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**Port of Port Townsend
1st Monthly Meeting Agenda and
Public Hearing – 2013 Comprehensive Scheme of Harbor Improvements
Wednesday, December 11, 2013, 1:00 PM
Commission Building
333 Benedict Street, Port Townsend, WA**

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Public Hearing on 2013 Comprehensive Scheme of Harbor Improvements Update
- IV. Consent Agenda
 - A. Approval of Meeting Minutes – November 26, 2013.....1-2
 - B. Operations Reports – November 2013.....3-6
- V. Public Comments (not related to Agenda)
- VI. Old Business
 - None
- VII. New Business
 - A. Team Jefferson/EDC Contract and Scope of Services.....7-16
 - B. Team Jefferson/EDC – 2410 Washington Street Building Lease.....17-30
 - C. Approval of Warrants
- VIII. Staff Comments
- IX. Public Comments
- X. Commissioner Comments
- XI. **Next Meeting: MONDAY, DECEMBER 23, 2013, 1:00 PM, Port Commission Building,
333 Benedict Street, Port Townsend, WA**
- XII. Executive Session (if called):
- XIII. Adjournment

PORT COMMISSION MEETING– November 26, 2013

The Port of Port Townsend Commission met in regular session at the Commission Building, 333 Benedict Street, Port Townsend, WA.

Present: Commissioners – Erickson, Tucker, Thompson
Executive Director – Crockett
Deputy Director - Pivarnik
Auditor – Khile
Attorney - Lake
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Erickson called the meeting to order at 1:00 PM.

II. APPROVAL OF AGENDA:

Commissioner Thompson moved to approve the Agenda as presented.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

III. CONSENT AGENDA:

A. Approval of Meeting Minutes – November 13, 2013
Approval of Public Workshop Minutes – November 13, 2013

B. Operations Reports – September 2013

Commissioner Tucker moved to approve the Consent Agenda as presented.

Commissioner Thompson seconded the motion.

Motion carried by unanimous vote.

IV. PUBLIC COMMENTS (Not related to agenda) (1:29):

Port Townsend resident, Bertram Levy, discussed his concerns from the November 13 and April 17, 2013 commission meetings.

Airport tenant, Bill Putney, commented on airport funds and assets in response to one of Mr. Levy's comments.

V. OLD BUSINESS:

A. Department of Ecology Meeting Group Formation (11:46):

Commissioner Thompson informed that he met with PUD staff and was able to get Bill Graham and Commissioner Wayne King to represent their agency with the DOE meeting group he is forming. He hopes to hear from the City and County soon on their reps.

VI. NEW BUSINESS:

A. WA Public Ports Association Annual Meeting Update (17:32):

Mr. Crockett stated the meeting provided some good presentations and that it was also very well attended. He wanted to run by a few things discussed in the breakout sessions:

- The Economic Impact of the Maritime Industry in Washington State -“Marinas of the Future”. He discussed how the Port of Port Townsend compares in with this study.

The legal agenda for the upcoming January 2014 legislative session, which includes:

- The Model Toxic Control Account funding for environmental clean-ups, and the need to protect those funds
- Marine Tourism bill, previously supported by the Port of Port Townsend, which will come up again
- RCO funding (which includes boat ramp grant money) and the need to protect these funds.
- Industrial Development District levy flexibility
- Prevailing Wages on small works projects
- Derelict Vessels and future disbursement of funding (Mr. Crockett volunteered our port to be a member of this committee, if formed)
- WA Tourism Alliance and the future funding prospects (The Port of PT may participate in future studies)

Commissioner Tucker, who also attended, commented on the Marinas of the Future presentation. He commented on how slip sizes were well planned in our port's A/B dock reconfiguration. He also commented on the discussion that encouraged ports to use social media. Lastly, he learned quite a bit on stormwater issues; including different methods, programs, grants and loans available. He explained there are many resources out there.

B. Approval of Warrants (33:20):

Commissioner Tucker read the warrants, as presented:

Warrant #052075 through #052090 in the amount of \$61,310.10 for Payroll and Benefits
Warrant #052091 through #052129 in the amount of \$46,315.20 for Accounts Payable
Electronic Debit to Union Bank in the amount of \$7,460.61 for Washington State
Combined Excise Tax for October 2013

Commissioner Tucker moved to approve the warrants as presented.
Commissioner Thompson seconded the motion.
Motion carried by unanimous vote.

VII. STAFF COMMENTS:

Ms. Khile reported she dropped the 2014 budget off to the County office.

Ms. Nelson commented on Mr. Levy's public comment.

Mr. Crockett informed that Port offices would be closed November 28 & 29, 2013 for the Thanksgiving holiday.

VIII. PUBLIC COMMENTS (35:13):

Nordland resident, Vigo Anderson, questioned costs associated with the building of the new Administration Building in the "Doing the Math" section of the November issue of "The Conversation".

Bertram Levy asked more questions on the timeline of the decision to build the administration office. He also questioned whether the original cost to build included the 1' rise of the building.

Lon Zimmerman stated he likes Commissioner Tucker's ideas about reaching out through social media. He also likes the idea of sending messages out with customer billings.

IX. COMMISSIONER COMMENTS (45:14):

Commissioner Tucker discussed Mr. Levy's comments on environmental fees heard at the previous commission meeting, and the need to re-examine environmental fees and environmental costs.

Commissioner Erickson stated he attended the Pacific Marine Expo last week, which he believes is a great show for the Port's exposure. He commented on the good work by Port staff on setting up and staffing of the booth.

Commissioner Thompson commented that he also attended the Marine Expo.

VII. STAFF COMMENTS (cont.):

Mr. Pivarnik announced that the draft 2013 Comp Scheme of Harbor Improvements Update has been posted on the Port's website.

X. NEXT MEETING/PUBLIC HEARING & PUBLIC WORKSHOP: Next regular meeting, which includes a Public Hearing on the 2013 Comp Scheme of Harbor Improvements, will be held Wednesday, December 11, 2013 at 1:00 PM, with a Public Workshop preceding at 9:30 AM in the Port Commission Building, 333 Benedict Street St, Port Townsend.

XI. EXECUTIVE SESSION:

The regular session recessed into Executive Session, at 1:49 PM to discuss pending litigation duration of ten minutes with no action, pursuant to RCW 42.30.110 (i). The session went a few minutes over the ten-minute allotment, and at 2:01 PM, Ms. Nelson checked to see if any public was waiting the reconvening of the meeting. Finding no one, the session continued.

XII. RECONVENING AND ADJOURNMENT OF REGULAR MEETING:

The meeting reconvened and adjourned at 2:06 PM there being no further business to come before the Commission.

ATTEST:

David H. Thompson, Secretary

Leif W. Erickson, President

Stephen R. Tucker, Vice President

BOATHAVEN OPERATIONS REPORT/MOORAGE

MONTH: NOVEMBER

DATE: 12/5/2013

MONTHLY PERMS: 355

MONTHLY GUESTS: 20

# OF SLIPS BY SIZE	OCCUPIED	empty	% occ.
25' <u>35</u>	<u>33</u>	2	94%
27' <u>11</u>	<u>10</u>	1	91%
30' <u>105</u>	<u>101</u>	4	96%
35' <u>24</u>	<u>23</u>	1	96%
40' <u>44</u>	<u>44</u>	0	100%
45' <u>41</u>	<u>41</u>	0	100%
50' <u>32</u>	<u>32</u>	0	100%
OVER 52' <u>7</u>	<u>7</u>	0	100%
TOTAL: <u>299</u>	<u>291</u>	8	AVG: 97%

LINEAR SPACE/FT	OCCUPIED	% OCCUPIED
COMMERCIAL <u>365</u>	<u>320</u>	<u>88%</u>
RECREATIONAL <u>1986</u>	<u>1986</u>	<u>100%</u>
LIMITED ACC. <u>1455</u>	<u>1382</u>	<u>95%</u>
TOTAL: <u>3806</u>	<u>3660</u>	146 AVG: 96%

	CURR	PREV	YTD
NIGHTLY GUESTS:	113	4174	4287
CREDIT SYSTEM:	20	281	281
TEMP TIE UP:	9	191	200
FREE NIGHTS:	0	7	7
PTYC:	3	205	208
RAMP/DAILY:	26	1101	1127
RAMP/ANNUAL:	0	485	485

WAIT LISTS	
25' PLEA:	<u>7</u>
27' PLEA:	<u>0</u>
30' PLEA:	<u>43</u>
35' PLEA:	<u>27</u>
40' PLEA:	<u>41</u>
45' PLEA:	<u>14</u>
50' PLEA:	<u>15</u>
OVER 52':	<u>11</u>
OVERWID	<u>0</u>
30' COMM.	<u>0</u>
40' COMM.	<u>0</u>
50' COMM:	<u>0</u>

TOTAL OCCUPANCY %: 97%

Port of Port Townsend

POINT HUDSON MARINA & RV PARK

MONTHLY OCCUPANCY REPORT & 5 YEAR COMPARISON

2013

MARINA NIGHTLY GUEST NIGHTS

	2008		2009		2010		2011		2012		2013		
	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	
JAN	51	51	43	43	63	63	32	32	28	28	58	58	JAN
FEB	126	177	121	164	101	164	77	109	96	124	80	138	FEB
MAR	128	305	60	224	106	270	178	287	73	197	95	233	MAR
APRIL	261	566	241	465	199	469	180	467	240	437	159	392	APRIL
MAY	614	1180	534	999	616	1085	618	1085	541	978	605	997	MAY
JUNE	759	1939	654	1653	601	1686	582	1667	749	1727	606	1603	JUNE
JULY	1217	3156	1293	2946	1170	2856	1079	2746	1035	2762	1089	2692	JULY
AUG	1289	4445	1285	4231	1255	4111	1131	3877	1178	3940	1188	3880	AUG
SEPT	884	5329	920	5151	1008	5119	838	4715	831	4771	899	4779	SEPT
OCT	237	5566	145	5296	130	5249	154	4869	175	4946	214	4993	OCT
NOV	91	5657	73	5369	57	5306	58	4927	86	5032	138	5131	NOV
DEC	30	5687	61	5430	34	5340	54	4981	65	5097			DEC

