

The Port
OF PORT TOWNSEND
SERVING ALL OF JEFFERSON COUNTY

Port of Port Townsend
2nd Monthly Regular Business Meeting
Wednesday, November 28, 2018, 5:30 p.m.
Port Commission Building
333 Benedict Street
Port Townsend, WA

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Public Comments
- IV. Consent Agenda
 - A. Approval of Public Workshop Minutes – November 14, 2018.....1-2
 - Approval of Regular Business Meeting Minutes – November 14, 2018.....3-6
 - B. Approval of Warrants
 - C. Resolution No. 690-18 – Signatory Authority.....7-8
- V. Second Reading
 - A. 2019 Rates.....9-25
- VI. First Reading
 - A. Leasing Policy – Update on Advisory Committee Progress.....26-35
- VII. Regular Business
 - A. Rubicon Yachts Lease.....36-50
 - B. FAA Memo Requesting Taxiway Use as Temporary Runway.....51-62
 - C. Agricultural Development Grant Search.....63-64
 - D. Correction to Staff Organizational Chart.....65-67
 - E. October 2018 Financials.....68-70
- VIII. Staff Comments
- IX. Commissioner Comments
- X. Next Business Meeting:
Wednesday, December 12, 2018, 1:00 pm
Port Commission Building, 333 Benedict Street, Port Townsend, WA
- XI. Executive Session
 - A. To Consider the Sale of Real Estate, pursuant to RCW 42.30.110 (1) (c), duration of 30 (thirty) minutes
- XII. Adjournment

PORT COMMISSION PUBLIC WORKSHOP – November 14, 2018

The Port of Port Townsend Commission met for a Public Workshop in the Port Commission Building, 333 Benedict Street, Port Townsend, WA

Present: Commissioners Tucker, Hanke & Putney
Interim Executive Director Pivarnik
Port Auditor Berg
Planning Director & In-house Counsel Toews
Recorder Nelson

I. CALL TO ORDER:

Commissioner Tucker called the Workshop to order at 9:30 a.m.

II. AGENDA:

Refer to attached workshop agenda for items discussed.

IV. ADJOURNMENT:

The Workshop adjourned at 11:26 a.m.

ATTEST:

Stephen R. Tucker, President

William W. Putney III, Secretary

Peter W. Hanke, Vice President

**Port of Port Townsend
Public Workshop
Wednesday, November 14, 2018, 9:30 am
Port Commission Building
333 Benedict Street
Port Townsend, WA**

AGENDA

- **CAPITAL BUDGET**
 - 1-year Capital Budget
 - 5-year Capital Plan
- **GRANTS**
 - IPG (Integrated Planning Grant)
 - CERB (Community Economic Revitalization Board) Planning Grant - Quilcene

Note: This is a Public Port Commission Workshop. Workshops are for information sharing only and no decisions will be made during the session. Public input may be taken at the Commissions' discretion.

PORT COMMISSION REGULAR BUSINESS MEETING – November 14, 2018

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

Present: Commissioners – Tucker, Hanke and Putney
Interim Executive Director Pivarnik
Auditor Berg
Director of Planning & In-house Counsel Toews
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Tucker called the meeting to order at 1:00 p.m.

II. APPROVAL OF AGENDA:

Commissioner Hanke proposed the addition to Regular Business, Item C – CERB - Quilcene Feasibility Grant. Director Pivarnik proposed the addition to Regular Business, Item D – Yard Minimum Discount Time Period.

Commissioner Putney moved to approve the Agenda as amended.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

III. PUBLIC COMMENTS (00:01:38):

Bertram Levy suggested nightly (summer) moorage rates be increased to \$1.40/night, the rate Friday Harbor and Cap Sante Marinas charge.

IV. CONSENT AGENDA (00:02:53):

A. Approval of Regular Business Meeting & Public Hearing Minutes – October 24, 2018

B. Approval of Warrants

Warrant #059747 through #059760 in the amount of \$65,259.99 for Payroll & Benefits

Electronic Payment in the amount of \$143,971.54 for Payroll & Benefits

Warrant #059761 through #059834 in the amount of \$116,173.21 for Accounts Payable

C. Resolution No. 688-18, Authorizing Sale of Abandoned Vessels

D. Resolution No. 689-18, Declaring Certain Items Surplus

Commissioner Hanke moved to approve the Consent Agenda as presented.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

V. SECOND READING (Action Items):

VI. FIRST READING (Discussion Only):

A. 2019 Rates 00:03:08):

Mr. Pivarnik stated rate sheets will be printed on front-to-back rate cards, as in the past. He explained most rates reflect a 3.3% CPI increase. In regards to Mr. Levy's comment, Mr. Pivarnik clarified Friday Harbor and Anacortes charge \$1.40 during three high season months and charge only \$0.85 the remainder of the year. Mr. Pivarnik stated the

Commissioners can consider this type of rate structure, but his recommendation is to stick with the \$1.30/ft year-round rate. He discussed the new addition of winter and summer guest monthly rates.

Commissioner Tucker requested date clarification for the summer and winter rates on the rate cards. He stated that he agrees with Mr. Levy on charging high and low season rates for nightly moorage.

Mr. Pivarnik stated having summer and winter rates, rather than discounts offered throughout the year, make it more predictable to the customer. Ms. Berg added set seasonal rates are easier to administer. Commissioner Tucker requested the rate cards list a seasonal nightly moorage rate.

Commissioner Hanke asked how yard rates would be marketed at the Pacific Marine Expo.

Mr. Pivarnik explained that after speaking with Yard Manager Khile, he recommends standardizing the discount rules for both the workyard and shipyard, and require a one-

month prepayment rather than a two-month.

Further discussion ensued.

PT Marine Trades Assoc. member Pam Petranek asked for a standardized date range for the yard discounts.

The commission discussed commercial truck fees. Commissioner Hanke asked if staff had met with the tribes on this issue. Commissioner Tucker, again, recommended staff look into charging fees based on pounds of product caught, rather than by a flat fee. He suggested talking with Fish & Wildlife about this type of arrangement.

After further discussion on commercial truck fees, Commissioner Hanke would like to see commercial rates kept as they are on the rate sheet, but to reach out to the tribes and Fish & Wildlife, and consider the poundage fee later.

Ms. Berg summarized the discussion: To present the estimated revenue based on a \$0.10 per foot increase for seasonal nightly guest moorage, and to standardize the workyard and shipyard discount period of October 1 through March 31.

VII. REGULAR BUSINESS:

A. Acceptance of the 2017 Workyard Resurfacing Project (00:32:51):

Ms. Berg explained the Port has received State required releases from L&I, Employment Security and most recently, Department of Revenue for the 2017 Workyard Resurfacing project. This is required prior to the Commissioners' acceptance of project completion, and once approved by the Commission, retainage will be released to Olympic Peninsula Construction, in the amount of \$7,701.82.

Commissioner Hanke moved to accept completion of the 2017 Workyard Resurfacing project.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

B. Staff Organizational Chart (00:35:23):

Mr. Pivarnik stated that due to the resignation of Greg Englin, we no longer have a Director of Operations. Mr. Pivarnik, Ms. Berg and Mr. Toews have discussed the

vacancy and the recommendation of Administrative staff is to promote Mr. Toews to the full-time position of Deputy Director. Mr. Pivarnik explained the proposed Org Chart has Maintenance Manager Chris Sparks and Security Officer Terry Taylor reporting to Mr. Toews, and Yard Manager Terry Khile and Business Manager TJ Quandt reporting to Mr. Pivarnik. He stated that this may only be a short-term fix and may not be sustainable long-term.

Commissioner Tucker expressed his concern that with limited staff it might not be possible to move forward with the IPG (Integrated Planning Grant) and this is something he feels very strongly about. Commissioner Tucker feels the IPG project would pay off down the road and staff should be looking at long-term planning.

Commissioner Putney began a discussion on hiring consultants and project managers. Commissioner Hanke stated the IPG is not off the table yet and suggests approving staff reorganization for now, moving forward with approval of the Org Chart, as presented. Further discussion included pros and cons of hiring a project manager for all projects; the need to have a person market Point Hudson Jetty funding; and the IPG and how it would be an environmental benefit. Commissioner Hanke requested a near-future public workshop to explore whether the IPG is the tool for stormwater compliance.

