

**City of Oak Harbor**  
**City Council Meeting**  
**Agenda for**

**May 18, 2010**  
**6:00 p.m.**

**Oak Harbor City Council**  
**Tuesday, May 18, 2010, 6:00 p.m.**

**Welcome to the Oak Harbor City Council Meeting**

*As a courtesy to Council and the audience, **PLEASE TURN YOUR CELL PHONES OFF** before the meeting begins. During the meeting's Public Comments section, Council will listen to your input regarding subjects of concern or interest that are not on the agenda. For scheduled public hearings, please sign your name to the sign up sheet, located in the Council Chambers if you wish to speak. The Council will take all information under advisement, but generally will not take any action during the meeting. To ensure your comments are recorded properly, state your name and address clearly into the microphone. Please limit your comments to three minutes in order that other citizens have sufficient time to speak.*

**Thank you for participating in your City Government!**

**CALL TO ORDER**

**INVOCATION**     Tim Geist, Bible Baptist Church

**ROLL CALL**

**MINUTES**

**NON-ACTION COUNCIL ITEMS:**

1. Employee Recognitions – Steve McCalmont, 10 years; Dean Faris, 25 years – Oak Harbor Fire Department.
2. Public Comments.

**COUNCIL CONSIDERATION AND ACTION ON THE FOLLOWING MATTERS:**

3. Consent Agenda:

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- a. Excused Absence – Councilmember Scott Dudley, from the Wednesday, August 4, 2010 Council meeting (National Night Out is on 8/3/10).

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- b. Noise Permit – Kiwanis Club – Beachcomber's Bazaar.

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- c. Noise Permit – Living Word.

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- d. Noise Permit – Christ the King Community Church.

- e. Approval of Accounts Payable Vouchers (Pay Bills).

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4. Public Hearing – Enterprise Zone Ordinance – Goldie Road.

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5. Pioneer Way Improvements Professional Services Contract - EnviroIssues.

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6. Guest Moorage Rates and Hoist Rates for Marina.

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7. Bid Award – Regatta Water Main.

8. City Administrator's Comments.

9. Councilmembers' Comments.

- Standing Committee Reports.

10. Mayor's Comments.

**ADJOURN**

"The future belongs to those who believe in the beauty of their dreams."  
- Eleanor Roosevelt

*If you have a disability and are in need of assistance, please contact the City Clerk at (360) 279-4539 at least two days before the meeting.*

**City Council Meeting  
Tuesday, May 4, 2010, 6:00 p.m.  
City Hall – Council Chambers**

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**CALL TO ORDER** Mayor Slowik called the meeting to order at 6:00 p.m.

**INVOCATION** Dave Templin, Whidbey Presbyterian Church

**ROLL CALL**

Jim Slowik, Mayor	Paul Schmidt, City Administrator
Seven Members of the Council,	Margery Hite, City Attorney
Rick Almberg	Doug Merriman, Finance Director
Jim Campbell	Steve Powers, Development Services Director
Scott Dudley	Cathy Rosen, Public Works Director
Jim Palmer	Eric Johnston, City Engineer
Beth Munns	Rick Wallace, Chief of Police
Danny Paggao, Mayor Pro Tem	Mark Soptich, Fire Chief
Bob Severns	Mike McIntyre, Senior Services Director
	Jessica Neill-Hoyson, Human Resources Director
	Renée Recker, Executive Assistant to the Mayor

**MINUTES**

**MOTION:** Councilmember Palmer moved to approve the 4/20/10 meeting minutes. The motion was seconded by Councilmember Campbell and carried unanimously.

**NON-ACTION COUNCIL ITEMS**

**Employee Introduction – Jessica Neill-Hoyson, Human Resources Director**

City Administrator Paul Schmidt introduced Ms. Neill-Hoyson and talked about her ten years of experience and education. Ms. Neill-Hoyson came to Oak Harbor from the City of Bainbridge Island. She thanked the Mayor, Council, and staff for their warm welcome and complimented the City for being a well-run organization. Ms. Neill-Hoyson looks forward to her contributions to the City.

**Employee Recognitions**

Steve McCalmont, Oak Harbor Fire Department, ten years; Dean Faris, Oak Harbor Fire Department, twenty-five years. Mr. McCalmont and Mr. Faris were not present.

**Otto Lawson, Oak Harbor Public Works, 10 years**

Public Works Director Cathy Rosen introduced Mr. Lawson and talked about his continuing service to the City after a twenty-year Navy career. His contributions to Public Works and his assistance at City Hall are deeply appreciated. Mayor Slowik noted that Mr. Lawson is well-loved at City Hall and always available on a moment's notice. Mr. Lawson thanked Mayor and Council, appreciated the recognition, and talked about how much he enjoys working for the City.

**Proclamation – National Public Works Week**

Councilmember Severns presented this proclamation to Public Works Director Cathy Rosen. National Public Works Week is May 16 – 22, 2010 and this year’s theme is, “Public Works: Above, Below, and All Around You.” Ms. Rosen thanked Mayor and Council noting that all of the Public Works divisions appreciate this recognition and Public Works staff love their jobs and the Oak Harbor community. There are 52 Oak Harbor Public Works employees including the Engineering staff with seasonal employees helping through the busy summer season. Oak Harbor is a full service city.

**Proclamation – Elks Youth Week**

Mayor Pro Tem Paggao presented this proclamation to Art Sem, Oak Harbor Order of Elks. The Benevolent and Protective Order of Elks has designated the first full week in May as Elks National Youth Week in tribute to youth achievements and contributions to the community and nation. Mr. Sem thanked Mayor and Council and also talked about May as Elks Therapy Month which promotes assistance to physically impaired children. This is a major Elks endeavor and, in Washington State, the budget for this year was over one million dollars.

**Proclamation – National Nurses Week**

Councilmember Campbell presented this proclamation to Commander Craig Cooper, NASWI Director of Nursing Services. Cdr. Cooper also introduced Capt. Bulach. In recognition of the 2.9 million registered nurses in the United States, May 6 – 12, 2010 is declared National Nurses Week. Cdr. Cooper noted that nurses provide the first human touch and often the last human touch for those in hospice care. Cdr. Cooper thanked Mayor and Council for this recognition.

**Public Comments**

**Mel Vance, P.O. Box 2882.** With recent storm and wind activity on Whidbey Island, Mr. Vance noted that this serves as a reminder of how unpredictable the weather can be and recommended the excellent CERT training program for emergency preparation. Mr. Vance challenged the Mayor and Council to enroll in this beneficial course.

With no other public comments coming forth, Mayor Slowik closed this part of the meeting at 6:25 p.m.

**Consent Agenda**

- A. Excused Absence, Councilmember Beth Munns, from the 5/18/10 Council Meeting.
- B. Approval of Accounts Payable Vouchers.

**MOTION: Councilmember Campbell moved to approve Consent Agenda Items A and B with Item B paying accounts payable check numbers 141258 – 141259 in the amount of \$366.27, accounts payable check numbers 141260 – 141268 in the amount of \$92,929.02, accounts payable check numbers 141269 – 141449 in the amount of \$561,766.65, and payroll check numbers 93766 – 93827 in the amount of \$952,437.37.**

The motion was seconded by Councilmember Severns and carried unanimously.

**Public Hearing and Quasi-Judicial Proceeding – Nightclub License, Lava Lounge  
Public Hearing and Quasi-Judicial Proceeding – Nightclub License, Off the Hook**

City Attorney Margery Hite explained the appearance of fairness and quasi-judicial procedure beginning with ex parte communications. As stated in RCW 42.36.060: During the pendency of any quasi-judicial proceeding, no member of a decision-making body may engage in ex parte communications with opponents or proponents with respect to the proposal which is the subject of the proceeding unless that person:

- Places on the record the substance of any written or oral ex parte communication concerning the decision of the action; and
- Provides that a public announcement of the content of the communication and of the parties' rights to rebut the substance of the communication shall be made at each hearing where action is considered or taken on the subject to which the communication related. This prohibition does not preclude a member of a decision-making body from seeking in a public hearing specific information or data from such parties relative to the decision if both the request and the results are a part of the record. Nor does such prohibition preclude correspondence between a citizen and his or her elected official if any such correspondence is made a part of the record when it pertains to the subject matter of a quasi-judicial proceeding.

Councilmember Severns was recused from discussion concerning Off the Hook since he is related to the property owners. Councilmember Severns' answers only concern the Lava Lounge nightclub license. All other Council Members answered in response to both Lava Lounge and Off the Hook nightclub licenses.

Ms. Hite then asked each Council Member to state, for the record, what ex parte contacts they have had, whether written or oral, concerning the matters to be decided. Each Council Member individually answered that they had no ex parte contacts. Ms. Hite continued to the appearance of fairness questions which were individually asked of each Council Member:

1. Do you have knowledge of having conducted business with either the proponents or opponents of this project?	Mr. Almberg	Mr. Campbell	Mr. Dudley	Ms. Munns	Mr. Paggao	Mr. Palmer	Mr. Severns
	No	No	No	No	No	No	No
2. Do you have either a pecuniary or a non-pecuniary interest in the outcome of this proceeding?	Mr. Almberg	Mr. Campbell	Mr. Dudley	Ms. Munns	Mr. Paggao	Mr. Palmer	Mr. Severns
	No	No	No	No	No	No	No

3. Do you know whether or not your employer has a financial interest in the land or area which will be impacted by the decision in this proceeding?	Mr. Almberg	Mr. Campbell	Mr. Dudley	Ms. Munns	Mr. Paggao	Mr. Palmer	Mr. Severns
	No	No	No	No	No	No	No
4. Do you live or own property within 300 feet of the area which will be impacted by the decision in this proceeding?	Mr. Almberg	Mr. Campbell	Mr. Dudley	Ms. Munns	Mr. Paggao	Mr. Palmer	Mr. Severns
	No	No	No	No	No	No	No
5. Do you have any special knowledge about the substance of the merits of this proceeding which would or could cause you to prejudge the outcome of this proceeding?	Mr. Almberg	Mr. Campbell	Mr. Dudley	Ms. Munns	Mr. Paggao	Mr. Palmer	Mr. Severns
	No	No	No	No	No	No	No
6. Do you believe that you <u>cannot</u> sit and hear this matter fairly and impartially, both as to the respective positions of the proponents and the opponents in this proceeding?	Mr. Almberg	Mr. Campbell	Mr. Dudley	Ms. Munns	Mr. Paggao	Mr. Palmer	Mr. Severns
	No	No	No	No	No	No	No
7. Is there any member of the audience who because of the "Appearance of Fairness Doctrine" wishes to disqualify any member of the Council from hearing this matter? If so, please state the name of the Council Member and the reason or reasons why you believe that Council Member should be disqualified.							
No audience members came forward.							

### Public Hearing and Nightclub License for Lava Lounge

Chief of Police Rick Wallace presented this agenda bill and application for a nightclub license pursuant to Ch. 5.22 OHMC. The applicant is Jason Youngsman. Since no disqualifying restrictions prevent the issuance of a nightclub license to the applicant, the City Council determines what conditions should be imposed to mitigate noise, traffic and other similar public health and safety impacts on operation of the Lava Lounge Nightclub. In late 2009, Jason Youngsman, manager of the Lava Lounge Nightclub,

applied for and received a temporary nightclub license and as required under the ordinance, a police investigation was conducted. From April 1, 2009 through March 31, 2010, the Oak Harbor Police Department responded to a total of ninety (90) calls for police service to the nightclub. Twenty (20) of those calls have no significant bearing on this issue and should not be viewed as having a negative connotation towards the nightclub as these types of calls for police service could occur at any business or private residence. The remaining seventy (70) calls for service related directly to the nature of the business at the nightclub. Chief Wallace discussed each of the 70 calls. The license applicant, Jason Youngsman, had been informed of the conditions that were recommended by the police department for the nightclub license and had expressed his opinion that he would be able to meet or exceed those conditions.

Mayor Slowik opened the public hearing at 6:30 p.m.

**Todd Myers, 621 SW Third Avenue and Manager – Lava Lounge.** Mr. Myers talked about the number of security staff at Lava Lounge: 20 bouncers, 6 on-call, (among which one is EMT certified) and 14 staff are outside at night.

**James Cowan, Coupeville (no address given).** Mr. Cowan had been asked to make Council aware of a pending civil lawsuit between Michael Tuller and Lava Lounge regarding assault, battery, and excessive force. Counsel representing this suit could not be present this evening.

**Mel Vance, P.O. Box 2882.** Mr. Vance spoke about parody with Element Nightclub for Lava Lounge's nightclub licensing conditions. He also asked that future presentations indicate whether the calls for police service had been made by the public or by the business.

With no other comments coming forth, the public hearing was closed at 6:40 p.m.

#### Council Discussion

Discussion followed about an annual report and if it would be presented in writing or before Council (before Council if a public hearing is warranted), whether background checks had been conducted (yes), and if applications could be completed under the business owner's name noting that the application's manager was not listed as Mr. Myers. Council asked who is liable and Chief Wallace responded that the owners are responsible but managers do assume some liability. Lava Lounge is facing liquor control board issues regarding ownership and that the liquor control board hearing has been repeatedly delayed and is still pending. Chief Wallace noted that that nightclub licensing conditions need to be in place to ensure the club's accountability and patrons' safety. If the liquor control board revokes their liquor license, Chief Wallace may return to Council to seek termination of the nightclub license. If the club's present owners have their liquor license suspended, or if the business is sold, these conditions would be a good foundation for the next club. Nightclub license conditions allow the police department to work with club security and assist in security efficiency. Council asked about Mr. Youngsman's status and whether this is presently the most active club for police calls now, and Chief Wallace responded that the club is very busy and licensing conditions will help the police department.

Mr. Myers was asked to return to the podium in response to questions regarding his relationship to Mr. Youngsman and to the club's management. Mr. Myers said he was a long-time friend of Mr. Youngsman and had assumed club management six months ago noting that Mr. Youngsman is trying to purchase the business. 250 – 300 people are served on Friday and Saturday nights. Chief Wallace noted that the process allows a manager to make the application and that Mr. Youngsman is still employed as the club's manager. Terry Suzuki is the club's owner. Council discussion continued about smoking areas, that assault and disorderly conduct complaints are the major complaints, and that closure time would be better defined at 2:30 a.m. A correction to 5a of the conditions will change closing time from 4:00 a.m. to 2:30 a.m. Discussion continued about the fire sprinkler system and occupancy. Since the sprinkler contractor is waiting on full payment, the dance floor size has been reduced to remain in compliance (below the size which needs sprinklers). Once payment is received and the sprinklers are fully installed, the dance floor will increase to the application's original size.

**MOTION:** Councilmember Munns moved to approve and issue the nightclub license to Lava Lounge in accordance with Chapter 5.22 of the Oak Harbor Municipal Code, with the following conditions:

**The nightclub license-holder shall:**

- 1. Adhere to all laws, regulations, ordinances and zoning conditions of the State of Washington and the City of Oak Harbor applicable to the nightclub business located at 930 SE Pioneer Way, Oak Harbor, Washington.**
- 2. With the exception of ingress to and egress from the building, ensure that doors and windows remain closed at all times while any type of music or entertainment is playing.**
- 3. Fully shield all new and/or existing site and building mounted lighting so that light is directed downward and stays on-site.**
- 4. Ensure that the parking lot, sidewalk and the adjacent city park are swept clean of litter, daily by 6:00 a.m.**
- 5. Provide designated and visible security personnel and security measures sufficient to reduce the potential for illegal activity, noise violations or any other public health and safety violation as described in the Oak Harbor Municipal Code, inside and outside the business to include the parking lot and adjacent properties. This will include:
  - a. On Friday and Saturday nights, between the hours of 10:00 p.m. and 04:00 a.m. (changed to 2:30 a.m. per an amending motion), a minimum of four designated and visible security personnel will be on duty at the nightclub.**
  - b. Security shall also monitor the parking lot(s) and sidewalk areas of the nightclub between the hours of 01:30 a.m. and 02:30 a.m., to prevent or report to police, as appropriate, any potentially illegal activity occurring in the parking lots or visible in adjacent properties.**
  - c. The license-holder shall implement and enforce a ban policy, that****

- will ban patrons from the club, for a three month period, who:
- Engage in activities in the business and/or parking lot which either result in arrest or would constitute probable cause for arrest.
  - Create noise violations in the business and parking lot.
  - Loiter in the parking lot for more than ten minutes.
- d. The license-holder will provide the Oak Harbor Police Department with a copy of the list of banned patrons on a weekly basis.
  - e. The license-holder shall implement and enforce a policy which requires club employees to call the police, as soon as possible, when they witness potentially criminal activity in the business, in the parking lot, and adjacent to the club property.
6. Provide Oak Harbor Police Department monthly with a list of current security employees.
  7. On a monthly basis, provide OHPD with the current hours of operation at this location.
  8. Meet with the Chief of Police, or his designee, on a six-month basis, to review the efficacy of the conditions of this license in meeting the goals of the Nightclubs Ordinance, Ch. 5.22 OHMC. The Chief of Police shall submit an investigative report to the City Council at least annually to report upon the efficacy of the conditions of this license in preventing or mitigating the noise, traffic and public health and safety impacts of the nightclub. This investigative report shall lead to a City Council hearing pursuant to OHMC 5.22.090.
  9. The license-holder acknowledge that the Chief of Police or other city official may, pursuant to OHMC 5.22.090, submit an investigative report to the City Council at any time if, in that official's opinion, the license conditions have not been sufficient to mitigate the noise, traffic and public health and safety impacts of the nightclub. In the event that such report is submitted to the City Council, the license-holder may be subject to new or additional conditions as provided in OHMC 5.22.090.

Any violation of the above conditions, according to the Chief of Police of Oak Harbor, shall subject the license-holders to the penalties of Oak Harbor Municipal Code 5.22.065 and may subject the license-holders to license revocation per Oak Harbor Municipal Code Section 5.22.070.

The motion was seconded by Councilmember Severns.

**AMENDMENT TO THE ORIGINAL**

**MOTION:** Councilmember Almborg moved to amend the original motion to correct Condition 5a to show a closing time of 2:30 a.m.  
Councilmember Munns seconded the motion.

**VOTING ON THE AMENDMENT TO THE**

**ORIGINAL MOTION:** The amending motion carried unanimously.

## **VOTE ON THE ORIGINAL**

**MOTION: The original motion carried unanimously.**

### **Public Hearing and Nightclub License for Off the Hook**

Councilmember Severns was recused from this public hearing and presentation. Chief of Police Rick Wallace presented this agenda bill and application for Off the Hook. The applicant is Claude Johnston. Since no disqualifying restrictions prevent the issuance of a nightclub license to the applicant, the City Council determines what conditions should be imposed to mitigate noise, traffic and other similar public health and safety impacts on operation of Off the Hook. On March 19, 2010, Claude Johnston, owner of Off the Hook located at 880 SE Pioneer Way Oak Harbor, Washington, applied for a nightclub license. A temporary license was issued at the time of application as provided for in OHMC 5.22.040. It should be noted that Off the Hook is a follow-on business to TOCG's whose nightclub license was approved by Council action in January of 2010. TOCG's ceased operation in March of 2010. Since there is no current data for Off the Hook, information was provided for the nightclub application for TOCG's as well as the calls for service from January 1, 2010 through March 2010. From November 1, 2008 through October 31, 2009, there were thirty-two (32) calls for service at that address. Eight (8) of those calls have no significant bearing on this issue and should not be viewed as having a negative connotation towards the nightclub as these types of calls for police service could occur at any business or private residence. The twenty-four (24) remaining calls for service do pertain to the license conditions. Chief Wallace discussed each of the 24 calls noting that the noise complaint was unfounded (between 5:30 p.m. and 6:00 p.m.) and from the upstairs tenant. TOCG's was not in violation of Council's noise conditions regarding noise after 2:00 a.m.

Mayor Slowik opened the public hearing at 7:20 p.m.

**Mel Vance, P.O. 2882.** Mr. Vance did not think that Off the Hook has its own parking lot and instead patrons use on-street parking or the City's lot behind the establishment. Mr. Vance also felt that four security personnel would be more appropriate than two security personnel.

With no other public comments coming forth, Mayor Slowik closed the public hearing at 7:22 p.m.

### **Council Discussion**

Discussion followed about the low number of calls for police service, that this club is not as busy as other clubs, and that two security personnel would be sufficient. Discussion followed about the parking lot reference and that Chief Wallace referred to a lot further west. Ms. Jensen and Mr. Scelzi have made complaints about damage to their property and litter in this lot. The police department will work with this club, as the department has worked with other clubs to help alleviate these occurrences. Discussion also followed about changing the closing time reference from 2:00 to 2:30 a.m.

**MOTION:** Councilmember Dudley moved to approve and issue a nightclub license to Off the Hook with the following conditions and a correction to number 4 providing two security personnel until 2:30 a.m. instead of 2:00 a.m.:

The nightclub license-holder shall:

1. Adhere to all laws, regulations, ordinances and zoning conditions of the State of Washington and the City of Oak Harbor applicable to the nightclub business located at 880 SE Pioneer Way, Oak Harbor, Washington.
2. With the exception of ingress to and egress from the building, ensure that doors and windows remain closed at all times while any type of music or entertainment is playing.
3. Ensure that there is no smoking within twenty-five feet of any door or window located at 880 SE Pioneer Way Oak Harbor, Washington, as described in RCW 70.160.075.
4. Provide two designated and visible security personnel, between 10:00 p.m. and 02:00 a.m. (changed to 2:30 a.m. per the motion) on Fridays and Saturdays, and implement security measures sufficient to reduce the potential for illegal activity, noise violations or any other public health and safety violation as described in the Oak Harbor Municipal Code, inside and outside the business to include the front sidewalk and the adjacent properties.
5. The license-holder shall implement and enforce a ban policy, that will ban patrons from the club, for a three month period, who:
  - a. Engage in activities in the business and/or parking lot which either result in arrest or would constitute probable cause for arrest.
  - b. Create noise violations in the business and parking lot.
  - c. Loiter in the parking lot for more than ten minutes.
  - d. The license-holder will provide the Oak Harbor Police Department with a copy of the list of banned patrons on a weekly basis.
  - e. The license-holder shall implement and enforce a policy which requires club employees to call the police, as soon as possible, when they witness potentially criminal activity in the business, in the parking lot, and adjacent to the club property.

Any violation of the above conditions shall subject the license-holder to the penalties of Oak Harbor Municipal Code 5.22.065 and may subject the license-holder to license revocation per Oak Harbor Municipal Code Section 5.22.070 or revision of license conditions pursuant to OHMC 5.22.090.

**VOTE ON THE**

**MOTION:** The motion was seconded by Councilmember Palmer. Councilmembers AlMBERG, Campbell, Dudley, Palmer, Paggao, and Munns voted in favor of the motion. Councilmember Severns had recused. The motion carried.

Councilmember Severns returned to the meeting.

**Public Hearing – Interim Ordinance, Adult Entertainment Facilities Overlay Zone**  
Development Services Director Steve Powers presented this agenda bill which proposed two separate actions. The first was the adoption of a resolution which states the City's public hearing requirement on the interim ordinance has been satisfied. The second was the adoption of a revised interim ordinance. This agenda bill requested that the City Council conduct a public hearing on Ordinance 1572, the Interim Adult Entertainment Facilities Overlay Zone Ordinance adopted on March 23, 2010, approved on an emergency basis on March 23, 2010, and required that a public hearing be held within sixty (60) days of adoption. This agenda bill also presented amendments to the interim ordinance for Council's consideration.

