

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 3/28/2018
TO: Commission
FROM: Sam Gibboney, Executive Director
SUBJECT: Issues to Consider May Affect the Minimum Price of Real Estate

ISSUE

The Port is analyzing a proposal put forth by the Northwest Maritime Center (NWMC) for lease of portions or all of Point Hudson. The Commission seeks to consider issues and factors that may affect the minimum price at which real estate associated with this proposal may be offered for lease.

The Commission wishes to consider such factors in accordance with RCW 42.30.110(c).

BACKGROUND

The NWMC delivered a proposal on January 28, 2018 regarding a potential lease of a portion or all of Point Hudson.

This was included on the agenda of the March 20, 2018 Special Meeting packet.

The Port engaged the services of EcoNorthwest to analyze the proposal.

DISCUSSION

The Commission may seek to consider in executive session factors and issues that may affect an acceptable minimum price for the lease of real estate in accordance with RCW 42.30.110(c).

Such issues and factors that the Commission might choose to consider include (but are not necessarily limited to) the following:

- Term of Agreement
- Leased area
 - Two approaches
 - Phased
 - Comprehensive lease
- Consideration
 - Capital payment
 - Lease payment
 - Profit (or revenue sharing)
- Existing and future debt profile
 - Marina

- Building(s)
 - Jetty
- Financing and bonding implications
 - Northwest Municipal Advisors has indicated a need to review with bond counsel (K&L Gates)
- A&G allocation
- Credit-worthiness
 - Experience
 - Financial
- Capital improvements
 - Buildings
 - Basic infrastructure (water, sewer, stormwater, power, communications)
 - Walkways
- Parking
- Proposed Uses
 - Conformance with zoning & SMP
- Ability to partner
- Governance structure

FISCAL IMPACT

To be determined.

RECOMMENDATIONS

We recommend that the Commission consider the above related issues and factors as they relate to an acceptable minimum price.