Commissioner Hanke moved to adopt the Staff Organizational Chart as presented.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

C. CERB – Quilcene Feasibility Grant (00:48:44):

Commissioner Hanke asked what plans are for Quilcene, and discussed the required \$17K CERB match from the Port. He is hesitant about investing money in another study of a Port property (comparing it to the previous Point Hudson study). He believes the Port could take that \$17K and use it towards Quilcene planning without a CERB funded study.

Commissioner Hanke moved to direct staff not to accept the CERB grant funding for Quilcene.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

D. Yard Minimum Discount Time Period (00:50:48):

Mr. Pivarnik reminded the Pacific Marine Expo is coming up next week. He proposes that for this season; implement a required one-month prepayment for the discount in both the boatyard and the shipyard, instead of a two-month minimum prepayment. He added, next year seasonal rates will be implemented instead of the discounts.

Commissioner Tucker moved to set the date for the boatyard and shipyard discount, with one month's prepayment, from October 1, 2018 through March 31, 2019, (allowing the discount into the month of April, with one month's prepayment in March).

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

VIII. STAFF COMMENTS:

None

IX. COMMISSIONER COMMENTS (00:58:32):

Commissioner Putney discussed recent meetings he attended, including: an Affordable Housing presentation; a PT Marine Trades meeting where possible historic designation of the Point Hudson Jetty and EDC representation were discussed; and, a Local Food Expo.

Commissioner Tucker discussed the recent Bathroom Summit meeting he attended. He talked about a meeting he and Mr. Pivarnik had with a consultant on historical designation of the jetty, where there was no solution. Discussion ensued on construction options for the jetty. Commissioner Tucker informed that he and Troy McKelvey pulled eelgrass buoys using the Port boat. He explained they volunteer their services twice a year. Last, he discussed the recent Jefferson County PIF meeting he attended and informed of a PIF request from the EDC for \$50K. After discussing the EDC request, the Commission requested EDC Director Brian Kuh provide a presentation at the next Commission Public Workshop.

X. NEXT MEETING:

Wednesday, November 28, 2018 at 5:30 pm in the Port Commission Building, 333 Benedict St, Port Townsend.

XI. EXECUTIVE SESSION:

None

XII. ADJOURNMENT:

The meeting adjourned at 2:21 pm there being no further business to come before the Commission.

ATTEST:

Stephen R. Tucker, President

William W. Putney III, Secretary

Peter W. Hanke, Vice President

RESOLUTION NO. 690-18

A Resolution of the Commission of the Port of Port Townsend

**RESOLUTION ADOPTING SIGNATURE AUTHORITY FOR
THE PORT OF PORT TOWNSEND**

WHEREAS, recent reductions and changes in executive management staff necessitate that the staff members authorized to sign check and warrants be changed; and

WHEREAS, the Commission directed staff to prepare the necessary signatory authority documentation for checks and warrants as required by the Port's banks and other relevant financial institutions; and

WHEREAS, the Commission's prior Signatory Authority Resolution, No. 543-10, is now obsolete due to changes in executive management staff and, accordingly, should be rescinded and superseded;

NOW, THEREFORE, BE IT RESOLVED by the Commission of the Port of Port Townsend, as follows:

1. The following named individuals shall be authorized signatures on checks and warrants for the Port of Port Townsend in instances where two (2) signatures are required:
Jim Pivarnik, Interim Executive Director;
Eric Toews, Director of Planning & In-House Counsel;
S. Abigail Berg, Director of Finance & Administration; and/or
Donna Frary, Accounts Payable/Payroll Accountant.
2. Commission Resolution No. 543-10 (July 14, 2010) is hereby rescinded and superseded by this Resolution No. 690-18.

ADOPTED this 28th day of November 2018, by the Commission of the Port of Port Townsend and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.

ATTEST:

William W. Putney III, Secretary

Stephen R. Tucker, President

Peter W. Hanke, Vice President

APPROVED AS TO FORM:

Port Attorney

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	November 28, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input checked="" type="checkbox"/> Second Reading <input type="checkbox"/> Regular Business
AGENDA TITLE	V. A) 2019 Rates
STAFF LEAD	Jim Pivarnik, Executive Director
REQUESTED	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Memo B. Proposed 2019 Rates

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 11/28/2018
TO: Commission
FROM: Sue Nelson
SUBJECT: 2019 Rates

BACKGROUND

At the November 14, 2018 Port Commission Meeting the Commissioners asked for seasonal options for Boat Haven and Point Hudson Nightly Moorage Rates.

RECOMMENDATION

For discussion and decision.

ATTACHMENTS

2019 Proposed Rates for: Boat Haven, Point Hudson, Quilcene, Yard, Airport, Miscellaneous and Union Wharf/City Dock/Event Facilities/Goods/Guest Services.



OPTION 1

BOAT HAVEN

360.385.6211

Service Rates – Effective January 1, 2019

Approved by Port Commission on xx/xx/xxxx

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

YEAR-ROUND NIGHTLY MOORAGE

Vessels Under 18' Wide \$ 1.30 ft/night

Over Wide Vessels (18' +) \$ 1.80 ft/nt

TEMPORARY TIE-UP \$10.00/20.00 over 35'
(Up to 4 hours)

PERMANENT MOORAGE

25' \$ 219.00/month*

27' \$ 242.65/month*

30' \$ 274.26/month*

35' \$ 335.16/month*

40' \$ 383.86/month*

45' \$ 456.95/month*

50' \$ 508.24/month*

Linear Rate Under 25' \$ 8.76 ft/mo*

Linear rate 51'+ \$ 10.95 ft/mo*

ACTIVE COMMERCIAL FISHING

Up to 70' \$ 7.22 ft/mo*

71'+ \$ 8.22 ft/mo*

Limited Access \$ 7.15 ft/mo*

Undesirable \$ 6.19 ft/mo*

Business/Ltd Access Same as permanent rate,
per ft/mo*

Overwide Vessels (18' + wide) Vessel length + 50% of
beam x Established Rate*

FEES

Reservation Fee \$ 10.00

Liveaboard Fee \$ 77.82/month*

ELECTRICAL FEES

Nightly Electric \$ 5.00/10.00 over 55'

Electric Connect Fee \$ 30.00

Metered Electric/Base Fee \$ 10.00/mo + KWHs used

Electric Charges @ \$ 0.107 per KWH (subject
to change with utility increases)

Non-metered Electrical \$ 1.50 ft/mo

***12.84% WA State Leasehold Excise Tax assessed in addition to Port charges for stays of 30 days or more. If stay does exceed 30 days, the Leasehold Tax will be added to the first 29 days.**

BOAT HAVEN (cont.)

360.385.6211

WINTER GUEST MONTHLY, based on availability

October 1 – April 30:

25'	\$ 253.34/month*
27'	\$ 280.03/month*
30'	\$ 316.65/month*
35'	\$ 384.69/month*
40'	\$ 442.54/month*
45'	\$ 524.35/month*
50'	\$ 608.44/month*
Linear Rate Under 25'	\$ 10.13 ft/mo*
Linear Rate 51'+	\$ 13.14 ft/mo*

SUMMER GUEST MONTHLY, based on availability

May 1 – September 30:

25'	\$ 308.61/month*
27'	\$ 339.99/month*
30'	\$ 384.58/month*
35'	\$ 469.29/month*
40'	\$ 536.46/month*
45'	\$ 639.64/month*
50'	\$ 711.22/month*
Linear Rate Under 25'	\$ 12.34 ft/mo*
Linear Rate 51'+	\$ 15.88 ft/mo*

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OPTION 2

BOAT HAVEN

360.385.6211

Service Rates – Effective January 1, 2019

Approved by Port Commission on xx/xx/xxxx

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

NIGHTLY MOORAGE

Jun 01 – Aug 31:

Vessels Under 18' Wide	\$ 1.40 ft/night
Over Wide Vessels (18' +)	\$ 1.90 ft/nt

Sept 01 – May 31:

Vessels Under 18' Wide	\$ 1.30 ft/night
Over Wide Vessels (18' +)	\$ 1.80 ft/nt

TEMPORARY TIE-UP \$10.00/20.00 over 35'
(Up to 4 hours)

PERMANENT MOORAGE

25'	\$ 219.00/month*
27'	\$ 242.65/month*
30'	\$ 274.26/month*
35'	\$ 335.16/month*
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Up to 70'	\$ 7.22 ft/mo*
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Limited Access	\$ 7.15 ft/mo*
Undesirable	\$ 6.19 ft/mo*

Business/Ltd Access Same as permanent rate,
per ft/mo*

Overwide Vessels (18'+ wide) Vessel length + 50% of
beam x Established Rate*

FEES

Reservation Fee	\$ 10.00
Liveaboard Fee	\$ 77.82/month*

ELECTRICAL FEES

Nightly Electric	\$ 5.00/10.00 over 55'
Electric Connect Fee	\$ 30.00
Metered Electric/Base Fee	\$ 10.00/mo + KWHs used
Electric Charges @	\$ 0.107 per KWH (subject to change with utility increases)
Non-metered Electrical	\$ 1.50 ft/mo

BOAT HAVEN (cont.)