RV NIGHTLY GUEST NIGHTS

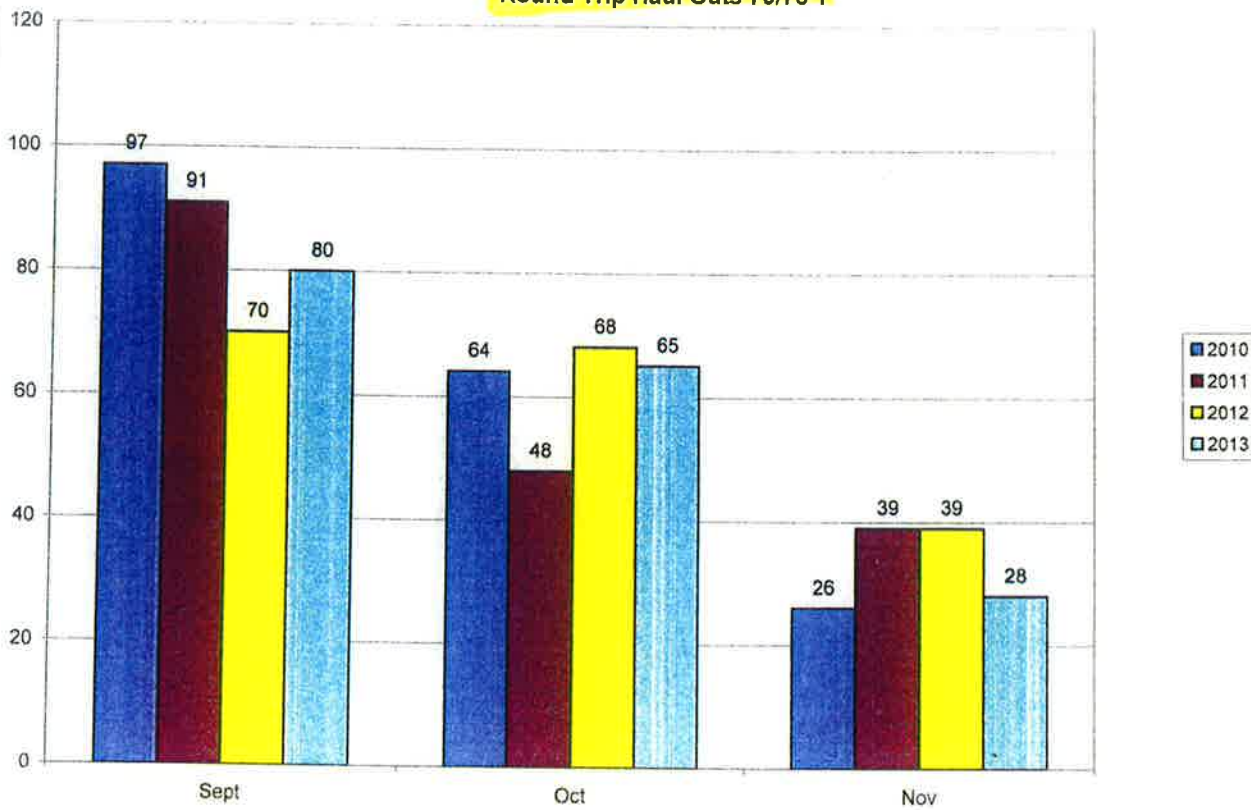
	2008		2009		2010		2011		2012		2013		
	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	
JAN	85	85	136	136	175	175	173	173	176	176	180	180	JAN
FEB	195	280	163	299	286	461	214	387	221	397	261	441	FEB
MAR	188	468	186	485	338	799	239	626	229	626	359	800	MAR
APRIL	312	780	412	897	403	1202	341	967	445	1071	209	1009	APRIL
MAY	537	1317	400	1297	628	1830	717	1684	638	1709	637	1646	MAY
JUNE	490	1807	584	1881	654	2484	713	2397	645	2354	910	2556	JUNE
JULY	1046	2853	1234	3115	1256	3740	1215	3612	1247	3601	1275	3831	JULY
AUG	1004	3857	1236	4351	1228	4968	1257	4869	1300	4901	1293	5124	AUG
SEPT	833	4690	1050	5401	1051	6019	1062	5931	1076	5977	1079	6203	SEPT
OCT	459	5149	493	5894	501	6520	501	6432	580	6557	694	6897	OCT
NOV	240	5389	235	6129	241	6761	258	6690	290	6847	352	7249	NOV
DEC	63	5452	195	6324	157	6918	176	6866	246	7093			DEC

PERMANENT & SEASONAL TENANT SUMMARY

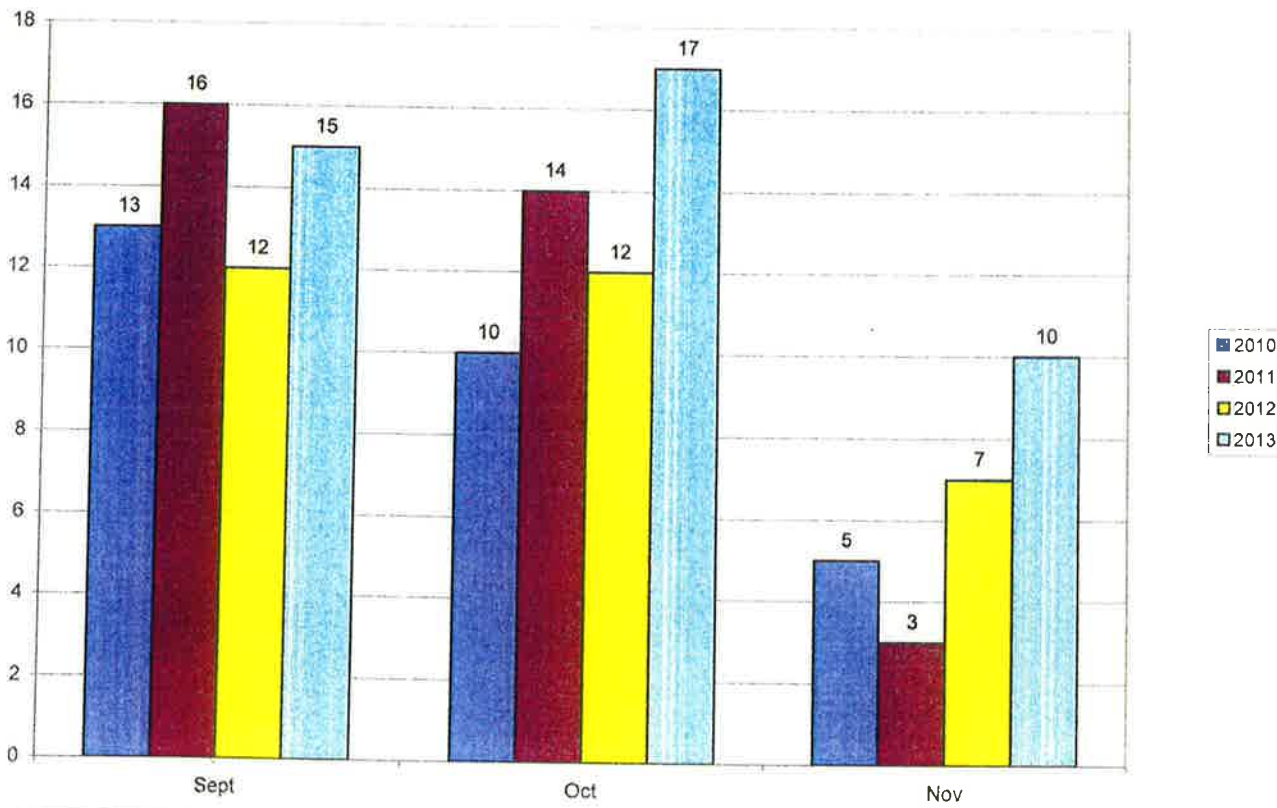
	AVAIL/GOAL	OCCUPIED	%
LTD ACCESS MOORAGE	40 SLIPS	24	60%
COMMERCIAL MOORAGE	850 FEET	846	100%
SEASONAL MOORAGE	32 SLIPS	22	69%
SEASONAL RV'S	10 SITES	9	90%
UNDESIRABLE	5 SLIPS	0	0%