Mayor Slowik opened the public hearing at 7:35 p.m. on the interim ordinance and on amendments to the interim ordinance.

**Barbara Cane, 925 Doyle Lane.** I understand that you cannot ban adult entertainment, but I recommend that you do adopt to move this type of business as far away from other businesses as you can.

**Mel Vance, P.O. 2882.** The amendments are good, but I ask that you include planned business parks and zoning which allows growth as the City grows, whether in the interim or final ordinance.

With no other comments coming forth, Mayor Slowik closed the public hearing at 7:40 p.m.

#### Council Discussion

Discussion followed about the positive amendments to the ordinance, what number is considered sufficient for number of sites (factors such as market demand, what is going on in similar locations – an application is not pending at this time), and the buffer expansion.

**MOTION:** Councilmember Dudley moved to adopt the resolution affirming the City of Oak Harbor's compliance with the public hearing requirements of RCW 36.70A.390 and referring the interim ordinance to the Planning Commission for review and recommendation. The motion was seconded by Councilmember Severns and carried unanimously.

**MOTION:** Councilmember Dudley moved to adopt the amended Interim Adult Entertainment Facilities Overlay Zone ordinance. The motion was seconded by Councilmember Palmer and carried unanimously.

#### **Final Consideration, Stormwater Management Ordinance OHMC 12.30**

City Engineer Eric Johnston presented this agenda bill noting a change to agenda packet page number 97, number 7 (12.30.010 (7) of the ordinance text. The proposed ordinance was introduced and a public hearing was opened during the February 16, 2010 City Council meeting. A motion was passed to continue the public hearing until the May 4, 2010 City Council meeting. The proposed code changes are required by the National Pollutant Discharge Elimination System (NPDES) Phase II Municipal

Stormwater permit issued to the City of Oak Harbor by the Washington State Department of Ecology. The NPDES permit requires the City of Oak Harbor to undertake a significant number of operational changes as well as policy and code changes in order to reduce or eliminate sources of pollution through the City stormwater drainage system. The regulations proposed will increase the City of Oak Harbor's effort to control, prevent, and clean up pollution of surface waters inside City limits. It is important to note that the NPDES permit is issued to the City as the governmental jurisdiction but that much of the content of the NPDES is directed towards the actions of private parties, businesses, developers and property owners with the City acting as the policing agent for the protection of water resources. The requirements for these changes are mandated by the NPDES permit with the intent being to minimize the damaging effects of stormwater. These and other changes to the City stormwater regulations are more stringent than similar regulations imposed by other jurisdictions in Island County. Comment letters and inquiries were received from the Skagit Island County Builders Association (SICBA). Staff discussed the issues raised with SICBA staff, however, there are no recommended changes to the ordinance. As the proposed ordinance is related to land development regulations, a review by the Washington State Department of Commerce (WADOC) and SEPA review was completed for consistency with the Growth Management Act. The WADOC and SEPA reviews were completed with no comments.

Mayor Slowik re-opened the public hearing at 7:50 p.m. but there were no comments so the public hearing was closed.

#### Council Discussion

Discussion followed about the City Engineer as director regarding administrative procedures and enforcement, discussion about fish-bearing streams and exempted bodies of water, discharge to the Sound, and the financial and economic impact of this ordinance. Discussion continued regarding system development charges (no provision for storm drains), affordable housing and fee waivers, car-washing, and that the intent of this ordinance is public education with an understanding of public impact and minimization of pollution impact. The City's Environmental Coordinator, Maribeth Crandell, has been instrumental in taking this message to the community. Discussion continued about staffing to implement the ordinance and the sequence of revisions to OHMC 12.30 beginning in 2008 with the formal adoption of DOE's 2005 Stormwater Management Manual.

**MOTION: Councilmember Palmer moved to adopt the ordinance amending Chapter 12.30 of the Oak Harbor Municipal Code entitled "Stormwater Management." The motion was seconded by Councilmember Paggao.**

**MOTION: Councilmember Almborg moved to recognize the revision to 12.30.010 (7) as presented. The motion was seconded by Councilmember Campbell.**

The revision would read: The City of Oak Harbor is an owner of a MS4 and is subject to the requirements of the NPDES Phase II municipal stormwater permit issued by the Department of Ecology.

**VOTE ON THE SECOND**

**MOTION:** The second motion carried unanimously.

**VOTE ON THE ORIGINAL**

**MOTION:** Councilmembers Almberg, Campbell, Munns, Paggao, Palmer, and Severns voted in favor of the original motion. Councilmember Dudley opposed. The original motion carried.

**42-Inch Outfall Reconstruction – Public Works Trust Fund Loan Application**

City Engineer Eric Johnston presented this agenda bill requesting approval of a loan application to the Public Works Trust Fund (PWTF) construction loan program for reconstruction of the 42-inch stormwater outfall in Windjammer Park. Mr. Johnston noted a change to the loan application amount: \$1,110,000 should be \$1,610,000. The current estimate for total project cost is \$1,910,000. There is a significant measure of uncertainty in acquiring funding from the PWTF for this project. Although outfall reconstruction is expected to score well in the application ranking process, the Washington State Legislature has not yet approved funding for this loan cycle. The application deadline is May 11, 2010. Mr. Johnston also noted that the \$500,000 DOE grant funds on page 9 of the PWTF loan application are not being requested so that raised the PWTF loan request to \$1,610,000.

Mayor Slowik asked City Administrator Schmidt to also talk about this loan application. Mr. Schmidt noted that the Association of Washington Cities and the Department of Commerce have urged cities to make application for these types of projects which then demonstrates to the legislature that the Public Works Trust Fund is important.

Mayor Slowik called for public comments but there were none.

**Council Discussion**

As a member of AWC's Board of Directors, Councilmember Munns also talked about AWC's strong encouragement to submit loan applications to the PWTF. Discussion continued regarding the \$500,000 which will not be included and if it could be submitted if PWTF grant monies are not obtained (there would be a significant gap between \$500,000 and the amount needed). Discussion continued about sending a Mayor's letter to our state senator and representatives asking for help toward speeding up this process. There was also question whether there is enough staff for both this project and the Pioneer Way Improvements project. There is an immediate need for two staff positions in the Engineering Department; a temporary administrative assistant has been hired. Project costs and engineering fees were discussed.

**MOTION:** Councilmember Paggao moved to approve submittal of a PWTF loan application in the amount of \$1,110,000. This motion was not seconded and died for lack of a second (the amount needed to be restated).

**MOTION:** Councilmember Paggao moved to approve submittal of a PWTF loan application in the amount of \$1,610,000 for reconstruction of the 42-inch outfall. The motion was seconded by Councilmember Palmer and carried unanimously.

**Agreement – IntoLight for Street Lights on Oak Harbor Street**

City Engineer Eric Johnston presented this agenda bill requesting authorization by resolution to enter into an installation and service agreement with IntoLight for installation and maintenance of new street lights on N. Oak Harbor Street as a sole source purchase. The costs are; \$133,743.15 for installation and \$524.65 per month (this amount was corrected to \$528.62) for energy and maintenance. The street lighting is part of the N. Oak Harbor Street Improvement Project and provides lighting from Whidbey Avenue through Crosby Avenue. The North Oak Harbor Street Improvement Project is intended to reconstruct and improve the street from Whidbey Avenue through Crosby Avenue. The existing street is substandard as an arterial street because it lacks shoulders, sidewalks, turn lanes, lighting and facilities compliant with the Americans with Disabilities Act. The improvement project will remedy these deficiencies; provide a center lane for left turns over the length of the project, and improve the form and function of the street to be consistent with a vital urban arterial street and City standards. The street lighting facilities included in this proposal are a key element of the N. Oak Harbor Street Improvement Project. In the City of Oak Harbor, most street lights are owned and maintained by IntoLight, a division of Puget Sound Energy. The City pays a monthly bill per light for both power costs and maintenance. For public street projects, the City contracts with a private construction company to install conduits, do the necessary trenching, and install the lighting bases in conjunction with the street improvements. Once the underground work is complete, IntoLight (PSE) will install the light poles and circuitry. A separate contract between IntoLight and the City is needed to install the lights and establish the monthly service charges. The contract and rates are established through the electrical rate tariffs approved by the Washington State Utilities Commission, WUTC. Puget Sound Energy, through IntoLight, is the only supplier capable of designing, installing, operating, maintaining and supplying power for street lights in the City of Oak Harbor. As the franchise holder for electrical power distribution, PSE has a natural monopoly for street lighting. Consequently, a sole source resolution authorizing the street lighting contract is required. Contracting with IntoLight for installation and maintenance of lighting facilities is the most reliable and efficient way to incorporate street lighting into this project.

Mayor Slowik called for public comments.

**Mel Vance, P.O. Box 2882.** Mr. Vance spoke with concern about PSE's monopoly but felt the rate was not extravagant. Mr. Vance asked that light pole solar panels be researched.

**Council Discussion**

It was noted that the agenda bill monthly charge was incorrect, but the correct amount of \$528.62 was shown in the resolution attachment and sole source agreement. Discussion followed about installation costs and if that could be done by other contractors (not with this agreement), that IntoLight is cost-effective if not cheaper and

does the design work at no cost, and if a pole is damaged, IntoLight can efficiently pull other poles for replacement. Discussion continued about the solar panels atop school zone flashing lights and their cost efficiency. Mr. Johnston did not have a source for solar panel sales for light standards in Washington, questions of cost and the rate of return on the investment; no immediate answer for this meeting. Discussion followed regarding whether these lights should have been brought forward when the street improvement project was started. Mr. Johnston noted that this was not a purposeful omission but this project has a higher number of lights than other projects and the cost level warranted Council's approval. The construction contract was let in March of this year. LED lights were discussed but will not be a part of this PSE/IntoLight project; LEDs will be used on Pioneer Way since pole configuration there will accommodate hanging baskets and alternative power sources; design elements that IntoLight would not work well with or allow. The Pioneer Way light standards will be owned by the City; the N. Oak Harbor light standards will be owned by PSE.

**MOTION: Councilmember Munns moved to adopt the sole source resolution. The motion was seconded by Councilmember Campbell and carried unanimously.**

**MOTION: Councilmember Munns moved to authorize the Mayor to sign a custom street lighting order and street lighting authorization letter obligating the City to a one time charge of \$133,743.15 and continuing monthly charges of \$528.62 for street lighting with the N. Oak Harbor Street Improvements. The motion was seconded by Councilmember Campbell and carried unanimously.**

Mayor Slowik called for a break at 8:40 p.m. and the meeting reconvened at 8:45 p.m.

#### **Contract, Legal Services – Pioneer Way Right-of-Way Acquisition**

City Attorney Margery Hite presented this agenda bill for a professional services agreement for legal services from the law firm of Langabeer and Tull, P.S. This follows Council's decision to take legal action to settle the City's title to the right-of-way for the Pioneer Way Improvement Project. The law firm will take the immediate legal actions necessary to secure the City's easement over the undedicated portions of sidewalk in the project area. As part of the Pioneer Way Improvement Project, attorney services are required to pursue the quiet title action for undedicated right-of-way on portions of the sidewalks along Pioneer Way. Under City code, the City Attorney may appoint other counsel when the City Attorney is unable to represent the City (OHMC 2.06.010). In this case, it is the immediate need for a dedication of significant number of hours of legal services that makes the City Attorney unable to represent the City on this matter. The City Attorney's office is staffed for the regular workload of the City in both criminal and civil matters. When civil litigation arises, however, the City Attorney's office is not ordinarily able to handle the normal workload as well as civil litigation since litigation requires meeting demanding court deadlines with immediate resources. Unlike other legal work, litigation demands cannot be managed to fit into the existing workload. The City Attorney's office selected a Bellingham law firm, specializing in land use and real property, with an expertise in municipal law – Langabeer and Tull, P.S. It was judged best not to seek the services of an Island County lawyer because of the large number of

property owners holding a property interest in the project; a local real property lawyer would be likely to have already represented one or the other of the potential defendants and would have a conflict of interest in representing the City. The billing rates for Langabeer and Tull, P.S. are competitive with other Whatcom County law firms doing municipal work and slightly less than comparable Island County law firm billing rates. Both are significantly less than rates for Seattle law firms with comparable expertise. The agreement caps the compensation for legal services at \$40,000.

Mayor Slowik called for public comments.

**Mel Vance, P.O. Box 2882.** Mr. Vance objected to the manner in which this is being pursued and felt the City should have talked to the property owners first; jumping to legal action is not exhibiting good customer service.

### Council Discussion

Discussion followed about cleaning up right-of-way issues as a positive move, the amount of the agreement and the Mayor's \$30,000, that quiet title allows the City to pursue this project, and that the property owners have been contacted and most are in agreement but some may wish to go to trial. Discussion continued regarding those who may not choose to accept quiet title and would then spend more contesting this action, and that this is not a hostile action; the City would be remiss if this action was not pursued. Discussion followed about the process for quiet title, possible misconceptions of what this means, and that the City needs proper title in order to move forward. City Attorney Hite also added that Mayor Slowik and City Administrator Schmidt will be personally talking to property owners as a follow-up to the mailed letters. Mayor Slowik noted that ninety percent of the property owners have been reached, no one has objected or accepted in this beginning phase, but property owners have been given advance notice. Discussion followed that it did not seem property owners have been given enough time to understand this action, that the City is assuming we will take legal action based on assumed rejections, and could there be more costs beyond the existing timeframe (yes). Continued discussion defended the City's actions in this matter. The City informed property owners in October, the City has paid for this investigation and property owners have not been charged, and that property owners have been treated fairly.

Mr. Schmidt noted that the appraiser told us in March that the City might have a prescriptive right. Last fall, the City had a specific schedule concerning right-of-way but this has now been changed to a prescriptive right. In reaching out to the property owners, it is a complicated issue, and we want to keep to the City's schedule. Mayor Slowik noted that the City did not want to use condemnation and condemnation was not discussed at the staff level. This is not a threat to property owners. Ms. Hite then talked again about quiet title, prescriptive easement – there is right-of-way that the public has maintained, and that most property owners agree that this is the case. Mayor Slowik added that that the public is the people of Oak Harbor who have been walking on those sidewalks. Discussion continued regarding how property owners were contacted, if the City would need to go to court since the property owners' response is not fully in place, how Langabeer and Tull will charge for legal fees, and that the City Attorney directs how these legal services will be used. The City is asking for an easement; maintenance and repair on these sidewalks will be the City's

responsibility. Discussion followed about the number of property owners (22) and that there are only slivers of property in the sidewalk right-of-way. If 21 of the 22 owners accept the \$1,290, and 1 does not, the City would still need to move this forward. Discussion returned to how the property owners were notified, if there could have been an all or nothing offer, and if the \$1,290 could be increased. Ms. Hite noted that the money spent on pre-trial information pinned down the City's prescriptive easement case and the work to date needed to be completed whether or not there was agreement; prescriptive easement needed to be pursued. Questions followed about the \$30,000 (has not been fully spent yet), and if combining Langabeer and Tull's \$40,000 with that \$30,000 would proffer more money for the property owners. Ms. Hite noted that the \$30,000 was used for the prescriptive easement information. Discussion returned to the City's offer and moving forward with legal action, if there could be a two-week delay to allow more time for the property owner's consideration, and that an engineering firm should not be troubled by a two-week delay.

**MOTION:** Councilmember Alberg moved to authorize the Mayor to sign the professional services agreement with Langabeer and Tull, P.S. The motion was seconded by Councilmember Munns.

**VOTE ON THE**

**MOTION:** Councilmember Alberg, Munns, Paggao, and Sevens voted in favor of the motion. Councilmembers Campbell, Dudley, and Palmer opposed. The motion carried.

**Ordinance Introduction – Council Standing Committees and Council Meetings**

City Attorney Margery Hite presented this proposed ordinance which was for introduction only. The ordinance amendment would formalize the rules relating to standing committees and establish regular public meeting dates. The rules relating to standing committees were discussed at the Council retreat on February 27, 2010, but no action was taken at that time. Since then, additional questions have been raised concerning the status of standing committee meetings. In addition to standing committees, the ordinance will also clarify that agenda items added by Council members shall be in the form of an action item. Since staff does not present Council-initiated agenda items, it is important for the Council member(s) to give notice of the action sought when the item is reached on the agenda. The proposed ordinance also updates the notice requirements in OHMC 1.04.020 to address electronic mail and use of the City's website. This item will be brought back for final consideration at the June 1, 2010 Council meeting to allow review through the current standing committee format during the month of May. No action was requested at this evening's meeting.

Mayor Slowik called for public comments.

**Mel Vance, P.O. Box 2882.** Mr. Vance spoke with concern about the loss of the City Council agenda as a display ad in the newspaper since some citizens only have that option. Mr. Vance was also concerned about ordinance standing committee dates and times and if any change would then require a future ordinance amendment. All Council members can now attend all standing committees.

### Council Discussion

Discussion followed about how Council would form an action to have a subject placed on the agenda, how the agenda is published in the newspaper (the summary agenda is deadlined to the paper by noon on Tuesday for publication on Wednesday), how to ask staff to research a subject if it is not necessarily an action item, and clarification by Ms. Hite that a standing committee date/time change can be done through a special meeting notice. Discussion continued regarding televising standing committee meetings with note that all meetings are open public meetings.

### **City Administrator's Comments**

City Administrator Schmidt talked about upcoming meeting dates and the utility rates workshop on May 27<sup>th</sup>, 6:00 p.m., at City Hall. Mr. Schmidt also talked about the MRSC website as a good reference regarding committees, and gave preliminary Whidbey Island Marathon statistics (hard copies were given to Council) and a potential profit of \$37,000; the City has met its obligation three years ahead of paying for the Marathon.

### **Council Members' Comments**

There were no standing committee reports since committees had not met since the last Council meeting. Councilmember Munns talked about County 2% funds, the AWC conference, the Mayor's exchange which Mayor Slowik attended in Sammamish, and the outstanding efforts, as lead by Scott Fraser, of the Oak Harbor High School culinary team – second in the nation. Councilmember Almberg talked about the ribbon-cutting for Mayor Point Trail and the beauty of this 3.5 mile no-bank waterfront trail. Staff was thanked for their hard work on this project. Councilmember Dudley talked about the recent Economic Development Commission annual membership luncheon noting that the economic outlook for Washington is very good.

### **Mayor's Comments**

Mayor Slowik talked about the Health Heroes assembly he had attended as a Board of Health member and the significance of these awards. Of the sixteen awards, a number of recipients were from Oak Harbor; notably OHPD Officer Jennifer Porter for her work in tobacco prevention, and Scott Fraser for his work with the OHHS culinary team.

### **ADJOURN**

With no further business coming before the Council, Mayor Slowik adjourned the meeting at 10:05 p.m.

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Connie T. Wheeler  
City Clerk

**City of Oak Harbor  
City Council Agenda Bill**

Bill No. 1  
Date: May 18, 2010  
Subject: Employee Recognitions

**FROM:** Jim Slowik, Mayor 

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

 Paul Schmidt, City Administrator  
 Doug Merriman, Finance Director  
 Margery Hite, City Attorney, as to form

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**PURPOSE**

To recognize City employees for 10 years of service or more.

**AUTHORITY**

It is the practice of the City to recognize dedicated employees who have completed 10 years or more of service.

**SUMMARY STATEMENT**

The Mayor and City Council will recognize the following employees for their years of service with the City:

- Steve McCalmont / Fire Department with 10 years of service
- Dean Faris / Fire Department with 25 years of service

**STANDING COMMITTEE REPORT**

None

**RECOMMENDED ACTION**

Congratulate Mr. McCalmont and Mr. Faris for their years of service.

**ATTACHMENTS**

None

**MAYOR'S COMMENTS**

None

**City of Oak Harbor  
City Council Agenda Bill**

Bill No. 2

Date: may 18, 2010

Subject: PUBLIC COMMENTS

FROM: Jim Slowik, Mayor

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:

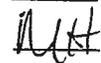


Jim Slowik, Mayor

Paul Schmidt, City Administrator



Doug Merriman, Finance Director



Margery Hite, City Attorney

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**SUMMARY STATEMENT**

City Council will accept public comments for items not otherwise on the agenda for the first 15 minutes of the Council meeting. You may also speak to any of the consent agenda items.

**City of Oak Harbor  
City Council Agenda Bill**

Bill No.

d/A 3A

Date:

May 18, 2010

Subject:

Excused Absence Request  
Councilmember Scott Dudley

FROM: Jim Slowik  
Mayor

**INITIALED AS APPROVED FOR  
SUBMITTAL TO THE COUNCIL BY:**

PS Paul Schmidt, City Administrator  
DM Doug Merriman, Finance Director  
MH Margery Hite, City Attorney as to form

**PURPOSE**

The purpose of this agenda bill is to present and approve Councilmember Scott Dudley's excused absence request for the Wednesday, August 4, 2010 City Council meeting. Pursuant to OHMC 1.04.010 (3), City Council meets on Wednesday following National Night Out in August.

**AUTHORITY**

Per RCW 35A.12.060: ...*A council position shall become vacant if the councilmember fails to attend three consecutive regular meetings of the council without being excused by the council.*

**SUMMARY STATEMENT**

Councilmember Dudley has submitted an excused absence request since he will not be able to attend the August 4, 2010 City Council meeting.

**STANDING COMMITTEE REPORT**

N/A

**RECOMMENDED ACTION**

Approve Councilmember Dudley's excused absence from the August 4, 2010 City Council meeting.

**ATTACHMENTS**

None

**MAYOR'S COMMENTS**

**City of Oak Harbor  
City Council Agenda Bill**

Agenda Bill No. C/A 3B

Date: May 18, 2010

Subject: Noise Permit – Kiwanis Club –  
Beachcomber's Bazaar

FROM: Paul Schmidt, City Administrator 

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:



Jim Slowik, Mayor

Doug Merriman, Finance Director

Margery Hite, City Attorney, as to form

**PURPOSE**

The purpose of this agenda bill is to forward to City Council for review and approval a Noise Permit request received from the Kiwanis Club of Oak Harbor for amplified sound associated with the Beachcomber's Bazaar.

**AUTHORIZATION:**

Oak Harbor Municipal Code (OHMC) 5.50.040(3)(g) provisions relating to Special Events requires compliance with noise ordinance regulations and laws. OHMC 6.56.030(2)(a) requires Council approval for a noise permit for sound amplification. As this event will include amplified sound, Council approval is required.

The City Council may grant a Noise Permit to deviate from the provisions of OHMC 6.56.030 if it is determined the activity and associated noise: 1) will not disregard the rights of others, or; 2) is temporary, or; 3) the activity creating the noise constitutes a program of a temporary nature for the benefit of the entire municipality or for the benefit of a charitable purpose.

**SUMMARY STATEMENT:**

The Kiwanis Club of Oak Harbor has submitted a Noise Permit request for amplified sound associated with the Beachcomber's Bazaar event scheduled for Saturday, June 19, 2010 from 9:00 a.m. to 3:00 p.m. The amplified sound will consist of a PA system and speakers for music and announcements.

The Application was reviewed by Fire, Police, and Public Works Departments. No conditions of approval were requested.

**STANDING COMMITTEE REVIEW:**

Not required.

**RECOMMENDED ACTION:**

Grant a noise permit for amplified sound to the Kiwanis Club of Oak Harbor for the Beachcomber's Bazaar.

**ATTACHMENTS:**

Noise Permit.

