the UGA and impacts due to annexation
 - ▶ Acknowledge infrastructure issues within Purdy
 - ▶ Add Strategic Area Terms (not included in draft report)
 - ▶ Amend Canterwood, Peacock Hill, Madrona Links Area Boundaries (not included in draft report)

Amended Strategic Titles

- Was: Planned Potential Annexation Areas
- Amended: Phased Potential Annexation Areas

- Was: Urban Servicing Management Areas
- Amended: Long-term Management Areas

Strategic Approaches/Areas

1. City-led potential annexation areas
 2. Local-led potential annexation areas
 3. Phased potential annexation areas
 4. Long-term management areas
- (Areas to be removed)

Sewer Fees

▶ Andrew

Purdy Infrastructure

- ▶ The Purdy Strategic Area has known sewer servicing and fire flow issues that limit additional development and would need to be addressed for future growth to occur.
- ▶ The report now simply acknowledges this issue within the Capital Infrastructure Investment section and the Area Summaries section.

Strategic Area Terms

1. City-led potential annexation areas – Short-term
2. Local-led potential annexation areas – Medium-term
3. Phased potential annexation areas – Medium/Long-term
4. Long-term management areas – Long-term

Amended Area Boundaries

► Andrew

Sales Tax Revenue

► Andrew

Conclusion



PUBLIC WORKS DEPARTMENT

MEMORANDUM

TO: Mayor and City Council

FROM: Brienn Ellis, Stormwater Engineering Technician

DATE: March 18, 2022

SUBJECT: Stormwater Source Control Program

REFERENCE: [-Western Washington Phase II Municipal Stormwater Permit](#)
-2016 Stormwater Management & Site Development Manual, [Volume IV](#)
-Gig Harbor Municipal Code, [Chapter 14.20](#)
-[Stormwater Story Map](#)

The City of Gig Harbor is mandated under the Western Washington Phase II Municipal Stormwater Permit. Within the 2019 permit are new requirements focusing on stormwater source control (Section S5.C.8).

The Source Control Program for Existing Developments (Section S5.C.8) requires the City to implement a program to prevent and reduce pollutants in runoff from areas that discharge to the stormwater system. Implementation of the program must include the following steps:

- Adopt an ordinance
- Establish a business inventory
- Create inspection program
- Develop enforcement policy
- Staff training

Staff is drafting the required ordinance, which will add a section to the Gig Harbor Municipal Code, Chapter 14.20. The new code section may read as follows:

All existing land uses and activities that generate pollution and discharge to the City stormwater system must implement operation source control BMPs in order to prevent or reduce pollutants in runoff. Should operational source control BMPs fail to prevent illicit discharges or allow violation of surface or groundwater or of sediment management standards, structural source control BMPs or treatment BMPs shall be implemented. Examples of land uses or activities that generate pollution include but are not limited to: industrial and commercial activities., vehicle washing, dumpster and fats/oils/grease storage areas, customer parking, vehicle maintenance areas and storage of erodible or leachable materials, waste or chemicals.

At the April 14 Council Study Session staff will review the permit requirements for the Stormwater Source Control Program, answer questions, and receive input.



Stormwater Source Control Program

City of Gig Harbor
Public Works Department



Overview



- What is a Source Control Program?
 - Best Management Practice (BMP)
- Ordinance Adoption
 - Proposed Code Language
- Business Inventory
- Enforcement Policy
- Next Steps

Source Control Program

- Includes all permit-required activities required by the Municipal Stormwater Permit
 - Including adopting an ordinance, establishing a business inventory, inspection program, enforcement policy, and staff training
- To stay in compliance with the Permit, the City is required to adopt an ordinance that requires businesses to implement BMPs to prevent pollution



What is a BMP?

Best Management Practice (BMP) are a series of actions that are designed to reduce stormwater pollution.

- Source control BMPs are either **operational** or **structural**.

All businesses will be required to meet all applicable BMPs outlined in 2016 Stormwater Management & Development Manual, Volume IV

- **Required** vs. **suggested** BMPs



Ordinance Adoption

Minimum Requirements for a source control code/ordinance:

*“No later than **August 1, 2022**, Permittees shall adopt and make effective an ordinance(s), or other enforceable document requiring the application of source control BMPs for pollutant generation sources associated with existing land uses and activities (see Appendix 8 to identify pollutant generating sources).” (S5.C.8.b.i)*

Proposed Ordinance Language

14.20.XXX Source control of existing development

All existing land uses and activities that generate pollution and discharge to the City stormwater system must implement operation source control BMPs in order to prevent or reduce pollutants in runoff. Should operational source control BMPs fail to prevent illicit discharges or allow violation of surface or groundwater or of sediment management standards, structural source control BMPs or treatment BMPs shall be implemented. Examples of land uses or activities that generate pollution include but are not limited to: industrial and commercial activities., vehicle washing, dumpster and fats/oils/grease storage areas, customer parking, vehicle maintenance areas and storage of erodible or leachable materials, waste or chemicals.

Business Inventory

- Applicable to **ALL** pollution generating businesses
 - Publicly and privately owned institutional, commercial, and industrial businesses/sites
 - Multi-family sites & single family residential (complaint based only)
- Examples include:
 - Mobile businesses
 - Auto repair
 - Restaurants
 - Gas stations
 - Grocery
 - Marina & boat repair
- Business Inventory
 - Must inspect 20% of inventory each year (S.5.C.8.b.iii.b)
 - 580 businesses = 116 per year = 2.2 per week



Progressive Enforcement Policy



- Use new ordinance/code adoption
- Progressive enforcement
 - Education & technical assistance
 - Warning letter
 - Notice of violation
 - Infraction/civil penalty

Timeline

April 14, 2022: Study Session

July 11, 2022: First reading of the ordinance

- Plan for public outreach to business owners

July 25, 2022: Second reading of the ordinance

August 1, 2022: Ordinance adoption

August 1, 2022: Business Inventory to be complete

January 1, 2023: Source Control Inspections begin

Questions?



PUBLIC WORKS DEPARTMENT

MEMORANDUM

TO: Mayor and City Councilmembers

FROM: Jeff Langhelm, PE, Public Works Director

DATE: April 4, 2022

SUBJECT: Updates to the Public Outreach Matrix and CIP Schedule

Recently City Clerk Stecker suggested providing Council a single file that provides both detailed project information and project scheduling information. Attached for your review is the updated and re-formatted public outreach project matrix that has been combined with the updated CIP schedule.

You may notice that not all projects are on both documents. This is because Public Works staff may either (1) be working on a project that could impact the public but not be included in the CIP; or (2) be actively working on a CIP that is not impacting the public.

At the April 14 Study Session I am proposing to review the active CIP schedule as is customary but occasionally reference a project or details from the Public Outreach Matrix.

CIP PUBLIC OUTREACH MATRIX

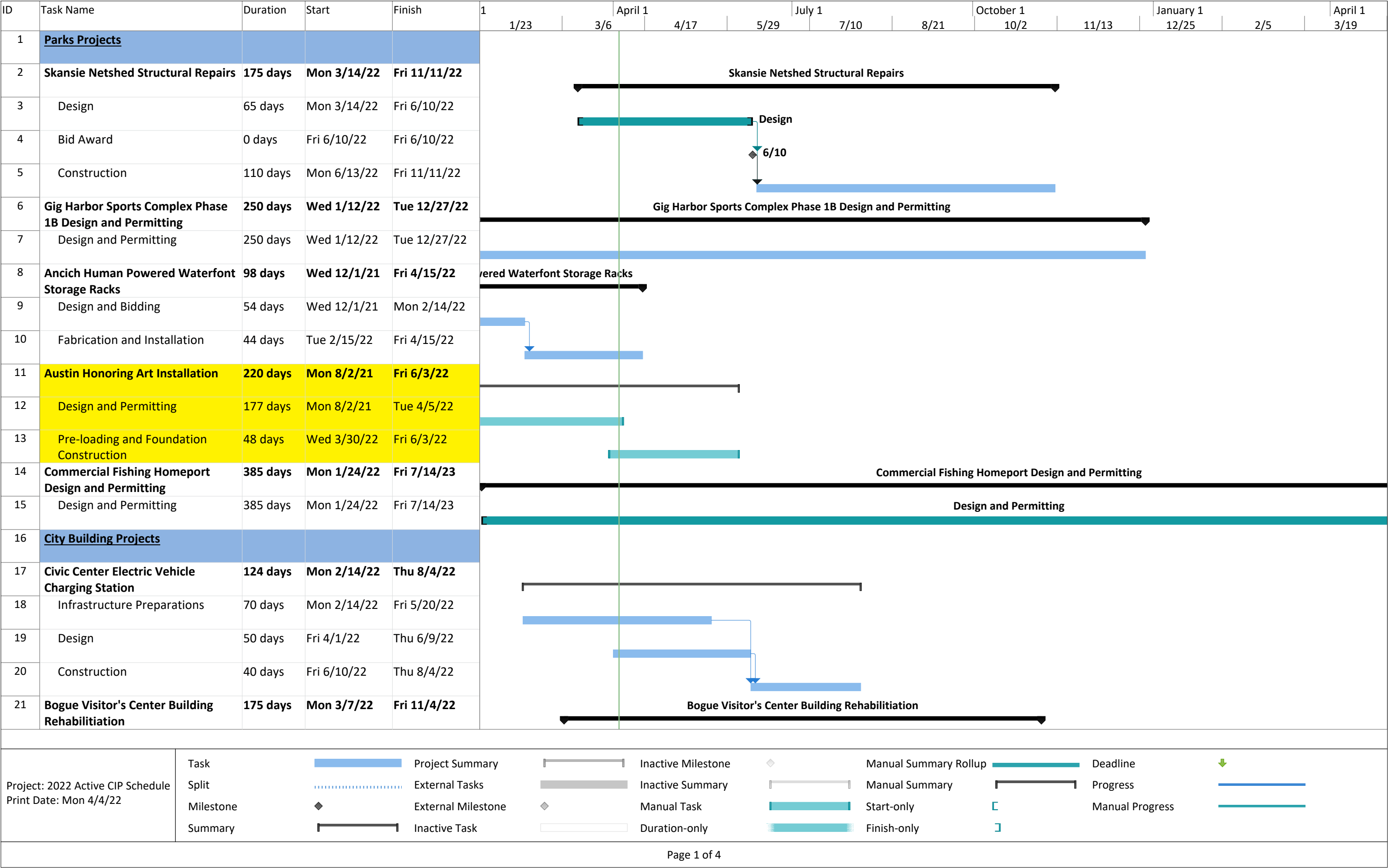
PROJECT	PROJECT DESCRIPTION	STATUS UPDATE
PARKS PROJECTS		
Ancich Human Powered Watercraft Storage Racks Project Budget: \$26,000 Fund: Park Development Objective No.: 8 Project No.: CPP-2105	Design and install custom storage racks with locking mechanisms for the public's canoes, kayaks, and stand-up paddleboards at the Ancich Waterfront Park Boat Storage Facility. This includes a fence to separate the area leased to the Gig Harbor Canoe/Kayak Race Team.	- o <i>The City received more applications to store human-powered watercraft than the City has space available so a lottery was held and succesful applicants will be notified before the end of March in preparation for public access on or before May 1.</i> - o <i>Racks are currently being manufactured and scheduled for delivery by 04/08/22.</i> - o <i>Public Works Operations will assemble the racks.</i> - o Matt to provide Lottery update
Community Paddler's Dock Project Budget: \$300,000 Fund: Parks Development (HBZ, Park Impact Fees, GHCKRT Donation, Gen. Fund) Objective No.: 5 Project No.: CPP-1824	Design, permit, and construct a new gangway and float system for use by human powered craft from the existing Jerkovich Pier.	- o <i>A certificate of occupancy was issued 03/16/22 and a soft opening immediately followed.</i> - o <i>The dock is now open for access to the general public.</i> - o <i>The ribbon cutting is scheduled on Saturday, 04/02/22. Guests are invited to arrive at 11:00 a.m. with speeches to begin at 11:30 a.m.</i>
Commercial Fishing Homeport Design/Permitting Project Budget: \$110,000 Fund: Parks Development Objective No.: 10 Project No.: CPP-2204	Design and permit for a new float system for the commercial fishing homeport at Ancich Park.	- o The City submitted an application for Port of Tacoma Local Economic Development Investment Funds on 02/25/2022. - o <i>The City reviewed draft 30% design documents on 03/23/2022 for permit submittals during a 30% design meeting with DCG (consultant).</i> - o The City will be reviewing 30% design documents with local commercial fishing operations in on April 21, 2022 before proceeding with the next design phase. - o <i>The City is working with DCG on locating more overwater mitigation sites to meet the permit requirements.</i>
Austin Estuary Honoring Symbol 2021 Project Budget: \$75,000 (\$25,000 donations, \$50,000 Public Arts Capital Projects) Fund: Public Arts Capital Projects Objective No.: 1 Project No.: CPP-1926	In conjunction with the Puyallup Tribe of Indians, the Gig Harbor Kiwanis Foundation, and the City's Arts Commission, the City Council awarded a contract in 2019 for the placement of an "honor symbol" in Austin Estuary Park to acknowledge the importance of the Tribe as the original residents of Gig Harbor. This project received funding in the 2019 and 2020 budget. Staff is working with the Puyallup Tribe of Indians, a citizen group, and directed by City Council. Honor Symbol, carved from a California Redwood by master carver Guy Capoeman.	- o <i>The City received the DAHP permit on 03/14/22.</i> - o Staff is preparing the construction bid package <i>to be released upon building permit approval</i>. - o <i>Staff is anticipating reueseting Council award the public works construction contract in late April.</i> - o <i>Staff is coordinating with the Tribe before sending the project out to bid.</i> - o <i>Application for Building permit has been submitted and is anticipated by the end of March.</i> - o <i>City crews will begin the required preloading of the site the week of March 28th in preparation for construction.</i>
Eddon Boat Park - Brick House Remodel 2021 Project Budget: \$100,000 Fund: Parks Development Objective No.: 10 Project No.: CPP-1403	Remodel and rehabilitate the historic Eddon Residence.	o Certificate of Occupancy is dependent on completion of the new parking stalls associated with the construction of the Harborview/Stinson intersection improvements.