STORAGE OPERATIONS REPORT								DATE:	12/3/2013
November-13									
	NOV 2010	NOV 2011	NOV 2012	NOV 2013	2010 YEAR TO DATE	2011 YEAR TO DATE	2012 YEAR TO DATE	2013 YEAR TO DATE	REMARKS
HAUL-OUT									
BOAT YARD - OUT	26	39	39	28	705	695	718	709	
BOAT YARD - IN	24	35	28	26	715	704	689	675	
67% RE-BLOCK	4	3	3	5	58	76	39	59	
40% INSPECTION	2	1	2	4	35	43	35	36	
OTHER	1	1	3	0	28	35	27	22	
SUB TOTAL	57	79	75	63	1541	1553	1508	1501	
SHIP - OUT									
SHIP - OUT	5	3	7	10	91	108	128	149	
SHIP - IN	4	2	5	7	90	99	122	130	
SHIP - RE-BLOCK	2	0	2	2	9	9	12	4	
SHIP-INSPECTION	2	0	0	0	8	5	2	6	
SHIP - OTHER	0	0	0	0	0	3	2	5	
SUB TOTAL	13	5	14	19	198	224	266	294	
TOTAL	70	84	89	82	1739	1777	1772	1795	
STORAGE									
PTBH - START	100	72	78	70					2010-a/b dock
PTBH - END	92	59	71	72					
PTBH-O.P.P.	22	26	27	22					
SHIP-START	12	16	11	20					
SHIP-END	13	19	11	22					
SHIP-O.P.P.	0	2	2	1					
PERM/FREE	0	0	0	0					PERMS
FREE DAYS	17	14	37	23					PAID R/T
PTBH lineal feet	3375	2441	2899	3103					
SHIP lineal feet	882	1300	862	1540					
Longterm Storage	25	22	24	24					BOATS
LONGTERM linear	928	860	913	932					
JCIA OPERATIONS REPORT					OFF PORT PROPERTY				
HANGERS	12	11	13	13	GOLD STAR - 8				
TIE DN - PAVED	3	3	2	2	DAY BOAT - 2				
TIE DN - GRASS	0	2	0	0	STEPHENS - 1				
TIE DN - NIGHTLY	3	12	4	0	PT CO-OP - 7				
W/L - HANGERS	2	0	0	0	TBM - SHIP - 1				
					TBM - SMALL - 5				
					HAVEN - 1				

Round Trip Haul Outs 70/75 T



Round Trip Hoists 300 Ton



PORT OF PORT TOWNSEND

MEETING OF: December 11, 2013

AGENDA ITEM: VII. New Business
A. Team Jefferson/EDC Contract & Scope of Services

BACKGROUND:

In January of 2012, the Port and the Economic Development Council of Jefferson County ("Team Jefferson") entered into a professional services agreement for the provision of economic development services. The period of the original agreement was January 1, 2012 to December 31, 2012. On April 3, 2013, the Port and Team Jefferson renewed the professional services agreement, extending its effect through December 31, 2013. The 2013 version of the agreement reflected specific Port-related tasks, ensuring a direct benefit to the Port, local workers, businesses and the public, as required under RCW 53.08.245.¹

Team Jefferson remains the designated Associated Development Organization (ADO) for Jefferson County under RCW 43.330. In 2013, Team Jefferson undertook a number of Port-related tasks specifically assigned by way of the contract and scope of services. In staff's estimation, Team Jefferson has faithfully fulfilled its responsibilities to the Port and public under the contract and scope, and has adhered closely to statutory requirements governing ADOs. In addition to undertaking specific Port-related tasks, Team Jefferson has also continued to fulfill its core mission as an information and technical assistance center. In sum, this contractual arrangement is necessary, beneficial, and continues to provide good value to the community.

Accordingly, it is recommended that a new contract be executed with Team Jefferson for 2014. Proposed compensation for fulfilling the Scope of Services for the 2014 contract remains identical to that set forth in the 2013 agreement: \$25,000 in direct cash support; \$12,000 in-kind support (i.e., rent-free use of the Mahina Yachts Building); for a total compensation package of \$37,000.

As has been the case under the contracts approved for the EDC for 2011, 2012 and 2013, Team Jefferson would continue to make quarterly presentations to the Port, County and community business leaders to describe the progress made in fulfilling the Scope of Services.

Action Requested: Approve the attached Contract and Scope of Services.

¹ RCW 53.08.245 authorizes ports to contract with nonprofit corporations in furtherance of job training and education programs relating to economic development. Economic development programs include programs for job training and placement, pre-apprenticeship training or educational programs associated with port tenants, customers, and local economic development related to port activities.

Port of Port Townsend
Professional Services Agreement
For Associate Development Organization (ADO) Services

THIS AGREEMENT is entered into between the PORT OF PORT TOWNSEND, hereinafter referred to as the "PORT," and the ECONOMIC DEVELOPMENT COUNCIL OF JEFFERSON COUNTY, a Washington State Non-Profit, 501(c)(3) Corporation, hereinafter referred to as "TEAM JEFFERSON," in consideration of the mutual benefits, terms, and conditions hereinafter specified.

1. Project Designation. TEAM JEFFERSON is retained by the Port to provide economic development services consistent with RCW 43.330.080 and 53.08.245.
2. Consultant Qualification. TEAM JEFFERSON warrants that it has the required skills to perform the work specified in this agreement.
3. Scope of Services. TEAM JEFFERSON shall provide the services delineated within the Scope of Services, attached, which shall expressly include requirement that Team Jefferson shall submit to the Port annually quantitative information on program outcomes including: The number of workers trained, recruited, and placed in jobs; the types of jobs and range of compensation; the number and types of businesses that are served; and any other tangible benefits realized by the port, the workers, businesses, and the public, as required by RCW 53.08.245.
4. Time and Duration of Agreement. This contract shall be for the period January 1, 2014 through December 31, 2014, unless otherwise terminated (see provision 12 below.)
5. Compensation. TEAM JEFFERSON shall be compensated \$37,000 for services to be provided under this agreement, as follows: \$12,000 in-kind support in the form of reduced rent for commercial office space of approximately 1,200 square feet in size located at 2410 Washington Street in Port Townsend; AND \$25,000 in direct funding support. Payment of the direct funding support of \$25,000 shall be made by the PORT in two separate payments, as follows: \$12,500 immediately upon approval of this agreement; and \$12,500 on July 1, 2014.
6. Compliance with laws. TEAM JEFFERSON shall, in performing the services contemplated by this agreement, faithfully observe and comply with all federal, state, and local laws, ordinances and regulations applicable to the services to be rendered under this agreement.
7. Hold Harmless and Indemnification. TEAM JEFFERSON shall indemnify, defend and hold harmless the PORT, its officers, agents, elected officials and employees, from and against any and all claims, losses or liability, or any portion thereof, including attorneys' fees and costs, arising from any acts, omissions or in any way related to the performance of this contract by TEAM JEFFERSON.
8. Independent Contractor. TEAM JEFFERSON and the PORT agree that TEAM JEFFERSON is an independent contractor with respect to the services provided pursuant to this agreement. Nothing in this agreement shall be considered to create the

relationship of employer and employee between the parties hereto. TEAM JEFFERSON shall not be entitled to any benefits accorded PORT employees by virtue of the services provided under this agreement. The PORT shall not be responsible for withholding or otherwise deducting federal income tax or social security or for contributing to the State Industrial Insurance program, otherwise assuming the duties of an employer with respect to TEAM JEFFERSON.

9. Assignment. TEAM JEFFERSON shall not sublet or assign any of the services covered by this agreement without the expressed written consent of the PORT.
10. Drug-Free Workplace Policy. The PORT has adopted a Drug-Free Workplace Policy that the workplace will be a drug free environment conducive to conducting the PORT's business free from unlawful manufacture, distribution, dispensing, possession or use of controlled substances. This policy applies to PORT Commissioners, PORT employees, and contractors conducting business on PORT property.
11. Equal Opportunity Policy. All persons or entities performing work for the Port shall provide equal opportunity to all of its employees and applicants for employment and assure that there is no discrimination on the basis of race, color, region, national origin, sex, sexual orientation, age, marital status, or physical disability unless based upon a bona fide occupational qualification. All persons or entities performing services for the PORT must insure that the foregoing extend to all areas of employment and to all relations with employees including recruitment, selection, placement, compensation, promotion and transfer, training, daily working conditions, awards and benefits, and all other terms and conditions of employment as provided for in state and national laws. TEAM JEFFERSON hereby agrees to abide by applicable regulations during the course of this agreement.
12. Termination. It is agreed that the PORT has the right to terminate this agreement at any time by giving ten (10) days written notice.
13. Integrated Agreement. This agreement together with attachments or addenda, represents the entire and integrated agreement between the PORT and TEAM JEFFERSON and supersedes all prior negotiations, representations, or agreements written or oral. This agreement may be amended only by written instrument signed by both PORT and TEAM JEFFERSON.

DATED this 11th day of December 2013.

TEAM JEFFERSON

PORT OF PORT TOWNSEND

Peter Quinn, Executive Director
TEAM JEFFERSON

Larry C. Crockett, Executive Director

Approved as to Form:

Port Attorney

TEAM JEFFERSON – ADO SCOPE OF SERVICES

I. PROJECT BACKGROUND & UNDERSTANDING

Over the years, Team Jefferson has built a team of qualified professionals supported committed and knowledgeable volunteers that have contributed significantly to the economic successes of our community. We have been Jefferson County's designated Associate Development Organization (ADO) under RCW 43.330, since 2007. As the County's ADO, we have operated under a contract and scope of services with the Washington State Department of Commerce. Recently, Jefferson County again designated Team Jefferson as the ADO for the July 1, 2013 to June 30, 2015 biennium, which will allow us to continue to serve as the point of local contact for economic development activities.

Previously, we have been funded by a combination of state and Jefferson County monies, augmented by generous contributions of space, office infrastructure and staffing by Washington State University's Jefferson County Extension Service. That funding and support model has changed, with state monies being reduced, and Washington State University's support curtailed. Team Jefferson is collaborating with the Port of Port Townsend and Jefferson County to provide ADO services in return for direct financial assistance from these sponsoring jurisdictions.

