

IPG & CERB PLANNING GRANTS: Should the Port Proceed or Withdraw?

A. Boat Haven Integrated Planning Grant

Brief Overview: In 2017, the Port succeeded in obtaining a State budget allocation of \$200,000 to fund an Integrated Planning Grant (IPG) from the Washington State Department of Ecology (ECY) to perform an environmental site assessment and development plan to guide redevelopment at the Boat Haven shipyard. The objects of the study were as follows:

- To effectively address legacy environmental contamination of soils as well as stormwater quality issues; and
- To plan for future redevelopment of the uplands at Boat Haven to increase efficiency and allow for intensification of use to achieve greater economic benefits for the community.

What Rationales Support Moving Forward with the Planning Process?

1. The IPG process would result in the creation of a long-term guidance document for the uplands at Boat Haven to maximize efficient use of the area.
2. The Plan document would:
 - a. Provide a detailed assessment of infrastructure needs at Boat Haven;
 - b. Include detailed recommendations to maximize efficient operations and increase revenues to fund needed improvements;
 - c. Detail a funding and implementation strategy to undertake improvements that support the long-term viability of the assets; and
 - d. Help to devise long-term strategies to address regulatory compliance issues, including:
 - i. Risk assessment/mitigation;
 - ii. Stormwater/water quality compliance;
 - iii. Soils remediation (if needed); and
 - iv. Air Quality permitting.
3. No match is required; 100% funding for the planning project is available – up to \$200,000.

Why Would the Port Consider Not Moving Ahead with the IPG Process?

1. The development pattern at Boat Haven has largely been established by way of historic use of the site (i.e., long-term leases and existing buildings largely preclude redevelopment in the near to medium term).

2. Project timing is not optimal. The Port has undergone substantial changes in its executive management staff over the past several months, with the resignation of the Executive Director (ED), appointment of an Interim ED, and the departure of the Port's Director of Operations & Business Development.
3. Despite being 100% funded, considerable staff time would still be necessary to oversee and manage the planning process to a successful conclusion. Moreover, the planning process would likely require substantial public involvement in order to develop workable recommendations supported by the community, tenants and marine trades. Doing the project justice would appear to be beyond the Port's current staffing levels.

Note: Staff has been in contact with Ecology staff regarding a delay in submitting the Port's application to obligate these monies. Ecology staff has suggested waiting until April 1, 2019 to reassess the Port's capacity to move ahead with the project. This proposed delay would not affect the availability of the \$200,000 in grant monies, which have been legislatively earmarked to Ecology. There is a possibility that the State Legislature could re-appropriate the funds in the next session (which starts in January 2019), but this is unlikely.

B. Quilcene Community Economic Revitalization Board (CERB) Grant

Brief Overview: In July of 2017, the Port obtained a CERB planning grant for the Quilcene Marina and Industrial Site (\$50,000 CERB; \$17,000 Port match; \$67,000 total). Similar to the IPG discussed above, the CERB planning process is intended to result in a sustainable long-term use and development strategy for the Quilcene facility.

What Rationales Support Moving Forward with the Planning Process?

1. The rationales for proceeding with the planning process overlap to some degree with those identified for the IPG, above. The CERB process would provide a platform to:
 - a. Develop a market analysis and strategy for the facility;
 - b. Identify target business to potentially attract to the facility;
 - c. Review the zoning and shoreline use regulations and the site's adequacy to support the anticipated development;
 - d. Identify specific issues/deficiencies that will be addressed at the facility; and
 - e. Identify potential employment sectors to be attracted and the anticipated number of jobs to be created by implementation of the planning document.
2. The planning process would be 75% funded by CERB (\$50,000) with a 25% (\$17,000) match obligation on the part of the Port.

3. Once complete, the planning document would provide a framework for successfully managing the facility.
4. The plan document would aid in accessing grant funding for future facility improvements.

Why Would the Port Consider Not Moving Ahead with the CERB Planning Process?

1. The rationales for not moving ahead with this process at this time are much the same as those outlined for the IPG process, above. Specifically, the timing is very challenging given the current workload and shortage of management personnel to guide the project and interface with the Quilcene community.
2. Staff have been informed by CERB staff that there is no risk to the Port's good standing as a grant applicant/recipient should it decide not to move ahead with the project. Reapplication for the same planning work in a subsequent grant cycle would not be viewed unfavorably.

Note: Staff has requested a six (6) month extension on the project commencement deadline for this project, which is likely to be authorized by CERB at its monthly meeting on Thursday, November 15. This would allow the Port until June 2019 to commence project work, but would not alter the completion deadline of June 2020. Should the Commission choose not to proceed with this project, the Port's extension request would be pulled from the Funding Board's November 15 meeting.