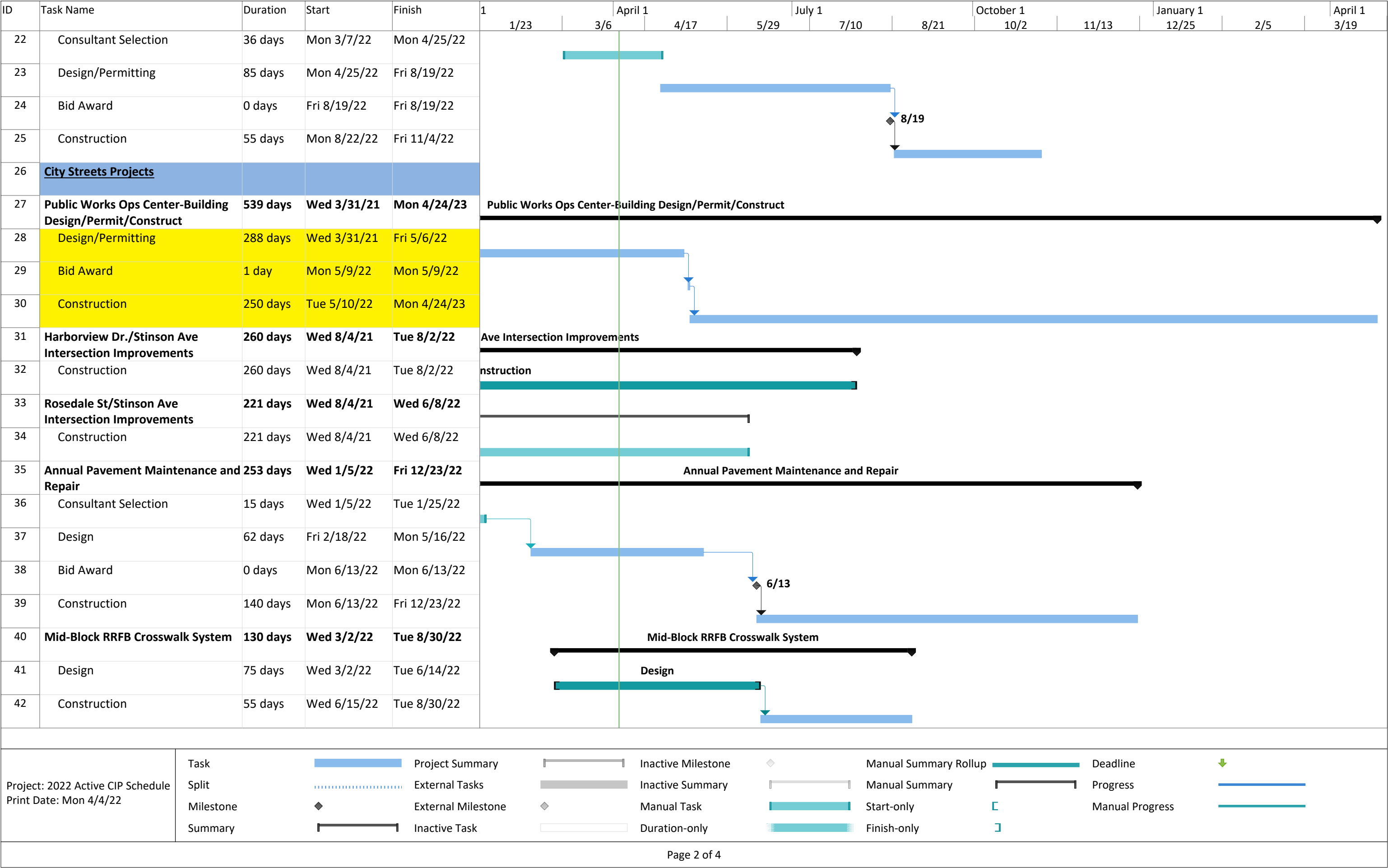
CITY BUILDING PROJECTS		
Civic Center Building Access and Control System – Replacement Project Budget: \$90,000 Fund: City Buildings (Gen. Fund, Storm, Wastewater, Water) Objective No.: 2	The current building access control equipment was installed over 17 years ago when the building was constructed. The current equipment and software are no longer supported as the vendor is no longer in business. New equipment will include two new control panels, 21 card readers and two keypad readers. A cloud-based software system upgrade is included which allows for remote management of equipment.	- o Product Selection and Bid Package Development anticipated in early 2022. - o This system has been designed and will be installed in conjunction with the related access and control system at the new Public Works Operations Center building.
Civic Center HVAC System Assessment and Replacement Project Budget: \$160,000 Fund: City Buildings (Gen. Fund, Storm, Wastewater, Water) Objective No.: 1	The City's current HVAC system is 20 years old and uses R22 refrigerant for cooling. R22 is being phased out. Cost reflects conversion of five air conditioning units to new refrigerant (R410 or R407C). A replacement system would substantially be more expensive as it would need to meet current code.	- o The City is preparing to work with a consultant to develop options and cost estimates to either: (1) remove the existing R22 and replace it with the new, less efficient replacement refrigerant; or (2) remove the entire cooling system and replace it with a new cooling system. - o Consultant Selection anticipated: early 2022. - o Analysis and Report anticipated in spring 2022.
CITY STREETS PROJECTS		
Public Works Operations Center – Building Design/Permit/Construct Project Budget: \$3,300,000 Fund: Parks, Streets, Water, Storm Capital Objective No.: 2 Project No.: CSP-1307	This final phase of the project will construct the PW Operations Center building in accordance with the recently completed design and permits.	- o <i>Public Works is completing the final steps to receive the building permit for this project.</i> - o <i>Staff anticipates bidding in April and requesting Council award a public works construction contract in late April or early May.</i>
Harborview Dr/Stinson Ave Intersection Improvements Project Budget: \$2,100,000 Fund: Street Capital (TIB Grant, HBZ, TIF) Objective No.: 2 Project No.: CSP-1904	Complete the construction of the roundabout and other intersection improvements at Stinson Avenue and Harborview Drive. Due to economies of scale for permitting and civil construction cost, this work will include the construction of additional parking stalls for the Eddon Boat Park Brick House Rehabilitation project.	- o Council authorized the Construction Contract Award to Active Construction Inc. - o The project officially started back up on 02/28/22 with the full detour in place. - o <i>Council approved a Change Order on 03/14/22 to incentivize quicker completion to allow the road to open sooner.</i> - o Anticipated project physical completion July 2022.