**MAYOR'S COMMENTS:**

Noise Permit -Kiwanis Club  
Agenda Bill - 2

# ***CITY OF OAK HARBOR***

## ***NOISE PERMIT***

Name of Organization: Kiwanis Club of Oak Harbor  
Beachcomber's Bazaar

Location of Event: Windjammer Park Gazebo and  
surrounding area

Date of Event: Saturday, June 19, 2010

Hours of Operation: 9:00 a.m. to 3:00 p.m.

Permitted Noise: Amplified sound for microphone,  
speakers and music

Approval Conditions: None

Date of City Council  
Approval:

Issued this day of , 2010.

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Karen Crouch, Special Events Coordinator

***This Noise Permit is limited to the date and time specified.***

***Please post this notice on site***

# City of Oak Harbor City Council Agenda Bill

Agenda Bill No. C/A 3C  
Date: May 18, 2010  
Subject: Noise Permit – Living Word

FROM: Paul Schmidt, City Administrator 

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:

  
JS

Jim Slowik, Mayor

Doug Merriman, Finance Director

Margery Hite, City Attorney, as to form

## PURPOSE

The purpose of this agenda bill is to forward to City Council for review and approval a Noise Permit request received from Living Word for amplified sound associated with a church event entitled "Summer Deployment 2010".

## AUTHORIZATION:

Oak Harbor Municipal Code (OHMC) 5.50.040(3)(g) provisions relating to Special Events requires compliance with noise ordinance regulations and laws. OHMC 6.56.030(2)(a) requires Council approval for a noise permit for sound amplification. As this event will include amplified sound, Council approval is required.

The City Council may grant a Noise Permit to deviate from the provisions of OHMC 6.56.030 if it is determined the activity and associated noise: 1) will not disregard the rights of others, or; 2) is temporary, or; 3) the activity creating the noise constitutes a program of a temporary nature for the benefit of the entire municipality or for the benefit of a charitable purpose.

## SUMMARY STATEMENT:

Living Word has submitted a Noise Permit request for amplified sound associated with a church camp event entitled "Summer Deployment 2010". The event will take place between June 21 -24<sup>th</sup>, 2010 from 1 p.m. – 5:30 p.m. The amplified sound will consist of a PA system and speakers for singing and music.

The Application was reviewed by Fire, Police, and Public Works Departments. The Parks Department requested the speakers be faced away from the camp ground area.

## STANDING COMMITTEE REVIEW:

Not required.

**RECOMMENDED ACTION:**

Grant a noise permit for amplified sound to Living Word.

**ATTACHMENTS:**

Noise Permit.

**MAYOR'S COMMENTS:**

Noise Permit – Living Word  
Agenda Bill - 2

# ***CITY OF OAK HARBOR***

## ***NOISE PERMIT***

Name of Organization: Living Word

Location of Event: Windjammer Park Gazebo and surrounding area

Date of Event: June 21 – 24, 2010

Hours of Operation: 1:00 p.m. to 5:30 p.m.

Permitted Noise: PA system and speakers for singing and music.

Approval Conditions: Please face speakers away from campground.

Date of City Council  
Approval:

Issued this day of , 2010.

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Karen Crouch, Special Events Coordinator

***This Noise Permit is limited to the date and time specified.***

***Please post this notice on site***

# City of Oak Harbor City Council Agenda Bill

Agenda Bill No. d/A 3D

Date: May 18, 2010

Subject: Noise Permit – Christ the King  
Community Church

FROM: Paul Schmidt, City Administrator 

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:



Jim Slowik, Mayor

Doug Merriman, Finance Director

Margery Hite, City Attorney, as to form

## PURPOSE

The purpose of this agenda bill is to forward to City Council for review and approval a Noise Permit request received from Christ the King Community Church for amplified sound associated with an outdoor worship service and potluck.

## AUTHORIZATION:

Oak Harbor Municipal Code (OHMC) 5.50.040(3)(g) provisions relating to Special Events requires compliance with noise ordinance regulations and laws. OHMC 6.56.030(2)(a) requires Council approval for a noise permit for sound amplification. As this event will include amplified sound, Council approval is required.

The City Council may grant a Noise Permit to deviate from the provisions of OHMC 6.56.030 if it is determined the activity and associated noise: 1) will not disregard the rights of others, or; 2) is temporary, or; 3) the activity creating the noise constitutes a program of a temporary nature for the benefit of the entire municipality or for the benefit of a charitable purpose.

## SUMMARY STATEMENT:

Christ the King Community Church has submitted a Noise Permit request for amplified sound associated with an outdoor worship service and potluck event scheduled for Sunday, July 4, 2010 from 9:00 a.m. to noon at Catalina Park across from the Marina. The amplified sound will consist of a PA system and speakers for a live worship band and message.

The Application was reviewed by Fire, Police, and Public Works Departments. No conditions of approval were requested.

## STANDING COMMITTEE REVIEW:

Not required.

**RECOMMENDED ACTION:**

Grant a noise permit for amplified sound to Christ the King Community Church.

**ATTACHMENTS:**

Noise Permit.

**MAYOR'S COMMENTS:**

# ***CITY OF OAK HARBOR***

## ***NOISE PERMIT***

Name of Organization: Christ the King Community Church

Location of Event: Catalina Park (Marina) and surrounding area

Date of Event: Sunday, July 4, 2010

Hours of Operation: 8:00 a.m. to Noon

Permitted Noise: Amplified sound for microphone, speakers and music for live worship band

Approval Conditions: None

Date of City Council Approval:

Issued this day of , 2010.

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Karen Crouch, Special Events Coordinator

***This Noise Permit is limited to the date and time specified.***

***Please post this notice on site***

**City of Oak Harbor  
City Council Agenda Bill**

Bill No. 4  
Date: May 18, 2010  
Subject: North Whidbey Enterprise  
Area Annexation Ordinance

**FROM:** Steve Powers, Development Services Director *RSP*

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

*[Handwritten initials]* Jim Slowik, Mayor  
*[Handwritten initials]* Paul Schmidt, City Administrator  
*[Handwritten initials]* Doug Merriman, Finance Director  
*[Handwritten initials]* Margery Hite, City Attorney, as to form

**PURPOSE**

This agenda bill introduces a proposed ordinance which offers incentives for properties located in the North Whidbey Enterprise Area to annex. These incentives are contained in a new chapter (18.25) of the Municipal Code. Additionally, the ordinance adds a new Chapter 14.03 restricting sewer service outside of city limits to emergency situations (septic failure) and repeals Chapter 14.25.

**AUTHORITY**

RCW 35.18.160 gives City Council the authority to adopt ordinances and resolutions.

**BACKGROUND**

In 1995, the City and the County jointly adopted the "North Whidbey Community Diversification Action Plan" ("The Action Plan"). The Action Plan was an economic development strategy which designated the North Whidbey Enterprise Area for future employment growth. In addition, the Action Plan also recommended extending city services (sewer, roads, etc.) to areas outside of the city boundary but within the UGA for economic development purposes. Subsequently, the Action Plan became the foundation for the Economic Development goals and policies of the City's Comprehensive Plan. In 2002, the City and the County jointly adopted the Interlocal Agreement which established development/zoning standards for the unincorporated portions of the UGA including for the North Whidbey Enterprise Area. The Interlocal Agreement put policies in place encouraging "timely and orderly" annexation of the UGA. The City recently completed a sewer line and pump station in Goldie Road.

**DISCUSSION**

**The Proposed Code**

The City has already taken the first step toward eliminating barriers to economic development in the North Whidbey Enterprise Area by extending services outside the City boundary in the form of a sewer main and pump station in Goldie Road. The proposed "North Whidbey Enterprise

incentives for annexation. The proposed ordinance sets up two main incentives for annexation:

- A waiver of annexation application fees. The standard fee to file an annexation application is \$2,137 plus \$142 per acre. Waiver of this fee for non-residential properties within North Whidbey Enterprise Area represents a substantial incentive for property owners.
- Cost recovery for Goldie Road sewer. Typically, the City uses what are called “special connection fees” to recover the cost of capital projects from benefiting properties. The incentives ordinance will not pursue cost recovery from properties within the annexation area.

As previously mentioned, the Action Plan recommended extending services outside the city boundary for the purposes of economic development. Now that the sewer main and pump station in Goldie Road are complete, Chapter 14.25 OHMC pertaining to extension of sewer outside city limits for economic development purposes is no longer necessary. Thus, the proposed ordinance repeals that chapter of the code. Recognizing that emergency connections to the sewer are sometimes necessary, new language is added to Chapter 14.03 allowing sewer extensions outside of the city limits and prior to annexation *only* when septic system failure occurs. Even when sewer has been extended for septic failure, property owners will be required to sign a waiver of protest agreement to facilitate eventual annexation.

#### *The Fiscal Impact Analysis*

In the process of drafting the incentives ordinance, staff completed a Fiscal Impact Analysis case study. The Fiscal Impact Analysis case study is for a specific group of properties within the North Whidbey Enterprise Area known as the “Goldie Road Annexation Area.” Its purpose is to assess the risk/benefit the City will be taking from the proposed annexation. The analysis looked at the revenues and costs the City is projected to incur from annexation and/or development of the Goldie Road Annexation Area under two scenarios:

1. No new development after annexation. The first scenario looked at the revenues and costs to the City if annexation occurs, but no new development happens after annexation. This can be considered the “worst-case” scenario. However, even in this scenario the Fiscal Impact Analysis projects that the City will experience net revenues (positive fiscal impacts) from annexation.
2. A “reasonable” level of development occurs after annexation. The second scenario looked at the likely fiscal impacts if a “reasonable” level of development occurs after annexation. A “reasonable” level of development was defined to be development consistent with what has already occurred on developed parcels within the North Whidbey Enterprise Area. The Fiscal Impact Analysis predicted net revenues in this scenario, as well.

The Fiscal Impact Analysis predicts that the City is likely (but not certain) to experience increased revenues from annexation of the Goldie Road Annexation Area. The conclusions of the Fiscal Impact Analysis are limited to the Goldie Road Annexation Area. Nevertheless, the subject fiscal analysis is a positive indicator of what the City may encounter with future properties to be annexed in the North Whidbey Enterprise Area. Additionally, the City can require all future annexations within the North Whidbey Enterprise Area to complete a fiscal

require all future annexations within the North Whidbey Enterprise Area to complete a fiscal impact analysis to assess the level of risk associated with specific properties. For further detail and explanation, please see the Fiscal Impact Analysis in Attachment B.

**STANDING COMMITTEE REPORT**

The Public Works Standing Committee was briefed on this agenda item on May 6, 2010. The Governmental Services Standing Committee was briefed on this agenda item on May 11, 2010.

**RECOMMENDED ACTION**

Adopt the 'North Whidbey Enterprise Area Annexation Incentives' ordinance.

**ATTACHMENTS**

- Attachment A. Ordinance
- Attachment B. "Draft Fiscal Analysis for the Goldie Road Annexation Area."

**MAYOR'S COMMENTS**

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE ADOPTING A NEW CHAPTER 18.25 OF THE OAK HARBOR MUNICIPAL CODE ENTITLED "NORTH WHIDBEY ENTERPRISE AREA ANNEXATION INCENTIVES" ESTABLISHING ANNEXATION INCENTIVES FOR PROPERTIES LOCATED WITHIN THE NORTH WHIDBEY ENTERPRISE AREA AND AMENDING CHAPTER 14.03 "SEWER CONNECTION" AND REPEALING CHAPTER 14.25 "SEWER SERVICE BEYOND CITY LIMITS."

WHEREAS, the northern portion of the City of Oak Harbor's Urban Growth Area is designated "Planned Industrial Park" (PIP), "Industrial," "Community Commercial," and "Planned Business Park (PBP)" by the City's Future Land Use Map and;

WHEREAS, the "North Whidbey Enterprise Area" is located within the northern portion of the City's UGA and has been identified as an area appropriate for the creation of employment opportunities according to the North Whidbey Diversification and Action Plan and the City's Comprehensive Plan and;

WHEREAS, the City and County have jointly adopted the "Interlocal Agreement" which encourages timely and orderly annexation of lands within the City's UGA subject to the City's ability to provide services and;

WHEREAS, land within the North Whidbey Enterprise Area abuts industrial and commercial land within the City and;

WHEREAS, the City of Oak Harbor acknowledges that its Comprehensive Plan in land use goal 12; urban growth policy 5(d); economic development policy 5(d); and utility element policies 1(b), 1(i), 1(m); encourage annexation, logical extension and financing of utilities for the purpose of economic development of the North Whidbey Enterprise Area and;

WHEREAS, a sewer trunk line, force main, and pump station were recently constructed in Goldie Road north to Ault Field Road and;

WHEREAS, a fiscal analysis of costs and revenues has shown that annexation of a portion of the North Whidbey Enterprise Area at this time is likely to result in surplus revenue for the City and;

WHEREAS, annexation is the first step toward economic development of the North Whidbey Enterprise Area in compliance with the above stated policies; and

WHEREAS, the establishment of certain incentives will facilitate the annexation process.

NOW, THEREFORE

THE CITY COUNCIL OF THE CITY OF OAK HARBOR do ordain as follows:

**Section One.** The table of contents of Title 18 of the Oak Harbor Municipal Code last amended by Ordinance 1542 in 2008 is hereby amended to read as follows:

**Title 18**

**PLANNING**

**Chapters:**

<b>18.04</b>	<b>Planning Commission</b>
<b>18.08</b>	<b>General Provisions</b>
<b>18.10</b>	<b>Comprehensive Plan</b>
<b>18.20</b>	<b>Permit Process</b>
<b>18.21</b>	<b>Public Notice – Applicant Self Post</b>
<b>18.25</b>	<b><u>North Whidbey Enterprise Area Annexation Incentives</u></b>
<b>18.30</b>	<b>Development Agreements</b>
<b>18.35</b>	<b>Water and Sewer Facilities Reimbursement Agreements</b>
<b>18.40</b>	<b>Hearing Examiner</b>
<b>18.60</b>	<b>Utility System Development Charge</b>

**Section Two:** A new Chapter 18.25 is hereby adopted to read as follows:

**Chapter 18.25**

**NORTH WHIDBEY ENTERPRISE AREA ANNEXATION INCENTIVES**

**Sections:**

<b><u>18.25.010</u></b>	<b><u>Purpose.</u></b>
<b><u>18.25.020</u></b>	<b><u>Applicability.</u></b>
<b><u>18.25.030</u></b>	<b><u>Annexation Incentives.</u></b>

**18.25.010 Purpose.**

The purpose of this chapter is to encourage timely and orderly annexation of properties within the North Whidbey Enterprise Area in accordance with the City of Oak Harbor Comprehensive Plan, Interlocal Agreement Between Island County and the City of Oak Harbor, and the North Whidbey Community Economic Diversification Action Plan for the purposes of economic development and enhancement of commercially zoned property within the city limits. To further this objective, this chapter establishes incentives available to properties within the North Whidbey Enterprise Area to annex to the City of Oak Harbor.

**18.25.020 Applicability.**

This chapter applies to the area known as the “North Whidbey Enterprise Area” within the boundaries shown on Exhibit A attached to this ordinance and available at the City

Clerk's Office.

**18.25.030 Annexation Incentives.**

The city hereby establishes the following incentives for annexation of properties within the North Whidbey Enterprise Area:

- (1) Annexation application fees. There shall be no fee to file an annexation application for properties within the North Whidbey Enterprise Area. This incentive shall be available for a period of five years following the adoption of this ordinance after which it shall expire.
- (2) Sewer connection fees. The City will not seek to recover the construction cost of the Goldie Road Sewer Project (Engineering Project No. 06-50) from annexing properties. Sewer system development charges shall continue to be charged and shall not be waived.
- (3) City assistance. The city may provide administrative assistance in the processing and filing of annexation petitions if such assistance is requested by the property owner(s).

**Section Three.** The table of contents of Chapter 14.03 of the Oak Harbor Municipal Code last amended by Ordinance 1521 in 2007 is hereby amended as follows:

**Chapter 14.03**

**SEWER CONNECTION**

**Sections:**

**Article I. Mandatory Connection**

- 14.03.010 Policy.**
- 14.03.020 Mandatory connections.**
- 14.03.030 Forced sewer connections.**
- 14.03.040 Forced sewer connection – Alternative procedure.**
- 14.03.050 Forced cleaning or repair – Reimbursement.**
- 14.03.060 Sanitary sewer system connection – Exceptions – Septic systems.**
- 14.03.061 Mandated connection by grinder pump – When required.**
- 14.03.070 Mandatory extension along public way.**
- 14.03.080 Sewer Service Beyond City Limits**

**Article II. Permits for Connection**

- 14.03.110 Policy.**
- 14.03.120 Permit – Bond – Insurance.**
- 14.03.130 Types of work for which a permit is required.**
- 14.03.140 Application for permit.**
- 14.03.150 Permit fees.**
- 14.03.160 Approved plans required.**
- 14.03.170 Work subject to inspection and approval.**
- 14.03.180 Written notice required – Inspection prior to re-covering.**
- 14.03.190 Engineer authorized to enter premises.**

**Article III. Standards for Sewer Lines and Connections**

- 14.03.210 Policy.**

- 14.03.230 Standard for construction.
- 14.03.240 Private sewers – Special requirements.
- 14.03.250 Grease traps, interceptors and other pretreatment devices.
- 14.03.260 Prohibited connections – Septic systems, etc.
- 14.03.270 Prohibited connection – Water drains.
- 14.03.280 Additional standards.
- 14.03.290 Variances from standards.
- Article IV. Penalties – Administration
- 14.03.310 Generally.
- 14.03.320 Administrative remedies.
- 14.03.330 Penalties.
- 14.03.340 Public nuisance.

**Section Four.** A new subsection 14.03.080 is hereby added to Chapter 14.03 to read as follows:

**14.03.080 Sewer Service Beyond City Limits.**

State law generally precludes extension of sewer outside of the urban growth area. It is the policy of the city that sewer service will be provided only to properties located within the city limits. The city acknowledges that in certain emergency situations properties located within the urban growth area may need to be connected to the sanitary sewer in advance of annexation. In the event of such an emergency, the following rules will be followed in allowing service connections to the city sewer system:

- (1) Emergency sanitary sewer service to pre-existing habitable residential uses within the UGA may be provided, but shall only be for the same density, intensity, number of units, or land use legally permitted and present at the time of septic, district or other system failure. No emergency wastewater sewer service may be provided to pre-existing habitable residential uses in noise zones which are impacted by noise at or above 75 decibels (db) average annual day-night weighted sound level (Ldn or DNL) (within Noise Subdistrict C).
- (2) Emergency sanitary sewer service to pre-existing commercial and industrial uses within the UGA may be provided, but shall only be for the same building coverage, or land use legally permitted and present at the time of septic, district or other system failure.
- (3) Requirement for annexation. Prior to a sewer service connection being authorized by the city outside of city limits, the owners of the property to be served shall sign a 'waiver of protest agreement' waiving all rights to protest against future annexation efforts and authorizing the city to have power of attorney to sign a petition for annexation and to carry out such other additional steps as are necessary to complete annexation.
- (4) Rates. Rates for sewer service outside of the city shall be one hundred fifty percent (150%) of the rates for sewer services within the city.

**Section Six.** Chapter 14.25 of the Oak Harbor Municipal Code last amended by Ordinance 1244 in 2001 is hereby repealed in its entirety:

**Section Seven. Severability and Savings Clause**

- (1) If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances is not affected.
- (2) Deletion or amendment of provisions from the Oak Harbor Municipal Code shall not terminate any obligation to the City already vested or incurred thereunder.

**Section Six. Effective Date.** This Ordinance shall be in full force and effect (5) five days after its publication as required by law.

PASSED by the City Council this \_\_\_ day of \_\_\_\_\_ 2010.

CITY OF OAK HARBOR

Approved ( ) \_\_\_\_\_  
Vetoed ( ) Jim Slowik, Mayor

\_\_\_\_\_  
Date

ATTEST:

Approved as to Form:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney

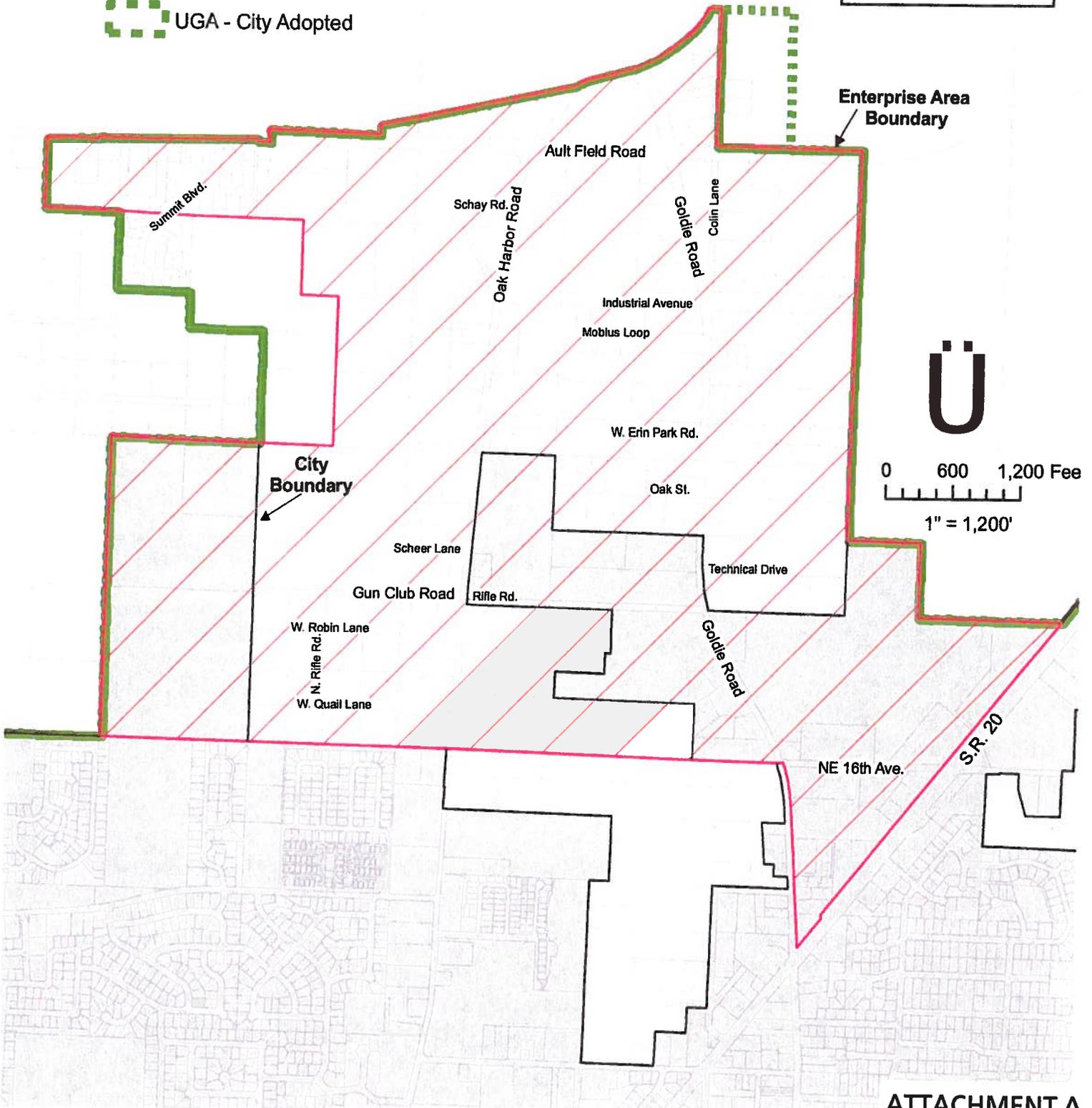
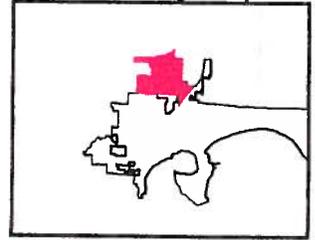
Published: \_\_\_\_\_

# EXHIBIT A NORTH WHIDBEY ENTERPRISE AREA

## Legend

-  Enterprise Area
-  City Limits
-  UGA - County Adopted
-  UGA - City Adopted

## Proximity Map



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# Memo

To: Mayor and City Council Members  
From: Steve Powers, Development Services Director and Ethan Spoo, Senior Planner  
Cc: Paul Schmidt, City Administrator  
Date: 5/13/2010  
Re: Fiscal Analysis for the Goldie Road Annexation Area

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## INTRODUCTION

The City received a petition to annex property for an area that lies east of Goldie Road, north of Technical Drive and south of Ault Field Road. This memorandum looks at fiscal impacts to the City of this proposed annexation under two scenarios: (1) no new development occurs and (2) a reasonable level of development. Each of those scenarios and its corresponding effect on the City's budget is discussed in this memorandum.