360.385.6211

WINTER GUEST MONTHLY, based on availability

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25'	\$ 253.34/month*
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360.385.2828

POINT HUDSON

Service Rates – Effective January 1, 2019

Approved by Port Commission on ~~xx/xx/xxxx~~

Moorage rate is based on overall length or slip length, whichever is greater.

YEAR-ROUND NIGHTLY MOORAGE

Vessels under 18' in width	\$ 1.30 ft/nt
Overwide Vessels (18'+)	\$ 1.80 ft/nt

TEMPORARY TIE-UP (up to 4 hrs) \$ 10.00/\$20.00 over 35'

WINTER MONTHLY MOORAGE

(October 1 – April 30)

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50'	\$ 608.44/month*
Linear Rate Under 25'	\$ 10.13 ft/mo*
Linear Rate 51'+	\$ 13.14/ft/mo*

LIMITED ACCESS MOORAGE \$ 7.61 ft/mo*

BUSINESS MOORAGE same as PTBH Permanent Rate, per ft/mo*

KAYAK OR ROWING SHELL STORAGE \$ 26.00/month*

DORY ON DOCK \$ 62.00/month*

FEES

Reservation Fee	\$ 10.00 per reservation
Live-aboard Fee	\$ 77.82/month*

ELECTRICAL FEES

Nightly Electric	\$ 5.00/\$10.00 over 55'
Electric Connect Fee	\$ 30.00
Electric Base Fee	\$ 10.00 per mo + KWHs Used (subject to change w/utility rate increases)
Electric Charges @	\$.107 per KWH (subject to change w/utility rate increases)
Non-metered Electrical	\$ 1.50 ft/mo

Commercial Passenger Fee \$ 1.00/person
(payable monthly during season)

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****Subject to 9% Sales Tax**

POINT HUDSON (cont.)

360.385.2828

RV PARK - SUMMER

(May 1 – September 30)

Nightly – Premium Waterfront	\$ 61.00/night
Nightly - Hookup	\$ 50.00/night

RV PARK – WINTER

(October 1 – April 30)

Nightly – Premium Waterfront	\$ 50.00/night
Nightly - Hookup	\$ 43.00/night

RV PARK – BACK ROW (Year-round) \$ 43.00 per night

RV PARK – DRY CAMP (Year-round) \$ 31.00 per night

RV PARK – WINTER GUEST MONTHLY

Oct-Jun, back row only	\$ 505.14/month*
Nov-Apr, front row	\$ 593.76/month*

RV Space - Extra Vehicle \$ 5.00/night

RV Holding Tank – Dump Fee \$ 10.00

EVENT PARKING

Short Term	\$5/day**/\$25/week**
Monthly	\$50.00/month*

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360.385.2828

POINT HUDSON

Service Rates – Effective January 1, 2019

Approved by Port Commission on ~~xx/xx/xxxx~~

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BUSINESS MOORAGE same as PTBH Permanent Rate, per ft/mo*

KAYAK OR ROWING SHELL STORAGE \$ 26.00/month*

DORY ON DOCK \$ 62.00/month*

FEES

Reservation Fee	\$ 10.00 per reservation
Live-aboard Fee	\$ 77.82/month*

ELECTRICAL FEES

Nightly Electric	\$ 5.00/\$10.00 over 55'
Electric Connect Fee	\$ 30.00
Electric Base Fee	\$ 10.00 per mo + KWHs Used (subject to change w/utility rate increases)
Electric Charges @	\$.107 per KWH (subject to change w/utility rate increases)
Non-metered Electrical	\$ 1.50 ft/mo
Commercial Passenger Fee	\$ 1.00/person (payable monthly during season)

POINT HUDSON (cont.)

360.385.2828

RV PARK - SUMMER

May 1 – September 30:

Nightly – Premium Waterfront	\$ 61.00/night
Nightly - Hookup	\$ 50.00/night

RV PARK – WINTER

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****Subject to 9% Sales Tax**



HERB BECK MARINA QUILCENE

360.765.3131 or 360.385.6211

Service Rates – Effective January 1, 2019

Approved by Port Commission on xx/xx/xxxx

NIGHTLY MOORAGE	\$.80 ft/nt
TEMPORARY TIE-UP	\$ 5.00/\$10.00 over 35'

PERMANENT MOORAGE

Up to 24 ft.	\$ 6.71 ft/mo.*
25-29 ft.	\$ 7.23 ft/mo*
30-35 ft.	\$ 7.74 ft/mo*
36-45 ft.	\$ 8.27 ft/mo*
46-50 ft.	\$ 9.30 ft/mo*
Limited Access – Up to 18'	\$ 4.65 ft/mo*

LIVEABOARD FEE	\$ 77.82/month*
RESERVATION FEE	\$ 10.00

ELECTRICAL FEES

Nightly Electric	\$ 5.00/\$10.00 over 55'
Connect Fee	\$ 30.00
Base Electric Fee	\$ 10.00/month
Metered Electric @	\$ 0.107 per KWH (subject to change with utility rate increase)

LAUNCH RAMP

Launch ramp fee	\$ 10.00 per day**
Annual Ramp Pass	\$100.00 per year**

***Free with verified DVA determination*

CAMPING/RV SITES

Nightly Tent Camping	\$ 20.00 per night
Nightly RV Camping	\$ 30.00 per night

STORAGE

Empty Boat Trailer	\$ 5.00 per day
(1 day included w/launch fee)	\$ 25.00 per week
	\$ 50.00 per month

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YARD RATES

360.385.6211

Service Rates – Effective January 1, 2019
Approved by Port Commission on xx/xx/xxxx

70/75 TON LIFTS

31' or less	\$ 9.00 per ft. **
32'-41'	\$ 10.00 per ft. **
42'-51'	\$ 11.00 per ft. **
52'-61'	\$ 12.00 per ft. **
62'+	\$ 14.00 per ft. **
Minimum Hoist	\$200.00*
Off-Port Blocking (subject to Tarp Fee)	\$ 2.00 ft/mo*, **
One-way Haul Out	75% RT or Minimum Hoist**
One-way Launch	50% RT or Minimum Hoist**
Re-block Fee	75% RT or Minimum Hoist**
Inspections	Roundtrip Rate**
Hang Overnight	Roundtrip Rate
Wash Down	\$ 2.00 per ft/30 mins
Environmental Fee	\$ 20.00 haul/mo
Delay of Lift	\$ 60.00 per half hour
Labor Rate	\$ 65.00 per person per hour**
Overtime Rate &	
Call-in Labor Rate	\$ 92.50 per person per hour**

STORAGE

Daily	\$ 0.75 ft/day
Monthly	\$ 0.60 ft/day*
Seasonal Workyard (Oct 1, 2018-Mar 31, 2019 - 1 month minimum prepayment)	\$ 0.35 ft/day*
Non-working Long-term (3-month minimum, No power)	\$ 8.00 ft/mo*
Non-working Long-term (6-month minimum, No power)	\$ 6.50 ft/mo*
Trailer Vessel (storage only)	\$ 6.50 ft/mo*

***12.84% WA State Leasehold Excise Tax assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the Leasehold Tax will be added to the first 29 days.**

****Subject to 9% WA State Sales Tax**

300 TON TRAVEL LIFT

70' or less	\$ 17.86 per ft**
71'-89'	\$ 19.22 per ft**
90' or over	\$ 23.76 per ft**