Rosedale St/Stinson Ave Intersection Improvements 2021 Project Budget: \$1,500,000 Fund: Street Capital (PSRC grant, TIB grant, TIF) Objective Nos.: 2 & 3 Project No.: CSP-1502	Complete the design, permitting, and construction of approximately 2,700 LF of pavement overlay along Stinson Avenue between Rosedale Street and Pioneer Way. The project will construct a mini roundabout at Stinson/Rosedale and provide an HMA overlay and upgrade the existing non-compliant curb ramps to ADA standards.	- o Luminaires continue to be a long lead item nationwide and are tentatively expected to be delivered and installed tentatively in April. As a result, the City has suspended contract time for this item. - o There will continue to be minor traffic impacts and intermittent traffic control as we work through minor punch list items with contractor. - o Project Completion spring 2022.
Annual Pavement Maintenance and Repair Project Budget: \$2,500,000 Fund: Street Operating Objective No.: 2 Project No.: CSP-2102	Perform pavement replacement, pavement repair, or chip sealing of various roadway sections throughout the City, tentatively include 45th St Ct., Briarwood Lane, Pt. Fosdick Dr, Wollochet Dr, Woodhill Drive, the Olympic Dr/Pt Fosdick Dr intersection, and Hollycroft St. Pavement maintenance and repairs include ADA improvements where required.	- o City Council approved the professional services contract with Parametrix on 01/24/22. - o City staff and consultant held a “kickoff” meeting on 01/27/2022. - o The consultant is on track to deliver 90% design documents on 04/13/22. - o A Study Session on this project and on the general topic of pavement maintenance is scheduled on 03/31/22.
Mid-Block RRFB Crosswalk System Project Budget: \$50,000 Fund: Street Capital Objective No.: 6	This objective will provide for the in-house design, purchase, and in-house construction of mid-block pedestrian crosswalks and the associated rapid-flash beacon system at 50 th St. Ct. adjacent to Veterans Memorial Park and along Soundview Drive near Hunt St.	- o The City has contracted with a surveying firm to collect survey data for the two proposed locations. - o Survey is scheduled to occur late March.
Burnham Dr Improvements Ph 1A Project Budget: \$2,200,000 Fund: Street Capital (HBZ) Objective No.: 3 Project No.: CSP-2003	Complete the design and permitting associated with approximately 1,400 LF of roadway corridor improvements along portions of Burnham Drive (between 96th Street and the northerly Eagles driveway) where gaps exist. Improvements will be consistent with Alternative 3 as described to City Council in November 2020. This work will also replace the existing 24-inch diameter concrete culvert with a new fish passable culvert (identified separately in Storm Capital). Due to the proximity of these two capital projects, the City will see cost savings by bidding and constructing these projects together.	- o Due to conflict between stream elevation and the existing gravity sewer pipe, it has been determined that a bridge is the best option for replacing the culvert at 96th Street. - o Submitted state, federal, and local permit applications in November 2021. - o City Planning Division recommended development of a mitigation plan for the area of impacts by the wetlands along the east side of the road; staff are working with the consultant to reserve as conservation property a portion of the city-owned parcel located just west of the intersection of the sewer treatment plant (#0221064046) for mitigation. - o Consultant is approaching 90% design. - o Dept. of Fish & Wildlife and Army Corps of Engineers accepted and are reviewing the permit applications.
Prentice-Fennimore Half-Width Improvements Project Budget: \$75,000 Fund: Street Capital Objective No.: 8 Project No.: CSP-2107	Complete a topographic survey, conceptual design, and associated cost estimate for half-width frontage improvements between Harbor Ridge Middle School and Peacock Hill Ave. in preparation for possible grant applications in 2022. This phase will take the project to 30% design documents to bid ready.	- o City staff has completed the review of the 30% submittal documents and have returned comments to Parametrix - o Parametrix is preparing a scope of work to move the project to 90%, incorporating the City’s 30% comments and property owner discussions. City staff anticipates presenting the PSC to Council on 04/25/22. - o An Open House is scheduled on 04/27/22 from 5:00 – 6:00pm at Harbor Ridge Middle School’s small gymnasium. - o Next steps will be to contact affected property owners. - o With approval from City Council via Resolution, staff will apply for TIB grant in August 2022 for construction funds for use in 2023.

Harbor History Museum Driveway Entrance Revision Project Budget: \$33,000 Fund: Street Capital Objective No.: 4 Project No.: CSP-2006	Revise the sidewalk and driveway grade at the entrance to reduce the large change in grade that exists. This work is proposed to be designed by Engineering Division staff and constructed by Operations Division staff.	- o City Staff will narrow down options to revise the grade of the driveway in early summer 2022 so construction can occur in late summer 2022. - o Survey is scheduled to occur during late March. - o The Museum has a prescheduled event on 08/20/22 that staff and the Operations crew will work around.
WATER PROJECTS		
Emergency Water Intertie - Canterwood Blvd Project Budget: \$547,000 Fund: Water Capital Objective No.: 2 Project No.: CSP-1918	Complete the design, then construct the water main (approx. 1,600 LF) along Canterwood Blvd between St. Anthony's hospital and Baker Way and associated emergency water intertie with an adjacent water purveyor to provide a redundant water source in the event of an emergency.	- o City Staff is working with Carollo to start up the design of the intertie again to serve the hospital. - o Adjacent water purveyors cannot provide adequate flow to all of the Gig Harbor North service area, so the City held a meeting with St. Anthony Hospital and adjacent purveyors on 03/01/22 to discuss options. - o The City is coordinating a minimized emergency scope with St. Anthony's and Washington Water Company.
Reid Dr (55th St Ct) Water Main Improvements Project Budget: \$300,000 Fund: Water Capital Objective No.: 4 Project No.: CWP-2208	This project will replace an aging, deep PVC water main with a new 8-inch water main located along 55th St. Ct. east of Reid Dr. that currently has insufficient valve controls.	- o The City has contracted with a surveying firm to collect survey data for the proposed project location. - o Survey was received on 03/17/22. - o In-house design will begin week of March 28th.
Water System Plan Update 2021 Project Budget: \$10,000 Fund: Water Operating Project No.: CWP-1714	Finalize the City-wide water system plan update based upon review by the Washington State Dept. of Health.	o Present the updated Plan for Council adoption on 04/25/22.
Well #3 Emergency Repair 2021 Fund: Unbudgeted Project No.: CWP-2009	Design, permitting and construction of replacement Well #3A on the same site as the existing Well #3.	- o Construction completed and well was fully operational on June 30, 2021. - o City addressing Dept. of Health (DOH) review comments in order to receive final approval.
WASTEWATER PROJECTS		
LS#6 (Ryan St) Replacement Project Budget: \$1,400,000 Fund: Wastewater Capital Objective No.: 5 Project No.: CSSP-1706	Complete construction of the replacement sewer lift station.	o Construction in progress with anticipated completion in August 2022.
LS#12 (Woodhill Drive) Rehabilitation Project Budget: \$2,839,000 Fund: Wastewater Capital Objective No.: 2 Project No.: CSSP-2005	Complete upgrade and replacement of the sewer lift station structural, mechanical, and electrical systems.	- o The contractor's first day of site work began on 02/28/22. - o Construction in progress with anticipated completion in November 2022.

Murphy's Landing Marina Navigation Channel Dredging Project Budget: \$25,000 Fund: Wastewater Capital Objective No.: 8 Project No.: CSSP-1919	In partnership with Murphy's Landing Marina, design and permit a bid ready set of contract documents for the removal of a portion of infill sedimentation that has occurred throughout the years, and will continue to do so, within the marina navigation channel. NOTE: This work first required an agreement with the Marina noting that all construction costs for the channel dredging will be the sole responsibility of the Marina, and the City will NOT participate in any construction or long-term maintenance costs.	- o Consultant provided 90% design documents on 12/13/21 and City staff have reviewed and responded to this submittal. - o The marina is working with Parametrix under a separate contract for dredging work that is beyond the area described within the agreement between the City and the Marina. - o City received 100% design and permit documents and provided comments. - o In accordance with clause 2.1 of agreement between City and Murphy's Landing, City provided opportunity for Murphy's Landing board members to review and comment on design and permit documents - o City provided review comments from City staff and Murphy's Landing to the consultant. - o City's obligation is to complete design, submit permit applications, and manage submissions until permit approval. - o On 03/21/22 the consultant submitted to the City final versions of the permit application documents. - o On 03/22/22 City staff forwarded to Murphy's Landing executive board members the permit documents that require signature by "property owner".
Wastewater Treatment Plant Digester Upgrades Project Budget: \$150,000 Fund: Wastewater Capital Objective: 9	The current centrifuge operation contributes a high ammonia concentration to the WWTP by way of its discharge. This high concentration severely limits the throughput of the centrifuge without causing detrimental impacts to the treatment plant. These improvements should have positive results in increased centrifuge capacity and plant efficiency. A side benefit would be a potential reduction in power costs for a reduced blower and centrifuge runtime.	- o The City's consultant APG-Neuros is performing the design work. - o Currently at 30% design. - o Construction completion is subject to design and material availability.
STORMWATER PROJECTS		
Burnham Dr Culvert Replacement (at 96th St) (See Burnham Dr Improvements Ph 1A)	Due to the proximity of the Burnham Dr Improvements Ph 1A capital project, the City will see cost savings by bidding and constructing these two projects together. The culvert portion of work will replace the existing 24-inch diameter concrete culvert with a new fish passable culvert (identified separately in Storm Capital).	- o Due to conflict between stream elevation and the existing gravity sewer pipe, it has been determined that a bridge is the best option for replacing the culvert at 96th Street. - o Submitted state, federal, and local permit applications in November 2021. - o City Planning Division recommended development of a mitigation plan for the area of impacts by the wetlands along the east side of the road; staff are working with the consultant to reserve as conservation property a portion of the city-owned parcel located just west of the intersection of the sewer treatment plant (#0221064046) for mitigation. - o Consultant is approaching 90% design. - o Dept. of Fish & Wildlife and Army Corps of Engineers accepted and are reviewing the permit applications.
OTHER DEPARTMENT TASKS		
Utility Rate Studies 2022 Project Budget: \$40,000 (Storm, Water, Wastewater) Fund: Storm Operating, Water Operating, Wastewater Operating Objective: 3, 5, 2	Perform a study to review each utility's existing rates and charges, review the forecasted revenues, and assess against the respective planned capital projects.	- o Staff and the Consultant presented the initial review of existing and proposed general facilities charges at the Council Study Session on 02/17/22. - o Staff and the Consultant will be presenting proposed monthly rate adjustments at a Council Study Session in spring 2022.