### What is Fiscal Analysis?

Properties within City boundaries receive City services, such as police, fire, planning, streets, water, sewer, and storm drainage, to name a few. These services cost money to provide. These same properties generate revenue to the City through taxes and fees. Every potential annexation is different in that it generates a unique demand for services and revenues to local government depending upon the type (residential, commercial, industrial) and quantity of development proposed. Some properties require more police services, some require less; some generate more property tax revenue and some generate less. Fiscal analysis compares the costs and revenues to a city of a certain policy choice. In this case, the policy choice in question is annexation of the Goldie Road area shown on the accompanying map in Exhibit 1.

Fiscal analysis looks at the *direct* cost and revenue impacts to the City, which are the projected changes to the City's budget. It does not look at *indirect* impacts from job creation, or money which flows into the local economy from annexation and/or development of the annexed property. If an annexed property generates new property taxes which would not have been present before annexation, that is a fiscal impact. If new jobs are created in the annexation area through development, and the workers in those new jobs spend money at Oak Harbor businesses, which then generates additional sales taxes to the City, that is an indirect impact to the City's revenues and is not accounted for here.

### Project Assumptions

Many assumptions go into a fiscal analysis. These assumptions must be made because fiscal analysis is a prediction about the future. The prediction is based upon reasonable assumptions about City services, how those services will be used, and how much services will cost. On the revenue side,

assumptions focus on the value of property for calculating property taxes, how much money will be generated from utility fees (stormwater, water, sewer), and how much will be generated in sales taxes. Each of the costs and revenues is affected by the amount of development that happens after annexation. This section outlines some of the more important and basic assumptions for the analysis:

- **Timeframe.** The analysis looks at fiscal impacts from 2010 through 2030. We assume that annexation occurs in June of 2010, at which point the City becomes responsible for providing most services to the property.
- **Development Scenarios.** The analysis looks at fiscal impacts under two scenarios: (1) no new development after annexation and (2) a reasonable level of development after annexation. Under Scenario 1, there is currently 303,570 square feet of buildings within the annexation area, this would not change over the 20-year study period. Scenario 1 is a worst-case scenario; it helps answer the question "what would happen to the City's budget if annexation occurred, but no development happened?"

In Scenario 2, we assume vacant land within the annexation area will redevelop. To project how much development might occur, we looked at already developed parcels within the annexation area and found that these developed parcels have a floor area ratio (FAR) of 0.24, meaning the building area is 24% of the size of the parcel. We assumed that the undeveloped parcels in the annexation area would also develop to an FAR of 0.24, for a total of 1.25 million square feet of buildings when construction is complete.

- **Inflation.** Most fiscal analyses remove inflation from the equation. This fiscal analysis does the same. All dollar figures expressed in this analysis are 2010 dollars.
- **Conservative projections.** This fiscal analysis attempts to be conservative. That is, it errs on the side of overestimating costs and underestimating revenues.

The above assumptions are used throughout the analysis. Assumptions specific to each cost and revenue are discussed below in the "Fiscal Analysis" section of this memorandum.

## **FISCAL ANALYSIS**

This section of the memorandum discusses each of the revenues and costs that were considered in the analysis. The memorandum first discusses revenues, then costs and finally compares the two in a "Results" section. For each individual revenue and cost, there is: a description of the revenue or cost, key assumptions, and graphs showing the amount of each revenue and cost we expect to see for each year of the analysis.

### **Revenues**

This analysis focuses on the most significant sources of revenue to the City. We determined these revenues to be (1) property taxes, (2) sales taxes (3) utility taxes (4) real estate excise taxes and (6) building permit revenues. Other revenue sources exist, such as transportation impact fees and land use fees, but were not included because they were not determined to be large enough sources of revenue to include.

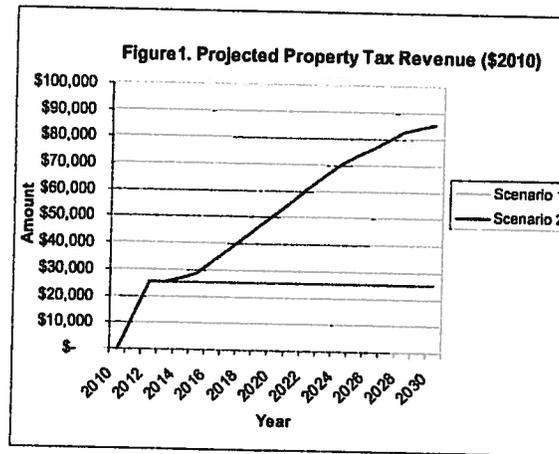
#### ***Property Taxes***

Property taxes are collected on the total value of a property which includes the land and structures on it. The County Assessor collects property taxes twice each year (April and October) and then distributes these tax revenues back to the City of Oak Harbor. Property tax collections generally lag assessed values by one year. That is, the property taxes collected in 2010 are based upon the assessed value of property in 2009. The City's property tax rate, including voter approved levies, is currently \$2.13/\$1,000

of assessed value until 2011, when the only voter approved levy will expire. In 2011, the City's consolidated tax rate will drop to \$2.00/\$1,000 of assessed value.

The fiscal analysis projected the assessed value of property in each year from 2010 – 2030, then applied the consolidated levy rate to this value to project the amount of property tax that would be received from properties in the annexation area. In Scenario 1, the property value stays the same (in \$2010), because there is no new development. In Scenario 2, the property values grow as new development occurs. Since annexation does not happen until June 2010, only a half year of property tax revenues would be received in 2011.

Figure 1 shows the projected property tax revenues to the City in each scenario from 2010 – 2030.

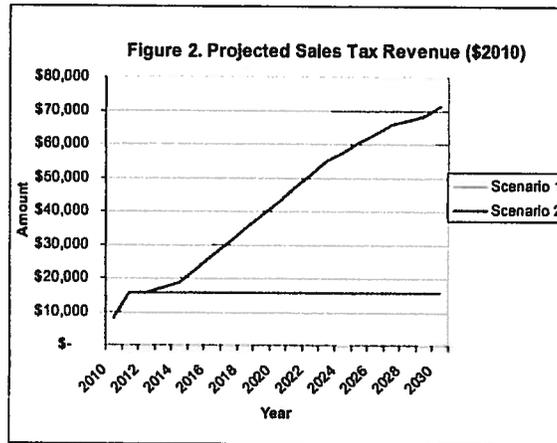


### Sales Taxes

Sales taxes are collected on the gross receipts of all businesses in Washington. The State sales tax rate for 2010 is 6.5%. City's in Washington are authorized to charge up to 0.85% sales tax; Oak Harbor charges all of that rate.<sup>1</sup>

To estimate the amount of sales tax that might be generated from businesses within the annexation area, staff collected data on the amount of sales tax generated by the existing businesses within the annexation area. The model then assumed that the average sales tax receipts per square foot of building from 2006 – 2008, would remain the same into the future. These businesses have averaged \$0.06 of sales tax revenue to the City per square foot of building. In Scenario 1, no new development occurs, so the sales tax revenues from these businesses remains flat over the 20-year study period. In Scenario 2, these sales tax revenues grow as new buildings come on-line within the annexation area, as shown in the figure below.

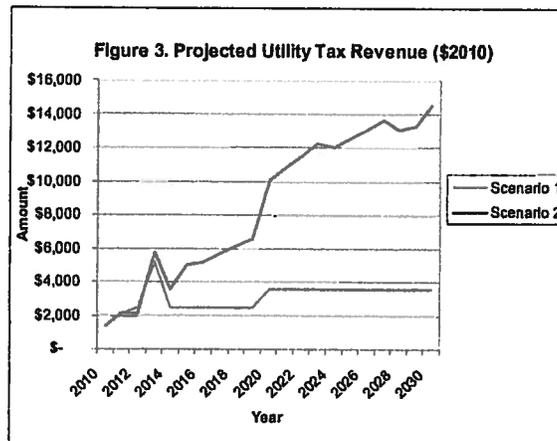
<sup>1</sup> A Revenue Guide for Washington Cities and Towns "Municipal Research and Services Center, report No. 46 Revised, June 2009, page 15.



**Utility Taxes**

Utility taxes are levied by cities on the gross operating revenues of utilities within Oak Harbor's City boundaries.<sup>2</sup> Oak Harbor charges a rate of 6.25% which applies to the water, sewer, solid waste, electric, telephone and natural gas utilities. A rate of 6.0% applies to the storm drain utility. The water, sewer, solid waste and storm drain utilities are City-owned, and therefore, Oak Harbor taxes its own proceeds.

This fiscal analysis projected the net revenues from the water, sewer, solid waste and storm drain utilities resulting from the Goldie Road Annexation. Staff did not project the revenues from electric, telephone, and natural gas utilities since these are privately-owned and new revenues to the City are assumed to be minimal. Not counting tax revenue from private utilities is a conservative assumption. Figure 3 shows the projected utility tax revenues to the City from the water, sewer, solid waste and storm drain utilities in each scenario. In both scenarios, the tax revenue increases in 2020 because the City takes over solid waste services at that time.



In Scenario 1, no new development happens after annexation. Utility tax revenues are relatively flat. In year 2020, revenues increase, when the City takes over solid waste service. In Scenario 2, revenues continue to grow as new development comes online. This scenario also experiences an increase in revenue in 2020 as does Scenario 1.

<sup>2</sup> "A Revenue Guide for Washington Cities and Towns." Municipal Research and Services Center, report No. 46 Revised, June 2009.

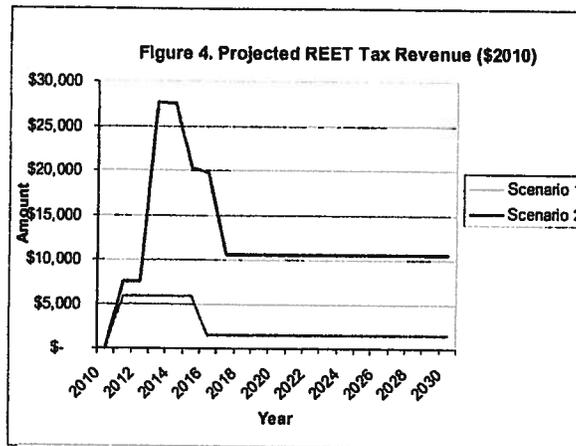
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**Real Estate Excise Taxes (REET)**

The State of Washington authorizes local jurisdictions to impose a real estate excise tax on the amount of any liens, mortgages, and other debts given to secure the purchase of property. All cities in the state are authorized to levy a (1/4) percent tax. Cities that plan under the GMA can levy an additional (1/4) percent for a total of 0.5%.<sup>3</sup> REET revenue can only be spent for capital projects. The seller in each property transaction is responsible for paying the tax. The City of Oak Harbor levies the full 0.5% tax.

To project the amount of REET revenue the City would receive from annexation and/or development of the Goldie Annexation Area, the fiscal model first used the two scenarios (no new development and "reasonable" development) to estimate the amount of square feet of property that would be sold in each year. Vacant land was assumed to be valued at \$1.51 per square foot and developed land at \$8.16 per square foot based on Island County assessor's data.

The model then made assumptions about the amount of land that would sell each year, assuming that there would be three rounds of sales after annexation. In the first round of sales, all land within the annexation area would be sold to developers as an initial round of speculation occurs. In the second round, developers would construct buildings on the property and then sell these buildings to end-users. However, in the second round, only 50% of the land which was sold in the first round sells, because not all developers will choose to sell to an end user; some developers will hold on to the property and lease it. The third and final round of sales occurs ten years later after the building stock on the property has aged and owners are selling to new end-users. In Scenario 1 (no new development) property is always sold at its vacant value, since no development occurs. In Scenario 2 ("reasonable" development), the first round of sales are vacant land value, while the second and third rounds are at the developed value. The following table shows the projected REET revenues for each year and each scenario.



The graph shows that there are initial speculation sales after annexation in each scenario, then a leveling-off in later years when there are consistent turn-over sales of developed property.

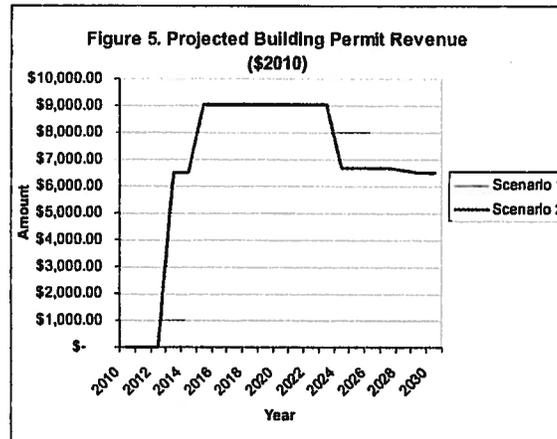
**Building Permit Revenues**

The City collects fees on the value of all structures which require a building permit within City limits. As of 2007, this fee was \$5,608.75 for the first \$1,000,000 of value plus \$3.65 for each additional \$1,000 or fraction thereof.<sup>4</sup>

<sup>3</sup> "A Revenue Guide for Washington Cities and Towns." The Municipal Research and Services Center, Report No. 46 Revised, June 2009, page 26.

<sup>4</sup> Oak Harbor Municipal Code Table 17-1 "Building Permit Fees."

The fiscal model calculated the revenue from building permit fees based on two variables: (1) the amount of new building square footage added each year and (2) the value of that building square footage. In Scenario 1, there is no new development, so no revenue is collected from building permit fees. In Scenario 2, building permit fees are collected as new buildings are developed each year, with a leveling off in later years.



***A Note About Utility Revenues (Water, sewer, storm, solid waste)***

This analysis did not count revenues from water, sewer, storm, or solid waste utility bills, because there was assumed to be no net revenue after considering costs. The City-run utilities are an enterprise fund, which are not subsidized by the general fund. Although there can be variation from year to year, utility rates are set to equal costs of running the utility in the long-run. The City has the authority to re-set rates if revenue falls short during a particular time frame.

**COSTS**

Costs are divided into several categories, which are: (1) general fund costs (2) enterprise fund costs and (3) street fund costs, according to how the City’s budget is organized. There are two types of costs discussed here – capital costs and operating and maintenance (O&M) costs.

**General Fund**

The City’s general fund departments that would be affected by annexation include City Council, Mayor, Administrator, Finance, Legal, Development Services, Law Enforcement, and Fire Control. Each of these departments would require staff time and resources dedicated to annexing the property and/or servicing it post-annexation.

To project the cost for each of these departments resulting from annexation and development, the fiscal model first calculated the per hour operating cost for each department taken from the operating budget in 2009. Each department was assumed to operate 40 hours per week, with the exception of City Council, Law Enforcement and Fire Control. City Council was assumed to operate 60 hours per year (three hours per meeting X 20 meetings per year). Fire Control and Law Enforcement were each assumed to operate 168 hours per week (24 hours a day, 7 days a week). Table 1 shows the operating costs per hour for each general fund department.

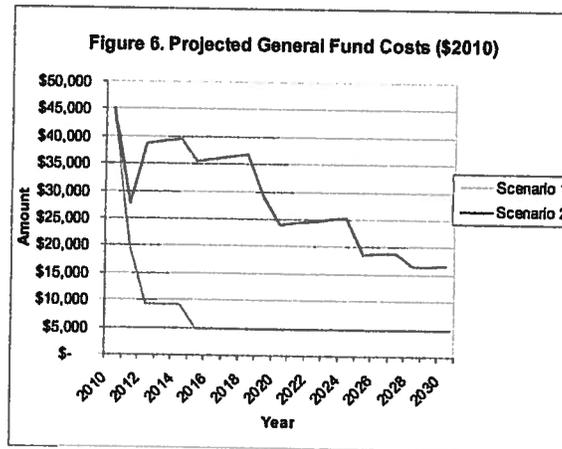
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**Table 1. Operating Costs and Hours by General Fund Department**

Department	Hours / Year	O&M Cost Per Hour
City Council	60	\$ 1,500
Mayor	2,080	\$ 73
Administrator	2,080	\$ 116
Finance	2,080	\$ 377
Legal	2,080	\$ 261
Development Services (Comp Planning)	2,080	\$ 265
Development Services (Building)	2,080	\$ 189
Law Enforcement	8,736	\$ 213
Fire Control	8,736	\$ 198

The reader should note that this analysis does not take into account department size (the number of people in each department). These are department-wide hours and costs. It costs much more to operate the Police Department than the Development Services Department on an annual basis, but not on an hourly basis. The Police Department (Law Enforcement) operates many more hours per year than does the Development Services Department. Finally, it is important to know that capital costs have already been included in this analysis, because capital costs are budgeted for in each of these departments as part of the annual budgeting cycle.

After calculating the hourly operating cost for each department, the fiscal model projected the number of hours each department would spend as a result of the annexation and any subsequent development and then multiplied these hours by the hourly cost above to obtain the yearly cost for each department. In both Scenarios 1 and 2, initially, the hours and costs are high due to the amount of money and staff time spent on annexation. There is an immediate downward trend after annexation is complete in 2010. In Scenario 1, costs level off. In Scenario 2, costs gradually step down as the City processes fewer land use applications after annexation.



## Enterprise Funds

### Capital Costs

Each of the City utilities will require new infrastructure to serve the Goldie Annexation Area. The City Engineering Division reports that the following infrastructure will be necessary to serve the area.<sup>5</sup>

<sup>5</sup> Capital costs are as reported by the City-engineering division.

- **Water.** In order to provide the necessary fire flow to the Goldie Road area, a main extension along Ault Field Road is necessary. The extension would be a 12-inch diameter main between Goldie Road and Colin Lane and eliminate the small diameter dead-end line in Colin Lane. Projected cost for this project is \$200,000. We assume the City will incur this cost in 2011.
- **Sewer.** A sewer main extension along Technical Drive would be needed to provide sewer service to existing properties along this street. The cost of this project would be approximately \$500,000. We assume this cost would be incurred in 2013.
- **Stormwater.** Ideally, a stormwater study looking at future capital costs would be completed prior to annexation. If it is not completed then, a study would need to be completed soon after annexation. The study would cost approximately \$50,000. We assume the City will incur this cost in 2011.
- **Solid Waste.** The City Public Works Department reports that no new capital costs improvements are needed to serve this area.

All of the above capital improvements or utility studies would be required in both scenarios (annexation and development). Any additional capital needed as part of development is assumed to be funded by developers/applicants.

#### *Operating and Maintenance Costs*

The City has four enterprise funds associated with the City-owned utilities (water, sewer, solid waste, and storm drain). On a city-wide basis, utilities and their rates are designed to be revenue neutral meaning that the City neither makes money or loses money on these utilities. Rates are set to equal costs, at least in the long-term, and the City Council has the authority to set these rates at appropriate levels. Each new development has unique characteristics in terms of how much utilities it consumes, as well as the capital and maintenance required to operate it at an acceptable level of service. This means each development may have a slightly different fiscal balance (either surplus or deficit), as compared with another development. Generally speaking, single-family residential developments operate at a deficit because they require comparatively large amounts of infrastructure (pipes, lift stations, water meters, etc.) for the amount of building square footage served. Whereas, industrial development usually operates at a fiscal surplus for the opposite reason; there is a smaller amount of pipe, lift stations, water meters, etc. for the amount of building square footage served. This fiscal analysis makes the assumption that city utilities will be revenue neutral.<sup>6</sup> In reality, because the Goldie Annexation Area would likely develop with industrial uses, they would likely operate at a fiscal surplus, thus assuming they are revenue neutral is a conservative assumption.

#### **Street Fund**

The street fund is reported separately in the City's budget and is not considered an enterprise fund, since there are no "use" fees for streets. Streets are primarily funded by a combination of general fund revenues, REET, impact fees, and federal and state grant monies.

#### **Capital Costs**

The City's transportation plan calls for two east-west collector roadways (Industrial Avenue and Erin Park Road) to be extended into the annexation area. In addition, a north-south collector is also designated. Technical Drive would likely become a publicly improved industrial road. The need for these streets is driven largely by development of the surrounding area, thus consideration of City-funded improvements to these streets is not included in this analysis.<sup>7</sup>

<sup>6</sup> The Engineering Division reports that city utilities will be designed to be revenue-neutral.

<sup>7</sup> As reported by the City Engineering Division.

Staff believes that the City should develop Goldie to an urban minor arterial standard in excess of what is required by the Enterprise Area standards. The minor arterial standards would require that Goldie Road have sidewalks, street lights, bicycle lanes, and aesthetic improvements. These improvements are needed not only to support development of the Goldie Area, but because Goldie Road is a major thoroughfare for traffic to the base.

**Operating and Maintenance Costs**

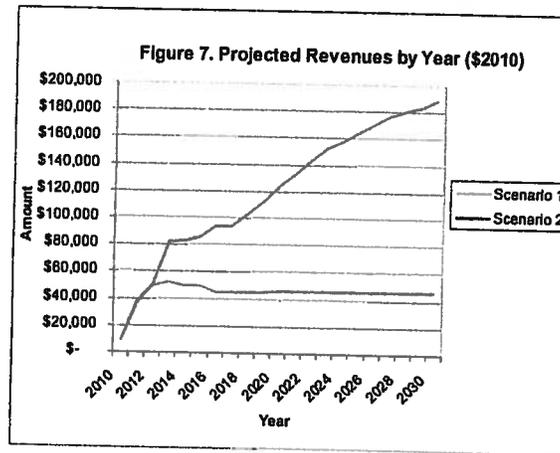
The City will assume maintenance responsibilities for Goldie Road immediately upon annexation. These maintenance costs are assumed to be approximately \$11,000 annually until 2021. In that year, the fiscal model assumes that Goldie Road would be built to an urban minor arterial standard. Technical Drive and Colin Lane would be improved to public roadway standards with two lanes and 60 feet of right-of-way. The maintenance of Goldie Road, Technical Drive and Colin Lane to an adequate level of service standard will cost approximately \$31,000 per year beginning in 2021.<sup>8</sup>

**RESULTS**

This section of the analysis compares costs and revenues in total for each scenario. We first discuss revenues, then costs, and finally compare the two in the “fiscal balance” section.

**Revenues**

Revenues differ widely by scenario. Many of the City’s revenue sources are driven by development. As with most cities, annexing vacant land does not bring continued revenue growth. Figure 7 reflects this reality. In Scenario 1, revenues remain relatively flat (expressed in \$2010), because no new development happens, no development fees are received, no new property taxes or sales taxes are received, etc. In Scenario 2, revenues trend upward with new development.