Minimum Hoist	\$800.00*
Off-Port Blocking	\$ 2.00 per month*, *
<i>(subject to Tarp Fee)</i>	
Multihulls	150% RT or minimum**
One-way Haul Out/	
Reblock	75% RT or minimum**
Inspections	Roundtrip Rate**
Hang Overnight	Roundtrip Rate
Wash Down	\$ 3.00 ft/hr
Delay of Lift	\$ 60.00 per half hour
Labor Rate	\$ 65.00 per person per hour**
Overtime Rate &	
Call-in Labor Rate	\$ 92.50 per person per hour**

Storage – daily	\$ 1.15 ft/day**
Storage – monthly	\$ 0.92 ft/day*

SEASONAL SHIPYARD STORAGE RATE*(1 month minimum prepayment)***10/1/18 – 3/31/19 \$ 0.81 per ft***

Metered Electric	\$ 5.00 per day + KWH
KWH	\$ 0.1007
<i>(subject to utility increases)</i>	

MISCELLANEOUS

Misc. Storage	\$ 0.85 sq ft/mo*
Mast Storage	\$ 0.75 sq ft/mo*

TARP FEES

20 x 20	\$ 25.00
20 x 30	\$ 35.00
20 x 40	\$ 45.00
26 x 40	\$ 60.00
30 x 40	\$ 70.00
30 x 60	\$100.00
40 x 60	\$135.00

***12.84% WA State Leasehold Excise Tax assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the Leasehold Tax will be added to the first 29 days.**

****Subject to 9% WA State Sales Tax**



JEFFERSON COUNTY INTERNATIONAL AIRPORT

360.385.6211

Service Rates – Effective January 1, 2019
Approved by Port Commission on XX/XX/XXXX

Prevailing Ground Lease Rate \$ 0.57 sq ft/year*

Daily Tie-down \$ 6.00

Monthly Grass Tie-down \$ 40.29*

Annual Grass (must pay in advance) \$425.00*

Monthly Paved Tie-down \$ 56.82*

Monthly Hangar \$185.94*

Commercial Landing Fee \$ 0.30/1000# of
max loaded gross weight

VEHICLE PARKING

Weekly (7 or more days) \$ 10.00

(rate includes WA State Sales Tax)

Monthly \$ 31.00

(rate includes Leasehold Tax)

Annual \$200.00

***12.84% WA State Leasehold Excise Tax assessed in addition to Port charges for stays of 30 days or more. If stay does exceed 30 days, the Leasehold Tax will be added to the first 29 days.**



Service Rates – Effective January 1, 2019
 Approved by Port Commission on xx/xx/xxxx

MISCELLANEOUS RATES & FEES

Mini Storage Units	\$ 1.00 sq ft/mo*
Port Labor Rate	\$ 65.00 hr/per person
Overtime Labor Rate	\$ 92.50 hr/per person
Docking Fee	\$ 1.80 ft/day
Commercial Vessel Pass. Fee	\$ 1.00 per person
Relocate Vessel by Hand	\$ 75.00
Relocate Vessel w/ Port Skiff	\$ 150.00
Emergency Pumps	\$ 125.00
Bail Skiff Fee	\$ 50.00
Bilge Water	\$ 0.75 per gallon

LAUNCH RAMP

Daily Pass	\$ 10.00
Annual Pass	\$ 100.00 per year
<i>(free with DAV determination)</i>	

Commercial Truck Fee

Daily	\$ 200.00**
Monthly	\$ 600.00**
Annual	\$ 1500.00**

Best Management Practices Violation Fees

1 st Offense	\$ 200.00
2 nd Offense	\$ 500.00
3 rd Offense	\$1000.00

Chain-up Fee

1 st Offense	\$ 150.00
2 nd Offense	\$ 250.00
3 rd Offense	\$ 400.00

Impound Fee

1 st Offense	\$ 200.00
2 nd Offense	\$ 300.00
3 rd Offense	\$ 500.00

Wait List Fee

Sign-up Fee	\$ 100.00
Renewal Fee or Pass Fee	\$ 50.00

Leave of Absence \$ 100.00

Illegal Garbage Dump Fee \$ 320.00

* 12.84% WA State Leasehold Excise Tax assessed in addition to Port charges for stays of 30 days or more.
If stay does exceed 30 days, the Leasehold Tax will be added to the first 29 days.

** Subject to 9% Sales Tax

MISCELLANEOUS RATES & FEES (cont.)

Late Charge	\$ 10.00 minimum or 1.5%
NSF Check Charge	\$ 50.00 per occurrence

Fax – first page	\$ 2.50
Fax-Each additional page	\$ 1.25
Notary Service	\$ 10.00

PORT HADLOCK DOCK-DINGHY/SKIFF TIE-UP

Dock	\$ 25/monthly, \$145/annual
Beach	\$ 20/monthly, \$ 90/annual

WORK FLOAT MOORAGE/LIFT PIER ACCESS

(Reserve with Yard Office)

Daily Rate, includes Top Aide Access \$2.10 ft/day, \$50 min

Lift Pier Access/Top Side Usage	\$26.00 one hour
	\$50.00 per extra hour

* 12.84% WA State Leasehold Excise Tax assessed in addition to Port charges for stays of 30 days or more.
If stay does exceed 30 days, the Leasehold Tax will be added to the first 29 days.

** Subject to 9% Sales Tax



UNION WHARF & CITY DOCK, EVENT FACILITIES, GOODS & GUEST SERVICES

360.385.6211

Service Rates – Effective January 1, 2019
Approved by Port Commission on XX/XX/XXXX

NIGHTLY MOORAGE (3 night maximum stay)

Vessels up to 35' \$ 25.00/night
Vessels 35'-79' \$ 35.00/night
*Vessels over 80' \$ 1.80 ft/nt
* Union Wharf only, advanced notice required

TEMPORARY TIE-UP (up to 4 hours)

\$ 5.00/\$10.00 over 35'

COMMERCIAL PASSENGER FEES

\$ 1.00 per person
(payable monthly during season)

EVENT FACILITIES RENTAL – UNION WHARF & CITY DOCK

Daily Rental Fee \$300.00/day

EVENT FACILITIES -POINT HUDSON MARINA ROOM

Daily Rental Fee - Individual \$150.00/day (8 am – 11 pm)
Daily Rental Fee – Group \$ 50.00/day (8 am – 11 pm)
Hourly Rental Fee (2 hr min.) \$ 25.00/hour
Damage & Cleaning Deposit \$ 50.00 (refundable)

GOODS & GUEST SERVICES

PORT OF PT GIFT ITEMS

Port of PT Logo Baseball Cap \$ 16.00/ea
Port of PT Logo Stocking Cap \$ 12.00/ea
Port of PT Logo Mug \$ 12.00/ea

GOODS & GUEST SERVICES

Laundry Soap (Point Hudson only) \$ 1.00/ea
Dryer Sheets (Point Hudson only) \$ 1.00/ea

GUEST AMENITIES

Showers \$ 0.25 per 90 seconds (0.50/3 minutes)
Laundry \$ 2.75 Washer / \$2.00 Dryer

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	November 28, 2018
AGENDA ITEM	<input checked="" type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input type="checkbox"/> Regular Business
AGENDA TITLE	VI. A) Leasing Policy – Update on Advisory Committee Progress
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. Memo B. Draft Leasing Policy

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 11/28/2018
TO: Port Townsend Port Commission
FROM: Eric Toews, Deputy Director
SUBJECT: Leasing Policy – Update on Advisory Committee Progress

BACKGROUND: The Commission previously directed staff to prepare policies to guide the preparation of all future Port leases. In August, the Commission appointed a five (5) member ad hoc advisory committee to critically review and provide recommendations on changes to the initial draft policy document. Committee members include: Pete Langley (commercial/industrial tenant – not Port affiliated); Ernie Baird (current Port tenant, District #1); John Eissinger (commercial/industrial landlord – not Port affiliated); Susan Whitmire, (local financial institution representative); and Chris Jones (current Port tenant, Districts #2 or #3).

DISCUSSION: The Advisory Committee (LPAC) met on October 4th and November 21st to review the draft policy document. The Committee finished its initial review of the policies on the 21st, and agreed to conduct one (1) more meeting, likely before the end of the year, to review and confirm the accuracy of a line-in/line-out draft and accompanying memorandum to be forwarded to the Commission. Staff anticipates that a final draft will be presented to the Commission for review and adoption by the end of January 2019.