ID	Task Name	Duration	Start	Finish														
43	Burnham Dr. Improvements Ph 1A	750 days	Fri 1/1/21	Thu 11/16/23	Burnham Dr. Improvements Ph 1A													
44	Design and Permitting	390 days	Fri 1/1/21	Thu 6/30/22														
45	Construction	360 days	Fri 7/1/22	Thu 11/16/23														
46	Prentice- Fennimore Half-Width Improvements	370 days	Tue 12/7/21	Mon 5/8/23														
47	Design	220 days	Tue 12/7/21	Mon 10/10/22														
48	Construction	150 days	Tue 10/11/22	Mon 5/8/23														
49	38th Ave Improvements Phase 2 - Design and Permitting	221 days	Thu 3/10/22	Thu 1/12/23														
50	Consultant Selection	33 days	Thu 3/10/22	Mon 4/25/22														
51	Design and Permitting	188 days	Tue 4/26/22	Thu 1/12/23														
52	Water Projects																	
53	Emergency Water Intertie- Canterwood Blvd	314 days	Wed 9/29/21	Mon 12/12/22	Emergency Water Intertie- Canterwood Blvd													
54	Design	214 days	Wed 9/29/21	Mon 7/25/22	Design													
55	Bid Award	0 days	Mon 7/25/22	Mon 7/25/22														
56	Construction	100 days	Tue 7/26/22	Mon 12/12/22														
57	Reid Dr. (55th St Ct) Water Main Improvements	196 days	Mon 2/28/22	Mon 11/28/22														
58	Design	76 days	Mon 2/28/22	Mon 6/13/22														
59	Bid Award	0 days	Mon 6/13/22	Mon 6/13/22														
60	Construction	120 days	Tue 6/14/22	Mon 11/28/22														
61	Wastewater Projects																	
62	LS#6 (Ryan St) Replacement	276 days	Wed 8/11/21	Wed 8/31/22	LS#6 (Ryan St) Replacement													
63	Construction	276 days	Wed 8/11/21	Wed 8/31/22	Construction													
Project: 2022 Active CIP Schedule Print Date: Mon 4/4/22		Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline								
		Split		External Tasks		Inactive Summary		Manual Summary		Progress								
		Milestone		External Milestone		Manual Task		Start-only		Manual Progress								
		Summary		Inactive Task		Duration-only		Finish-only										
Page 3 of 4																		

ID	Task Name	Duration	Start	Finish	12/233/6April 14/175/29July 17/108/21October 110/211/13January 112/252/5April 13/19											
64	LS#12 (Woodhill Dr) Rehabilitation Design	263 days	Mon 11/29/21	Wed 11/30/22	LS#12 (Woodhill Dr) Rehabilitation Design											
65	Construction	263 days	Mon 11/29/21	Wed 11/30/22	Construction											
66	Murphy's Landing Marina Navigation Channel Dredging	200 days	Wed 8/11/21	Tue 5/17/22	Channel Dredging											
67	Design/Permitting	200 days	Wed 8/11/21	Tue 5/17/22												
68	Waterwater Treatment Plant Digester Upgrades	163 days	Wed 11/17/21	Fri 7/1/22	Water Treatment Plant Digester Upgrades											
69	Design and Procurement	118 days	Wed 11/17/21	Fri 4/29/22	Design and Procurement											
70	Construction	45 days	Mon 5/2/22	Fri 7/1/22												
71	Stormwater Projects															
72	Burnham Dr. Culvert Replacement (at 96th St)	750 days	Fri 1/1/21	Thu 11/16/23	Burnham Dr. Culvert Replacement (at 96th St)											
73	Design	390 days	Fri 1/1/21	Thu 6/30/22												
74	Permitting	150 days	Wed 11/24/21	Tue 6/21/22												
75	Construction	360 days	Fri 7/1/22	Thu 11/16/23												
76	Other Department Tasks															
77	Utility Rate Studies	100 days	Wed 3/2/22	Tue 7/19/22	Utility Rate Studies											
78	Development and Public Process	50 days	Wed 3/2/22	Tue 5/10/22	Development and Public Process											
79	Code Development and Adoption	50 days	Wed 5/11/22	Tue 7/19/22												
Project: 2022 Active CIP Schedule Print Date: Mon 4/4/22		Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline						
		Split		External Tasks		Inactive Summary		Manual Summary		Progress						
		Milestone		External Milestone		Manual Task		Start-only		Manual Progress						
		Summary		Inactive Task		Duration-only		Finish-only								
Page 4 of 4																



MEMORANDUM

DATE: April 8, 2022

TO: Gig Harbor City Council
Mayor Tracie Markley

FROM: Josh Stecker, City Clerk

SUBJECT: Updates to City Council Guidelines & Procedures

At the March 10 Study Session, Council provided direction to staff on areas it would like to see its Council Guidelines & Procedures updated. Council reviewed proposed amendments at its March 31 Study Session and further revised the document. An updated version is attached to this memo.

Revision markings are no longer shown in the attached Guidelines & Procedures for the changes that Council supported at the March 31 Study Session. This version shows a few additional changes for Council's consideration at the April 14 Study Session. City Attorney Daniel Kenny will be on hand to address questions about the Council social media policy and other issues.

In particular, a new Section 2.3 has been added to capture Council's direction on policy related to public comment at its meetings.

The Council Guidelines & Procedures document is adopted by Council for its own benefit and purposes. Council should review and amend the document to ensure that it meets its needs.

Council is scheduled to hold first reading of an ordinance dissolving the standing Council Committees on April 11 with second reading and adoption occurring on April 25. Our goal is to have a revised set of Council Guidelines & Procedures ready to adopt concurrently with this ordinance on April 25.



CITY OF GIG HARBOR

COUNCIL GUIDELINES & PROCEDURES

REVISED XX/XX/2022

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ARTICLE 1 – PURPOSE & SCOPE

The City Council Guidelines and Procedures should be considered a means to an end, and not an end in themselves. If used well, guidelines of procedure will advance fundamental goals and principles. They will help Council spend its time well and make good decisions on behalf of the community. The guidelines should not become the master and the primary focus for the meeting. The "horse" (the principles) should come before the "cart" (the guidelines).

These guidelines of procedure are adopted for the sole benefit of the members of the City Council and the Mayor to assist in the orderly conduct of Council business. These guidelines of procedure do not grant rights or privileges to members of the public or third parties. Failure of the City Council to adhere to these guidelines shall not result in any liability to the City, its officers, agents, and employees, nor shall failure to adhere to these guidelines result in invalidation of any Council act. The City Council may implicitly or by a majority vote determine to temporarily waive any of the guidelines. Council action taken in disregard or non-conformity with these guidelines shall be construed as an implicit waiver.

STATEMENT OF ETHICS

Gig Harbor City Councilmembers shall:

- Be dedicated to the concepts of effective and democratic government.
- Affirm the dignity and worth of the services rendered by government and maintain a sense of social responsibility.
- Be dedicated to the highest ideals of honor and integrity in all public and personal relationships.
- Recognize that the chief function of local government at all times is to serve the best interest of all the people.
- Keep the community informed on municipal affairs and encourage communications between the citizens and all municipal officers. Emphasize friendly and courteous service to the public and each other; seek to improve the quality of public service, and confidence of citizens.
- Seek no favor; do not personally benefit or profit by confidential information or by misuse of public resources.
- Conduct business of the City in a manner which is not only fair in fact, but also in appearance.

ARTICLE 2 – CITY COUNCIL MEETINGS

2.1 City Council Meetings Defined

A City Council meeting is any meeting comprised of four or more councilmembers where City business is conducted. All City Council meetings are subject to all provisions of the Open Public Meetings Act (OPMA).

Types of City Council meetings include:

- **Regular and Official Meetings** – The City Council meets in regular session on the second and fourth Mondays of each month at 5:30 p.m., as established in GHMC Chapter 2.04. In the event any of the regular and official meeting days fall upon a legal holiday, the regular and official meeting day shall be on the Tuesday following the second and fourth Monday of each month. During the months of August and December, the Mayor is directed to cancel the second regular meeting of the month, unless the Mayor or City Council determines that it is necessary to hold these meetings to conduct essential City business.
- **Special Meetings** – Special meetings may be called by the Mayor or a majority of Council. Council may take final action on items published on the agenda of a Special Meeting.
- **Study Sessions** – Study sessions provide Council with the opportunity to discuss and explore issues before progressing the matter to a regular and official meeting for final action. Council may direct the Mayor to direct staff by motion or consensus at study sessions, but Council may not take final action on any matters. In order to encourage discussion, Study Sessions are intended to be less formal in nature than regular meetings. It is appropriate for councilmembers to address each other informally during these meetings while still maintaining civility and decorum.
- **Council Retreats** – Annually, or as needed, Council may hold retreats to discuss work plans and visioning for future action. Similar to study sessions, Council may direct the Mayor to direct staff by motion or consensus, but Council may not take final action on any matters.
- **Workshops** – Workshops are utilized to provide training or procedural guidance to Council on the role and function of Council and other City governance matters.
- **Emergency Meetings** - An Emergency Meeting may be called without notice requirements. An Emergency Meeting deals with an emergency involving injury or damage to persons or property or the likelihood of such injury or damage, when time requirements of a 24-hour notice would make notice impractical and increase the likelihood of such injury or damage. Emergency Meetings may be called by the Mayor or majority of councilmembers. The minutes will indicate the reason for the emergency.
- **Remote Meetings** – Any of the preceding meetings may be designated as a remote meeting during a state of emergency declared by the City, state or federal government at the discretion of the Mayor, or by a quorum of the

City Council if allowed by law. A remote meeting is a meeting of the City Council during which a quorum or more of Council members appear or attend entirely by phone, the internet or via other electronic means that allow real-time verbal communication during which all participants are simultaneously able to hear each other. Final action may be taken during remote meetings. Remote meetings are subject to all requirements of the Open Public Meetings Act. The public shall be provided with access and notice for all meetings as required by the Open Public Meetings Act.

At all Council Meetings, a majority of the Council shall constitute a quorum for the transaction of business.

All City meetings will be broadcast live using the Zoom meetings platform (or another similar platform at the discretion of the City Clerk) to allow residents to attend the meetings remotely. Public comment will be accepted by remote attendees at the appropriate portions of the meeting as defined in these Procedures & Guidelines.

Councilmembers and the Mayor may appear at a Council meeting by remote connection. Councilmembers intending to attend a meeting remotely should notify the Mayor and City Clerk in advance of the meeting. In instances when the Mayor is remotely attending a meeting, the mayor will still function as the Presiding Officer. These remote attendance guidelines do not apply to Remote Meetings as defined above.

The City Clerk or Assistant City Clerk shall attend all Council meetings. If the City Clerk and the Assistant City Clerk are absent from any Council meeting the City Administrator shall appoint a Clerk for that meeting.

Any City employee shall attend a City Council meeting when requested by the Mayor or City Administrator for clarification or explanation of agenda items.

2.2 Rules of Order

All City Council meetings shall be guided by the most recent edition of *Robert's Rules of Order*, as published by Scott, Foresman and Company. A quick reference chart of the most common "Rules of Order" questions is attached as **Exhibit A**. The City Clerk shall act as parliamentarian during all meetings of the City Council.