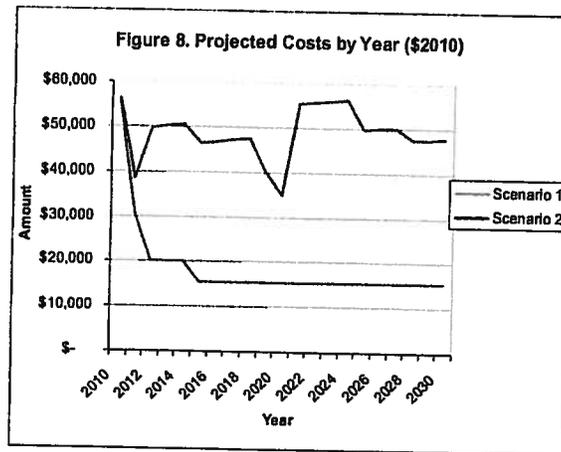


**Costs**

In Scenario 1, costs decrease rapidly after the first year, then level off. In Scenario 2, costs are also high in the first year from processing the annexation then drop following the annexation, but increase again as the City begins processing land use permits. The costs increase again in 2021, reflecting the added maintenance responsibilities from the Goldie Road, Technical Drive, and Colin Lane improvements. Costs plateau for 5-6 years and then drop slightly in later years, when the Development Services Division has completed its site plan and building permit reviews. Costs are higher in Scenario

<sup>8</sup> According to the City Engineering Division, Goldie will require improvement to an urban minor arterial standard. Colin Road, Technical Drive and Goldie are estimated to cost \$31,000 per year to maintain once improved.

2, because development creates additional service obligations by the City. For instance, the Mayor, Administrator, Finance, Legal, Development Services, Law Enforcement and Fire Control all spend more time working with property owners, reviewing proposed developments (and the legal agreements that go with them), and providing police and fire services to these developments.



### Fiscal Balance

What happens when we compare revenues and costs? This section of the analysis answers that question.

Figure 9 compares costs and revenues for Scenario 1. In the first year (2010), costs exceed revenues because City staff are spending time processing the annexation request, without having received revenues from property taxes, sales taxes, development fees, etc. Revenues grow quickly after annexation, when the city begins receiving property taxes, sales taxes, etc., but level off quickly because there is no new development. Costs decrease quickly in early years, after the annexation is complete. The space between the blue and orange line is the fiscal surplus/deficit. Fiscal surpluses hover around \$30,000 per year beginning in 2012.

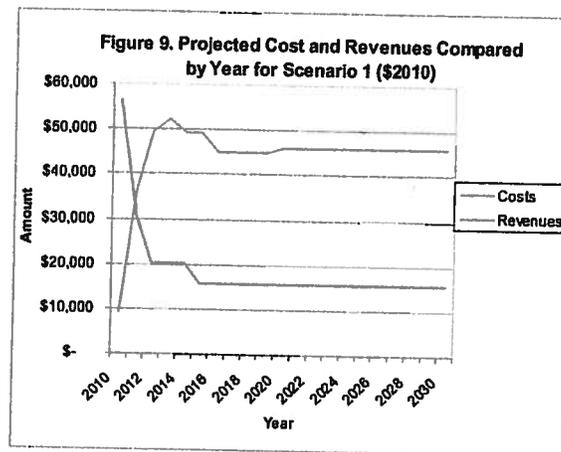
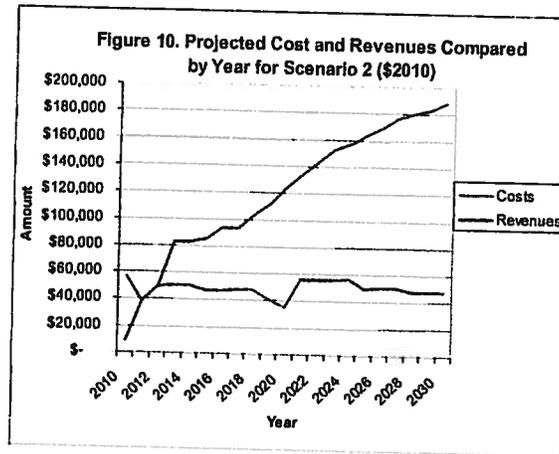


Figure 10 compares costs and revenues for Scenario 2. In this scenario, development drives revenues up consistently over the study period. As with Scenario 1, costs exceed revenues in the first year because city staff is spending time on the annexation application before property taxes, sales taxes, etc. are received from annexation. After the annexation, costs are level, then an increase in year 2021

due to the maintenance responsibilities stemming from the Goldie Road, Colin Lane, and Technical Drive improvements. The area between the red and blue lines is the fiscal surplus/deficit. The surplus in Scenario 2 grows to \$140,000 in 2030.

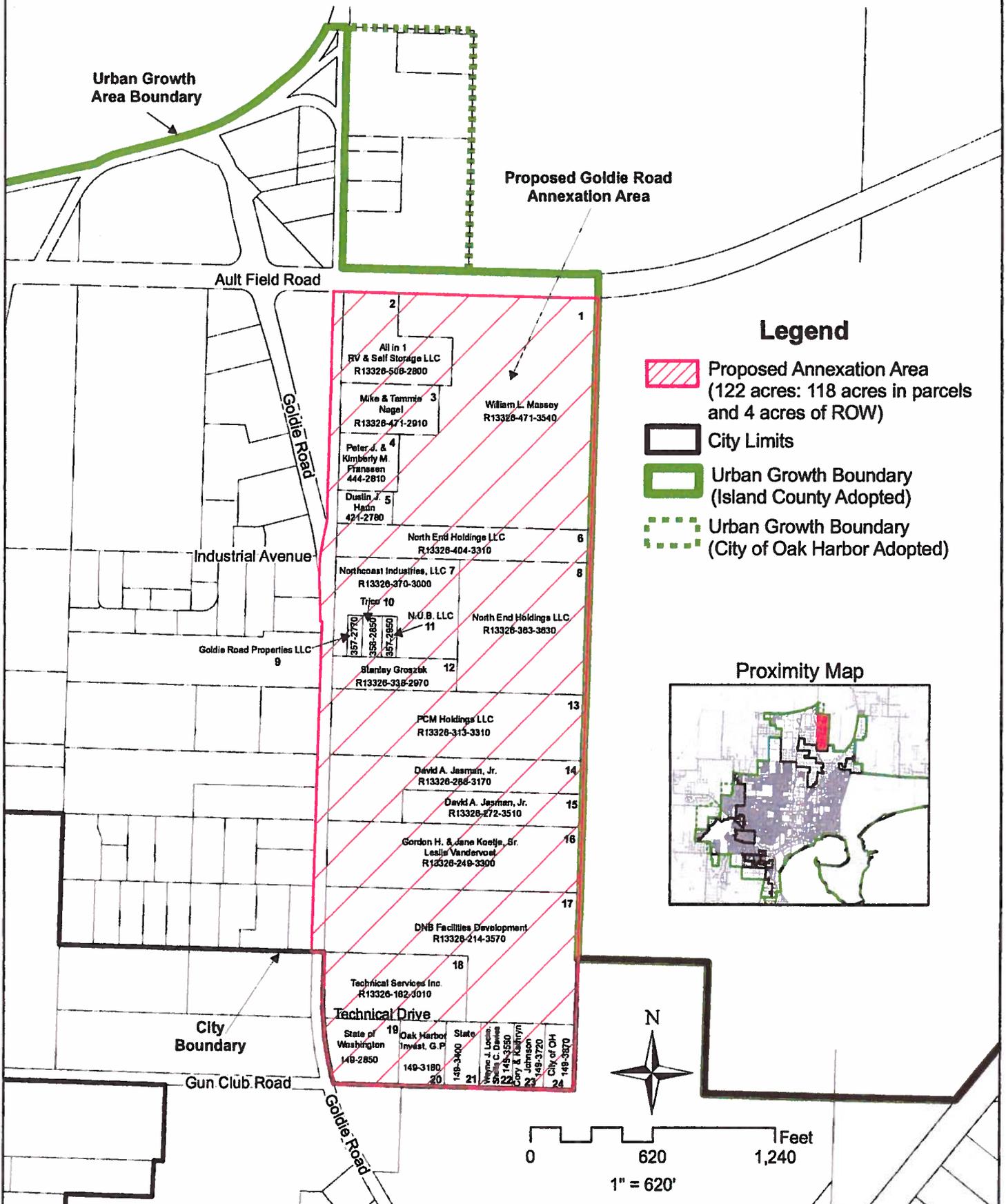


## CONCLUSIONS

What do the results of the fiscal analysis mean for the City? This section discusses some of the more noteworthy conclusions.

1. **Annexing the property results in a fiscal surplus for the City.** In either scenario, whether the City annexes the property with no subsequent development, or the City annexes with development to follow, the analysis projects that there will be a net gain in revenue to the City. This conclusion is true of all years, except the first when city staff are spending time processing the annexation application with very little revenue coming in. This conclusion does not take into account stormwater capital costs (see conclusion number 5).
2. **In Scenario 1 (No New Development), the fiscal surplus is relatively small.** Although, there is still a surplus in Scenario 1 from annexation, the surplus is small. This result is what we might expect. The City is not a "big winner" simply from annexing unless development follows thereafter.
3. **The City should be aware of the fiscal balance when crafting incentives.** One of the advantages of this type of analysis is it allows the City to see what the impact on the budget would be resulting from the decision to annex. The City can offer incentives to annex or develop, but needs to be aware how those incentives will affect surpluses/deficits.
4. **If assumptions are found not be valid in the future, the study results may change.** The study is based on reasonable assumptions at the time that it was completed. If assumptions change (tax rates, fee levels, amount of infrastructure needed to serve the area), then the results may also change.
5. **Stormwater capital costs not included.** At the time of this study, there was no information available on capital costs for stormwater infrastructure. Therefore, this study cannot predict the impact of those costs on future surpluses or deficits.
6. **This is only a fiscal study.** This study looks at the costs and revenues to the City from annexation and/or development of the Goldie Area. It does not consider economic, environmental, social or political impacts of annexation. The study should be used to help the City in its decision, but not be the only information upon which the City relies.

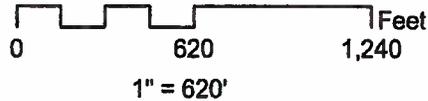
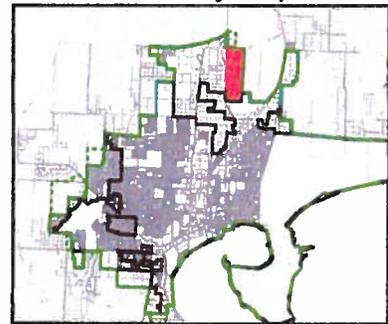
# EXHIBIT 1 PROPOSED GOLDIE ROAD ANNEXATION AREA



### Legend

-  Proposed Annexation Area (122 acres: 118 acres in parcels and 4 acres of ROW)
-  City Limits
-  Urban Growth Boundary (Island County Adopted)
-  Urban Growth Boundary (City of Oak Harbor Adopted)

### Proximity Map



**City of Oak Harbor  
City Council Agenda Bill**

Bill No. 5  
Date: May 18, 2010  
Subject: Pioneer Way Improvements  
Professional Services – EnviroIssues, Inc.

**FROM:** Steve Powers *SP*  
Development Services Director

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

*[Signature]* Jim Slowik, Mayor  
*[Signature]* Paul Schmidt, City Administrator  
*[Signature]* Doug Merriman, Finance Director  
*[Signature]* Margery Hite, City Attorney, as to form

**SUMMARY STATEMENT**

This agenda bill requests approval of a professional services contract with EnviroIssues Inc, for assistance with the SE Pioneer Way Street Improvements Project. The contract, which has a not to exceed limit of \$60,098.86 will provide for communication and public outreach support for the project.

**AUTHORITY**

The authority to enter into agreements for improvements or use of real property is granted to the City of Oak Harbor under RCW 35A.11.020.

**SUMMARY STATEMENT**

The Pioneer Way Improvements project will completely reconstruct an existing street and utilities within the heart of the community's downtown. As such it is one of the more significant and complicated public works projects undertaken by the City in recent years. Given the complexity of the project it is critical that effective lines of communication are in place between the City, the downtown merchants and the overall community. This communication is essential in gaining input from business and property owners on project design decisions yet to be made, on suggestions for construction sequencing and on co-developing a downtown marketing strategy for the construction phase of the project.

Recognizing the project dynamics to date and the demands on existing staff resources, staff proposes that the public involvement firm of EnviroIssues, Inc. be retained to assist with these tasks. The use of EnviroIssues is the most cost-effective way to provide the enhanced level of public involvement and coordination that has been part of recent City Council discussions.

## **BACKGROUND**

On January 19, 2010, the City Council reaffirmed the decision to proceed with the final design and construction contract preparation associated with the SE Pioneer Way Street improvements project. With the decision on the basic street configuration the project moves into a more intense and detailed level of work that will require a greater level of coordination with business and property owners.

City staff approached the firm of EnviroIssues Inc., seeking their assistance with the communication and coordination tasks associated the next phase of the project. EnviroIssues is a firm that specializes in project-related public involvement, community outreach and facilitation. The proposed contract with EnviroIssues was originally scheduled for the April 6, 2010 meeting but staff requested it be removed from the agenda to allow time for additional discussion and scope refinement.

With an eye towards maintaining the project schedule, a contract under the Mayor's authority was signed with EnviroIssues on April 7, 2010 in the amount of \$29,986.04. The contract scope of work provides for the development of a community involvement plan and undertaking a business survey (please see Attachment A). The contract deliverables include the community involvement plan, a database with survey results and a summary of outreach activities with recommendations for the future. These products provide the springboard for the activities in the contract proposed with this agenda bill.

## **DISCUSSION**

### **Contract Scope of Work**

As described in the attached scope of work, EnviroIssues will be responsible for a number of activities intended to foster and improve communication and outreach. In addition to the tasks from the first contract, some of the specific activities EnviroIssues will be responsible for are shown below:

- Organize and facilitate meetings with merchants and property owners and the community for input on the aesthetic features of the project.
- Gathering input on options for construction signage and economic development techniques during construction.
- Assistance to the City of Oak Harbor in preconstruction marketing and economic sustainability efforts
- Development of community wide project newsletter prior to construction
- Develop a project logo
- Development of fact sheets/flyers during final design.

The detailed scope of work is included in the attached contract (Attachment B). The fee for this service is \$60,098.86. The 'SE Pioneer Way Stakeholder Input Process' handout (Attachment C) provides a single sheet summary of the intended process. The 'Design Public Involvement and

Communications Plan' (Attachment D) details the communication efforts to be undertaken. The products from this contract will help direct what the final street design will look like, how construction of the street may take place and what public communication and marketing activities occur during construction. Please note this contract is only for services during final design and leading up to the start of construction.

### **Future Activities**

Pending City Council approval, EnviroIssues could be retained for additional community outreach assistance during the construction project. Please note that a scope of work for construction-related activities has not yet been defined. Information gathered during the preconstruction efforts will help establish the scope of work for any construction-related work. In other words, it is premature to determine what the scope of work would be for the construction-related activities without first completing most of the pre-construction tasks.

### **Policy Consideration**

During the construction of public works projects the City typically interacts with the affected property owners, businesses and the community through its contractor, design engineers (staff and/or outside engineers) and inspectors. The amount of direct staff involvement in this process is determined by the scale of the project and staff workload. This process is sufficient for most public works projects.

If the City Council decides a greater degree of public coordination than the norm is required for the Pioneer Way Improvements project, there are not sufficient staff resources to meet this desire. Approval of this contract acknowledges that the level of desired public communication and interaction is greater than the available staff resource.

### **Justification**

The scope of work proposed under this contract by EnviroIssues includes 644 hours of effort between now and the start of construction. At current levels and workloads, City staff has neither the availability nor the expertise necessary to provide the same level of effort needed for this project.

### **Amount of contract**

The contract is based on an hourly not to exceed limit of \$60,098.86.

### **Funding**

Funding for the project is included in the Arterial Streets, Fund 104, 2007-2008 budget. Specifically, the budget includes \$4,500,000 which is a combination of \$3,500,000 in real estate excise taxes (REET) and a \$1,000,000 Island County economic development project as reaffirmed by City Council on November 17, 2009. City administration and staff intend to pursue additional economic development funding through Island County. It is also expected that

staff will develop a supplemental budget proposal to include wastewater utility funds (and possible other fund sources) to pay for rehabilitation or replacement of the sewer lines.

**STANDING COMMITTEE REPORT**

This item was presented to the Public Works and Utilities Standing Committee on March 4, April 1 and May 6, 2010. It was also presented to the Governmental Services Standing Committee on April 13 and May 11, 2010

**RECOMMENDED ACTION:**

Authorize the Mayor to sign a professional services contract with EnviroIssues, Inc. for assistance on the Pioneer Way Street Improvements project with a not to exceed limit of \$60,098.86.

**ATTACHMENTS:**

- Attachment A: Existing contract scope of work and compensation schedule
- Attachment B: Proposed contract, scope of work and compensation schedule
- Attachment C: SE Pioneer Way Stakeholder Input Process
- Attachment D: Design Public Involvement and Communications Plan

**MAYOR'S COMMENTS:**

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## **SCOPE OF SERVICES**

### ***Task 1: Task Management***

The CONSULTANT will:

- Prepare and submit monthly invoices related to this scope of services, with progress report of work completed during invoice period.
- Prepare for and participate in up to monthly coordination meetings with CLIENT. For budgetary purposes, it is assumed that one meeting is held in Oak Harbor, five meetings are held at the design consultant's office in Everett, and two additional meetings are held via teleconference. Action items will be tracked at these meetings for follow up.

*Deliverables under Task 1:*

- 8 progress reports and invoices

### ***Task 2: Community Involvement Plan(s) and Construction Preparation***

Specific tasks outlined below are intended to guide outreach and communications during design, and later plan for construction outreach from a communications and community outreach perspective.

The CONSULTANT will:

- Coordinate with CLIENT to finalize an outreach and communications plan for the duration of this project.

*Deliverables under Task 2:*

- One design-related outreach/community relations plan

### ***Task 3: Business Survey and Tracking***

This task includes an independent outreach effort to understand current business practices, hours of operations, deliveries, and patrons along Pioneer Way, in addition to assessment of current attitudes toward the project. This business survey is intended to assist in design efforts and construction planning. Specifically, the CONSULTANT will:

- Craft a standardized interview script.
- Coordinate and conduct in person business surveys with property managers, owners and/or business purveyors. Assumed to be up to 55 business surveys. This effort is assumed to require four days for two staff to complete in the field.
- Build and maintain an online database to track all data collected related to individual business attributes. The database will be searchable by the design team for construction and design purposes and password protected. At the conclusion of EnviroIssues' involvement with this project, all data will be exported into format compatible with Microsoft Office products, and provided in spreadsheet format to CLIENT. This database tool is a proprietary product of EnviroIssues; data contained is owned by CLIENT. One-time set up and ongoing maintenance of this system is considered a direct cost to the project on a monthly basis, with customization requiring labor hours. For purposes of this

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direct cost, it is assumed that the monthly maintenance fee is for two months, pending further direction on scope of work. A service and use agreement for this tool will be provided for signature to the City of Oak Harbor.

- Produce a summary of themes, outcomes and outreach recommendations from the business survey.

*Deliverables under Task 3:*

- One survey script
- One active, online database
- One summary of outreach activity

**Compensation Schedule**

**City of Oak Harbor - SE Pioneer Way Improvements - EnviroIssues  
Business and Community Outreach Planning and Support**

**LABOR COSTS By Task**

**Task 1: Task Management**

*Total Hours this Task*

85

*Total Cost this Task*

\$ 7,060.00

**Task 2: Community Involvement Plans and Construction Prep**

*Total Hours this Task*

10

*Total Cost this Task*

\$ 760.00

**Task 3: Business Survey and Tracking**

*Total Hours this Task*

221

*Total Cost this Task*

\$ 18,198.00

**LABOR COSTS By Staff & Rates\*\*\***

Staff Name	Position	2010 Rate	Total Hours	Total
Erin Taylor	Project Manager/Associate 2	\$ 108.00	67	\$ 7,236.00
Katie Fredlund	Associate 1	\$ 73.00	141	\$ 10,293.00
Brian Feldman	Project Coordinator	\$ 53.00	73	\$ 3,869.00
Lisa Roeser / Katherine Andrews	Graphic Designer	\$ 95.00	0	\$ -
Stepen Enloe	Information Systems Associate III	\$ 132.00	35	\$ 4,620.00
<b>Total</b>			<b>316</b>	<b>\$ 26,018.00</b>

**Summary**

**Total Labor Cost**

*Direct Costs (Includes copies, database administration, mileage, ferry)*

\$ 26,018.00

**Total Project Cost**

\$ 3,968.04

\$ 29,986.04

\*\*\*EnviroIssues revises salary and overhead rates on January 1 each year. These rates reflect 2010 rates; 2011 rates would be adjusted if project were to be extended.

## PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT, is made and entered into in duplicate this \_\_\_\_ day of May, 2008, by and between the CITY OF OAK HARBOR, a Washington municipal corporation, hereinafter referred to as the "CITY" and EnviroIssues, hereinafter referred to as the "SERVICE PROVIDER".

WHEREAS, the CITY desires to have certain services and/or tasks performed as set forth below requiring specialized skills and other supportive capabilities; and

WHEREAS, sufficient CITY resources are not available to provide such services; and

WHEREAS, the SERVICE PROVIDER represents the SERVICE PROVIDER is qualified and possesses sufficient skills and the necessary capabilities, including technical and professional expertise, where required, to perform the services and/or tasks set forth in this Agreement.

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performance contained herein, the parties hereto agree as follows:

1. Scope of Services.

The SERVICE PROVIDER shall perform such services and accomplish such tasks, including the furnishing of all materials and equipment necessary for full performance thereof, as are identified and designated as SERVICE PROVIDER responsibilities throughout this Agreement and as detailed in Exhibit "A" attached hereto and incorporated herein (the "Project").

2. Term.

The Project shall begin on May 19, 2010, and shall be completed no later than January 1, 2011, unless sooner terminated according to the provisions herein.

3. Compensation and Method of Payment.

- 3.1 Payments for services provided hereunder shall be made following the performance of such services, unless otherwise permitted by law and approved in writing by the CITY.
- 3.2 No payment shall be made for any service rendered by the SERVICE PROVIDER except for services identified and set forth in this Agreement.
- 3.3 The CITY shall pay the SERVICE PROVIDER for work performed under this Agreement as follows: Not more than monthly for services provided in the preceding month not to exceed a total of \$60,098.86.

4. Reports and Inspections.

- 4.1 The SERVICE PROVIDER at such times and in such forms as the CITY may require, shall furnish to the CITY such statements, records, reports, data, and information as the CITY may request pertaining to matters covered by this Agreement.
- 4.2 The SERVICE PROVIDER shall at any time during normal business hours and as often as the CITY or State Auditor may deem necessary, make available for examination all of its records and data with respect to all matters covered, directly or indirectly, by this Agreement and shall permit the CITY or its designated authorized representative to audit and inspect other data relating to all matters covered by this Agreement. The CITY shall receive a copy of all audit reports made by the agency or firm as to the SERVICE PROVIDER'S activities. The CITY may, at its discretion, conduct an audit at its expense, using its own or outside auditors, of the SERVICE PROVIDER'S activities that relate, directly or indirectly, to this Agreement.