Team Jefferson understands the need to provide good value to the community, and to document the services it is committed to providing. Accordingly, we intend to fulfill a scope of services that adheres closely to the statutory requirements of RCW 43.330, concentrating our efforts on accomplishing our core mission as an information and technical assistance center and economic development leader by:

- **Providing direct business assistance**, including business planning, to companies who need support to stay in business, expand, or relocate to Jefferson County; and
- **Supporting regional economic research and planning** efforts to implement target industry sector strategies and other economic development strategies (e.g., the Joint Economic Development Strategy), including cluster-based approaches that support increased living standards and increased direct investment in our community.

This Scope of Services (see section IV, below) describes how Team Jefferson will fulfill its core statutory mission as the primary partner in local economic development activities, in a manner that is broadly representative of community and economic interests.

II. INTENDED AUDIENCE

The intended audience for this Scope of Services includes the Port of Port Townsend Port Commission, the Jefferson County Board of Commissioners, the citizens of Jefferson County, the State Department of Commerce, and the business community of Jefferson County.

III. COMMUNICATIONS & PERFORMANCE REPORTS

Team Jefferson believes that frequent, sustained, and clear communication with the sponsoring jurisdictions and the public is necessary to ensure our successful collaboration and responsiveness to community needs. We intend to continue to work together with the Port and County as a team to communicate more frequently and effectively. To this end, Team Jefferson will:

- Meet with the sponsoring jurisdictions (including the Port) in committee to review and preview economic activities and the actions of the organization on no less than a quarterly basis; and
- Meet on a monthly basis with the inter-jurisdictional staff team (including Port staff) to monitor progress in implementing the Joint Economic Development Strategy, share information, and to stay informed of emerging inter-governmental issues as they arise.

Finally, and consistent with our statutory reporting requirements to the Washington State Department of Commerce, we will present and discuss with you our 38 performance measure report once annually, demonstrating the return on investment we provide to the public.

IV. DETAILED SCOPE OF SERVICES

Task #1: Direct Business Assistance

PURPOSE

The purpose of Task #1 is to ensure that Team Jefferson serves as a professional and responsive resource for the Jefferson County business community, and those wishing to join the business community. This task outlines the activities Team Jefferson will undertake in advising and assisting current and potential businesses in growing or locating their business in Jefferson County.

SUBTASKS

Team Jefferson Activities will include the following:

1. Working with the appropriate partners throughout the county, including but not limited to: Jefferson County and the City of Port Townsend; workforce development councils; the Port of Port Townsend; community and technical colleges and higher education institutions; export assistance providers; Washington Manufacturing Services; the Washington State Quality Award Council; small business assistance programs; and other federal, state, and local programs to facilitate the alignment of planning efforts and the seamless delivery of business support services within the entire county.
2. Providing information on state and local permitting processes, tax issues, export assistance, and other essential information for operating, expanding, or locating a business in Jefferson County and Washington State.
3. Marketing Jefferson County and Washington State as an excellent location to expand or relocate a business and positioning Washington as a globally competitive place to grow business, which may include developing and executing regional plans to attract companies from out of state.
4. Working with businesses on site location and selection assistance.
5. Providing business retention and expansion services throughout Jefferson County, including business outreach and monitoring efforts to identify and address challenges and opportunities faced by businesses.
6. Participating in economic development system-wide discussions regarding gaps in business start-up assistance in Washington.
7. Providing or facilitating the provision of export assistance through workshops or one-on-one assistance.
8. Continuing to collaborate in the development and preparation of the Joint Economic Development Strategy for Jefferson County, as follows:
 - a. By attending all meetings as a full participating member;
 - b. Providing technical assistance and serving as the voice of Jefferson County business during the process; and
 - c. Supporting the efforts and outcomes of the shared strategy.
9. Helping to market Jefferson County as an excellent place to locate a business through the following means:
 - a. Reputation and outreach and by being accessible to business interests; and
 - b. Engaging with urban-based organizations to raise awareness of Jefferson County as a place to start a business (e.g., Washington

Technology Industry Association (WTIA), Washington
Biotechnology & Biomedical Association (WBBA), Northwest
Entrepreneur Network (NWEN) and the Alliance of Angels).

10. Participating in economic development planning and research, as follows:
 - a. By being the key point of contact with State departments in identifying, collecting, interpreting and disseminating relevant research and planning efforts; and.
 - b. By providing forums and conduct focus groups with business interests to identify their needs and priorities. Prepare dynamic reports that effectively communicate them to all jurisdictions and the community at large.

11. Working collaboratively with all jurisdictions to gain and maintain adequate knowledge of available sites available and by assist businesses with site selection and development. To this end, Team Jefferson will serve as first point of contact to businesses, referring them, when appropriate to the relevant agency or jurisdiction to obtain permits and licenses.

12. Partnering with other organizations to improve business support services. To this end, Team Jefferson will work with Jefferson County Chamber of Commerce, Port Townsend Main Street, North Hood Canal Chamber of Commerce to identify activities that will be beneficial to economic growth and determine who will take the lead, with the support of all organizations.

Task #2: Support for Regional Economic Research & Planning Efforts

PURPOSE

The purpose of Task #2 is to engage with business, the community and all jurisdictions to develop, maintain, and interpret research and planning efforts throughout Jefferson County.

SUBTASKS

Team Jefferson Activities will include the following:

1. Participating in regional planning efforts with workforce development councils involving coordinated strategies around workforce development and economic development policies and programs. Coordinating planning efforts will include, but not be limited to, assisting industry clusters in the region.

2. Participating with the state board for community and technical colleges as created in RCW 30 28B.50.050, and any community and technical colleges in

providing for the coordination of the job skills training program and the customized training program within its region.

3. Collecting and reporting data as specified by the contract with the Department of Commerce ("Commerce") for statewide systemic analysis. Commerce must consult with the Washington state economic development commission in the establishment of such uniform data as is needed to conduct a statewide systemic analysis of the state's economic development programs and expenditures. In cooperation with other local, regional, and state planning efforts, Team Jefferson may provide insight into the needs of target industry clusters, business expansion plans, early detection of potential relocations or layoffs, training needs, and other appropriate economic information.
4. In conjunction with other governmental jurisdictions and institutions, participating in the development of a countywide economic development plan, consistent with the state comprehensive plan for economic development developed by the Washington state economic development commission.

Task #3: Port-Related Activities

PURPOSE

The purpose of Task #3 is to ensure that tangible benefits are realized by the Port of Port Townsend, local workers, businesses and the public of Jefferson County as mandated by RCW 53.08.245.

Team Jefferson Activities will include the following:

1. Conducting technical assistance training to the marine trades industries in Jefferson County to help local businesses obtain government contracts with federal agencies as well as state and local governments.
2. Assisting in developing and implementing a marketing and promotional plan for Port properties and facilities that highlights available business opportunities.
3. Assisting in convening and facilitating an Economic Development Summit (i.e., involving the County, City, Port and key business interests) to identify actions that might be taken by both the public and private sectors to improve the economic health of the community.
4. Assisting the Port in identifying and recruiting a long-term lessee willing to redevelop the Port's Landfall site.

5. Working with the Port to seek and obtain funding to construct infrastructure that supports Jefferson County agriculture (e.g., funding for the construction of a cold storage facility that could be located on Port land).

V. ASSURING ALIGNMENT

Upon contract approval, Team Jefferson will meet with Port staff to identify forthcoming projects and initiatives to leverage their resources to accomplish the following objectives:

- Delineate mutually aligned issues; and
- Discuss the individual priorities for the Port of Port Townsend outlined in item #IV. 3, above.

VI. OUTCOMES & BENCHMARKS

In addition to the tasks outlined in Section III, above, Team Jefferson will submit annual quantitative information on outcomes to the Port of Port Townsend (and the other sponsoring jurisdictions) to document the public's return on investment in the program. Such outcomes and benchmarks include, but are not limited to the following:

- Number of workers trained, recruited and placed in jobs;
- Types of jobs and the range of compensation;
- Number and types of businesses that are served;
- Number of jobs created or retained;
- Percentage of jobs created above county annual average wage;
- Number of businesses sited;
- Amount of existing and new tax revenue generated; and
- Any other tangible benefits realized by the Port, the workers businesses and the public.

In addition to the above quantitative reporting, Team Jefferson will appear on a quarterly basis before the Port Commission to provide briefings on the progress made in fulfilling the tasks outlined in Section III, Task 3, Port-Related Activities, above.

Together, the quarterly reports to the Department of Commerce and the in-person quarterly briefings to the Port Commission will serve as the mechanisms for satisfying the statutory requirements of both RCW 43.330.080 and 53.08.245.

VII. POINTS OF CONTACT

Peter Quinn	360-379-1360	Managing Director
Marty Gay	360-379-4693	President/Chairman
Casey Reeter	360-379-4693	Vice President

Nothing in this scope of work supersedes or replaces the specific requirement of the RCW.43.330.80 placed upon the ADO by the State of Washington and under whose jurisdiction the Economic Development Council of Jefferson County (Team Jefferson) falls.

PORT OF PORT TOWNSEND

MEETING OF: December 11, 2013

AGENDA ITEM: VII. New Business
B. Team Jefferson/EDC – 2410 Washington Street
Building Lease

BACKGROUND:

As you are aware, Team Jefferson EDC has been leasing the Mahina Yachts Building from the Port since June of 2011. As part of the proposed compensation for economic development services rendered under a separate proposed contract with the Port (refer to Agenda Item VII(A)), it is recommended that a new lease be approved for a one-year term, to run concurrently with the professional services agreement.