The Mayor shall be addressed as "Mayor (surname)." Councilmembers shall be addressed as "Councilmember (surname)."

Councilmembers should speak to the issues in a civil manner, respecting the viewpoints of others, focusing on the issue at hand, sharing their own motives and reasons for supporting or not supporting an item for discussion, in a polite manner towards each other and the public. Respect should be shown to present

and past councilmembers, the mayor, and staff. If a motion is on the table, councilmember comments should speak to the motion. If an amendment to a motion is on the table, councilmember comments should speak only to the amendment.

The purpose of Council discussion is to make known a councilmember's stance on a particular issue. Councilmembers should not use their comments in an attempt to debate their fellow councilmembers. Comments should be concise, succinct, and to the point. Rather than repeating other councilmembers comments, councilmembers should simply express agreement with prior comments. Councilmembers may call a "point of order" if another councilmember persists in providing comment that is not germane to the issue.

Councilmembers may not email, text, or call anyone during a Council meeting, except in an emergency. Councilmembers may not record or broadcast Council meetings, aside from the City's authorized recording.

Councilmembers shall be seated in a manner acceptable to Council. If there is a dispute, the Council will decide by vote.

2.3 Public Comment

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 City Council will accept oral public comments at its Regular and Official Council Meetings. Oral comments may be made in person or by remote connection using the Zoom (or similar) meetings platform. Oral comments are not accepted at all other City Council meetings unless specifically noticed on the agenda for the meeting.

The City Council will accept written comments for all City Council meetings. Written comments must be submitted to the City Clerk at cityclerk@gigharborwa.gov at least 4 hours in advance of the meeting start time. Written comments must include the words "FOR PUBLIC COMMENT" in the subject line of the email. Persons submitting written comments must include their name and address with their comments. All written comments will be included in the online packet for the meeting and will be forwarded to the Mayor and councilmembers for their review. Written comments will not be read aloud during the meeting, with the exception that during a Remote Meeting comments will be read upon the request of the commenter.

During regular meetings, speakers will be allotted 3 minutes per individual, unless revised by the Mayor. The Mayor may allocate 5 minutes to speakers speaking on behalf of groups in attendance at the meeting.

In-person Comments shall be made from the microphone, first giving the speaker's name and address. No in-person comments shall be made from any other location, and anyone making "out of order" comments may be subject to removal from the meeting.

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.

There will be no demonstrations during or at the conclusion of any public comment. These guidelines are intended to promote an orderly system of holding a public meeting, to give every person an opportunity to be heard and to ensure that no individuals are embarrassed by voicing their opinions.

2.4 Role of the Mayor in Council Meetings

It shall be the duty of the Mayor to:

- Call the Meeting to order
- Call the roll of councilmember attendance
- Keep the meeting to its order of business.
- Control discussion in an orderly manner.
- Give every councilmember who wishes an opportunity to speak when recognized.
- Permit audience participation at the appropriate times
- Require all speakers to speak to the question and to observe the rules of order.
- State each motion before it is voted upon.
- Put motions to a vote and announce the outcome.
- Decide all questions of order, subject to the right of appeal to the Council by any councilmember.
- Attend all Council meetings. In the event that the Mayor is unable to attend a council meeting, the Mayor Pro Tempore shall preside. In the event that both Mayor and Mayor Pro-Tempore are unable to attend, Council may pick a member to preside for that meeting.

The Mayor has the authority to preserve order at all meetings of the Council, to cause removal of any person from any meeting for disorderly conduct and to enforce these guidelines. The Mayor may command assistance of any peace officer to enforce all lawful orders of the Mayor to restore order at any meeting.

The Mayor shall have the authority to interpret and determine the application of these guidelines to any particular situation occurring during the course of that

meeting subject to an appeal and second by a councilmember, which places the matter before the full Council.

2.5 City Council Regular Business Meeting Agendas

Consistent with Gig Harbor Municipal Code Chapter 2.04.030, the agenda for regular business meetings of the Council shall be set by the Mayor and City Administrator. Any one of the City's elected officials may place an item on the agenda as long as the item is submitted to the City Administrator a minimum of five working days prior to the Council meeting. Other parties desiring to place an item on the agenda shall submit the item to the City Administrator or Mayor at least five calendar days prior to the Council meetings. The City Administrator and the Mayor shall solely determine whether items submitted by other parties shall appear on any City Council agenda.

The accepted order of business for the regular business meetings of the Council shall be transacted as follows. The City Administrator or Mayor may rearrange items on the agenda to conduct the business before the Council more expeditiously.

I. CALL TO ORDER / ROLL CALL

The Mayor (or Mayor Pro Tempore in the absence of the Mayor) shall call to order the meeting of each City Council meeting. The Mayor shall call the names of each councilmember who will respond in the affirmative if present.

Councilmembers not present at Roll Call of a meeting shall be declared "excused" (if an acceptable reason for the absence was provided in advance of the meeting) or "absent" by the Mayor. Council may reverse the Mayor's declaration by a majority vote. Councilmembers arriving late to the meeting shall be recorded as "present" at the meeting with his or her arrival time noted in the minutes.

II. PLEDGE OF ALLEGIANCE

The Mayor shall lead the Council, staff, and all others presents in reciting the Pledge of Allegiance at the beginning of each Regular Business Meeting.

III. LAND ACKNOWLEDGMENT

At the beginning of each Regular Business Meeting of the City Council the Mayor shall read the following land acknowledgment: "Before we begin this Council Meeting we would like to recognize that we are gathered on not only the ancestral and traditional lands of the sx̣wəbabč band of the Puyallup Tribe of Indians, but also on the site of one of the largest and longest standing historic villages of the people, the original inhabitants of the Gig Harbor area."

IV. CHANGES TO THE AGENDA

Councilmembers or the Mayor may make suggested changes to the agenda. Councilmembers wishing to bring up new items for discussion should do so at this time. Changes to the agenda will be approved by a majority vote of the Council.

V. CONSENT AGENDA

Each agenda shall include a “consent agenda” in the order of business. When the City Administrator and Mayor determine that any item of business requires action by the Council but is of a routine and noncontroversial nature, they may cause such item to be presented at a regular meeting of the council as part of the consent agenda.

The reference material for all matters listed within the consent agenda shall be distributed to each member of the City Council for their review prior to the meeting. Matters on such consent agenda shall be considered to be routine and may be enacted by a single motion of the council with no separate discussion unless removed from the consent agenda as hereinafter provided.

If separate discussion of any consent agenda item is desired, that item may be removed from the consent agenda at the request of any individual council member. At the conclusion of passage of the consent agenda, those items removed at the request of any individual council member shall either be discussed and acted upon before proceeding to the next item of business on the agenda or shall be set to a later position on the agenda for that meeting.

Approval of the motion to approve the consent agenda shall be fully equivalent to approval, adoption, or enactment of each motion, resolution, or other item of business thereon, exactly as if each had been acted upon individually.

VI. PRESENTATIONS

This portion of the meeting is reserved for presentations from individuals or organizations outside of City government. Presentations will be added to the agenda at the discretion of the Mayor and City Administrator or at the request of individual councilmembers.

Presentations should strive to be no longer than 15 minutes in length, not including questions from Council.

VII. MAYOR’S REPORT

VIII. CITY ADMINISTRATOR’S REPORT

IX. PUBLIC COMMENT ON NON-AGENDA ITEMS

~~Speakers will be allotted 3 minutes per individual, unless revised by the Mayor. The Mayor may allocate 5 minutes to speakers speaking on behalf of groups in attendance at the meeting. The purpose of a Council meeting is to conduct the City's business; it is not a public forum.~~

~~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.~~

Public Comment on non-agenda items shall be accepted in accordance with Section 2.3 of these Procedures and Guidelines.

During public comment on items not currently on the agenda, the Mayor may recognize any councilmember or City staff for the limited purpose of providing a brief response, or comment, or summary of expected action. No debate of the merits of the item should occur at this time. Any Councilmember may indicate that he or she desires to discuss the matter further on the agenda (under Comments from Council, or as otherwise determined by the Mayor).

~~Comments shall be made from the microphone, first giving the speaker's name and address. No comments shall be made from any other location, and anyone making "out of order" comments may be subject to removal from the meeting.~~

~~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.~~

~~There will be no demonstrations during or at the conclusion of any public comment. These guidelines are intended to promote an orderly system of holding a public meeting, to give every person an opportunity to be heard and to ensure that no individuals are embarrassed by voicing their opinions.~~

X. OLD BUSINESS

Old Business is reserved for items previously considered by Council under New Business at a prior regular business meeting. Typically, this will be ordinances returning for second or third reading.

The sequence of steps for considering old business items shall be:

- a) Staff report

- b) Clarifying questions from Council
- c) Public Comment
- d) Council deliberation and action

Public comment will be allowed on all Old Business agenda items unless the matter was previously considered under a formal Public Hearing and the hearing has been closed, or if the matter is governed by ordinance or statute that prohibits the receipt of public comment.

Public Comment on Old Business items shall be accepted in accordance with Section 2.3 of these Procedures and Guidelines. ~~The procedure for public comments shall be the same as specified under "Public Comment on Non-Agenda Items."~~ Speakers at all times must confine their remarks to those facts which are germane and relevant, as determined by the Mayor, to the questions or matter under discussion.

Councilmembers should refrain from making motions until the step for Council deliberation and action, after taking public comment.

XI. NEW BUSINESS

New Business includes all business items not previously considered by Council at a prior regular business meeting.

The sequence of steps for considering new business items shall be:

- a) Staff report
- b) Clarifying questions from Council
- c) Public Comment
- d) Council deliberation and action

Public comment will be allowed on all New Business items unless the matter is governed by ordinance or statute that prohibits the receipt of public comment.

Public Comment on New Business items shall be accepted in accordance with Section 2.3 of these Procedures and Guidelines.

~~The procedure for public comments shall be the same as specified under "Public Comment on non-agenda items."~~ Speakers at all times must confine their remarks to those facts which are germane and relevant, as determined by the Mayor, to the questions or matter under discussion.

Councilmembers should refrain from making motions until the step for Council deliberation and action, after taking public comment.

XII. STAFF REPORTS

This portion of the meeting is reserved for presentations from City staff only. Staff reports will be added to the agenda at the request of staff and/or at discretion of the Mayor and City Administrator, or at the request of individual councilmembers. Actions taken during this portion of the meeting should be limited to providing guidance and direction to the Mayor to direct to staff.

XIII. COUNCILMEMBER REPORTS & COMMENTS

This portion of the meeting is reserved for reports from the Council Committee chairs and other general comments from councilmembers. This portion of the meeting is the time for councilmembers to introduce new items for consideration. Councilmembers may bring up suggestions and ideas and with majority of Council concurrence may direct the Mayor to direct staff to analyze and prepare a brief report on the issue.