5. Independent Contractor Relationship.

- 5.1 The parties intend that an independent contractor relationship will be created by this Agreement. The CITY is interested primarily in the results to be achieved; subject to paragraphs herein, the implementation of services will lie solely with the discretion of the SERVICE PROVIDER. No agent, employee, servant or representative of the SERVICE PROVIDER shall be deemed to be an employee, agent, servant or representative of the CITY for any purpose, and the employees of the SERVICE PROVIDER are not entitled to any of the benefits the CITY provides for its employees. The SERVICE PROVIDER will be solely and entirely responsible for its acts and for the acts of its agents, employees, servants, subcontractors or representatives during the performance of this Agreement.
- 5.2 In the performance of the services herein contemplated, the SERVICE PROVIDER is an independent contractor with the authority to control and direct the performance of the details of the work, however, the results of the work contemplated herein must meet the approval of the CITY and shall be subject to the CITY'S general rights of inspection and review to secure the satisfactory completion thereof.

6. Service Provider Employees/agents.

The CITY may at its sole discretion require the SERVICE PROVIDER to remove an employee(s), agent(s) or servant(s) from employment on this Project. The SERVICE PROVIDER may, however, employ that (those) individual(s) on other non-CITY related projects.

7. Hold Harmless/Indemnification.

- 7.1 SERVICE PROVIDER shall defend, indemnify and hold the CITY, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the SERVICE PROVIDER in performance of this Agreement, except for injuries and damages caused by the sole negligence of the CITY.
- 7.2 For purposes of this indemnification and hold harmless agreement, the SERVICE PROVIDER waives any immunity that may be granted to it under the Washington State Industrial Insurance Act, Title 51 RCW. The parties expressly agree that this waiver of workers' compensation immunity has been negotiated.
- 7.3 No liability shall attach to the CITY by reason of entering into this Agreement except as expressly provided herein.

8. Insurance.

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

- 8.1 Minimum Scope of Insurance. SERVICE PROVIDER shall obtain insurance of the types described below:
- a. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
  - b. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The CITY shall be named as an insured under the SERVICE PROVIDER'S Commercial General Liability insurance policy with respect to the work performed for the CITY.
  - c. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

- d. Professional Liability Insurance appropriate to the SERVICE PROVIDER'S profession.

8.2 Minimum Amounts of Insurance. SERVICE PROVIDER shall maintain the following insurance limits:

- a. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of One Million Dollars (\$1,000,000) per accident.
- b. Commercial General Liability insurance shall be written with limits no less than One Million Dollars (\$1,000,000) each occurrence, Two Million Dollars (\$2,000,000) general aggregate.
- c. Professional Liability insurance shall be written with limits no less than One Million Dollars (\$1,000,000) per claim and One Million Dollars (\$1,000,000) policy aggregate limit.

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

- a. The SERVICE PROVIDER'S insurance coverage shall be primary insurance with respect to the CITY. Any insurance, self-insurance, or insurance pool coverage maintained by the CITY shall be excess of the SERVICE PROVIDER'S insurance and shall not contribute with it.
- b. The SERVICE PROVIDER'S insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the CITY.

8.4 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

8.5 Verification of Coverage. SERVICE PROVIDER shall furnish the CITY with original certificates and a copy of the amendatory endorsements including, but not necessarily limited to, the additional insured endorsement, evidencing the insurance requirements of the SERVICE PROVIDER before commencement of the work.

9. Treatment of Assets.

Title to all property furnished by the CITY shall remain in the name of the CITY and the CITY shall become the owner of the work product and other documents, if any, prepared by the SERVICE PROVIDER pursuant to this Agreement.

10. Compliance with Laws.

- 10.1 The SERVICE PROVIDER, in the performance of this Agreement, shall comply with all applicable federal, state or local laws and ordinances, including regulations for licensing, certification and operation of facilities, programs and accreditation, and licensing of individuals, and any other standards or criteria as described in this Agreement to assure quality of services.
- 10.2 The SERVICE PROVIDER specifically agrees to pay any applicable business and occupation (B&O) taxes that may be due on account of this Agreement.

11. Nondiscrimination.

- 11.1 The CITY is an equal opportunity employer.
- 11.2 Nondiscrimination in Employment. In the performance of this Agreement, the SERVICE PROVIDER will not discriminate against any employee or applicant for employment on the grounds of race, creed, color, national origin, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental or physical disability, or the use of a trained dog guide or service animal by a person with a disability; provided that the prohibition against discrimination in employment because of disability, or the use of a trained dog guide or service animal by a person with a disability, shall not apply if the particular disability prevents the proper performance of the particular worker involved. The SERVICE PROVIDER shall ensure that applicants are employed, and that employees are treated during employment without discrimination because of their race, creed, color, national origin, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental or physical disability or the use of a trained guide dog or service animal by a person with a disability. Such action shall include, but not be limited to: employment, upgrading, demotion or transfers, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and programs for training including apprenticeships. The SERVICE PROVIDER shall take such action with respect to this Agreement as may be required to ensure full compliance with local, state and federal laws prohibiting discrimination in employment.
- 11.3 Nondiscrimination in Services. The SERVICE PROVIDER will not discriminate against any recipient of any services or benefits provided for in this Agreement on the grounds of race, creed, color, national origin, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental or physical disability or the use of a trained guide dog or service animal by a person with a disability.

11.4 If any assignment and/or subcontracting has been authorized by the CITY, said assignment or subcontract shall include appropriate safeguards against discrimination. The SERVICE PROVIDER shall take such action as may be required to ensure full compliance with the provisions in the immediately preceding paragraphs herein.

12. Assignment/subcontracting.

12.1 The SERVICE PROVIDER shall not assign its performance under this Agreement or any portion of this Agreement without the written consent of the CITY, and it is further agreed that said consent must be sought in writing by the SERVICE PROVIDER not less than thirty (30) days prior to the date of any proposed assignment. The CITY reserves the right to reject without cause any such assignment.

12.2 Any work or services assigned hereunder shall be subject to each provision of this Agreement and proper bidding procedures where applicable as set forth in local, state and/or federal statutes, ordinances and guidelines.

12.3 Any technical/professional service subcontract not listed in this Agreement, must have express advance approval by the CITY.

13. Changes.

Either party may request changes to the scope of services and performance to be provided hereunder, however, no change or addition to this Agreement shall be valid or binding upon either party unless such change or addition be in writing and signed by both parties. Such amendments shall be attached to and made part of this Agreement.

14. Maintenance and Inspection of Records.

14.1 The SERVICE PROVIDER shall maintain books, records and documents, which sufficiently and properly reflect all direct and indirect costs related to the performance of this Agreement and shall maintain such accounting procedures and practices as may be necessary to assure proper accounting of all funds paid pursuant to this Agreement. These records shall be subject at all reasonable times to inspection, review, or audit, by the CITY, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.

14.2 The SERVICE PROVIDER shall retain all books, records, documents and other material relevant to this Agreement, for six (6) years after its expiration. The SERVICE PROVIDER agrees that the CITY or its designee shall have full access and right to examine any of said materials at all reasonable times during said period.

15. Other Provisions.

The following additional terms shall apply: It is agreed between the parties that pursuant to changes in state law necessitating that services hereunder be expanded, the parties shall negotiate an appropriate amendment. If after thirty (30) days of negotiation, agreement cannot be reached, the CITY may terminate this Agreement no sooner than sixty (60) days thereafter.

16. Termination.

16.1 Termination for Convenience. The CITY may terminate this Agreement, in whole or in part, at any time, by giving thirty (30) days' written notice to the SERVICE PROVIDER. Upon such termination for convenience, the CITY shall pay the SERVICE PROVIDER for all services provided under this Agreement through the date of termination.

16.2 Termination for Cause. If the SERVICE PROVIDER fails to perform in the manner called for in this Agreement, or if the SERVICE PROVIDER fails to comply with any other provisions of the Agreement and fails to correct such noncompliance within five (5) days' written notice thereof, the CITY may terminate this Agreement for cause. Termination shall be effected by serving a notice of termination on the SERVICE PROVIDER setting forth the manner in which the SERVICE PROVIDER is in default. The SERVICE PROVIDER will only be paid for services performed in accordance with the manner of performance set forth in this Agreement through the date of termination.

17. Notice.

Notice provided for in this Agreement shall be sent by certified mail to the addresses designated for the parties on the last page of this Agreement.

18. Attorneys Fees and Costs.

If any legal proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover from the other party, in addition to any other relief to which such party may be entitled, reasonable attorney's fees and other costs incurred in that action or proceeding.

19. Jurisdiction and Venue.

19.1 This Agreement has been and shall be construed as having been made and delivered within the State of Washington, and it is agreed by each party hereto

that this Agreement shall be governed by laws of the State of Washington, both as to interpretation and performance.

19.2 Any action of law, suit in equity, or judicial proceeding for the enforcement of this Agreement or any provisions thereof shall be instituted and maintained only in any of the courts of competent jurisdiction in Island County, Washington.

20. Severability.

20.1 If, for any reason, any part, term or provision of this Agreement is held by a court of the United States to be illegal, void or unenforceable, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

20.2 If it should appear that any provision hereof is in conflict with any statutory provision of the State of Washington, said provision that may conflict therewith shall be deemed inoperative and null and void insofar as it may be in conflict therewith, and shall be deemed modified to conform to such statutory provisions.

21. Entire Agreement.

The parties agree that this Agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are excluded. Further, any modification of this Agreement shall be in writing and signed by both parties. Failure to comply with any of the provisions stated herein shall constitute a material breach of contract and be cause for termination. Both parties recognize time is of the essence in the performance of the provisions of this Agreement. It is also agreed by the parties that the forgiveness of the nonperformance of any provision of this Agreement does not constitute a waiver of the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first hereinabove written.

CITY:

CITY OF OAK HARBOR  
865 SE Barrington Drive  
Oak Harbor, WA 98277

SERVICE PROVIDER:

[Name and address]

\_\_\_\_\_  
Jim Slowik, Mayor

Attest:

\_\_\_\_\_  
Connie Wheeler, City Clerk

## **Scope of Services for City of Oak Harbor**

### **Submitted by EnviroIssues**

#### **Pioneer Way Improvements Business and Community Outreach Planning and Support**

##### **INTRODUCTION AND PROJECT APPROACH**

The City of Oak Harbor (CLIENT) is working to ready Pioneer Way for conversion from a two-way street to a one-way street as part of a broader downtown streetscape improvement and revitalization effort. Design of the corridor has been underway since early 2009; the project has been met with some concern by the business community.

“Doing this project right” means that businesses and the community understand the reason for the project, have input into the final outcome, and are able to survive and thrive during roadway construction. EnviroIssues (CONSULTANT) has been asked to provide planning/construction community outreach support to support this process. This scope of services includes targeted outreach activities to make information available to the broader community, as well as engage merchants along Pioneer Way in a dialogue about the project. It also includes support services to assist the City of Oak Harbor in construction planning from a community outreach perspective.

##### **GENERAL PROJECT ASSUMPTIONS**

- Activities outlined within this scope of services are assumed to be implemented between May 2010 and December 31, 2010, for total contract duration of seven months. In December 2010, the project is expected to have been bid and will be readying for active construction, set to begin in January 2011. If desired by CLIENT, outreach services related specifically to construction would be under a separate contract, with a level of effort to be determined following preparation of construction community relations plan.
- The CONSULTANT will work collaboratively with City of Oak Harbor staff/project manager, in addition to other Consultants, to complete the scope of work. To create work products, especially those being disseminated to the public, CONSULTANT will work with Project Manager and other team members to ensure accuracy of information prior to distribution.
- Each work product will go through one review via one conference call to resolve comments.
- Invoices will be submitted to CLIENT on a monthly basis, and will be documented within the task structure outlined below.
- Related to direct costs: no direct-buy display or online advertising is included in this scope of work or associated budget; all direct costs related to mailings, including printing and postage required are assumed to be billed directly to CLIENT; any direct costs for construction outreach/marketing mechanisms are assumed to be billed directly to CLIENT, with CONSULTANT coordination assistance.

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## SCOPE OF SERVICES

### ***Task 1: Task Management***

The CONSULTANT will:

- Prepare and submit monthly invoices related to this scope of services, with progress report of work completed during invoice period.
- Attend up to one additional management meeting in Oak Harbor.
- Coordinate direct costs for a previously-established comment database.

*Deliverables under Task 1:*

- N/A

### ***Task 2: Community Involvement Plan(s) and Construction Preparation***

Specific tasks outlined below are intended to guide outreach and communications during design, and later plan for construction outreach from a communications and community outreach perspective.

The CONSULTANT will:

- Using information learned via consultation with businesses during the design process, develop a construction community relations plan for implementation during construction. Review of this document is anticipated to include one meeting in person to discuss recommendations related to community outreach for construction for possible incorporation into contractor bid documents.

*Deliverables under Task 2:*

- One construction community relations plan

### ***Task 3: Public Sessions: Drop-in Sessions, Design Workshop and City Council/Committee Meetings***

The following activities are anticipated readied and open to the public for engagement related to final designs. They include:

- Conduct two business “Drop-In Sessions” to provide additional information related to project designs. Both sessions are assumed similar format/information and be held within one week of each other. This task includes preparation of logistics, venue coordination and materials related to the event, in addition to on-site event staffing. A postcard will be developed to use as advertisement. Time to coordinate printing is included in this task; direct costs for postage and printing are not. A summary of these events and input received will be produced.
- Conduct one design workshop to gather input into development of (to be determined) corridor aesthetic improvements. A postcard will be developed to use as advertisement and distribution. This is intended to be a facilitated workshop. This task includes preparation of logistics, venue and materials related to the event, in addition to facilitation

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and staffing. Time to coordinate printing is included in this task; direct costs for postage and printing are not. A summary of the workshop and input received will be produced.

- Support development of up to two presentations for City Council and/or Public Works Committee at key points of the project.

*Deliverables under Task 3:*

- Drop-in Session postcard
- Drop-in Session coordination and staffing
- Drop-in Session summary
- Design workshop postcard
- Design workshop coordination, staffing and facilitation
- Design workshop summary
- Two PowerPoint presentations

**Task 4: Materials Development and Support of City Proceedings**

Deliverables and support under this task are intended to provide materials for community outreach tools, as described above. Specifically, the CONSULTANT will:

- Develop a project logo and “look and feel.” The CONSULTANT will develop three options for presentation to CLIENT for dialogue related to development of this consistent look and feel for all subsequent materials, including signage materials during construction.
- Coordination and attendance at up to two organizational briefings (with groups such as Greater Oak Harbor Chamber of Commerce) to gather input on options for construction signage and possible economic development/marketing techniques during construction.
- Following consultation with City staff and organizations, support marketing endeavors of the City to ready for construction. This will include consultation to produce graphical materials as follows:
  - Graphical preparation of up to four different sign formats for use during construction to indicate that “businesses are open.” Time to coordinate printing is included in this task; direct costs for signage creation are not.
  - Create up to three additional printed one-page pieces (such as postcards), and one “Flash” online advertisement for use in economic development activities of the city during construction to help maintain foot traffic along Pioneer Way. Time to coordinate printing is included in this task; direct costs for signage creation are not.
- Creation of up to one newsletter at the conclusion of project design to let the broader community know the status of the project and final design. Time to coordinate printing is included in this task; direct costs for postage and printing are not.
- Creation of up to three fact sheets and/or flyers for the duration of the project.

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*Deliverables under Task 4:*

- “Look and feel” for project
- Up to four sign formats (anticipated to be created later in construction process)
- Up to three printed pieces
- One “Flash” online display advertisement
- One newsletter
- Three fact sheets or flyers

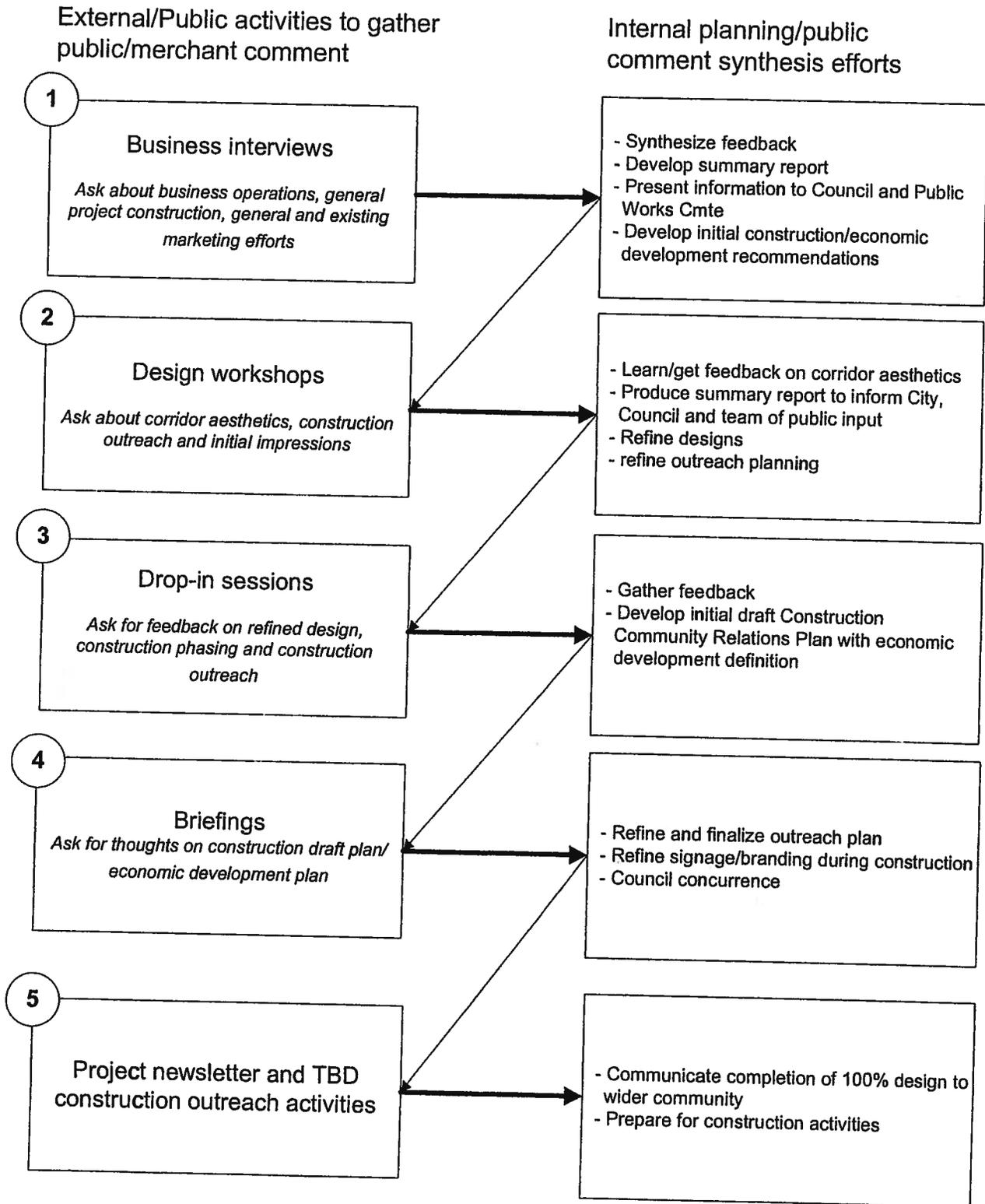
**Compensation Schedule**

City of Oak Harbor - SE Pioneer Way Improvements - EnviroIssues  
 Business and Community Outreach Planning and Support - May 2010

<b>LABOR COSTS By Task</b>				
<b>Task 1: Task Management</b>				
<i>Total Hours this Task</i>		<i>Total Cost this Task</i>		
20		\$ 1,810.00		
<b>Task 2: Community Involvement Plans and Construction Prep</b>				
<i>Total Hours this Task</i>		<i>Total Cost this Task</i>		
45		\$ 3,610.00		
<b>Task 3: Public Sessions: Drop-In Sessions/Workshop and City Council/Committee Meetings</b>				
<i>Total Hours this Task</i>		<i>Total Cost this Task</i>		
234		\$ 18,982.00		
<b>Task 4: Materials Development and Support</b>				
<i>Total Hours this Task</i>		<i>Total Cost this Task</i>		
342		\$ 30,358.00		
<b>LABOR COSTS By Staff &amp; Rates***</b>				
Staff Name	Position	2010 Rate	Total Hours	Total
Erin Taylor	Project Manager/Associate 2	\$ 108.00	134	\$ 14,472.00
Katie Fredlund	Associate 1	\$ 73.00	211	\$ 15,403.00
Brian Feldman	Project Coordinator	\$ 53.00	92	\$ 4,876.00
Lisa Roeser / Katherine Andrews	Graphic Designer	\$ 95.00	187	\$ 17,765.00
Stepen Enloe	Information Systems Associate III	\$ 132.00	17	\$ 2,244.00
<b>Total</b>			<b>641</b>	<b>\$ 54,760.00</b>
<b>Summary</b>				
<b>Total Labor Cost</b>				<b>\$ 54,760.00</b>
<b>Direct Costs (includes copies, web &amp; database administration, mileage, ferry)</b>				<b>\$ 5,338.86</b>
<b>Total Project Cost</b>				<b>\$ 60,098.86</b>

\*\*\*EnviroIssues revises salary and overhead rates on January 1 each year. These rates reflect 2010 rates; 2011 rates would be adjusted if project were to be extended.

# SE Pioneer Way Stakeholder Input Process



## Assumptions for community outreach during design:

- Project materials will be updated as necessary
- All community comments will be tracked

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Last updated April 28, 2010

ATTACHMENT C

# Design Public Involvement and Communications Plan

City of Oak Harbor – Pioneer Way Improvements Project

April 2010

DRAFT – UPDATED 4/23/2010

## Communications Plan Purpose

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The following plan is intended to provide City of Oak Harbor staff, consultants and decision-makers with a strategic approach for communicating with and gathering input from the public during design of improvement plans for SE Pioneer Way. This plan identifies public engagement and communications objectives, key messages, outreach activities and tools that will be used to inform design and prepare the community for project construction activities. This plan is a living document, updated as necessary to accurately portray the communications approach being followed through project design. These activities are intended for the entirety of the project team to promote consistent communications with the community. Some activities will be completed by public involvement consultant staff; in other cases, Oak Harbor staff and/or technical consultants may develop materials or implement activities.

## Project Overview and Schedule

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The City of Oak Harbor is currently planning streetscape improvements for SE Pioneer Way. The revitalization work will turn SE Pioneer Way into a one-way street, connecting the City with the waterfront, improving pedestrian and vehicular safety, increasing parking, improving water and power utilities and providing upgraded streetscape amenities. Plans for revitalizing downtown Oak Harbor are currently in design, contractor procurement is expected in late 2010, and construction is currently planned for early 2011.

## Communications Objectives during Design

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The communications plan provides a guide for keeping the public informed of this project during design. The activities and tools listed in this plan are intended to help meet the following communications objectives:

- Facilitate communication between business and property owners, residents, the traveling public and City of Oak Harbor officials, staff and engineering consultants.
- Clearly identify the areas in which the community can have influence on the project design, and where possible ensure input influences the final plans.
- Identify concerns of affected businesses prior to reaching final project design and construction plans.
- Ensure the community is aware of the project need and benefits, to in turn, minimize misinformation about the project.
- Keep project stakeholders apprised of progress; provide consistent information early and often to business owners, community members, drivers, bicyclists and pedestrians using SE Pioneer Way.