Areas of concern raised by the Committee regarding the initial draft, include the following:

- **“Highest and Best Use”:** This language has caused concern, and the committee has recommended its elimination.
- **Recurrent Market Analyses:** The committee has suggested that only certified MAI (Member of the Appraisal Institute) appraisers conduct recurring market analyses for the Port, on a five (5) year recurring cycle.
- **Common Area Maintenance:** The Committee has suggested that language relating to common area maintenance fees (so called “CAM charges”) be eliminated. In lieu of such charges, the Committee suggests that the Port’s rate of return multiplier be sufficient to set aside a portion of rents from each cost center (e.g., Point Hudson) to address common area maintenance. The committee has also expressed its support for “special assessments” for certain improvements that benefit discrete categories of tenants (e.g., stormwater).
- **Rental Rate Adjustments:** The LPAC recommends against the use of a CPI + 1% formula, finding no precedent in use at other ports in Western Washington.

RECOMMENDATION: None; informational only.

ATTACHMENTS: One (1) attachment is included for the Commission to trace the evolution of the policies: the “2nd Review Draft”, dated November 19, 2018, consisting of nine (9) pages.

PORT OF PORT TOWNSEND

ORGANIZATIONAL MANAGEMENT AND BUSINESS PRACTICES

A. BUSINESS PRACTICES

INTRODUCTION: The Port is the steward of public assets and provides essential public services for all the citizens of Jefferson County. The business practices of the Port of Port Townsend are directed toward faithful stewardship of public assets and achieving the Port's Strategic Plan objectives and strategies. Flexibility is needed, however, to adapt to changing conditions of a competitive market and to remain mindful of community values. Accordingly, the statements that follow are typical business practices of the Port, subject to change as conditions warrant.

1. The Port will maintain a sound financial plan. The financial plan will integrate the Port's guiding documents: the Comprehensive Scheme of Harbor Improvements & Strategic Plan; Business Plan; and Capital Improvement Plan. These plans will consider market conditions and identified and expected costs for capital maintenance, operations, and replacement of existing capital facilities.
2. The Port will be a good steward of the public assets entrusted to the Port.
 - a. The Port will seek to maintain, preserve and enhance the public assets under its stewardship.
 - b. The Port will comply with applicable environmental laws and require its tenants to follow environmental "best management practices."
 - c. The Port will seek to charge fees and rents for the use of Port facilities at "fair market value" to ensure that over time the Port remains a good steward of public assets by providing sufficient revenue to maintain and enhance to the public assets and the services provided by the Port.
3. The Port has a long-term goal of enhancing the public assets entrusted to it. Therefore it must operate in a fiscally prudent manner today and tomorrow to achieve this long-term goal.
4. The Port will be a good and reliable business partner for its tenants and users.
 - a. The Port will provide fair and equal treatment to all tenants and users
 - b. The Port will seek to provide facilities and services that enhance business success for Port tenants and users while maintaining a sound financial footing for the Port.
 - c. The Port will seek to provide a business environment that attracts new tenants.
5. The Port will be a good and reliable partner with other local governments, state agencies, Tribes and the federal government.
 - a. The Port will seek ways to cooperate with other government partners to enhance the economic, environmental and community quality of life in Jefferson County.

- b. The Port will meet regularly with other local governments to explain the needs of the Port, to hear the needs of other governments and to seek common approaches and goals for the betterment of the citizens.
- 6. The Port will be a good and reliable business partner to the business community in Jefferson County.
 - a. The Port will seek ways to cooperate with the business community of Jefferson County to enhance the economic, environmental and community quality of life in Jefferson County.
 - b. The Port will meet regularly with business and civic organizations to explain the needs of the Port, to hear the needs of others and to seek common approaches and goals for the betterment of the citizens.
- 7. The Port will use a “cost approach” for asset management. The Port seeks to manage its real and personal property utilizing a “cost center” approach in order that each facility be as self-supporting as possible.
 - a. This cost center approach will include projections for operating revenue, operating costs and capital asset and common area maintenance, operation and replacement.
 - b. Capital asset maintenance and operation costs should be funded by operating income from the cost center.
 - c. Capital replacement costs should be funded by the following:
 - i. Operating income from the respective cost center;
 - ii. Grant funds, if available; and
 - iii. Debt serviced by general tax levy revenue, if available.

B. LEASING POLICY

INTRODUCTION: Central to the long-term viability of the Port is the Leasing Policy. It is primarily through leasing that the Port generates revenue to preserve and enhance its properties and facilities and thereby help drive the economic vitality of Jefferson County. It is the policy of the Port of Port Townsend to (i) retain and recruit businesses that will provide sustainable community-wage jobs, and (ii) seek rents and charges for the use of public real and personal property that provides a fair rate of return to the citizens of Jefferson County.

The Port takes seriously its mission to generate countywide economic vitality, retain existing businesses, attract new business, and add good jobs that will provide local employment opportunities. The Port competes with other regional and national governments and entities for these jobs. Accordingly, it is the Port’s policy to negotiate leases (i) that will attract and retain businesses based on sound business, financial and operational plans and (ii) provide a fair rate of return for the Port so that the Port can continue to invest in the economic vitality of Jefferson County.

The general policies of the Port regarding industrial/commercial land and buildings are as follows:

- 1. Rental rates and charges for Port real and personal property should be the fair market rental rate and charges. It is recognized that fair market value rental rates and charges help the Port to maintain the public assets thereby providing a predictable environment

for Port tenants and quality facilities and services to the citizens of Jefferson County. The Port will generally charge fair market value lease rates, rental rates and charges for the use of Port real and personal property asset.

2. Fair market value rental rates should be based upon the value of the Port real property and improvements thereon multiplied by a Port standard rate of return. The value of Port property and improvements multiplied by a Port standard rate of return will provide a fair and equitable method of determining rental rates that treats all tenants fairly and provides a fair return to the citizens of Jefferson County.
3. ~~The value of Port real property and improvements should generally be based upon the "highest and best use" unless the Port has established a "preferred use". The fee simple fair market value for Port real property and the improvements located thereon should generally be based upon the fee simple value based upon the "highest and best use" of the subject Port property under applicable market conditions and land use regulations (emphasis added). The Port Commission may decide to deviate from "highest and best use" by establishing a particular "preferred use" that would apply to a particular area of Port property or to all similarly situated tenants that utilize the Port real property or improvements.~~
 - a. ~~The deviation from "highest and best use" to a "preferred use" will usually result in a decrease in Port revenues but should provide other economic or social benefits to the citizens of Jefferson County. Factors that may be considered, include but are not limited to (i) the historical use of Port real or personal property, (ii) economic, social and environmental impact of a particular industry or user, (iii) the potential of a particular industry or user to grow and thereby enhance to economic environment of Jefferson County or (iv) the competitive market pressures on a particular industry or user. Of necessity, the definition of the term is specific to a particular type of use, and is likely to change over time based upon economic and social conditions and therefore a preferred use designation should be revisited and reevaluated over time to ensure that it is providing benefit to the citizens of Jefferson County and not unfairly subsidizing Port tenants or users.~~
 - b. ~~It is recognized that over time the Port must generate sufficient revenue to cover all proportionate direct and indirect costs of operations associated with the use of that asset, including but not limited to all expenses, including general and administrative, replacement costs, and debt service, and some return to the Port. Therefore, consideration may be given to the overall economic impact that a "preferred use" will have on the community as opposed to "highest and best use". In addition, over time the Port must continually reevaluate this approach to confirm that the Port is acting as a good steward of the public assets.~~
- 4 3. The value of Port property and improvements should be determined by recurring market analysis. The Port should conduct recurring market analyses (at least once every three years) to establish and maintain appropriate rental rates for Port-owned land and buildings. The Port will conduct periodic rental surveys of comparable properties in the Western Washington area (including land, buildings, and private and public assets). Market analyses and rental surveys may be completed by a licensed real estate

appraiser, a real estate firm, by subscribing to a real estate listing service that provides market data or by gathering market information by experienced professionals or staff. The Port will also consider other indicators (modifiers) of reasonable fair market rental value in setting rental rates, including parcel size, location, inflation occurring since the date of the last survey, changes in the rental market since the date of the last survey, waiting lists, competing offers for the same properties, the overall economic climate and any other evidence of fair market rental value.