XIV. ANNOUNCEMENT OF UPCOMING MEETINGS

A list of upcoming meetings with proposed agenda items shall be included in each packet along with the City's Strategic Plan.

XV. EXECUTIVE SESSION

The Council may hold Executive Sessions from which the public may be excluded, for those purposes set forth in RCW 42.30.110.

Before convening an Executive Session, the Mayor shall announce the purpose of the session, the anticipated time when the session will be concluded and if any business or action is anticipated to be conducted by Council after the Executive Session. Should the Session require more time, a public announcement shall be made that the Session is being extended.

Councilmembers must keep confidential all written materials and verbal information provided to them during Executive Session, to ensure that the City's position is not compromised. Confidentiality also includes information provided to councilmembers outside Executive Session when the information is considered to be exempt from disclosure under State Law. State statute prohibits both the disclosure of confidential information and its use for personal gain or benefit.

If the Council, in Executive Session, has given direction or consensus to City staff on proposed terms and conditions for any type of issue, all contact with the other party shall be done by the designated City staff representative handling the issue. Prior to discussing the information with anyone other than fellow councilmembers, the City Attorney, or City staff designated by the City Administrator, councilmembers should review such potential discussion with the City Administrator. Any councilmember

having such contact or discussion shall make full disclosure to the City Administrator and/or the City Council in a timely manner.

XVI. ADJOURN

Meetings shall be adjourned by a motion, second, and majority vote of the Council.

2.6 Voting

Unless otherwise provided for by statute, ordinance, or resolution, all votes shall be taken by voice, except that at the request of any councilmember, a roll call vote shall be taken by the Mayor.

The passage of any ordinance, grant or revocation of franchise or license, any resolution for the payment of money, and any approval of warrants shall require the affirmative vote of at least a majority of the whole membership of the Council.

The passage of any public emergency ordinance (an ordinance that takes effect immediately), expenditures for any calamity or violence of nature or riot or insurrection or war, and provisions for a lesser emergency, such as a budget amendment, shall require the affirmative vote of at least a majority plus one of the whole membership of the Council.

The passage of any motion or resolution shall require the affirmative vote of at least a majority of the membership of the council who are present and eligible to vote, unless otherwise required by provisions of Washington law, the Gig Harbor Municipal Code, or these guidelines.

In the situation where the City Attorney states that a councilmember's participation would violate or appears to be violating the appearance of fairness doctrine by failure to recuse, a super majority (majority plus one of members present) of the nonaffected councilmembers may vote to require the affected member not to participate in a particular proceeding, and if so, the affected councilmember's vote shall not be counted and the affected councilmember shall not participate in the proceeding.

Councilmembers who are board members with an outside agency that is being considered for funding with the City may not put a motion forward or vote on the motion. If a councilmember could secure special privileges or exemptions for himself, herself, or others from a particular council discussion and/or action, that councilmember must recuse himself or herself from voting on that issue.

A motion by a councilmember to "call the question" allows a vote on the pending motion to immediately take place. Prior to the vote on the motion to call the question, the Mayor will inform Council of the number of councilmembers still waiting to speak.

All votes on final actions taken by the City Council will be recorded in the City Council Vote Tracker posted on the City's website.

2.7 Enacted Ordinances, Resolutions and Motions

An enacted ordinance is a legislative act prescribing general, uniform, and permanent rules or regulations relating to the operation and corporate affairs of the municipality. Council action shall be taken by ordinance when required by law, or where such conduct is enforced by penalty.

An enacted resolution is an administrative act, which is a formal statement of policy concerning matters of special or temporary character. Council action shall be taken by resolution when required by law and in those instances where an expression of policy more formal than a motion is desired.

An enacted motion is a form of action taken by the Council to direct that a specific action be taken on behalf of the municipality. A motion, once approved and entered into the record, is the equivalent of a resolution in those instances where a resolution is not required by law, and where such motion is not in conflict with existing State or Federal statutes, City ordinances, resolutions or these guidelines.

On occasion, Council may give direction or express its intention by consensus. Consensus is achieved when a direction is provided and receives stated approval with no objections raised by councilmembers. To avoid ambiguity that can arise from consensus decision-making and to provide staff with concise directions, Council should formalize their intent by motion whenever possible.

2.8 Reconsideration

Any action of the Council shall be subject to a motion to reconsider. Reconsideration can be requested only by motion of a member of the prevailing side of the original motion. A motion to reconsider must be made at the next regular meeting after the meeting in which the original motion was considered. A motion to reconsider is debatable only if the action being reconsidered is debatable. Upon passage of a motion to reconsider, the subject matter shall be added to the agenda of the next regular meeting.

2.9 Meeting Packets

The City Clerk shall prepare the meeting packet for all Council meetings containing the agenda, all reports of Council Committees, all documentary materials upon which Council action is to be taken, and copies of all minutes to be approved. The agenda and packet shall be published on the City's website before 5:00 p.m. five calendar days before the meeting date. Items may be revised or added to the agenda after publication, subject to the Mayor's discretion. Presentation materials (i.e. PowerPoint files) will be added to the online meeting packet as soon as they are available in advance of the meeting.

Councilmembers and affected staff should read the agenda material and ask clarification questions prior to the Council meeting, when possible. Printed copies of the meeting packet will be provided to the Mayor, councilmembers, and staff upon request.

The agenda for all City Council Meetings shall be posted on the meetings bulletin board.

2.10 Minutes

Minutes of City Council Meetings shall be recorded and signed by the City Clerk or his or her designee. Minutes of City Council business meetings shall be approved by Council at the subsequent regular business meeting. Minutes of City Council study sessions and Council Committees shall be submitted to Council as part of the consent agenda at a subsequent regular business meeting.

In order to maximize personnel resources in a cost-effective and efficient manner and to preserve an accurate and concise record, minutes of all City meetings shall be recorded as “action minutes” and shall include the following:

- Name of the body.
- Date, hour, and place of the meeting.
- The names of members in attendance and members absent. If a member arrives late or departs before adjournment, the minutes should reflect the time of arrival and/or departure at that point in the minutes.
- Whether it is a regular, adjourned, or special meeting.
- Time the meeting commenced. Time of meeting recess (if any).
- Topics of business
- Actions taken on each business item
- Record of motions and votes
- Direction given to staff by general consensus
- Oral communications/public comment need only reference the name of the person, subject matter addressed, and direction given from Council (if any).
- Adjournment time and, if applicable, whether the meeting was adjourned to another time prior to the next regular meeting.
- Signature block for the City Clerk.

ARTICLE 3 - COUNCIL COMMITTEES

3.1 Council Committees Defined

Council may form *ad hoc* committees to address specific issues as needed.

Each Council Committee shall have a designated staff person assigned by the City Administrator who will assist the committee with scheduling meetings, preparing packet materials, and taking action minutes of the meetings.

3.2 Committee Meetings

All council committee meetings shall be subject to all provisions the OPMA. Committees shall meet during regular working hours unless an emergency exists. Meeting agendas shall be posted five calendar days prior to the committee meeting unless an emergency exists.

It shall be the right and responsibility of each Department Head to make his or her position known to the Council Committee on each matter for Council action affecting the Department referred to the Committee.

3.3 Duties of the Chair

Each Council Committee shall have an elected chair. The chair of the respective Council Committees shall have the following responsibilities:

- Schedule and attend meetings of the Committee, which shall be open to members of the public.
- Determine the need to cancel a scheduled Committee meeting.
- Determine the need to call a meeting of the Committee.
- Work with other committee members, the Mayor and City staff to develop the agenda for each meeting.
- Ensure that the committee adheres to the defined scope of business for that committee.
- Determine the appropriateness of accepting public comment during committee meetings.

3.4 Actions Taken by the Committees

The chief duty of Council committees is to take up matters referred to them by the City Council. Motions made at a committee meeting should be phrased as recommendations to Council on specific actions to be taken.

Council Committees do not have the authority to take action on behalf of Council. Council Committees may not direct the Mayor or staff. Council Committees may make recommendations to the Mayor on administrative actions within the scope of the committee, but these recommendations should be informal; the Mayor is not obligated to adhere to these recommendations. Council Committees cannot terminate an action or request by staff or the public. They can only provide Council a recommendation on the topic.

ARTICLE 4 - MAYOR PRO TEMPORE

4.1 Appointment

Pursuant to RCW 35A.12.065 and consistent with GHMC Chapter 2.14, annually at the second regular business meeting in January, Council shall elect from their number a Mayor Pro Tempore who shall hold office at the pleasure of Council. Council may, as the need may arise, appoint any qualified person to serve as Mayor Pro Tempore in the absence or temporary disability of the Mayor. The Mayor Pro Tempore shall have such powers and authority, in the absence or temporary disability of the mayor, as specified in this Rule.

4.2 Authority

The Mayor Pro Tempore shall have authority to preside over meetings of council, sign warrants and written contracts, and perform other administrative duties of the Mayor, but only for such period of time as the Mayor is absent or temporarily disabled, as defined herein, and only to the extent necessary for the efficient conduct of the business of the City.

The Mayor Pro Tempore shall have the authority to act as the Mayor in the Mayor's absence only when the Mayor is away and cannot perform duties that cannot await his or her return or that cannot be performed by telephone or other type of communications link. The authority of the Mayor Pro Tempore to act under authority of this Rule shall end upon the Mayor's return or the removal of any temporary disability. The Mayor Pro Tempore shall not delegate the authority herein granted to another City official.

The Mayor Pro Tempore shall not in any case have the authority to appoint or remove City officers and employees, to veto ordinances, to adopt or repeal administrative procedures, or to reorganize the administration of the City.

4.3 Absence or Temporary Disability of the Mayor Defined

For purposes of this Rule, the "absence or temporary disability of the Mayor" shall mean that due to absence or illness, the mayor is unable to perform the regular duties of his office. In application of the foregoing definition, the following shall apply:

- The Mayor shall not be deemed temporarily disabled if due to illness he or she is unable to perform some of the duties, such as attending a Council Meeting, if he or she is able to perform other duties of the office on an ongoing basis.
- During such times as City offices are closed, the Mayor Pro Tempore shall have authority to act in the Mayor's absence only with respect such emergencies as may require the Mayor's presence.

4.4 Mayor's Salary for the Mayor Pro Tempore During Extended Absence or Disability of the Mayor

The Mayor Pro Tempore shall not receive the Mayor's salary during the extended absence or disability of the Mayor, provided, the Council may by ordinance provide for such compensation for the Mayor Pro Tempore.