Staff has prepared an updated version of the Lease (attached). All terms of the prior lease remain unchanged, except for the following:

- The term would be one (1), rather than two (2) years, commencing January 1, 2014, and ending on December 31st; and
- Consistent with the compensation amount under the separate professional services agreement (see Agenda Item VII(A)), the building would in essence be “rent-free”, with Team Jefferson paying \$1.00 per month, plus the applicable leasehold tax calculated at 12.84%.

In all other material respects the lease follows the Port’s standard form.

Executive Director’s Recommendation:

Approve the Port/Team Jefferson/EDC Lease Agreement.

PORT OF PORT TOWNSEND BUILDING LEASE AGREEMENT

THIS LEASE AGREEMENT made this 11th day of December 2013, by and between the PORT OF PORT TOWNSEND, a municipal corporation organized and existing under the laws of the State of Washington, Lessor, hereinafter referred to as "the Port," and the Economic Development Council of Jefferson County, a Washington State Non-Profit, 501(c)(3) Corporation, hereinafter referred to as "Lessee,"

WITNESSETH:

That the parties hereto do mutually agree as follows:

1. **LEASED PREMISES:** The Port hereby leases to Lessee, and Lessee hereby hires and leases from the Port, the following described premises situated in Jefferson County, State of Washington:

A commercial office building of approximately 1,200 square feet in size located at 2410 Washington Street, Port Townsend, WA 98368, commonly referred to as the "Mahina Yachts" building, and hereinafter referred to as "the premises."
2. **TERM:** This Lease shall be for a term of one (1) year, beginning on January 1, 2014 and ending on December 31, 2014.
3. **RENT:** The market rental rate for the premises is \$1,000 per month. However, the Port has previously contracted with Lessee to provide economic development services to the Port consistent with RCW 43.330.080 and 53.08.245, and, in consideration of the unique and valuable public services being provided by Lessee to the Port, general public and community, it is agreed by the parties that the Lessee shall pay a reduced rental for the premises in the amount of one dollar (\$1.00) per month, plus the applicable leasehold tax calculated at 12.84%, or \$128.40 per month. Accordingly, it is agreed that the Lessee shall pay the sum of \$129.40 per month (i.e., rent, plus leasehold tax) to the Port on or before the first day of each and every month of the lease term, and shall be payable at such place as the Port may hereinafter designate.
4. **USE OF PREMISES:** Lessee shall use the premises as the principal place of business for the Economic Development Council of Jefferson County, the "Associate Development Organization" designated by the County under RCW 43.330.080, and shall not use them for any other purpose without the prior written consent of the Port. Lessee shall use the entire premises for the conduct of said

business in a first class manner continuously during the entire term of this Lease, with the exception of temporary closures for such periods as may reasonably be necessary for repairs or redecorating or for reasons beyond Lessee's reasonable control. Lessee agrees that it will not disturb the Port or any other tenant of the Port's by making or permitting any disturbance or any unusual noise, vibration or other condition on or in the premises.

5. **PARKING:** Parking vehicles on this leased property will be limited to five (5) vehicles. All vehicles must be registered and in working order. This includes all personal cars, vans, and trucks.
6. **UTILITIES:** Lessee shall pay all charges for water, sewer, electricity, telephone and other services and utilities used by Lessee on the premises during the term of this Lease. Lessee acknowledges that the leased premises are designed to provide standard office use electrical facilities and lighting. Lessee shall not use any equipment or devices that utilize excessive electrical energy or which may, in the Port's reasonable opinion, overload the wiring of the leased premises.
7. **ACCEPTANCE OF PREMISES:** Lessee has examined the leased premises and accepts them in their present condition.
8. **MAINTENANCE AND REPAIR:** At the expiration or sooner termination of this Lease, Lessee shall return the premises to the Port in the same condition in which received (or, if altered by Lessee with the Port's consent, then the premises shall be returned in such altered condition), reasonable wear and tear and damage by fire or unavoidable casualty excepted. Lessee shall, at its' own expense, and at all times:
 - a. Keep the premises, and the adjoining roadways and sidewalks, neat, clean and in a safe and sanitary condition;
 - b. Keep the glass of all windows and doors thereof clean and presentable;
 - c. Maintain and keep the leased premises in a good state of repair;
 - d. Not commit waste of any kind;
 - e. Replace all cracked or broken glass in the premises;
 - f. Keep the electrical system and the sprinkler system and all pipes and drains clean and in a good state of repair; and
 - g. Protect the sprinkler system and all pipes and drains so that they will not freeze or become clogged.

Lessee's said obligation to make all necessary repairs shall not extend to any repairs to the roof (structure or covering), to the foundations of the building or structure and exterior walls or doors or any underground utilities, of which the premises are a part.

9. **ALTERATIONS AND IMPROVEMENTS:** Lessee shall make no alterations or improvements to or upon the premises or install any fixtures (other than trade

fixtures which can be removed without injury to the premises) without first having obtained written approval from the Executive Director of the Port. Such written approval shall also include agreement for disposition of the improvements upon termination of this Lease.

10. **INSPECTION - "FOR RENT" SIGNS:** The Port reserves the right to inspect the leased premises at any and all reasonable times throughout the term of this Lease, PROVIDED, that it shall not interfere unduly with Lessee's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the premises, and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the premises for thirty (30) days prior to the expiration or sooner termination of this Lease.
11. **POSSESSION:** If the Port shall be unable for any reason to deliver possession of the premises, or any portion thereof, at the time of the commencement of the term of this Lease, the Port shall not be liable for any damage caused thereby to Lessee, nor shall this Lease thereby become void or voidable, nor shall the term specified herein be in any way extended, but in such event Lessee shall not be liable for any rent until such time as the Port can deliver possession, PROVIDED, that if Lessee shall, in the interim, take possession of any portion of the premises, it shall pay as rental the full rental specified herein reduced pro rata for the portion of the premises not available for possession by Lessee, AND PROVIDED FURTHER, that if the Port shall be unable to deliver possession of the premises at the commencement of the term of this Lease, Lessee shall have the option to terminate this Lease by at least thirty (30) days written notice, unless the Port shall deliver possession of the premises prior to the effective date of termination specified in such notice. If Lessee shall, with the Port's consent, take possession of all or any part of the premises prior to the commencement of the term of this lease, all of the terms and conditions of this Lease shall immediately become applicable.
12. **DAMAGE OR DESTRUCTION:**
 - a. Should the premises or the buildings or structures of which the premises are a part be damaged by fire or other casualty, and if the damage is repairable within four (4) weeks from the date of the occurrence (with the repair work and the preparations therefor to be done during regular working hours on regular work days), the premises shall be repaired with due diligence by the Port, and in the meantime the monthly minimum rental shall be abated in the same proportion that the untenable portion of the premises bears to the whole thereof, for the period from the occurrence of the damage to the completion of the repairs.

- b. Should the premises or any buildings or structures of which the premises are a part be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot be repaired within four (4) weeks of the occurrence, the Port shall have the option to terminate this lease on thirty (30) days' notice, effective as of any date not more than sixty (60) days' after the occurrence. In the event that this paragraph shall become applicable, the Port shall advise Lessee within thirty (30) days after the happening of any such damage whether the Port has elected to continue the lease in effect or to terminate it. If the Port shall elect to continue this lease in effect, it shall commence and prosecute with due diligence any work necessary to restore or repair the premises. If the Port shall fail to notify Lessee of its election within said thirty (30) day period, the Port shall be deemed to have elected to terminate this lease, and the lease shall automatically terminate sixty (60) days after the occurrence of the damage. For the period from the occurrence of any damage to the premises to the date of completion of the repairs to the premises (or to the date of termination of the lease if the Port shall elect not to restore the premises), the monthly minimum rental shall be abated in the same proportion as the untenable portion of the premises bears to the whole thereof.

13. **INDEMNIFICATION AND HOLD HARMLESS:** The Port, its employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property, regardless of how such injury or damage be caused, sustained, or alleged to have been sustained by the Lessee or by others as a result of any condition (including existing or future defects in the premises) or occurrence whatsoever related in any way to the premises and the areas adjacent thereto or related in any way to Lessee's use or occupancy of the premises and of the areas adjacent thereto. Lessee agrees to defend and to hold and save the Port harmless from all liability or expense of litigation) in connection with any such items of actual or alleged injury or damage.
14. **INSURANCE:** Lessee agrees to maintain during the lease term liability insurance as set forth below, at Lessee's sole expense. All such insurance shall name the Port of Port Townsend as an additional insured, and shall be with insurance companies acceptable to the Port.
 - a. Comprehensive General Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of \$1,000,000 combined single limit for each occurrence. Such insurance shall include but not be limited to bodily injury liability, personal injury liability, property damage liability, broad form property damage liability, contractual liability, and products/completed operations liability.
 - b. Comprehensive Business Automobile Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of

liability of \$1,000,000 combined single limit for each occurrence. Such insurance shall include but not be limited to bodily injury liability, property damage liability, hired car liability, and non-owned auto liability.

- c. Workers Compensation Insurance as will protect tenant's employees from claims under Washington Workers Compensation Act as well as all Federal Acts applicable to the tenant's operations at the site such as but not limited to U.S. Longshoremen and Harborworkers Act, Jones Act, and Federal Employers Liability section of the Washington Workers Compensation Policy and all Federal Acts Insurance shall not be less than \$1,000,000 for each occurrence.