- a. The Port should provide a table of the fair market value rental rates for all its classes of properties.
- b. Absent a compelling reason, generally, the Port will charge the fair market value rental rates and refrain from providing a special rate to a particular tenant because this is generally unfair to other similarly situated tenants and is not in keeping with the Port's stewardship responsibilities.
- c. Depending on the particular circumstances tenants may be allowed an equitable period (not to exceed two years) to reach fair market value rent.

3 4. The Port's standard rate of return. Fair market rental value is based on the fee simple value of the Port real property and improvement thereon ~~(either based upon "highest and best use" or a "preferred use")~~ multiplied by at least eight percent (8%).¹

4 5. Rental rates should be adjusted annually and reevaluated periodically. Generally Port expenses, such as personnel, maintenance and repair, increase over time. Likewise rental rates should increase over time and instep with increases in the private sector rental market in Jefferson County. Therefore, each lease will include a provision that allows the Port to adjust rental rates to the fair market rental rates then prevailing for comparable properties in the Western Washington area at five year intervals (beginning January 1, 2020), bearing in mind all allowable uses of the property and all services and amenities available to the property by virtue of its location. These adjustments are intended to minimize the misalignment that may occur between a fixed rate with CPI escalations and a reviewed market rate.

- a. Between periodic rate adjustments in rent adjustments equal to the amount found on the Consumer Price Index for all urban consumers (CPI-U) for Seattle-Tacoma-Bellevue (compiled by the US Department of Labor, Bureau of Statistics) ~~plus an additional 1% will take effect annually.~~
- b. Each lease will allow for the automatic CPI increase on the anniversary of its effective date. Each lease, regardless of the date of its effective date, will allow for the automatic CPI adjustment as of January 1st each year. Any adjustment for the first year will be prorated for that part of the year between the effective date and January 1st. Rent adjustments should not result in a reduction in rent from the rate paid in the prior year.

5 6. Lease term & options to extend. An initial lease term for either land or buildings will be determined in consideration of the needs of the tenant, the investment of the tenant, design standards of any improvements, the useful life of the improvements, the economic value provided to the community, and the needs of the Port. The lease may provide options granted to the tenant to extend the lease.

¹ The Port previously established a policy that seeks a 9.5% return.

- a. The initial term may be extended, provided that: the tenant has met the maintenance standards outlined in the lease, made upgrades extending the useful life of any improvements (including buildings), and the proposed additional term is supported by outside professionals such as structural engineers and/or architects, licensed inspectors, the generation of economic value to the community, and the needs of the Port.
 - b. Generally, the initial lease term and option periods together should not exceed the anticipated useful life of the improvements, or thirty (30) years. ~~Pursuant to state law, in no circumstance shall the initial lease term exceed fifty (50) years and the initial lease term and options may not exceed eighty (80) years on Port property except seventy-five (75) years at the airport.~~
 - c. Longer term leases may require the tenant to periodically upgrade improvements.
- 6 7. Non-exclusive common areas. The Port recognizes that it has limited real property and improvements and that multiple tenants may use common areas such as parking lots or storage areas. Use of common areas by multiple tenants allows the Port to maximize the economic activity on its properties and provide the tenants with cost effective services. The Port may require all All tenants that utilize use common areas ~~will be required~~ to pay fair market rent for the non-exclusive use, and share in an equitable manner, in the maintenance and upkeep of the common areas with ~~the Port and~~ other common area users.

C. STANDARD LEASE PROVISIONS

INTRODUCTION: Prudent business practice requires that a standard Port lease be the basis of all lease negotiations. A standard lease provides fairness to all Port tenants and protection of public assets. It is noted that as the steward of public assets the Port is a unique landlord that must act in the public interest. Such standard provisions include, but are not limited to: indemnification and hold harmless, environmental, the Port's right of entry for inspection, maintenance of the premises, taxes, fixtures and equipment, liability and casualty insurance, retention of air rights, FAA requirements, condemnation, default, costs and attorney fees, notices, waivers, month-to-month tenancy upon termination of lease.

- 1. Use. The Port will seek to limit the use on its leaseholds to a specific purpose. Leases that allow that provide for "all use allowed by zoning" or "all legal uses" will not be used be approved.
- 2. Rent. The Port leases will contain standard provisions related to rent including late charges and penalties. The calculation of rent will include exclusive use areas and non-exclusive (common area) use areas.
- 3. Common Area Charges. Tenants using common areas ~~will~~ may be required to pay an equitable share of the cost of maintaining and operating such areas.
- 4. Utility charges. In addition to rent, tenants will pay for utilities used by the tenant and billed to the Port. Where possible, Port tenants should establish their own accounts

with utility providers. Port utility charges, including water, should be priced to allow the Port to maintain and operate the system.

5. Rent security. Pursuant to RCW 53.08.085, all leases in excess of one year must be secured by a rent performance bond or other security (cash deposit, blocked account) acceptable to the Port in an amount of not less than three (3) months' rent, applicable Washington state leasehold excise tax, anticipated common area charges, and anticipated utility charges. Leases of one year or less (including all options to renew) may be secured by one months' rent applicable Washington state leasehold excise tax, anticipated common area charges and anticipated utility charges.
6. Structural Changes or Improvements. Structural changes to buildings require the prior written consent of the Port. Upon termination of the lease, all tenant owned improvements must be removed at the cost of the tenant, or, if not removed by the tenant and at the Port's option, either (i) removed by the Port at the tenant's expense or (i) become the property of the Port.
7. Assignment. The Port generally prohibits any assignment or sublease by a tenant without the prior written consent of the Port having first been obtained. The Port will allow assignment of the tenant's leasehold interest as collateral for a loan where the proceeds will be used on the leasehold.
8. Liability Insurance. Insurance provisions require the tenant to obtain and maintain commercial general liability insurance with the Port endorsed as an additional insured and prohibit cancellation of insurance without prior notice to the Port. The current amount of required insurance is \$1,000,000 combined single limit. The Port may periodically revise this amount to keep pace with market conditions. The Port may require additional forms of insurance or additional limits of insurance for particular uses (for example pollution legal liability for a fueling operation).
9. Damage or destruction of tenant property on leasehold. The tenant will be solely responsible for damage or destruction of its property on the leasehold. This risk should be covered by tenant insurance.
10. Limited waiver of immunity under the Industrial Insurance Act. The Port will require all tenants to provide a limited waiver of immunity under the Industrial Insurance Act or other similar federal scheme for personal injury lawsuit against the Port brought by employees of the tenant.
11. Indemnifications. The tenant will be required to save, defend and indemnify the Port from (i) any claims arising from injuries on Port property or their leasehold as a result of their activities, (ii) any release of hazardous substances on the leasehold (iii) a violation of law by the tenant.
12. Lease enforcement. The leases will contain standard provisions (such as default, termination and attorney fees) to allow the Port to expeditiously enforce the terms of the lease.

D. — PERFORMANCE BASED LEASES

INTRODUCTION: The Port recognizes its obligation to ensure development and continued operation of viable industrial and commercial enterprises on its property as well as an obligation to incentivize businesses to operate in the best interests of the larger community. A business on the basis of stated capital investment amounts, employment of a minimum number of persons (from the local labor force when practical), type of jobs (sustainable community wage), production above a certain level, or some other reasonable measure to ensure a viable activity may request a performance based lease rate to better attain its objectives.

1. ~~Performance based lease rate.~~ The rate will generally be calculated by providing a reduced rate of return for some period in exchange for achievement of measurable objectives. When such a performance based lease rental rate is granted by the Port, it shall include the rental rate based upon the standard rate of return and the special rate based upon a reduced rate of return so that the value of the concession can be calculated.
2. ~~Percentage rents.~~ Where appropriate, a lease rate may include a percentage of gross revenues paid to the Port.
3. ~~Reporting of measurable objectives.~~ The performance based lease rate must include requirement for reporting of measurable objectives to monitor the business with respect to those stated benefits. Failure to meet the agreed upon performance goals will result in the lease reverting to base terms as stated in the lease. It is not the intent to establish such performance requirements at a maximum level, but rather, at a threshold level of viability for operation of the business within the preferential terms of their lease with the Port.