ARTICLE 5 – ADVISORY BOARDS, COMMISSIONS, & COMMITTEES

5.1 Purpose and Application

The purpose of this section is to establish general provisions applicable to all Advisory Boards. The provisions of this article govern Advisory Boards unless otherwise specifically provided by ordinance, motion or resolution of the City Council, or as may be required by state law.

An “Advisory Board” means any board, committee or commission created by the City Council to give advice on subjects and perform such other functions as prescribed by the City Council. Advisory Boards also includes task forces, informal committees, or working groups formed by City Council resolution for short periods of time or for specific tasks.

The City of Gig Harbor’s Advisory Boards are fundamental to encouraging the use of citizen talent and interest in affairs of the City. Our residents have enjoyed a long tradition of participation in city government. Through representation on boards and commissions, Gig Harbor residents are offered an important avenue to help create effective and equitable policies. Citizen involvement contributes to the success of government and the quality of life enjoyed by our families in the community.

5.2 Formation of Advisory Boards

All standing advisory boards shall be established in the Gig Harbor Municipal Code. Current standing advisory boards include:

- Arts Commission
- Civil Service Commission
- Design Review Board
- Lodging Tax Advisory Committee
- Parks Commission
- Planning Commission
- Salary Commission

Council may also create *ad hoc* advisory boards, blue ribbon work groups and taskforce groups by resolution. Such advisory boards are subject to the same provisions of this article.

5.3 Scope of Work

Each Advisory Board, when it is formed, will have a specific statement of purpose and function, which will be re-examined periodically by the City Council to determine its effectiveness. This statement of purpose, as well as other information regarding duties and responsibilities, will be made available to all members when appointed.

The City Council may determine any specific guidelines or tasks to be referred to the Advisory Board by motion or resolution.

Each Advisory Board may develop an annual work plan, within the jurisdiction and area of responsibility assigned to the board in the Gig Harbor Municipal Code. All work plans must be approved by the City Council and carried out under the direction of the Mayor.

5.4 Membership and Residency Requirements

The number of members and any specific qualifications of each standing Advisory Board shall be set forth in the Gig Harbor Municipal Code.

Unless otherwise specifically provided in the Gig Harbor Municipal Code, or as may be required by state law, each person at the time of nomination and continuing uninterrupted thereafter while serving on an Advisory Board shall be a resident of the greater Gig Harbor area within Pierce County (west of the Tacoma Narrows Bridge and east of the Purdy Bridge).

5.5 Appointment Process

Appointments to Advisory Boards shall be made by the Mayor or City Council, as specified in the Gig Harbor Municipal Code.

The City Clerk shall be responsible to recruit applicants for Advisory Board vacancies. Upcoming vacancies will be noticed on the City's website and through various other outreach methods, as appropriate. The City Clerk will establish an application form and application deadlines to facilitate timely appointment of candidates.

All interested candidates must submit an advisory board application on the City's website to be eligible for consideration. Current members seeking reappointment are required to submit an application.

Eligible candidates for council-appointed Advisory Boards will be interviewed by an *ad hoc* committee of the City Council, subject to the requirements of Article 3. Council shall appoint three councilmembers to this committee, as needed. The interview panel may also be joined by the Mayor, the Advisory Board Chair and the designated staff liaison, at their discretion. The committee will forward its recommendations to Council for approval on the consent agenda of the next regular City Council meeting.

Candidates shall be deemed appointed and shall commence service after confirmation by the City Council.

5.6 Appointment Terms

Each appointee shall be assigned a specific numbered position on each Advisory Board. Each confirmation motion by the Council shall include ending

date and term for the position to which the person is appointed and such information shall be entered into the Council minutes.

Unless otherwise specified in the Gig Harbor Municipal Code or by State law, all appointment terms shall be for a period of three years.

At the expiration of a member's term, the member may hold over and continue to serve as a member until the member or a successor is appointed and confirmed by the Council.

5.7 Vacancies

Vacancies shall be filled for the unexpired term in the same manner as the original appointment. Membership vacancies shall be filled for the unexpired term.

Any member may be removed by Council action based on Council decision that removal is in the best interests of the City. Removal should not occur for disagreement with an official recommendation of the board or its members.

Any member may be removed by the Mayor, if, in the Mayor's determination, the member has violated the provisions of these Guidelines or the Gig Harbor Municipal Code. The Mayor may also remove members who have three or more consecutive unexcused absences from regular Advisory Board meetings.

5.8 Expectations of Advisory Board Members

It is imperative that board members recognize they are in a critical position to shape and influence board decisions and actions. It is important that each member keeps informed and up to date on issues and statutes affecting their board.

Regular attendance is essential so that decisions will represent the opinions of the board as a whole. In addition, regular attendance enables board members to keep abreast of board concerns and helps ensure that issues are examined from a variety of perspectives. A person may forfeit his or her position on the board as a result of poor attendance.

Effective board members will:

- Attend all board meetings and be well prepared for meetings.
- Recognize that serving the public interest is the top priority.
- Recognize that the board must operate in an open and public manner.
- Be knowledgeable about the legislative process and issues affecting the board.
- Examine all available evidence before making a judgment.
- Communicate well and participate in group discussions.

- Remain aware that authority to act is granted to the board as a whole, not to individual members.
- Exhibit a willingness to work with the group in making decisions.
- Recognize that compromise may be necessary to reach consensus.
- Ensure personal feelings toward other board members or staff do not interfere with their judgment.

If a member is unable to complete his or her term, they should inform the City Clerk's Office and the staff liaison for the board. An email or letter of resignation should be sent to the City Clerk indicating the date the resignation is effective and whether the member is able to serve until a replacement is named.

5.9 Chair and Vice Chair - Identification and Election

Each Advisory Board shall elect from its membership a presiding officer who shall be referred to as Chair, and such officer shall serve for one year. Each Advisory Board shall also elect from its membership a Vice Chair who shall perform the duties of the Chair in the absence of the Chair, and such officer shall serve for one year.

The Chair shall:

- Work with staff liaison to prepare agendas
- Preside at all meetings
- Call the meeting to order at the scheduled time
- Verify the presence of a quorum
- "Process" all motions (state the motion prior to discussion, restate the motion just prior to the vote, announce the result of the vote)
- Facilitate meetings by staying on track and adhering to time constraints
- Rule on any points of order using Roberts Rules of Order as guidance
- Conduct the meeting in a fair and equitable manner
- Maintain neutrality to facilitate debate
- Serve as official representative of the commission or designate another Commissioner

The Vice-Chairperson shall:

- In the absence of the Chairperson, assume the role of the Chairperson
- Preside at any meeting where the Chairperson is absent
- Work in partnership with the Chairperson

5.10 Quorums, Transacting Business

A majority of the appointed members of the Advisory Board shall constitute a quorum for the transaction of business. An affirmative vote of the majority of a quorum in attendance at any meeting shall be necessary to transact business or carry any proposition.

5.11 Conflicts of Interest

If any members of an Advisory Board conclude that they have a conflict of interest or an appearance of fairness problem with respect to a matter pending before the Advisory Board so that they cannot discharge their duties on such an Advisory Board, they shall disqualify themselves from participating in the deliberations and the decision-making process with respect to the matter.

5.12 Liaisons and Representatives

The Mayor shall designate a staff person to function as primary support person for each Advisory Board. The designated staff person will serve as the liaison between the Advisory Board and the City Council, other Advisory Boards and City staff. The designated staff liaison may request the assistance of the Chair or Vice Chair in relaying Advisory Board matters to other bodies.

The primary function of the staff liaison is to carry out the rules, policies and programs developed by the board. In addition, staff members notify board members of pertinent issues and legislative activity. They also arrange meetings, prepare meeting materials, compile background information and conduct research.

5.13 Procedures, Records, and Minutes

Rules of order not specified by statute, ordinance or Council resolution shall be guided by the principles of Robert's Rules of Order. Advisory Boards should not allow strict adherence to Roberts Rules of Order to impede the board in conducting its business.

The City Clerk shall provide for the taking of action minutes, as defined in Section 2.9 of these Guidelines, and maintaining the records of all regular and special meetings.

5.14 Meetings

Each Advisory Board shall hold regular public meetings at such times and places as determined by the Advisory Board with the concurrence of the Mayor. All meetings of an Advisory Board shall be subject to all requirements of the Open Public Meetings Act (OPMA). All members of governing bodies must complete Open Public Meetings Act training. Training must be completed within 90 days of assuming duties.

Advisory Boards may request special meetings to deal with specific matters. Special meetings may only be held with the consent of the Mayor.

5.15 Subcommittees

Advisory Boards may form subcommittees to address specific tasks or issues assigned to an Advisory Board. All subcommittees must be approved by the

Mayor and all meetings of subcommittees are subject to the Open Public Meetings Act.

5.16 Communications with City Council

Expressions of an Advisory Board's position, recommendation or request for any action shall be in the form of a motion or other written communication, setting forth the reasons, facts, policies, and/or findings of the body supporting the communication, and shall be directed to the City Council. Such communications shall be conveyed to Council by the staff liaison designated to support the Advisory Board. Staff liaisons shall regularly report to the City Council on board activities.

Advisory Board members are appointed by the City Council on the basis of their expertise or passion for the subject matter of each Advisory Board. As such, councilmembers should not attempt to influence or persuade Advisory Board members on matters referred to the Advisory Board. Similarly, Advisory Board members should not reach out individually to councilmembers to seek direction or guidance. Communications between the City Council and an Advisory Board should be conducted through the designated staff liaison for each Advisory Board.

5.17 Communications with the Public

In general, Advisory Board communication with the public should be restricted to staff liaison assigned to each Advisory Board. Members should not represent themselves as Advisory Board members unless they have specifically been directed to do so by the Advisory Board in consultation with the staff liaison.

5.18 Communications with Other Advisory Board Members

Advisory Board members should not communicate directly with other members of the same Advisory Board on official Advisory Board business outside of their meetings. Such communications should be directed toward staff liaisons who can inform other board members as necessary in advance of the next meeting.

Communications between individual board members can easily lead to “serial meetings” which violate the Open Public Meetings Act. A serial meeting occurs when a majority of members have a series of smaller gatherings or communications that results in a majority of the body collectively discussing board matters, even if a majority is never part of any one communication.

5.19 Lobbying Efforts

Advisory Boards shall not lobby on legislative or political matters unless specifically directed or authorized to do so by the City Council or the Mayor. A member of the Advisory Board is not authorized to speak for the Board, unless the Board has expressly authorized the member's communication and

no Board member is authorized to speak on behalf of the City. An individual member is free to voice a position, oral or written, on any issue as long as it is made clear that the member is not speaking as a representative of the City or as a member of an Advisory Board.