The Lessee agrees to supply the Port with appropriate evidence to establish that its insurance obligations have been met, and that the insurance policy or policies are not subject to cancellation without at least thirty (30) days advance written notice to the Port. The conditions set forth in subparagraphs a, b and c of this Paragraph 16 shall be met prior to occupancy.

15. **WAIVER OF SUBROGATION:** The Port and Lessee hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance contracts, including any extended coverage endorsements thereto, PROVIDED, that this paragraph 17 shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of the Port or Lessee.
16. **INCREASE IN COST OF INSURANCE:** Lessee shall not use the demised premises in such a manner as to increase the existing rates of insurance applicable to the buildings or structures of which the premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the buildings or structures of which the leased premises are a part, and to the extent allocable to the term of this Lease, may be added to the amount of rental hereinabove specified and shall be paid by Lessee to the Port upon the monthly rental day next thereafter occurring.
17. **TAXES:** Lessee shall be liable for, and shall pay throughout the term of this Lease, all license and excise fees and occupation taxes covering the business conducted on the premises, and all taxes on property of Lessee on the leased premises and any taxes on the leased premises or leasehold interest created by this Lease Agreement.
18. **COMPLIANCE WITH PORT REGULATIONS AND WITH ALL LAWS:** Lessee agrees to comply with all applicable rules and regulations of the Port pertaining to the building or other realty of which the premises are a part now in existence or

hereafter promulgated for the general safety and convenience of the Port, its various tenants, invitees, licensees and the general public. Lessee also agrees to comply with all applicable federal, state, and municipal laws, ordinances, and regulations. Lessee further agrees that all buildings, structures or other improvements, approved by the Port, will be properly permitted by the City and/or County. Any fees for any inspection of the premises during or for the lease term by any federal, state or municipal officer and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.

- 19. ASSIGNMENT OR SUBLEASE:** Lessee shall not assign or transfer this lease or any interest therein nor sublet the whole or any part of the premises, nor shall this lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, otherwise, without the written consent of the Port first had and obtained. If Lessee is a corporation, Lessee further agrees that if at any time during the term of this lease more than one-half (1/2) of the outstanding shares of any class of stock of Lessee corporation shall belong to any stockholders other than those who own more than one-half (1/2) of the outstanding shares of that class of stock at the time of the execution of this lease or to members of their immediate families, such change in the ownership of the stock of the Lessee shall be deemed an assignment of this lease within the meaning of this paragraph. If the Port shall give its consent to any assignment or sublease, this paragraph shall nevertheless continue in full force and effect and no further assignment or sublease shall be made without the Port's consent. The Port's consent will not unreasonably be withheld.
- 20. DEFAULTS:** Time is of the essence of this Lease Agreement, and in the event of the failure of Lessee to pay the rentals or other charges at the time and in the manner herein specified, or to keep any of the covenants or agreements herein set forth to be kept and performed, the Port may elect to terminate this lease and reenter and take possession of the premises with or without process of law, PROVIDED, however, that Lessee shall be given fifteen (15) days' notice in writing stating the nature of the default in order to permit such default to be remedied by Lessee within said fifteen (15) day period. If upon such reentry there remains any personal property of Lessee or of any other person upon the leased premises, the Port may, but without the obligation so to do, remove said personal property and hold it for the owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Lessee shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Lessee, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Lessee to the Port, and the balance, if any, shall be paid to Lessee. Notwithstanding any such

reentry, the liability of Lessee for the full rental provided for herein shall not be extinguished for the balance of the term of this Lease, and Lessee shall make good to the Port any deficiency arising from a re-letting of the leased premises at a lesser rental than that hereinbefore agreed upon. Lessee shall pay such deficiency each month as the amount thereof is ascertained by the Port. Any failure by the owners, officers, or principals of Lessee to pay rentals, storage fees, moorage or any other charges owed to the Port under separate contract shall constitute default under provisions of this Lease Agreement.

21. **TERMINATION BY PORT:** In the event that the Port, at its sole discretion, shall require the use of the premises for any purpose for public or private use in connection with the operation of the business of the Port, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee **sixty (60)** or more days before the termination date specified in the notice. Compensation to Lessee for loss of use, cost of relocation, and/or cost of improvement, will be agreed by Lessee and the Port Executive Director.
22. **TERMINATION FOR GOVERNMENT USE:** In the event that the United States Government or any agency or instrumentality thereof shall, by condemnation or otherwise, take title, possession or the right to possession of the premises or any part thereof, the Port may, at its option, terminate this Lease as of the date of such taking, and, if Lessee is not in default under any of the provisions of this Lease on said date, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.
23. **TERMINATION BECAUSE OF COURT DECREE:** In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its obligations under this Lease, then either party hereto may terminate this Lease by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Lessee is not in default under any of the provisions of this Lease on the effective date of such termination, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.
24. **SIGNS:** No signs or other advertising matter, symbols, canopies or awnings shall be attached to or painted or within the leased premises, including the windows and doors thereof, without the approval of the Executive Director of the Port first had and obtained. At the termination or sooner expiration of this Lease, all such signs, advertising matter, symbols, canopies or awnings attached to or painted by Lessee shall be removed by Lessee at its own expense, and Lessee shall repair

any damage or injury to the premises, and correct any unsightly condition, caused by the maintenance and removal of said signs, etc.

25. **INSOLVENCY:** If Lessee shall file a petition in bankruptcy, or if Lessee shall be adjudged bankrupt or insolvent by any court, or if a receiver of the property of Lessee shall be appointed in any proceeding brought by or against Lessee, or if Lessee shall make an assignment for the benefit of creditors, or if any proceedings shall be commenced to foreclose any mortgage or any other lien on Lessee's interest in the premises or on any personal property kept or maintained on the premises by Lessee, the Port may at its option, terminate this Lease.
26. **WAIVER:** The acceptance of rental by the Port for any period or periods after a default by Lessee hereunder shall not be deemed a waiver of such default unless the Port shall so intend and shall so advise Lessee in writing. No waiver by the Port of any default hereunder by Lessee shall be construed to be or act as a waiver of any subsequent default by Lessee. After any default shall have been cured by Lessee, it shall not thereafter be used by the Port as a ground for the commencement of any action under the provisions of paragraph 20 hereof.
27. **SURRENDER OF PREMISES – ATTORNEYS' FEES:** Upon the expiration of the term or upon the termination of Lessee's right of possession, whether by lapse of time or at the option of the Port as herein provided, Lessee shall forthwith surrender the premises to the Port in good order, repair and condition, ordinary wear excepted, and shall, if Port so requires, restore the premises to the condition existing at the beginning of the term. Any interest of Lessee in the alterations, improvements and additions to the premises made or paid for by the Port shall, without compensation to Lessee, become the Port's property at the termination of this Lease by lapse of time or otherwise and such alterations, improvements and additions shall be relinquished to Port in good condition, ordinary wear excepted. In the event that the Port shall be required to bring any action to enforce any of the provisions of this Lease, or shall be required to defend any action brought by Lessee with respect to this Lease, and if the Port shall be successful in such action, Lessee shall, in addition to all other payments required herein, pay all of the Port's actual costs in connection with such action, including such sums as the court or courts may adjudge reasonable as attorney's fees in the trial court and in any appellate courts.
28. **HOLDING OVER:** If Lessee shall, with the consent of the Port, hold over after the expiration or sooner termination of the term of this Lease, the resulting tenancy shall, unless otherwise mutually agreed, be for an indefinite period of time on a month-to-month basis. During such month-to-month tenancy, Lessee shall pay to the Port the same rate of rental as set forth herein, unless a different rate shall be agreed upon, and shall be bound by all of the additional provisions of this Lease Agreement in so far as they may be pertinent.

29. **ADVANCES BY PORT FOR LESSEE:** If Lessee shall fail to do anything required to be done by it under the terms of this Lease, except to pay rent, the Port may, at its sole option, do such act or thing on behalf of Lessee, and upon notification to Lessee of the cost thereof to the Port, Lessee shall promptly pay the Port the amount of that cost.
30. **LIENS AND ENCUMBRANCES:** Lessee shall keep the leased premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the said premises by Lessee. At the Port's request, Lessee shall furnish the Port with written proof of payment of any item which would or might constitute the basis for such a lien on the leased premises if not paid.
31. **NOTICES:** All notices hereunder may be delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

To Lessor:
THE PORT OF PORT TOWNSEND
P.O. Box 1180
Port Townsend, Washington 98368

To Lessee:
ECONOMIC DEVELOPMENT COUNCIL OF JEFFERSON COUNTY
2410 Washington Street
Port Townsend, WA 98368

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices sent by mail shall be deemed to have been given when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

32. **JOINT AND SEVERAL LIABILITY:** Each and every party who signs this Lease, other than in a representative capacity, as Lessee, shall be jointly and severally liable hereunder.
33. **"LESSEE" INCLUDES LESSEE, ETC.:** It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease, regardless of the number, gender or fact of incorporation of the party who is, or of the parties who are, the actual Lessee or Lessee under this Lease Agreement.
34. **CAPTIONS:** The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.

35. SEVERABILITY: If any term or provision of this Lease Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

36. NON-DISCRIMINATION IN SERVICES: The Lessee agrees that it will not discriminate by segregation or otherwise against any person or persons because of race, creed, color, sex, sexual orientation, or national origin in furnishing, or by refusing to furnish, to such person, or persons, the use of the facility herein provided, including any and all services, privileges, accommodations, and activities provided thereby.