## Key Messages

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- **Revitalization improvements as part of the City's larger Windjammer Plan:** The streetscape improvements are part of the City of Oak Harbor's larger Windjammer Plan to revitalize downtown Oak Harbor.
- **Some decisions – but not all- have been made on this project.** Some decisions have been made on this project, including the decision in December and January to become a one-way street.
  - There is still a lot of room for input into the final design aesthetics and construction phasing of the project.

- **Communications during project:** The City of Oak Harbor is committed to keeping the public informed and engaged during project design. As the project moves forward, affected community will be regularly updated of project progress and will be asked to provide input where possible.
- **Economic development and reinvestment:** Improvements to SE Pioneer Way are being undertaken with the long-term economic vitality of the City of Oak Harbor in mind.
- **Project benefits:**
  - **Safety:** New designs for SE Pioneer Way will include wider sidewalks and include appropriate lane width for vehicles; this improves safety for all roadway users-- pedestrians, bicyclists and drivers.
  - **Increased parking:** Changing SE Pioneer Way to a one-way street will increase the total number of parking spots.
  - **Environmental benefits:** Upgrades to utilities within the SE Pioneer Way corridor, including capturing stormwater, undergrounding of utilities and using LED lighting for overhead lights are all part of an overarching “green streets” or “complete streets” program. Making our community more walkable, using less electricity and treating stormwater are all techniques that promote environmental stewardship of Oak Harbor that keeps all users of the roadway in mind.
  - **Corridor aesthetics:** Aesthetic improvements made to SE Pioneer Way will include new landscaping, extended sidewalks, benches, trash receptacles, street lighting and underground utilities.
  - **Additional business potential:** With wider sidewalks, the potential for businesses to enhance their “front porch” is realized. Cafes may be able to better utilize outdoor seating, and signage can encourage patrons.
- **Increased community use and tourism:** By setting the stage for an improved downtown Oak Harbor and waterfront, SE Pioneer Way improvements will be one project that helps promote community use of the corridor as well as potential future economic development through tourism.

## **Outreach Activities**

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Outreach activities planned during design will help the City continue to build relationships with the community, create public understanding about project and establish the City of Oak Harbor as an accurate and credible source of information. These activities will help to effectively engage and inform local businesses of the streetscape improvement plans and offer opportunities to provide input on various design elements. Project milestone and approximate implementation date are shown adjacent each activity.

### **Business interviews (30% Design, April/May 2010)**

Public involvement staff will meet in-person with business owners and property managers along SE Pioneer Way to gather contact information, learn about specific interests and concerns and seek community input and comments about the project designs. The results of these meetings will help identify themes and outreach recommendations and will be used in planning outreach efforts throughout design and during project construction.

### **Design workshop (60% Design, June 2010)**

A design workshop will be planned to provide the community an opportunity to give input on proposed corridor aesthetic improvements along SE Pioneer Way. Meeting participants will be asked to comment on different design plans and aesthetic elements including benches, sidewalk surface patterns, tree location and planters, and signage. This workshop will be participatory and will be led by a facilitator.

### **Drop-in sessions** *(June/July 2010)*

Affected businesses will be invited to attend "Drop-In Sessions" to learn more about project designs. Two sessions will be held (with duplicate information) at times that are useful for businesses. The sessions will be informal in format and held at convenient locations on or near SE Pioneer Way. The purpose of the sessions is to offer a chance for businesses to review street improvement designs as a whole, as well as specific plans in front of their property, meet members of the project team and ask questions about the project.

### **City Council/Committee Meetings** *(June and October 2010)*

At key milestones during the project, the City Council and/or the Public Works Committee will be briefed on project progress and to receive input and decisions on path forward. Upcoming presentations may include the following topics: what was learned from business interviews and next steps for public involvement, and the design workshop and be planned for June or July 2010 and the second presentation be given in fall 2010 and will detail the community outreach approach during construction.

### **Organizational briefings:** *(Pre-construction, August/September 2010)*

The project team may use briefings as a way to inform stakeholder groups about design plans and gather input about options for construction signage and possible marketing techniques and economic development strategies during project construction. For instance, briefings may be given to the Greater Oak Harbor Chamber of Commerce.

## **Outreach Tools**

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Outreach tools used during design will help the City effectively engage and inform the community about the project and offer opportunities for the public to provide input on various design elements. Project milestone and approximate implementation date are shown adjacent each tool.

### **Contact and comment database** *(developed April 2010, used throughout project)*

A contact and comment database will be developed and maintained that tracks all data collected related to individual businesses. Information will be gathered through the business survey, in-person meetings, at drop-in sessions and briefings. The database will contain all comments from each business owner, property owner or project stakeholder and will be used throughout design and also during project construction.

### **Project logo** *(developed May 2010, used throughout project)*

Public involvement staff will work with City of Oak Harbor staff to develop a project logo. Three options will be created and once a final logo is agreed upon, all developed materials, including signage material during construction, will have a consistent "look and feel".

### **Construction preparation materials:** *(Pre-construction, August/September 2010)*

- **Postcards and Flyers:** As part of the economic development, printed materials such as postcards or flyers as well as an online advertisement will be developed to help maintain foot traffic along SE Pioneer Way. Community relations staff will consider input provided by the community through business interviews, meetings and briefings to develop appropriate materials.
- **Project signage:** Up to four different sign formats for use during construction to indicate that "businesses are open" will be developed during project design. City of Oak Harbor staff as well as local stakeholder groups will work together to determine which project signage will be used during construction.

### **Project newsletter (Final design/pre-construction, October 2010)**

Once the project has reached final design, public involvement staff will work with technical staff to create a project newsletter to let the broader community know the status of the project, final design, and plans for construction.

### **Project fact sheets and flyers (throughout project)**

A project fact sheet as well as project flyers will be developed for use during in-person outreach and community events throughout design.

### **Project web page (throughout project)**

The Web page/blog will be a reliable place where the public can find up-to-date project information. Content will include the project plans, project benefits, links to preliminary designs, the proposed project schedule and announcements of project milestones and upcoming events. The site will be updated as necessary throughout project design.

## **Key Stakeholder Groups**

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This communications plan is intended to reach a number of audiences:

- **Businesses on SE Pioneer Way:** Businesses along SE Pioneer Way will be most intimately impacted by a changing streetscape and construction. Public involvement staff will meet with business and property owners one-on-one to involve them in the process and these contacts will be invited to participate in a design workshop as well as drop-in sessions. A relationship will be established with each business early on in design to ensure there is the opportunity for communication and dialogue throughout the project.
- **Residents/Businesses on adjacent Streets to Pioneer Way:** Residents and businesses on streets near Pioneer Way will also be kept informed of the project during design, as detour routes during construction as well as final designs may affect future traffic patterns in and around SE Pioneer Way. Public involvement staff may meet with these residents and business owners in-person and these stakeholders will be invited to project events and meetings and encouraged to provide input.
- **Organizations:** Organizational and community groups, such as the Chamber of Commerce will be invited to participate in the design process primarily through briefings to organizations. Representatives from these organizations may meet in-person with public involvement staff and they will be encouraged to attend the design workshop and drop-in sessions.
- **Community at Large:** Efforts will be made to ensure the community of Oak Harbor is informed of the project and is updated at specific project milestones. Representatives from organizational and community groups can help spread important project information and the project Web page will be a source for the community to learn about the design plans. All community members will receive a project newsletter in fall 2010 once the project reaches 100% design.

## **Opportunities for Public Input**

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The City of Oak Harbor will work together with the community during design and will look for opportunities to engage the public where possible. Affected businesses and residents will be regularly updated of project progress and will be asked to provide input during design. The business interviews will offer an opportunity for the City to learn about community interests and concerns and help determine the areas where the public can become more engaged. The City of Oak Harbor will specifically seek out public input at planned project meetings and events including the design workshop, drop in sessions and organizational briefings.

## **Next Steps**

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The City of Oak Harbor and project team will use this plan as a guide for communicating with the public during design phase of the SE Pioneer Way improvements. This plan is a living document that will be updated and adjusted as necessary to ensure public outreach strategies continue to help accomplish outreach objectives. The outreach approach outlined in this plan will help the City of Oak Harbor successfully communicate and engage the affected businesses and prepare for construction. A full schedule of activities has been developed and included with this document as an appendix.

Appendix

Design Communications and Outreach Activities (April – December 2010)

	Activity	Tasks	Tentative Execution Timeline
	Design outreach and communications plan for design phase	<ul style="list-style-type: none"> <li>Develop outreach and communications plan to guide outreach activities during design</li> </ul>	Draft plan - April 2010 Final plan – May 2010
Concurrent	Business survey	<ul style="list-style-type: none"> <li>Surveying plan</li> <li>Interview script</li> <li>Surveying of all businesses</li> <li>Compiling report</li> <li>Business survey summary</li> </ul>	April/May 2010
	Project database	<ul style="list-style-type: none"> <li>Develop database plan/what is included</li> <li>Track all comments and communications</li> <li>Provide team with regular communications reports</li> </ul>	April/May 2010
	City Council presentation	<ul style="list-style-type: none"> <li>Present business survey findings to City Council; recommend next steps</li> </ul>	May 2010
	Project logo	<ul style="list-style-type: none"> <li>Design project logo and work with City to finalize</li> </ul>	May 2010
	Fact sheet (begins)	<ul style="list-style-type: none"> <li>Develop fact sheet for project Topic: Status of project designs/schedule/purpose Topic: How Pioneer Way fits into Windjammer Plan and other downtown revitalization efforts</li> <li>Develop up to 3 project flyers</li> </ul>	June 2010 (thru Nov)
	Web update	<ul style="list-style-type: none"> <li>Suggest a Web plan; coordinate for comprehensive information available on Web page</li> </ul>	June 2010
	Design workshop	<ul style="list-style-type: none"> <li>Develop plan, including in coordination with design team - facilitation techniques and content</li> <li>Draft notification text/handle notification of event</li> <li>Develop materials for workshop</li> <li>Coordinate, staff and facilitate workshop</li> <li>Write summary of workshop</li> </ul>	May (planning/notification) /June 2010 (implementation - dependent on design plans)
	Drop-in sessions	<ul style="list-style-type: none"> <li>Develop plan for 2 drop-in sessions</li> <li>Draft postcard notification /handle notification of sessions</li> <li>Identify drop-in session materials</li> <li>Coordinate and staff sessions</li> <li>Write drop-in session summaries</li> </ul>	June 2010 and July 2010 (dependent on design plans)

	Activity	Tasks	Tentative Execution Timeline
	Construction community relations plan	<ul style="list-style-type: none"> <li>• DRAFT construction community relations plan (ideas generated to gather feedback at design workshop)</li> </ul>	June 2010
	Assist with economic sustainability efforts	<ul style="list-style-type: none"> <li>• (Planning meeting) Develop project branding/economic development plan as part of construction outreach plan</li> </ul>	June 2010
	Organizational briefing (1 <sup>st</sup> phase)	<ul style="list-style-type: none"> <li>• Gather input on options for construction signage and possible economic development techniques during construction</li> </ul>	August 2010
	"Businesses are open" signage/advertising	<ul style="list-style-type: none"> <li>• Plan and drafts of signage developed</li> </ul>	August 2010
	Organizational briefing (2 <sup>nd</sup> phase)	<ul style="list-style-type: none"> <li>• Gather input on options for construction signage and possible economic development techniques during construction</li> </ul>	August 2010
	Construction community relations plan	<ul style="list-style-type: none"> <li>• FINAL construction community relations plan ideas</li> </ul>	September 2010
	City Council presentation	<ul style="list-style-type: none"> <li>• Develop PPT – expected community outreach during construction</li> </ul>	October 2010
	"Businesses are open" signage/advertising	<ul style="list-style-type: none"> <li>• Develop 4 options for signage</li> <li>• Develop 1 flash-ad and up to 3 print advertisements for use in economic development activities</li> </ul>	September/October 2010
	Newsletter	<ul style="list-style-type: none"> <li>• Draft text for community-wide project newsletter Topic: Final designs; what you can expect during construction</li> </ul>	September/October 2010

**City of Oak Harbor  
City Council Agenda Bill**

Bill No. 6  
Date: May 18, 2010  
Subject: Marina Rates – Guest Moorage  
and Boat Hoist

**FROM:** Steve Powers, Development Services Director *SP*  
Mack Funk, Harbormaster

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

*[Signature]* Jim Slowik, Mayor  
*[Signature]* Paul Schmidt, City Administrator  
*[Signature]* Doug Merriman, Finance Director  
*[Signature]* Margery Hite, City Attorney, as to form

**PURPOSE**

This agenda bill presents a resolution for City Council consideration which if approved increases guest moorage and boat hoist rates at the Oak Harbor Marina.

**AUTHORITY**

Oak Harbor Municipal Code Section 6.36.020(2) authorizes the City Council to set rates for service and moorage by resolution.

**SUMMARY STATEMENT**

On December 15, 2009 the City Council approved an increase for several of the Oak Harbor Marina rate categories. The adopted resolution increase rates for permanent and guest moorage, storage units, parking and electricity use by five percent (5%) in 2010, 2011 and 2012. During this rate increase process, some marina customers, Marina Advisory Committee members and City Council members inquired as to if the proposed rate increases were sufficient enough for the guest moorage category. Staff committed to reviewing the guest rates and returning to the City Council with a report and or proposal. Although not specifically requested by City Council, staff also further studied our boat hoist rates.

**Guest Moorage Rates**

In general the comments provided to staff during the previous rate review process were that the Oak Harbor Marina's guest moorage rates are too low when compared to those of the surrounding marinas. There was also some concern expressed that the Marina does not presently charge a separate fee for electricity use by guests.

Staff surveyed the guest moorage rates at the same neighboring marinas as were used for the overall rate study and increase. The results of this survey are shown in Table 1: Guest Moorage Rates. Oak Harbor Marina guest moorage rates are on average approximately 84% of nearby marinas. Port Townsend's guest moorage rates are slightly less than Oak Harbor, but they and

most other marinas charge extra for electricity.

**Table 1: Guest Moorage Rates**

Marina	May 1 – Sept 15	Sept 16 – April 30	Electricity
Port Townsend	\$0.65 per foot	\$0.65 per foot	\$4 per night
Everett	\$0.75 per foot	\$0.55 per foot	Included
Kingston	\$0.85 per foot	\$0.75 per foot	\$3 per night
La Conner	\$1.00 per foot	\$0.80 per foot	Included
Cap Sante	\$1.05 per foot	\$0.70 per foot	\$4 per night
<b>Average</b>	<b>\$0.86 per foot</b>	<b>\$0.69 per foot</b>	n/a
Oak Harbor existing	\$0.722 per foot	\$0.722 per foot	Included

Staff proposes that the Oak Harbor Marina institute an in-season rate (from May 1 – September 15), an off-season rate (from September 16 – April 30) and a separate charge for electricity as follows:

May 1 – September 15	\$0.80 per foot
September 16 – April 1	\$0.60 per foot
Electricity	\$3.00 per night

The proposed in-season guest rates are approximately 93% of the average of nearby marinas, while the proposed off-season rates are approximately 90% of the average. To be consistent with the manner in which permanent moorage rates are applied, the new guest moorage rates would be charged by actual boat length rather than by boat-length groupings. Finally, it is proposed that the new guest rates would increase by approximately 6% in 2011 and 2012.

**Boat Hoist Rates**

Although each hoist operation requires a different amount of time, the average time involved is approximately 45 minutes per hoist. The marina staff operators that perform the hoist work are paid between \$18.92 and \$23.97 per hour plus benefits (ranging from \$7.86 per hour to \$9.42 per hour). Even without including the cost of maintaining the equipment, the current rate of \$15.75 per operation does not cover the marina’s labor costs for providing this service to our customers. The proposed new rates are \$25 per operation (when performed by the marina) and \$40 for a monthly hoist contract (labor provided by the customer). Rates would increase approximately 6% in 2011 and 2012.

**Marina Advisory Committee Review**

This topic was discussed with the Marina Advisory Committee on February 1<sup>st</sup> and March 1<sup>st</sup>.

**STANDING COMMITTEE REPORT**

The proposed rate increases were discussed with the Governmental Services Standing Committee on April 13<sup>th</sup> and again on May 11<sup>th</sup>.

**RECOMMENDED ACTION**

Adopt resolution increasing guest moorage rates and boat hoist rates and establishing a nightly charge for guest electricity use

**ATTACHMENTS**

Resolution

**MAYOR'S COMMENTS**

**RESOLUTION No. \_\_\_\_\_**

**A RESOLUTION OF THE CITY OF OAK HARBOR SETTING CERTAIN MARINA RATES AND CHARGES**

WHEREAS, the Oak Harbor City Council conducted a public meeting on May 18, 2010, and determined that certain City of Oak Harbor Marina rates and charges should be increased in order to meet its operation and maintenance needs and to begin to accrue a cumulative reserve to be used for undertaking the marina redevelopment project.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Oak Harbor that the following rates shall be established pursuant to OHMC 6.36.020 and shall be referred to as the 'Marina Rate Schedule' for the period June 1, 2010 through December 31, 2012:

SEE ATTACHED TABLES

PASSED and approved by the City Council this 18th day of May, 2010.

THE CITY OF OAK HARBOR

\_\_\_\_\_  
Jim Slowik  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
Margery Hite  
City Attorney



Moorage Rates: Uncovered Slips

**Marina**  
**Rate Schedule – 2010**  
*Effective June 1, 2010*

<b>Boat or Slip Length</b>	<b>Rate</b>	<b>Subtotal Moorage</b>	<b>State Leasehold Excise Tax 12.84%</b>	<b>Customer Total</b>
15	x \$4.820	\$72.30	\$9.28	\$81.58
16		\$77.12	\$9.90	\$87.02
17		\$81.94	\$10.52	\$92.46
18		\$86.76	\$11.14	\$97.90
19		\$91.58	\$11.76	\$103.34
20		\$96.40	\$12.38	\$108.78
21		\$101.22	\$13.00	\$114.22
22		\$106.04	\$13.62	\$119.66
23		\$110.86	\$14.23	\$125.09
24		\$115.68	\$14.85	\$130.53
25		\$120.50	\$15.47	\$135.97
26		\$125.32	\$16.09	\$141.41
27	x \$5.219	\$140.91	\$18.09	\$159.01
28		\$146.13	\$18.76	\$164.90
29		\$151.35	\$19.43	\$170.78
30		\$156.57	\$20.10	\$176.67
31	x \$5.324	\$165.04	\$21.19	\$186.24
32		\$170.37	\$21.88	\$192.24
33		\$175.69	\$22.56	\$198.25
34		\$181.02	\$23.24	\$204.26
35	x \$5.471	\$191.49	\$24.59	\$216.07
36		\$196.96	\$25.29	\$222.25
37		\$202.43	\$25.99	\$228.42
38		\$207.90	\$26.69	\$234.59
39	x \$5.586	\$217.85	\$27.97	\$245.83
40		\$223.44	\$28.69	\$252.13
41		\$229.03	\$29.41	\$258.43
42		\$234.61	\$30.12	\$264.74
43		\$240.20	\$30.84	\$271.04
44		\$245.78	\$31.56	\$277.34
45		\$251.37	\$32.28	\$283.65
46		\$256.96	\$32.99	\$289.95
47		\$262.54	\$33.71	\$296.25
48		\$268.13	\$34.43	\$302.56
49	x \$6.017	\$294.83	\$37.86	\$332.69
50		\$300.85	\$38.63	\$339.48
51		\$306.87	\$39.40	\$346.27
52		\$312.88	\$40.17	\$353.06
53		\$318.90	\$40.95	\$359.85
54		\$324.92	\$41.72	\$366.64
55		\$330.94	\$42.49	\$373.43
56		\$336.95	\$43.26	\$380.22
57		\$342.97	\$44.04	\$387.01
58		\$348.99	\$44.81	\$393.80
59		\$355.00	\$45.58	\$400.59
60		\$361.02	\$46.35	\$407.37

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Moorage Rates: Covered Slips

**Marina**  
**Rate Schedule – 2010**  
*Effective June 1, 2010*

<b>Boat or Slip Length</b>	<b>Rate</b>	<b>Subtotal Moorage</b>	<b>State Leasehold Excise Tax 12.84%</b>	<b>Customer Total</b>
15	x \$6.594	\$98.91	\$12.70	\$111.61
16		\$105.50	\$13.55	\$119.05
17		\$112.10	\$14.39	\$126.49
18		\$118.69	\$15.24	\$133.93
19		\$125.29	\$16.09	\$141.37
20		\$131.88	\$16.93	\$148.81
21		\$138.47	\$17.78	\$156.25
22		\$145.07	\$18.63	\$163.69
23		\$151.66	\$19.47	\$171.14
24		\$158.26	\$20.32	\$178.58
25		\$164.85	\$21.17	\$186.02
26		\$171.44	\$22.01	\$193.46
27	x \$7.004	\$189.11	\$24.28	\$213.39
28		\$196.11	\$25.18	\$221.29
29		\$203.12	\$26.08	\$229.20
30		\$210.12	\$26.98	\$237.10
31	x \$7.424	\$230.14	\$29.55	\$259.69
32		\$237.57	\$30.50	\$268.07
33		\$244.99	\$31.46	\$276.45
34		\$252.42	\$32.41	\$284.83
35	x \$8.295	\$290.33	\$37.28	\$327.60
36		\$298.62	\$38.34	\$336.96
37		\$306.92	\$39.41	\$346.32
38		\$315.21	\$40.47	\$355.68
39	x \$8.778	\$342.34	\$43.96	\$386.30
40		\$351.12	\$45.08	\$396.20
41		\$359.90	\$46.21	\$406.11
42		\$368.68	\$47.34	\$416.01
43		\$377.45	\$48.47	\$425.92
44		\$386.23	\$49.59	\$435.82
45		\$395.01	\$50.72	\$445.73
46		\$403.79	\$51.85	\$455.63
47		\$412.57	\$52.97	\$465.54
48		\$421.34	\$54.10	\$475.44
49		\$430.12	\$55.23	\$485.35
50	x \$9.282	\$464.10	\$59.59	\$523.69
51		\$473.38	\$60.78	\$534.16
52		\$482.66	\$61.97	\$544.64

**Marina**  
**Rate Schedule – 2010**  
 Effective June 1, 2010

**Guest Moorage Rates**

<b>Based on Overall Length of Vessel</b>	<b>Nightly Rate</b>
May 1 – September 15	\$.80 per foot
September 16 – April 30	\$.60 per foot
Charge for electricity	\$3.00

**Electricity**

**Metered slips**

Account service charge (applies to all accounts)	\$4.73 per month
Charge per kilowatt hour consumed (per meter)	\$0.110 per kwh
Minimum charge, regardless of consumption (includes account service charge)	\$10.24 per month

**Unmetered slips, nonliveaboard (flat fee)**

Boats to 30 feet	\$10.24 per month
Boats 31 through 36 feet	\$15.75 per month
Boats greater than 36 feet	\$23.10 per month

**Unmetered slips, liveaboard (flat fee)**

Boats to 36 feet	\$42.00 per month
Boats greater than 36 feet	\$55.65 per month

Note: If a tenant utilizes more than one electrical connection, he shall be charged for all power terminals used in accordance with the above rates.