5.20 Compensation and Reimbursement of Expenses

Members of Advisory Boards shall serve without compensation. Members shall be reimbursed for authorized travel expenses incidental to that service, which are authorized in advance by the Mayor.

ARTICLE 6 - COUNCILMEMBER COMMUNICATIONS

6.1 General Communications

All city-related correspondence from councilmembers should come from the councilmember's city-assigned email account. Personal email accounts and texting from personal phones should not be used when communicating with each other, staff, or residents. If personal devices are used for city business or contain city records, those personal devices may need to be searched in order to fully respond to public records requests and may eventually be subpoenaed as evidence in public records disclosure cases. Further, any city document contained on a personal device must be retained according to the State prescribed retention schedules.

6.2 Communications with Other Councilmembers

When communicating with each other outside of City Council meetings, councilmembers should be mindful of avoiding creating a serial meeting in violation of the Open Public Meetings Act. It is important to remember that serial meetings are not limited to simple email chains. They can be created by a combination of personal conversations, text messages, emails or other forms of communication.

Emails sent to the entire Council should be strictly *informational* in nature. Opinions should be withheld from emails and should be shared during a noticed public meeting. Once one councilmember has stated their opinion on a group email, all other councilmembers are thereafter prevented from stating their own opinions on the matter via email. The spirit of the OPMA is that councilmembers should express their ideas and opinions openly and transparently in a public meeting. City council meetings and study sessions are the appropriate time to make known opinions and discuss ideas amongst Council.

6.3 Communications with the Public

Councilmembers are free to discuss their ideas and opinions with residents. When stating an opinion or preference, councilmembers should be clear that they are not speaking on behalf of the City or the City Council, unless Council has formally stated a position or direction.

6.4 Communications with Staff

City staff are available to answer questions and discuss current and upcoming issues with councilmembers. Councilmembers are encouraged to reach out staff on current work plan items and priorities.

Staff time is a valuable resource for the City. Councilmembers should be considerate of staff members' time. If a councilmember is requiring too much staff attention, the Mayor may take measures to reduce the amount of time staff spends responding to the councilmember's requests.

Similarly, the City Attorney is available to address questions and concerns raised by councilmembers. The City Attorney will treat conversations with councilmembers with discretion and maintain confidentiality, unless the City Attorney determines it is in the best interest of the City to share the details of the conversation with the Mayor or City Administrator. Councilmembers should not share the content of any conversation with the City Attorney with anyone else, with the exception of other council members and senior staff, as that communication may be protected as Attorney-Client Privileged Communication.

Councilmembers may not direct staff in any manner. Suggestions for staff direction must be directed to the Mayor or City Administrator. Ideas and proposals that may impact the City's budget or staff time should first be brought up with the City Administrator.

6.5 Social Media

While social media, with its use of popular abbreviations and shorthand, does not adhere to standard conventions of correspondence, the content and tenor of online conversations, discussions, and information posts should model the same professional behavior displayed during Council meetings.

Councilmembers should not use personal social media accounts to discuss City business. Instead, councilmembers wishing to participate in social media in their capacity as councilmembers should create separate social media accounts that are tied to the councilmembers' City email addresses. Social media is not to be used as a mechanism for conducting official City business other than to informally communicate with the public. Examples of business that may not be conducted through social media include making policy decisions, official public noticing, and discussing items of legal or fiscal significance that have not previously been released to the public.

Councilmembers' social media site(s) should contain links directing users back to the City's official website for in-depth information, forms, documents or online services necessary to conduct official City business. At the discretion of the Mayor, social media applications, tools or sites may be limited or banned if they are not or cannot be used in compliance with this policy.

All content posted on individual councilmember social media sites shall comply with all state or local ethics and election laws and regulations. No content that promotes or advertises commercial services, entities, or products may be posted.

Unless the City Council has formally made a statement of support or opposition, councilmembers shall not post comments or links to any content

that endorses or opposes political candidates, legislative matters, or ballot propositions, including links to a councilmember's campaign site.

State and local records retention laws and schedules apply to all social media content. All social media content with retention value must be maintained for the required retention period on a City server in an easily accessible format that preserves the integrity of the original record. Prior approval of the retention format and procedures for each social media tool being used must be received from the City Administrator. It is the responsibility of each councilmember to maintain current, approved retention procedures and to ensure that those procedures are followed.

As with any correspondence sent in his or her capacity as a councilmember, postings to social media sites maintained by others must be retained by the posting councilmember. Printouts or screenshots of postings to others' sites may suffice for retention purposes. Councilmembers should consult with the City Clerk for the applicable retention schedule and method.

Any content maintained in a social media format (FaceBook, YouTube, Twitter, etc.) that is related to City business, including communication between an individual councilmember and constituents or the general public, and a site's listing of "friends" or "followers," may be considered a public record subject to disclosure under the state Public Records Act. Additionally, notes and comments on social media are one avenue to creating serial meetings in violation of the Open Public Meetings Act and councilmembers should take care not to comment in posts or threads with multiple other councilmembers.

Any social media tools used should clearly state that all content submitted by members of the public is potentially subject to public disclosure pursuant to the Public Records Act RCW 42.56.

Under the Public Records Act, the City Clerk is responsible for responding accurately and completely to any public records request including a request for public records on social media maintained by individual councilmembers. Therefore, it is critical that records have been retained according to approved procedures.

Users and visitors to social media sites shall be notified that public disclosure requests must be directed to the City's Public Records Officer.

Users of councilmember social media sites who submit comments should be clearly notified via site disclaimer that the intended purpose of the site is to serve as a mechanism for informal communication between councilmembers and the public regarding the topics discussed. Any content posted by users must be retained, even if subsequently removed, including the time,

date, and identity of the poster when available.

To avoid any concern regarding the content submitted to social media sites, councilmembers are strongly encouraged to maintain social media sites with settings that can restrict users' ability to comment.

Sites requiring membership or subscription should be avoided. When posting information or soliciting feedback on such a site, always provide an alternate source for the same information or mechanism for feedback on the City's public web site, so that those who are not members of the social media site may have equal access. Sites should use the most open settings possible to allow the public to view content without requiring membership or login.

6.6 Lobbying Efforts

Councilmembers shall not lobby on behalf of the City on legislative or political matters unless the City Council has formally taken a position on the matter. A councilmember is not authorized to speak for the Council, unless the Council has expressly authorized the member's communication. An individual councilmember is free to voice a position, oral or written, on any issue as long as it is made clear that the councilmember is not speaking as a representative of the City.

Per RCW 42.17A, Councilmembers and other City officials are not allowed to encourage residents to call legislators or the legislative hotline to comment on legislation.

6.7 Responding to Emails Sent to mayorandcouncil@gigharborwa.gov

The City maintains the email address mayorandcouncil@gigharborwa.gov as a convenience for residents to email the Mayor and all councilmembers at once. The City Administrator, City Clerk and Assistant City Clerk are copied on all emails sent to this address.

It is the responsibility of the Mayor to acknowledge and address each email sent to this address. The Mayor may delegate the acknowledgement and response to the City Administrator or another appropriate staff member. Council will be copied on all responses to these emails.

Councilmembers are free to individually respond to any email sent to this email address. Councilmembers should not "reply all" to any emails sent to this address.

ARTICLE 7 - PROCLAMATION POLICY

It is the policy of the City to consider requests to proclaim certain events or causes when such proclamations pertain to a Gig Harbor event, person, organization, or cause with local implications. The City will consider requests that are timely, have potential relevance to a majority of Gig Harbor's population, and either forward positive messages or call upon the support of the community.

The following guidelines and requirements apply to requests for consideration of proclamations which are read at Council meetings:

- The person(s) or organization making the request must submit a completed application requesting a City Proclamation. The City Clerk shall be responsible for developing a request form and collecting applications. The request should be made at least three weeks in advance of the requested Council meeting.
- The Mayor, in consultation with the City Administrator, City Attorney and other appropriate staff, shall approve or reject proclamation requests in accordance with the intent of this policy. The Mayor has the discretion to modify, edit, or otherwise amend the proposed proclamation. The Mayor retains the right to decide if the proclamation will or will not be issued. If not approved, the applicant will be notified of the decision and the reason(s) for the decision.
- Once approved, the proclamation will be included on the appropriate Council agenda. Council will make no more than two proclamations at a Council Meeting.
- Either the person making the request or a representative of the organization making the request must be present at the Council meeting to accept the proclamation.

The Mayor may issue proclamations consistent with this policy without receiving an application from a person or organization. Councilmembers may individually submit requests for proclamations under the same guidelines and procedure listed above. The City Council may, by majority vote, direct the Mayor to prepare a resolution in lieu of a proclamation to be read at a future meeting.

If a person or organization requests a proclamation for an event or presentation and does not request it be read at a Council meeting, the same policy will apply. The requestor must arrange with the City Clerk's office to either pick up the proclamation or have it mailed. Upon request, the Mayor (or a councilmember or staff person designated by the Mayor) may attend an event to read a proclamation.

EXHIBIT A - PARLIAMENTARY PROCEDURE AT A GLANCE

To do this:	You say this:	May you interrupt speaker?	Must be seconded?	Is motion debatable?	Vote required
Introduce business	"I move that ..."	NO	YES	YES	MAJORITY
Amend a motion	"I move to amend this motion"	NO	YES	YES	MAJORITY
Request information	"Point of information"	YES	NO	NO	NO VOTE
Suspend further discussion	"I move we table it"	NO	YES	NO	MAJORITY
End debate	"I call the question ..."	NO	YES	NO	2/3 VOTE
Postpone discussion	"I move we postpone this matter until..."	NO	YES	YES	MAJORITY
Have something further studied by a committee	"I move we refer..."	NO	YES	YES	MAJORITY
Ask for a vote count to verify a voice vote	"I call for a roll call vote"	NO	NO	NO	NO VOTE
Object to considering some matter	"I object to consideration of this"	YES	NO	NO	2/3 VOTE
Take up a matter previously tabled	"I move to take from the table..."	NO	YES	NO	MAJORITY
Reconsider something already disposed of	"I move we reconsider action on ..."	YES	YES	YES	MAJORITY
Consider something in unscheduled order	"I move we suspend the guidelines and ..."	NO	YES	NO	2/3 VOTE
Vote on a ruling by the chair	"I appeal the chair's decision"	YES	YES	YES	MAJORITY
Object to procedure or personal affront--chair decides	"Point of order"	YES	NO	NO	NO VOTE
Complain about noise, room temperature, etc.	"Point of privilege"	YES	NO	NO	NO VOTE
Recess the meeting	"I move that we recess until ..."	NO	YES	NO	MAJORITY
Adjourn the meeting	"I move that we adjourn"	NO	YES	NO	MAJORITY