E D. MAINTENANCE RESPONSIBILITIES & COSTS

1. Maintenance responsibilities - Port-owned buildings.
 - a. The Port is responsible for maintaining in good condition the structural parts of the buildings it leases, including the foundations, bearing and exterior walls, subflooring and roofs, the unexposed electrical, plumbing and sewerage systems (including those portions of the systems lying outside the leasehold), exterior doors, window frames, gutters, downspouts, and the heating, and the ventilating and air conditioning system serving such buildings (if any).
 - b. Lessees are responsible for maintaining and repairing all interior walls, floors, ceilings, doors, interior and exterior windows and fixtures, and for repairing damage caused to any portion of Port-owned buildings.
- ± 2. Maintenance costs - Port-owned buildings. As may be applicable, the Port will schedule and coordinate all landscape, stormwater, HVAC system, sprinkler system, parking lot, and gutter maintenance and may bill each tenant as part of its common area maintenance fees.

- 2 3. Land leases and common areas. As may be applicable, ~~The the~~ Port will may schedule landscape and parking lot maintenance for tenants and bill each tenant as part of its common area maintenance fees.

F E. CAPITAL IMPROVEMENTS

Plan for Port-Owned Improvements. For Port-owned buildings or other improvements, Port staff will develop management plans that include maintenance and capital improvement schedules and budgets for each building. The maintenance and capital improvement budgets will be included in the Port's annual operating and capital improvement budgets and six-year capital facility plan (updated annually). This will include a reserve sinking fund for replacement of deteriorating items like roofs, asphalt, building poles, parking lots, landscaping, etc.

G. DUE DILIGENCE

Port staff will conduct due-diligence. For new tenants Port staff will conduct appropriate due diligence, which will include gathering financial data concerning the prospective tenants using a standard form developed by Port staff. In addition, for appropriate proposed transactions, Port staff will conduct appropriate additional due diligence (such as site visits, interviews of previous landlords and public records check). Port staff may also conduct appropriate due diligence for significant lease renewals or modifications.

H. OPEN PUBLIC RECORDS

All records public. All information provided to the Port is subject to the requirements of the Washington Public Records Act (chapter 42.56 RCW). All prospective tenants will be informed that anything submitted to the Port is a public record. If a public records request is made, the Port will notify the party (typically a prospective lessee) submitting the records.

I. VARIATIONS FROM POLICY

The policy set forth above may be varied from time to time to fit instances as is deemed advisable by the Port.

J. REVIEW OF POLICY

This leasing policy will be reviewed from time to time as deemed appropriate by the Port Commission.

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	November 28, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. A) Rubicon Yachts Lease
STAFF LEAD	Jim Pivarnik, Interim Executive Director
REQUESTED	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Memo B. Proposed Rubicon Lease

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 11/28/2018
TO: Commission
FROM: Jim Pivarnik, Interim Executive Director
SUBJECT: Rubicon Yachts Lease

BACKGROUND

In an effort to begin to lease all existing vacant buildings in and around the Port, staff has been negotiating with a large yacht brokerage company from California. Rubicon Yachts is headquartered in the San Francisco Bay area with offices in Emeryville and Seattle. They are looking to expand their presence into the north Puget Sound area. The company touts itself as being a worldwide yacht brokerage company with a very large web presence.

DISCUSSION

Even though Rubicon is a California company the manager of the Port Townsend office is Joe Lecato, a Port Ludlow resident who also attended the Wooden Boat School. The company is proposing to do a total renovation of the old moorage office. The lease they are looking for is a one-year lease with two one-year options. Staff believes that this is a very important service that we are presently missing in the Port and that the company will bring a very high level of professionalism.

RECOMMENDATION

Approve lease arrangement with Rubicon Yachts.

ATTACHMENTS

Proposed Rubicon lease.

PORT OF PORT TOWNSEND

BOAT HAVEN BUILDING & COMMON AREA LEASE

THIS LEASE AGREEMENT made this 1st day of December 2018, 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 RUBICON YACHTS, LLC, a California Limited Liability 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 real property located at the Port's Boat Haven facility in Port Townsend, Jefferson County, Washington:

Approximately 993 square feet¹ of office space located in building #33 at Boat Haven, 2601 Washington Street (the Port's former Moorage Office)

hereinafter referred to as "the premises."

2. **TERM:** The term of this Lease is one (1) year, beginning December 1st, 2018 and ending at midnight, November 30th, 2019, unless sooner terminated as provided in this Lease. The Lessee shall also have an option to extend the lease term by two (2) additional one (1) year terms. Notification to extend the Lease will be done in writing ninety (90) days prior to end of the initial lease term or any extension thereof. Lessee shall not be entitled to renew this Lease unless the Lease is in good standing at the time of renewal and the Lessee is not in default under the terms of this Lease or any other lease or agreement with the Port. The terms and conditions of any renewal shall be the same as set forth in this Lease, except that rent shall be recalculated as provided in Paragraph #3, below, and the terms of this Lease shall be updated to be consistent with the terms and conditions then existing in the Port's standard form Commercial Lease.
3. **RENT:** Lessee agrees to pay as rental for the leased premises the sum of **One Thousand Fifty-Eight Dollars and Fifty Cents (\$1,058.50)** plus all applicable taxes. The rent for each

¹ The agreed building area is as follows: 993 Square Feet (actual area measured based on outside measurement of the building is 28' x 36' = 1008 square feet, less the subtracted interior space of 15 square feet for Port use to house computer equipment. Premises also include two (2) parking spaces.

month shall be paid to the Port in advance 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. In the event Lessee opts to extend this Lease for a second or third one (1) year term as provided in Paragraph #2, above, the following rental rates shall apply:

- a. Months 13 – 24: **One Thousand Three Hundred Twenty-Four Dollars and Fifteen Cents (\$1,324.15)** plus all applicable taxes;
 - b. Months 25-36: **One Thousand Four Hundred Eighty-Nine Dollars and Sixty-Seven Cents (\$1,489.67)** plus all applicable taxes.
4. **LATE CHARGE:** In the event that any installment of rent remains unpaid more than twenty (20) days after it is due, then Lessee shall also be obliged to pay a "late charge" as per the Port of Port Townsend Rate Schedule then in effect.
 5. **SECURITY DEPOSIT:** Upon the execution of this Lease, Lessee shall deposit with the Port three (3) month's rent plus applicable taxes in the amount of **Three Thousand Five Hundred Eighty-Three Dollars and Twenty-Three Cents (\$3,583.23)** in order to guarantee performance under this Lease. However, because Lessee has an existing deposit of \$1,307.25 on file with the Port under an agreement now superseded by this Lease, Lessee shall be required to deposit an additional **Two Thousand Two Hundred and Seventy-Five Dollars and Ninety-Eight Cents (\$2,275.98)** in order to satisfy the requirements of this Paragraph #5. The deposit shall be held by the Port as security for Lessee's faithful performance of all of their obligations under this Lease. Any interest earned on amounts deposited shall be retained by the Port. The deposit shall be returned to Lessee upon termination of this Lease, less any charges owing to the Port or expenses incurred by the Port in repairing damage caused by Lessee or restoring the leased premises to the condition required upon termination of this Lease.
 6. **USE OF PREMISES:** Lessee shall use the premises for the purpose of a yacht brokerage office 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 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 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.
 7. **UTILITIES:** Lessee shall be liable for, and shall pay throughout the term of this Lease, all utility services furnished to the premises, including, but not limited to, light, heat, electricity, gas, water, sewerage, garbage disposal.