It is agreed that the Lessee's noncompliance with the provisions of this clause shall constitute a material breach of this Lease. In the event of such noncompliance, the Port may take appropriate action to enforce compliance, may terminate this Lease, or may pursue such other remedies as may be provided by law.

37. NON-DISCRIMINATION IN EMPLOYMENT: The Lessee covenants and agrees that in all matters pertaining to the performance of this Lease, Lessee shall at all times conduct its business in a manner which assures fair, equal and non-discriminatory treatment of all persons without respect to race, creed or national origin and, in particular:

- a. Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities, and
- b. Lessee will comply strictly with all requirements of applicable federal, state or local laws or regulations issued pursuant thereto relating to the establishment of non-discriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination as to any person's race, creed, color, sex, sexual orientation, or national origin.

Lease Agreement dated this 11th day of December 2013 is hereby approved by the Port of Port Townsend, on this 11th day of December 2014 and effective upon the receipt of a deposit and liability insurance documentation from the Lessee.

LESSEE

Peter Quinn, Executive Director
Economic Development Council of Jefferson County

ATTEST:

PORT OF PORT TOWNSEND

APPROVED AS TO FORM

Larry Crockett, Executive Director

Carolyn Lake, Port Attorney

**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

I certify that I know or have satisfactory evidence that _____ signed this instrument and that he/she is authorized to execute the instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____

Signature of
Notary Public: _____

My Appointment Expires: _____

**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

I certify that I know or have satisfactory evidence that Larry Crockett signed this instrument and that he is authorized to execute the instrument as Executive Director of the Port of Port Townsend and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Signature of
Notary Public: _____

My Appointment Expires: _____



P.O. Box 1180 • Port Townsend, Washington 98368-4624

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

WARRANT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the labor performed and the services provided, as described herein, and that the claims are just and unpaid obligations of the Port of Port Townsend, and that these claims, in Warrant No 052130 through No. 052152, are approved for payment in the amount of \$114,839.93 on this 11th day of December, 2013.

For: **Payroll and Benefits**

Commissioner Leif W. Erickson

Commissioner Stephen R. Tucker

Commissioner David H. Thompson

Amy Khile, Director of Finance
And Administration

Bank Code: W - WARRANTS PAYABLE							
Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
052143	11/30/2013	AFL010	AFLAC 11302013	11/30/2013	761.89	0.00	761.89
							Check Entry Number: 001
052144	11/30/2013	BAN001	Bank Of America 11/30/2013	11/30/2013	15,694.81	0.00	15,694.81
							Check Entry Number: 001
052145	11/30/2013	NOR020	Northwest Administrators, Inc. 11/30/2013	11/30/2013	22,211.95	0.00	22,211.95
							Check Entry Number: 001
052146	11/30/2013	PEJ001	Peninsula Credit Union 11/30/2013	11/30/2013	800.00	0.00	800.00
							Check Entry Number: 001
052147	11/30/2013	POR001	Auditor's Revolving Fund 11/30/2013	11/30/2013	27,461.13	0.00	27,461.13
							Check Entry Number: 001
052148	11/30/2013	SPE010	James Speer 11/30/2013	11/30/2013	250.00	0.00	250.00
							Check Entry Number: 001
052149	11/30/2013	TEA001	Teamsters Local 589 11/30/2013	11/30/2013	1,059.00	0.00	1,059.00
							Check Entry Number: 001
052150	11/30/2013	WA0302	State of Washington 11/30/2013	11/30/2013	1,200.00	0.00	1,200.00
							Check Entry Number: 001
052151	11/30/2013	WA0801	State of Washington 11/30/2013	11/30/2013	13,100.05	0.00	13,100.05
							Check Entry Number: 001
052152	11/30/2013	WA1801	State of Washington 11/30/2013	11/30/2013	17,109.23	0.00	17,109.23
							Check Entry Number: 001
				Report Total:	99,648.06	0.00	99,648.06



P.O. Box 1180 • Port Townsend, Washington 98368-4624

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

WARRANT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the labor performed and the services provided, as described herein, and that the claims are just and unpaid obligations of the Port of Port Townsend, and that these claims, in Warrant No 052207 through No. 052265, are approved for payment in the amount of \$63810.62 on this 11th day of December, 2013.

For: **Accounts Payable**

Commissioner Leif W. Erickson

Commissioner Stephen R. Tucker

Commissioner David H. Thompson

Amy Khile, Director of Finance
And Administration

Bank Code: W - WARRANTS PAYABLE							
Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
052153 - 052206			****VOID****				
052207	12/11/2013	ADM002	Admiral Ship Supply Inc.				Check Entry Number: 001
			454334	10/30/2013	35.75	0.00	35.75
			454829	11/7/2013	60.17	0.00	60.17
			455555	11/21/2013	25.07	0.00	25.07
			Check 052207 Total:		120.99	0.00	120.99
052208	12/11/2013	ARR010	Arrow Lumber Port Townsend				Check Entry Number: 001
			77161	11/6/2013	21.69	0.00	21.69
052209	12/11/2013	BAH010	Bill Bahlburg				Check Entry Number: 001
			11212013	11/21/2013	99.13	0.00	99.13
052210	12/11/2013	CAI040	Al Cairns				Check Entry Number: 001
			1130/2013	11/30/2013	109.21	0.00	109.21
052211	12/11/2013	CAN001	Canon Financial Services Inc.				Check Entry Number: 001
			13286671	11/21/2013	222.63	0.00	222.63
052212	12/11/2013	CAR001	Carl's Building Supply				Check Entry Number: 001
			1311659918	11/8/2013	26.94	0.00	26.94
			1311661324	11/15/2013	54.94	0.00	54.94
			1311661326	11/15/2013	27.47	0.00	27.47
			1311661327	11/15/2013	29.76	0.00	29.76
			1311661496	11/18/2013	15.17	0.00	15.17
			1311661503	11/18/2013	22.07	0.00	22.07
			Check 052212 Total:		121.41	0.00	121.41
052213	12/11/2013	CAR006	Carrot-Top Industries				Check Entry Number: 001
			20177100	11/15/2013	329.75	0.00	329.75
052214	12/11/2013	CEN040	CENTURYLINK				Check Entry Number: 001
			1281978540	11/19/2013	2,762.42	0.00	2,762.42
052215	12/11/2013	CIT001	City Of Port Townsend				Check Entry Number: 001
			11302013	11/30/2013	8,954.27	0.00	8,954.27
052216	12/11/2013	CRO001	Lawrence C Crockett				Check Entry Number: 001
			1130/2013	11/30/2013	869.77	0.00	869.77
052217	12/11/2013	DLL010	D L Logos				Check Entry Number: 001
			344	11/22/2013	70.85	0.00	70.85
052218	12/11/2013	DMD005	DM Disposal Co, Inc.				Check Entry Number: 001
			3426679	12/1/2013	75.97	0.00	75.97
			3426680	12/1/2013	617.92	0.00	617.92
			3426683	12/1/2013	38.27	0.00	38.27
			Check 052218 Total:		732.16	0.00	732.16
052219	12/11/2013	ERI030	Leif W. Erickson				Check Entry Number: 001
			11302013	11/30/2013	202.72	0.00	202.72
052220	12/11/2013	FER001	Ferrellgas				Check Entry Number: 001
			11252013	11/25/2013	1,019.76	0.00	1,019.76
052221	12/11/2013	FIS020	Fish N Hole				Check Entry Number: 001
			10012013	10/1/2013	49.60	0.00	49.60
			10142013	10/14/2013	39.68	0.00	39.68
			Check 052221 Total:		89.28	0.00	89.28
052222	12/11/2013	GOO002	Good Man Inc.				Check Entry Number: 001
			76604	12/1/2013	547.96	0.00	547.96
052223	12/11/2013	GOO020	Goodstein Law Group				Check Entry Number: 001
			10201312	12/2/2013	2,000.70	0.00	2,000.70
			1201312	12/2/2013	4,034.00	0.00	4,034.00
			Check 052223 Total:		6,034.70	0.00	6,034.70
052224	12/11/2013	HAD001	Hadlock Building Supply				Check Entry Number: 001
			01033713	11/1/2013	11.60	0.00	11.60
			01034116	11/6/2013	44.34	0.00	44.34
			01034553	11/12/2013	64.02	0.00	64.02
			01034601	11/13/2013	68.18	0.00	68.18
			01035531	11/25/2013	60.97	0.00	60.97
			Check 052224 Total:		249.11	0.00	249.11
052225	12/11/2013	HAN001	Hanson Electric				Check Entry Number: 001
			1131199	11/25/2013	1,825.75	0.00	1,825.75
052226	12/11/2013	HAR030	Harris Ford Inc				Check Entry Number: 001
			141260	11/20/2013	76.79	0.00	76.79
052227	12/11/2013	HEN002	Henery Hardware				Check Entry Number: 001
			492840	10/29/2013	117.12	0.00	117.12
			492881	10/30/2013	11.98	0.00	11.98
			492977	10/31/2013	37.04	0.00	37.04
			493278	11/4/2013	28.31	0.00	28.31
			493548	11/7/2013	120.96	0.00	120.96
			493649	11/8/2013	16.99	0.00	16.99
			493945	11/12/2013	69.74	0.00	69.74
			493951	11/12/2013	20.24	0.00	20.24
			494016	11/13/2013	2.58	0.00	2.58
			494059	11/13/2013	28.33	0.00	28.33
			494073	11/13/2013	35.35	0.00	35.35
			494208	11/14/2013	30.50	0.00	30.50
			494249	11/15/2013	9.80	0.00	9.80
			494281	11/15/2013	7.32	0.00	7.32
			494326	11/15/2013	10.88	0.00	10.88
			494536	11/19/2013	21.79	0.00	21.79
			494544	11/19/2013	13.05	0.00	13.05
			494589	11/19/2013	21.55	0.00	21.55
			494650	11/20/2013	25.46	0.00	25.46