**Storage Sheds**

<b>Monthly Rate (subtotal)</b>	<b>State Leasehold Excise Tax (12.84%)</b>	<b>Total Monthly Rental Rate</b>	<b>Temporary Daily Rate</b>
\$89.07	\$11.44	\$100.51	\$3.68

**Marina  
Rate Schedule – 2010  
Effective June 1, 2010**

**Use of Hoist**

**Fees for hoist services performed for customers by marina staff**

Launching or retrieving (one way)	\$25.00
Round trip	\$50.00

**Monthly contract rates**

Non-commercial	\$40.00
Commercial	\$55.50

**Environmental Compliance Fee**

A monthly fee of \$1.05 shall be charged to each moorage and mini-storage account.

**Parking Lot Storage Rate**

Monthly Rate (subtotal)	State Leasehold Excise Tax (12.84%)	Total Monthly Rental Rate	Temporary Daily Rate
\$42.81	\$5.50	\$48.31	\$2.00

Moorage Rates: Uncovered Slips

**Marina**  
**Rate Schedule – 2011**  
*Effective January 1, 2011*

Boat or Slip Length	Rate	Subtotal Moorage	State Leasehold Excise Tax 12.84%	Customer Total
15	x \$5.061	\$75.92	\$9.75	\$85.66
16		\$80.98	\$10.40	\$91.37
17		\$86.04	\$11.05	\$97.08
18		\$91.10	\$11.70	\$102.79
19		\$96.16	\$12.35	\$108.51
20		\$101.22	\$13.00	\$114.22
21		\$106.28	\$13.65	\$119.93
22		\$111.34	\$14.30	\$125.64
23		\$116.40	\$14.95	\$131.35
24		\$121.46	\$15.60	\$137.06
25		\$126.53	\$16.25	\$142.77
26		\$131.59	\$16.90	\$148.48
27	x \$5.480	\$147.96	\$19.00	\$166.96
28		\$153.44	\$19.70	\$173.14
29		\$158.92	\$20.41	\$179.33
30		\$164.40	\$21.11	\$185.51
31	x \$5.590	\$173.29	\$22.25	\$195.54
32		\$178.88	\$22.97	\$201.85
33		\$184.47	\$23.69	\$208.16
34		\$190.06	\$24.40	\$214.46
35	x \$5.745	\$201.08	\$25.82	\$226.89
36		\$206.82	\$26.56	\$233.38
37		\$212.57	\$27.29	\$239.86
38		\$218.31	\$28.03	\$246.34
39	x \$5.865	\$228.74	\$29.37	\$258.10
40		\$234.60	\$30.12	\$264.72
41		\$240.47	\$30.88	\$271.34
42		\$246.33	\$31.63	\$277.96
43		\$252.20	\$32.38	\$284.58
44		\$258.06	\$33.13	\$291.19
45		\$263.93	\$33.89	\$297.81
46		\$269.79	\$34.64	\$304.43
47		\$275.66	\$35.39	\$311.05
48		\$281.52	\$36.15	\$317.67
49	x \$6.318	\$309.58	\$39.75	\$349.33
50		\$315.90	\$40.56	\$356.46
51		\$322.22	\$41.37	\$363.59
52		\$328.54	\$42.18	\$370.72
53		\$334.85	\$43.00	\$377.85
54		\$341.17	\$43.81	\$384.98
55		\$347.49	\$44.62	\$392.11
56		\$353.81	\$45.43	\$399.24
57		\$360.13	\$46.24	\$406.37
58		\$366.44	\$47.05	\$413.50
59		\$372.76	\$47.86	\$420.62
60		\$379.08	\$48.67	\$427.75

Moorage Rates: Covered Slips

**Marina**  
**Rate Schedule – 2011**  
*Effective January 1, 2011*

<b>Boat or Slip Length</b>	<b>Rate</b>	<b>Subtotal Moorage</b>	<b>State Leasehold Excise Tax 12.84%</b>	<b>Customer Total</b>
15	x \$6.924	\$103.86	\$13.34	\$117.20
16		\$110.78	\$14.22	\$125.01
17		\$117.71	\$15.11	\$132.82
18		\$124.63	\$16.00	\$140.63
19		\$131.56	\$16.89	\$148.45
20		\$138.48	\$17.78	\$156.26
21		\$145.40	\$18.67	\$164.07
22		\$152.33	\$19.56	\$171.89
23		\$159.25	\$20.45	\$179.70
24		\$166.18	\$21.34	\$187.51
25		\$173.10	\$22.23	\$195.33
26		\$180.02	\$23.12	\$203.14
27	x \$7.354	\$198.56	\$25.49	\$224.05
28		\$205.91	\$26.44	\$232.35
29		\$213.27	\$27.38	\$240.65
30		\$220.62	\$28.33	\$248.95
31	x \$7.795	\$241.65	\$31.03	\$272.67
32		\$249.44	\$32.03	\$281.47
33		\$257.24	\$33.03	\$290.26
34		\$265.03	\$34.03	\$299.06
35	x \$8.710	\$304.85	\$39.14	\$343.99
36		\$313.56	\$40.26	\$353.82
37		\$322.27	\$41.38	\$363.65
38		\$330.98	\$42.50	\$373.48
39	x \$9.217	\$359.46	\$46.16	\$405.62
40		\$368.68	\$47.34	\$416.02
41		\$377.90	\$48.52	\$426.42
42		\$387.11	\$49.71	\$436.82
43		\$396.33	\$50.89	\$447.22
44		\$405.55	\$52.07	\$457.62
45		\$414.77	\$53.26	\$468.02
46		\$423.98	\$54.44	\$478.42
47		\$433.20	\$55.62	\$488.82
48		\$442.42	\$56.81	\$499.22
49		\$451.63	\$57.99	\$509.62
50	x \$9.746	\$487.30	\$62.57	\$549.87
51		\$497.05	\$63.82	\$560.87
52		\$506.79	\$65.07	\$571.86

**Marina**  
**Rate Schedule – 2011**  
 Effective January 1, 2011

**Guest Moorage Rates**

Based on Overall Length of Vessel	Nightly Rate
May 1 – September 15	\$.85 per foot
September 16 – April 30	\$.65 per foot
Charge for electricity	\$3.00

**Electricity**

**Metered slips**

Account service charge (applies to all accounts)	\$4.96 per month
Charge per kilowatt hour consumed (per meter)	\$0.116 per kwh
Minimum charge, regardless of consumption (includes account service charge)	\$10.75 per month

**Unmetered slips, nonliveaboard (flat fee)**

Boats to 30 feet	\$10.75 per month
Boats 31 through 36 feet	\$16.54 per month
Boats greater than 36 feet	\$24.26 per month

**Unmetered slips, liveaboard (flat fee)**

Boats to 36 feet	\$44.10 per month
Boats greater than 36 feet	\$58.43 per month

Note: If a tenant utilizes more than one electrical connection, he shall be charged for all power terminals used in accordance with the above rates.

**Storage Sheds**

Monthly Rate (subtotal)	State Leasehold Excise Tax (12.84%)	Total Monthly Rental Rate	Temporary Daily Rate
\$93.53	\$12.01	\$105.53	\$3.86

**Marina  
Rate Schedule – 2011  
Effective January 1, 2011**

**Use of Hoist**

**Fees for hoist services performed for customers by marina staff**

Launching or retrieving (one way)	\$26.25
Round trip	\$52.50

**Monthly contract rates**

Non-commercial	\$42.00
Commercial	\$58.25

**Environmental Compliance Fee**

A monthly fee of \$1.10 shall be charged to each moorage and mini-storage account.

**Parking Lot Storage Rate**

Monthly Rate (subtotal)	State Leasehold Excise Tax (12.84%)	Total Monthly Rental Rate	Temporary Daily Rate
\$44.95	\$5.77	\$50.72	\$2.21

Moorage Rates: Uncovered Slips

**Marina**  
**Rate Schedule – 2012**  
*Effective January 1, 2012*

Boat or Slip Length	Rate	Subtotal Moorage	State Leasehold Excise Tax 12.84%	Customer Total
15	x \$5.314	\$79.71	\$10.23	\$89.94
16		\$85.02	\$10.92	\$95.94
17		\$90.34	\$11.60	\$101.94
18		\$95.65	\$12.28	\$107.93
19		\$100.97	\$12.96	\$113.93
20		\$106.28	\$13.65	\$119.93
21		\$111.59	\$14.33	\$125.92
22		\$116.91	\$15.01	\$131.92
23		\$122.22	\$15.69	\$137.92
24		\$127.54	\$16.38	\$143.91
25		\$132.85	\$17.06	\$149.91
26		\$138.16	\$17.74	\$155.90
27	x \$5.754	\$155.36	\$19.95	\$175.31
28		\$161.11	\$20.69	\$181.80
29		\$166.87	\$21.43	\$188.29
30		\$172.62	\$22.16	\$194.78
31	x \$5.870	\$181.97	\$23.36	\$205.33
32		\$187.84	\$24.12	\$211.96
33		\$193.71	\$24.87	\$218.58
34		\$199.58	\$25.63	\$225.21
35	x \$6.032	\$211.12	\$27.11	\$238.23
36		\$217.15	\$27.88	\$245.03
37		\$223.18	\$28.66	\$251.84
38		\$229.22	\$29.43	\$258.65
39	x \$6.158	\$240.16	\$30.84	\$271.00
40		\$246.32	\$31.63	\$277.95
41		\$252.48	\$32.42	\$284.90
42		\$258.64	\$33.21	\$291.84
43		\$264.79	\$34.00	\$298.79
44		\$270.95	\$34.79	\$305.74
45		\$277.11	\$35.58	\$312.69
46		\$283.27	\$36.37	\$319.64
47		\$289.43	\$37.16	\$326.59
48		\$295.58	\$37.95	\$333.54
49	x \$6.634	\$325.07	\$41.74	\$366.80
50		\$331.70	\$42.59	\$374.29
51		\$338.33	\$43.44	\$381.78
52		\$344.97	\$44.29	\$389.26
53		\$351.60	\$45.15	\$396.75
54		\$358.24	\$46.00	\$404.23
55		\$364.87	\$46.85	\$411.72
56		\$371.50	\$47.70	\$419.21
57		\$378.14	\$48.55	\$426.69
58		\$384.77	\$49.40	\$434.18
59		\$391.41	\$50.26	\$441.66
60		\$398.04	\$51.11	\$449.15

Moorage Rates: Covered Slips

**Marina**  
**Rate Schedule – 2012**  
*Effective January 1, 2012*

<b>Boat or Slip Length</b>	<b>Rate</b>	<b>Subtotal Moorage</b>	<b>State Leasehold Excise Tax 12.84%</b>	<b>Customer Total</b>
15	x \$7.270	\$109.05	\$14.00	\$123.05
16		\$116.32	\$14.94	\$131.26
17		\$123.59	\$15.87	\$139.46
18		\$130.86	\$16.80	\$147.66
19		\$138.13	\$17.74	\$155.87
20		\$145.40	\$18.67	\$164.07
21		\$152.67	\$19.60	\$172.27
22		\$159.94	\$20.54	\$180.48
23		\$167.21	\$21.47	\$188.68
24		\$174.48	\$22.40	\$196.88
25		\$181.75	\$23.34	\$205.09
26		\$189.02	\$24.27	\$213.29
27	x \$7.722	\$208.49	\$26.77	\$235.26
28		\$216.22	\$27.76	\$243.98
29		\$223.94	\$28.75	\$252.69
30		\$231.66	\$29.75	\$261.41
31	x \$8.185	\$253.74	\$32.58	\$286.31
32		\$261.92	\$33.63	\$295.55
33		\$270.11	\$34.68	\$304.79
34		\$278.29	\$35.73	\$314.02
35	x \$9.146	\$320.11	\$41.10	\$361.21
36		\$329.26	\$42.28	\$371.53
37		\$338.40	\$43.45	\$381.85
38		\$347.55	\$44.63	\$392.17
39	x \$9.678	\$377.44	\$48.46	\$425.91
40		\$387.12	\$49.71	\$436.83
41		\$396.80	\$50.95	\$447.75
42		\$406.48	\$52.19	\$458.67
43		\$416.15	\$53.43	\$469.59
44		\$425.83	\$54.68	\$480.51
45		\$435.51	\$55.92	\$491.43
46		\$445.19	\$57.16	\$502.35
47		\$454.87	\$58.40	\$513.27
48		\$464.54	\$59.65	\$524.19
49		\$474.22	\$60.89	\$535.11
50	x \$10.233	\$511.65	\$65.70	\$577.35
51		\$521.88	\$67.01	\$588.89
52		\$532.12	\$68.32	\$600.44

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**Marina  
Rate Schedule – 2012  
Effective January 1, 2012**

**Guest Moorage Rates**

<b>Based on Overall Length of Vessel</b>	<b>Nightly Rate</b>
May 1 – September 15	\$ .90 per foot
September 16 – April 30	\$ .70 per foot
Charge for electricity	\$3.00

**Electricity**

**Metered slips**

Account service charge (applies to all accounts)	\$5.21 per month
Charge per kilowatt hour consumed (per meter)	\$0.122 per kwh
Minimum charge, regardless of consumption (includes account service charge)	\$11.29 per month

**Unmetered slips, nonliveaboard (flat fee)**

Boats to 30 feet	\$11.29 per month
Boats 31 through 36 feet	\$17.36 per month
Boats greater than 36 feet	\$25.47 per month

**Unmetered slips, liveaboard (flat fee)**

Boats to 36 feet	\$46.31 per month
Boats greater than 36 feet	\$61.35 per month

Note: If a tenant utilizes more than one electrical connection, he shall be charged for all power terminals used in accordance with the above rates.

**Storage Sheds**

<b>Monthly Rate (subtotal)</b>	<b>State Leasehold Excise Tax (12.84%)</b>	<b>Total Monthly Rental Rate</b>	<b>Temporary Daily Rate</b>
\$98.20	\$12.61	\$110.81	\$4.05

**Marina**  
**Rate Schedule – 2012**  
 Effective January 1, 2012

**Use of Hoist**

**Fees for hoist services performed for customers by marina staff**

Launching or retrieving (one way)	\$27.50
Round trip	\$55.00

**Monthly contract rates**

Non-commercial	\$44.00
Commercial	\$61.25

**Environmental Compliance Fee**

A monthly fee of \$1.16 shall be charged to each moorage and mini-storage account.

**Parking Lot Storage Rate**

Monthly Rate (subtotal)	State Leasehold Excise Tax (12.84%)	Total Monthly Rental Rate	Temporary Daily Rate
\$47.20	\$6.06	\$53.26	\$2.32

City of Oak Harbor  
City Council Agenda Bill

Bill No.

7

Date:

May 18, 2010

Subject:

Regatta Water Main Extension  
Contract Award

**FROM:** Cathy Rosen, Public Works Director  
Eric Johnston, City Engineer

**INITIALED AS APPROVED FOR  
SUBMITTAL TO THE COUNCIL BY:**



Jim Slowik, Mayor



Paul Schmidt, City Administrator



Doug Merriman, Finance Director



Margery Hite, City Attorney, approved as to form

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**PURPOSE**

This agenda bill recommends awarding a contract for construction of the Regatta Water Main Extension to C. Johnson Construction Inc in the amount of \$443, 211.21

**AUTHORITY**

Oak Harbor Municipal Code Chapter 2.330.010 provides for the contracting for Public Works and Improvements as follows:

Except as otherwise authorized by Chapters 39.04 and 39.28 RCW, or RCW 35.22.620, relating to emergency public works, or other applicable general state law, as now enacted or as hereafter amended, all public works and improvements shall be done by contract pursuant to public notice and call for competitive bids in accordance with this chapter whenever the estimated cost of such public work or improvement, including the cost of materials, supplies, equipment and labor, will exceed the sum of \$30,000 if more than one craft or trade is involved with the public works project, or in excess of \$20,000 if only a single craft or trade is involved with the public works project or the public works project is street signalization or street lighting; provided, the city may use a small works roster pursuant to RCW 35.22.620. It is further provided, that the council may authorize public works construction projects without bid up to the bid limitation in RCW 35.22.620 as now in effect or as hereafter amended.

**SUMMARY STATEMENT**

This contract will construct a 12-inch diameter water line along Regatta Drive and SR-20 from NE 16<sup>th</sup> Avenue north to Fakkema Road. As a property owner the project will meet the City's obligation to comply with the annexation agreement requiring the extension of the water main. In addition, the project is consistent with the City of Oak Harbor Comprehensive Water Plan. .

**DISCUSSION**

The project was advertised for bidding in the Daily Journal of Commerce and Whidbey News Times.

*Amount of the Contract:* Staff received and opened 12 sealed bids on May 6, 2010. The bid totals are tabulated below (amounts include Washington State Sales Tax in the amount of 8.7%):

Contractor	Location	Bid Total
C. Johnson Const. Inc	Oak Harbor, WA	\$443,211.21
Premium Const.	Oak Harbor, WA	\$488,430.93
Colacurcio Bros. Const., Inc.	Blaine, WA	\$497,175.32
D & G Backhoe	Lake Stevens, WA	\$505,671.20
SRV Construction	Oak Harbor, WA	\$531,551.15
B & B Utilities	Bothell, WA	\$542,385.83
G & G Excavation	Anacortes, WA	\$581,421.90
Kar-Vel construction.	Renton, WA	\$590,669.93
Buno Construction	Lake Stevens, WA	\$597,714.13
Krieg Construction	Oak Harbor, WA	\$628,687.37
Seton Construction	Port Townsend	\$691,655.49
B & L Utility Inc	Snohomish, WA	\$698,068.14

<i>Engineer's Estimate</i>	<i>Oak Harbor, WA</i>	<i>\$859,179.54</i>
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Staff reviewed the bid prices and is knowledgeable of the qualifications and experience of the low bidder. It is recommended that a contract in the amount of \$443,211.21 to C. Johnston Construction who is the lowest responsible bidder as defined by the contract documents.

*Construction Contingency:* Most construction projects involve change orders and modifications to the contract plans. Delays in processing change order requests can result in costly delay claims against the City. To minimize the possibility of delays and the resulting claims, staff requests that the City Engineer be authorized to administratively approve up to \$45,000.00 approximately 10% of the contract amount, for change orders.

The Engineering division will be performing the construction inspection and construction management activities for the project. The assistance of a licensed surveyor and a materials

testing company will be needed as part of the construction management. The costs for these professional services are approximately \$6,000 and \$15,000 respectively. Contracts for these services will be made under the Mayor's authority for contracts less than \$30,000 as allowed for in OHMC 2.390.

*Funding:* The funding for the project is available in the City of Oak Harbor Water Division budget. Funding is a combination of system development charges and water rate revenues.

*Justification:* The project is necessary to provide water to properties within the City of Oak Harbor and the City of Oak Harbor water service area. Furthermore as an owner of property in the Boyer Annexation area the City is required to provide water and specifically provide the potential for fire flow to its own property.

### **STANDING COMMITTEE REPORT**

This project was presented to the Public Works and Utilities Committee meetings in 2009 and 2010.

### **RECOMMENDED ACTION**

- 1) Authorize the Mayor to sign a contract with C. Johnson Construction, Inc in the amount of \$443,211.21 for the Regatta Water Main Extension.
- 2) Authorize the City Engineer to administratively approve changes to the construction contract totaling not more than \$45,000.00.

### **ATTACHMENTS:**

Bid Tabulation  
Contract Form

### **MAYOR'S COMMENTS:**



**AGREEMENT**

THIS AGREEMENT is entered into by and between the CITY OF OAK HARBOR (hereinafter called the Owner) and \_\_\_\_\_  
(hereinafter called the Contractor).

The Owner and the Contractor agree as follows:

**ARTICLE 1. WORK.**

The Work shall consist of installation of approximately 5,148 linear feet of 12-inch diameter PVC (SDR 14) water main from NE 16<sup>th</sup> Avenue north along NE Regatta Drive east along Fakkema Road together with 920 tons of HMA for an 2-inch overlay on NE Regatta Drive from NE 16<sup>th</sup> Avenue to Case Road. Additional work includes, but is not limited to, traffic control, fire hydrants installation, water service line installation, a cased crossing, appurtenant structures, temporary erosion and sediment control, property restoration, and asphalt road patching and resurfacing. All work shall be in conformance with the Contract Plans, Contract Provisions, and the 2010 Standard Specifications for Road, Bridge and Municipal Construction.

**ARTICLE 2. CONTRACT TIME.**

The Contractor shall physically complete the Work within ninety (90) calendar days (the Physical Completion Date) of a date specified in the Notice to Proceed.

**ARTICLE 3. ROAD CLOSURE**

No Road Closures shall be allowed.

**ARTICLE 4. LIQUIDATED DAMAGES.**

The Owner and the Contractor recognize that time is of the essence of this Agreement and that the Owner will suffer financial loss if the Work is not completed within the Contract Time, plus any extensions thereof allowed in accordance with the Contract Documents. They also recognize the inconvenience, expense, and difficulties involved a legal proceeding to prove the actual loss suffered by the Owner if the Work is not completed within the Contract Time. Accordingly, the Owner and the Contractor agree that as liquidated damages for delay, and not as a penalty, the Contractor shall pay the Owner \$200.00 (US) for each working day beyond the Physical Completion Date that the Contractor achieves physical completion of the Work.

**ARTICLE 5. CONTRACT PRICE.**

The Owner shall pay the Contractor the amount(s) set forth in the Proposal (in United States dollars) for completion of the Work in accordance with the Contract Documents.

**AGREEMENT – Continued**

**ARTICLE 6. CONTRACT DOCUMENTS.**

The Contract Documents, which comprise the entire agreement between the owner and the Contractor concerning the Work, consists of the following:

- This Agreement;
- The Call for Bids;
- The Contractor's Proposal including the bid, bid schedule(s), information required of bidder, and all required certificates and affidavits;
- The performance bond and the labor and material payment bond;
- The Plans (or drawings) as listed in the index on sheet 1 of the Plans;
- The Special Provisions;
- Addenda numbers 1,2 & 3, inclusive;
- WSDOT Standard Specifications for Road, Bridge and Municipal Construction, 2008 edition;
- Amendments;
- Change Orders and written Change directives issued after the effective date of this Agreement;
- City of Oak Harbor Standard Details;
- WSDOT Standard Plans;
- Appendices

There are no Contract Documents other than those listed in this Article 6. The Contract Documents may be amended only in writing by Change Order or Change Directive as provided in the Contract Documents.

**ARTICLE 7. MISCELLANEOUS.**

The Contractor specifically waives its immunity under applicable worker's compensation statutes, including, but not limited to RCW Title 51, which is specifically acknowledged by the Contractor. \_\_\_\_\_ (Contractor's initials)

No assignment of any of the Contractor's rights under or interests in the Contract Documents, including but not limited to rights to payment, will be allowed without the prior written consent of the Owner. Unless specifically stated in a written consent to an assignment, no assignment will release or discharge the Contractor-assignor from any duty or responsibility under the Contract Documents.

The Contract Documents are binding upon the Owner and the Contractor, and their respective partners, successors, assigns and legal representatives.

**ARTICLE 8. INDEMNIFICATION**

The contractor shall defend indemnify and hold the City, its officers, officials, employees and volunteers harmless from any claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115 then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the City, its officers, officials, employees, and volunteers, the Contractor's liability hereunder shall be only to the extent of the Contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this agreement.

IN WITNESS WHEREOF, Owner and Contractor have caused this Agreement to be executed the day and year first above written.

**CITY OF OAK HARBOR**

**CONTRACTOR**

By \_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

Title \_\_\_\_\_

Attest \_\_\_\_\_

Address for giving notices

\_\_\_\_\_

License No. \_\_\_\_\_

Agent for service of process: \_\_\_\_\_