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
			494721	11/20/2013	40.32	0.00	40.32
			494734	11/20/2013	26.76	0.00	26.76
			792973	10/31/2013	238.18	0.00	238.18
			Check 052227 Total:		934.25	0.00	934.25
052228	12/11/2013	JC0003	Jefferson County - Public Work				Check Entry Number: 001
			1327301	11/1/2013	101.42	0.00	101.42
			1327958	11/4/2013	84.33	0.00	84.33
			1328503	11/6/2013	156.13	0.00	156.13
			1328888	11/8/2013	14.81	0.00	14.81
			1329764	11/13/2013	76.35	0.00	76.35
			1330300	11/15/2013	39.89	0.00	39.89
			1331672	11/21/2013	60.40	0.00	60.40
			1331812	11/22/2013	45.58	0.00	45.58
			1332535	11/25/2013	72.93	0.00	72.93
			1332952	11/27/2013	119.66	0.00	119.66
			1333055	11/27/2013	6.84	0.00	6.84
			13341412	11/20/2013	27.35	0.00	27.35
			Check 052228 Total:		805.69	0.00	805.69
052229	12/11/2013	JC1001	Jefferson County Auditor				Check Entry Number: 001
			12042013	12/4/2013	6,244.04	0.00	6,244.04
052230	12/11/2013	KLO050	Collin Klopfenstein				Check Entry Number: 001
			11272013	11/27/2013	41.75	0.00	41.75
052231	12/11/2013	MAN001	Mantle Industries, Inc.				Check Entry Number: 001
			6299	12/3/2013	14,715.00	0.00	14,715.00
052232	12/11/2013	MOR070	Ron Morse				Check Entry Number: 001
			11302013	11/30/2013	30.00	0.00	30.00
052233	12/11/2013	MUR002	Murrey's Disposal Co. Inc.				Check Entry Number: 001
			3446569	12/1/2013	30.20	0.00	30.20
			3446735	12/1/2013	172.40	0.00	172.40
			Check 052233 Total:		202.60	0.00	202.60
052234	12/11/2013	NEL001	Sue Nelson				Check Entry Number: 001
			11302013	11/30/2013	22.04	0.00	22.04
052235	12/11/2013	NEL020	Timothy Nelson				Check Entry Number: 001
			11302013	11/30/2013	7.85	0.00	7.85
052236	12/11/2013	OES001	OESD 114				Check Entry Number: 001
			1314000325	12/2/2013	1,873.89	0.00	1,873.89
052237	12/11/2013	OLY002	AmSan				Check Entry Number: 001
			299083766	10/30/2013	22.80	0.00	22.80
			299083774	10/30/2013	200.52	0.00	200.52
			299538157	11/6/2013	306.39	0.00	306.39
			299538165	11/6/2013	155.35	0.00	155.35
			299995480	11/13/2013	292.49	0.00	292.49
			299995498	11/13/2013	91.92	0.00	91.92
			300444700	11/20/2013	310.00	0.00	310.00
			30044718	11/20/2013	310.00	0.00	310.00
			Check 052237 Total:		1,689.47	0.00	1,689.47
052238	12/11/2013	OLY003	Olympic Springs, Inc.				Check Entry Number: 001
			11302013	11/30/2013	25.85	0.00	25.85
052239	12/11/2013	PAC004	Pacific Office Equipment Co				Check Entry Number: 001
			914317	11/29/2013	54.50	0.00	54.50
			914318	11/29/2013	32.70	0.00	32.70
			914319	11/29/2013	0.25	0.00	0.25
			914320	11/29/2013	5.52	0.00	5.52
			914321	11/29/2013	188.08	0.00	188.08
			Check 052239 Total:		281.05	0.00	281.05
052240	12/11/2013	PEN004	Peninsula Floors & Furnishings				Check Entry Number: 001
			16029	11/18/2013	181.01	0.00	181.01
052241	12/11/2013	PEN030	Peninsula Paint Co.				Check Entry Number: 001
			F0098924	11/25/2013	17.94	0.00	17.94
052242	12/11/2013	PIT000	Pitney Bowes Inc.				Check Entry Number: 001
			302236	11/21/2013	203.93	0.00	203.93
			311979	11/22/2013	189.84	0.00	189.84
			Check 052242 Total:		393.77	0.00	393.77
052243	12/11/2013	PIV001	James M Pivarnik				Check Entry Number: 001
			10312013	10/31/2013	464.73	0.00	464.73
			11302013	11/30/2013	974.66	0.00	974.66
			Check 052243 Total:		1,439.39	0.00	1,439.39
052244	12/11/2013	POR005	Port Townsend Leader				Check Entry Number: 001
			11272013	11/27/2013	388.00	0.00	388.00
			11302013	11/30/2013	102.00	0.00	102.00
			Check 052244 Total:		490.00	0.00	490.00
052245	12/11/2013	PUD001	Pud District #1				Check Entry Number: 001
			11202013	11/20/2013	471.25	0.00	471.25
052246	12/11/2013	PUD005	PUD #1 of Jefferson County				Check Entry Number: 001
			11202013	11/20/2013	438.75	0.00	438.75
052247	12/11/2013	QUI001	Quill Corporation				Check Entry Number: 001
			7295374	11/4/2013	139.29	0.00	139.29
052248	12/11/2013	ROT015	Roth Diving Services				Check Entry Number: 001
			POPT01-201	12/4/2013	200.00	0.00	200.00
052249	12/11/2013	SAN003	Sanderson				Check Entry Number: 001
			101441003	11/21/2013	78.89	0.00	78.89

Bank Code: W - WARRANTS PAYABLE							
Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
052250	12/11/2013	SEC010	Security Services 84040	12/1/2013	164.00	0.00	164.00
							Check Entry Number: 001
052251	12/11/2013	SEC030	Secret Gardens by Sheila, Inc 234	12/7/2013	29.43	0.00	29.43
							Check Entry Number: 001
052252	12/11/2013	SIG020	Sign Station 1121	11/21/2013	117.72	0.00	117.72
							Check Entry Number: 001
052253	12/11/2013	SMI010	Sean Smith 11302013	11/30/2013	139.40	0.00	139.40
							Check Entry Number: 001
052254	12/11/2013	SOE001	Soehl Electronics 10209513	11/12/2013	6.53	0.00	6.53
							Check Entry Number: 001
052255	12/11/2013	SPE001	SOS Printing 48085 48086 48087	11/27/2013 11/27/2013 11/27/2013	32.70 33.14 558.27	0.00 0.00 0.00	32.70 33.14 558.27
			Check 052255 Total:		624.11	0.00	624.11
							Check Entry Number: 001
052256	12/11/2013	STA005	Staples Credit Plan 11152013	11/15/2013	66.98	0.00	66.98
							Check Entry Number: 001
052257	12/11/2013	SUN003	Sunshine Propane 48909	11/23/2013	76.30	0.00	76.30
							Check Entry Number: 001
052258	12/11/2013	TER030	Terrapin Architecture PC 13472 13488	11/6/2013 11/6/2013	1,351.18 1,983.75	0.00 0.00	1,351.18 1,983.75
			Check 052258 Total:		3,334.93	0.00	3,334.93
							Check Entry Number: 001
052259	12/11/2013	THO018	David Thompson 11302013	11/30/2013	75.53	0.00	75.53
							Check Entry Number: 001
052260	12/11/2013	TUC050	Stephen Tucker 11302013	11/30/2013	1,003.17	0.00	1,003.17
							Check Entry Number: 001
052261	12/11/2013	VER001	Verizon Wireless, Bellevue 9715002372	11/15/2013	227.89	0.00	227.89
							Check Entry Number: 001
052262	12/11/2013	WAS003	Washington Public Ports Assn, 013732 013754 013776 013812	11/26/2013 11/27/2013 11/27/2013 12/2/2013	115.00 105.00 200.00 1,065.00	0.00 0.00 0.00 0.00	115.00 105.00 200.00 1,065.00
			Check 052262 Total:		1,485.00	0.00	1,485.00
							Check Entry Number: 001
052263	12/11/2013	WAV040	Wave Broadband 11282013	11/28/2013	606.05	0.00	606.05
							Check Entry Number: 001
052264	12/11/2013	WES006	Westbay Auto Parts, Inc. 131491 132138 134136 134385 134507 134588 134803 135612 135785 135893 136152 136555	10/29/2013 11/1/2013 11/12/2013 11/13/2013 11/14/2013 11/14/2013 11/15/2013 11/20/2013 11/21/2013 11/21/2013 11/22/2013 11/25/2013	18.09 15.79 93.41 9.25 14.70 20.14 54.11 5.86 79.24 50.98 185.25 23.64	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	18.09 15.79 93.41 9.25 14.70 20.14 54.11 5.86 79.24 50.98 185.25 23.64
			Check 052264 Total:		570.46	0.00	570.46
							Check Entry Number: 001
052265	12/11/2013	WOR070	Workamper News, Inc 61839	12/5/2013	99.00	0.00	99.00
							Check Entry Number: 001
			Report Total:		63,810.62	0.00	63,810.62