8. **ACCEPTANCE OF PREMISES – “AS IS” – NO WARRANTIES:** Lessee has examined the leased premises and accepts them in their present condition. The Port makes no representations or warranties with respect to the condition of the premises. Lessee acknowledges that Lessee has fully inspected the premises and is not relying on any statement or representation made by the Port or the Port's agents with respect to the condition of the premises, and Lessee assumes the responsibility and risks of the same, including any defects or conditions that cannot be observed by casual inspection.
9. **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 it's own expense, and at all times:
- a. Keep the premises, and the adjoining roadways and walkways, neat, clean and in a safe and sanitary condition;
 - b. Maintain and keep the leased premises in a good state of repair; and
 - c. Not commit waste of any kind.
10. **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 obtaining 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.
11. **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.
12. **DAMAGE, DESTRUCTION OR HAZARDOUS CONDITION:**
- 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 therefore 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 #12 shall become applicable, the Port shall advise Lessee within thirty (30) days after the occurrence 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 \$1,000,000.00 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. Workers Compensation Insurance as will protect tenant's employees from claims under Washington Workers' Compensation Act, as well as any Federal Acts applicable to the tenant's operations at the site, shall not be less than \$1,000,000.00 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 #14 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 #15 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 it will obtain

proper permits from the City of Port Townsend for all building improvements approved by the Port. 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(s), 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's 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 #19. If the Port shall give its consent to any assignment or sublease, this Paragraph #19 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 a 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. Lessee and the Port Executive Director will agree compensation to Lessee for loss of use, cost of relocation, and/or cost of improvement. In the event that the parties are unable to reach agreement on the compensation to Lessee, the amount shall be determined by arbitration before a single arbitrator who shall be jointly selected by the parties or by the Jefferson County Court if the parties cannot agree.
- 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. **PROMOTION OF PORT COMMERCE:** Lessee agrees that throughout the term of this Lease it will, insofar as practicable, promote and aid the movement of passengers and freight through facilities within the territorial limits of the Port. Lessee further agrees that all incoming shipments of commodities that it may be able to control or direct shall be made through facilities within the territorial limits of the Port if there will be no resulting cost or time disadvantage to Lessee.
28. **SURRENDER OF PREMISES - ATTORNEYS' FEES:** At the expiration or sooner termination of this Lease, Lessee shall promptly vacate the premises or re-negotiate a lease for the premises with the Port. 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.
29. **HOLDING OVER:** Any holding over by the Lessee after the expiration of this Lease shall be construed as a tenancy at sufferance (unless such occupancy is with the written consent of the Port) in which event the Lessee will be a tenant from month to month, upon the same terms and conditions of this Lease, except at a rent for such holdover

period of 125% of the rental rate in effect for the month preceding such holdover. Acceptance by the Port of rent after such termination shall not constitute a renewal.

- 30. 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.
- 31. 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 that would or might constitute the basis for such a lien on the leased premises if not paid.
- 32. 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
Phone: (360) 385-0656

To Lessee:
RUBICON YACHTS, LLC
Attention: Mark Miner
2601 Washington Street
Port Townsend, WA 98368

or to such other respective addresses as the parties 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.

- 33. 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.
- 34. "LESSEES" INCLUDES LESSEE, ETC.:** It is understood and agreed that for convenience the word "Lessees" and verbs and pronouns in the plural 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 Lessees or Lessee under this Lease Agreement.

35. **CAPTIONS:** The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.
36. **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.
37. **NON-DISCRIMINATION 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.

38. **NON-DISCRIMINATION 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.
39. **EASEMENTS:** The Parties recognize that the Port facilities are continuously being modified to improve the utilities and services used and provided by the Port. The Port or its agents shall have the right to enter the demised premises of the Lessee, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair and operate the

sewer, water, and drainage lines, and the electrical service, and all other services required by the Port for its use. The Port is hereby granted a continuous easement or easements that the Port believes is necessary within the lease premises of the Lessee, without any additional cost to the Port for the purposes expressed hereinabove; PROVIDED however, that the Port by virtue of such use does not permanently deprive the Lessee from its beneficial use or occupancy of their leased area.

In the event that the Port does permanently deprive the Lessee from such beneficial use or occupancy, then an equitable adjustment in rent or in the cost required to modify its premises to allow the Lessee to operate its business, will be negotiated and paid by the Port to the Lessee. In the event that such entry by the Port is temporary in nature, then the Port shall reimburse the Lessee for the cost required to modify its premises for the temporary period that the Lessee is inconvenienced by such Port entry. The Port will not be responsible to the Lessee for any reduced efficiency, or loss of business occasioned by such entry.

Lease Agreement dated this 1st day of December 2018 is hereby approved by the Port of Port Townsend, on this 29th day of November 2018 and effective upon the receipt of a deposit and liability insurance documentation from the Lessee.

LESSEE

Mark Miner, Manager
RUBICON YACHTS, LLC

ATTEST:

PORT OF PORT TOWNSEND

APPROVED AS TO FORM

Jim Pivarnik, Interim Executive Director

Port Attorney

STATE OF WASHINGTON

COUNTY OF JEFFERSON

I certify that I know or have satisfactory evidence that MARK MINER signed this instrument and that he is authorized to execute the instrument and acknowledged it to be his 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 JIM PIVARNIK signed this instrument and that he is authorized to execute the instrument as Interim 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: _____

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	November 28, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. B) FAA Memo Requesting Taxiway Use as Temporary Runway
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. Memo B. Memorandum to Mary Vargas, FAA

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 11/28/2018
TO: Port Townsend Port Commission
FROM: Eric Toews, Deputy Director
SUBJECT: FAA Memo Requesting Taxiway Use as Temporary Runway

BACKGROUND: Port tenants and the Jefferson County Pilots Association (JCPA) have expressed concerns regarding the potential for Phase 3 of the JCIA Runway Rehabilitation project (construction) to disrupt airport operations and cause needless impacts to businesses located at the JCIA and the community as a whole. Staff agrees with the concerns expressed by tenants and the JCPA. Accordingly, a memorandum has been prepared and submitted to the Seattle Airports District Office (ADO) of the FAA requesting that use of the parallel taxiway be allowed as a temporary runway during Phase 3 of the project in 2019. This request was included as part of the 60% design submittal forwarded to the FAA by Reid Middleton, Inc. (the Port's engineer for this project) on November 26th.

DISCUSSION: Two principal rationales support the Port's request, as follows:

- Reducing impacts to airport businesses during construction; and
- Ensuring uninterrupted emergency response capabilities are maintained for the community throughout the project.

These rationales are discussed in greater detail in the Port's memorandum request, which is attached.

Based on suggestions both by the JCPA and Warren Hendrickson of the Aircraft Owners and Pilots Association (AOPA), proposed measures to ensure safe use of the taxiway as an alternate runway have also been included in the Port's request to the FAA. Port staff and Reid Middleton stand ready to work with the FAA to develop a mitigation plan to ensure safe use of the taxiway as a temporary runway.

RECOMMENDATION: None; informational only.

ATTACHMENTS: Memorandum request to the FAA (including attachments "A", "B" and "C") consisting of ten (10) pages.

The Port

OF PORT TOWNSEND

SERVING ALL OF JEFFERSON COUNTY

Memorandum

Date: November 26, 2018
From: Jim Pivarnik, Interim Executive Director, Port of Port Townsend
To: Mary Vargas, Airport Engineer, Seattle Airports District Office, FAA
Subject: Request for Use of Parallel Taxiway as Temporary Runway During Phase 3 (Construction) of the JCIA Runway Rehabilitation Project

INTRODUCTION

The Jefferson County International Airport (JCIA) is a single runway airport. The planned reconstruction of Runway 9-27 at JCIA and relocation of the center taxiway connector is anticipated to require up to eight (6-8) weeks to complete. A continuous closure of the facility for this length of time, particularly if it occurs during the peak season for flying (i.e., May – September) would pose substantial and needless impacts to the community that can be alleviated by allowing use of the adjacent parallel taxiway as a temporary runway during reconstruction.

The Port has listened, heard, and shares the concerns raised by the pilot community, the businesses located at the JCIA, and the Jefferson County Department of Emergency Management regarding runway closure. **Accordingly, we respectfully request that the Seattle Airports District Office of the FAA work with Port staff and Reid Middleton to approve use of the taxiway as a temporary runway during the runway reconstruction project.**

RATIONALES SUPPORTING THE REQUEST

The Port believes the following rationales provide strong support for approval of parallel taxiway use as a temporary runway:

- Reducing Impacts to Airport Businesses During Construction; and
- Ensuring Continuous Emergency Response Capabilities.

These rationales, and suggested potential measures to ensure safe taxiway use as a temporary runway, are discussed in greater detail, below.

Rationale #1 - Reducing Impacts to Airport Businesses During Construction:

Three (3) full-time, active businesses are located at JCIA: the Port Townsend Aero Museum; the Spruce Goose Café; and Tailspin Tommy's. These businesses would be substantially impacted by a continuous runway closure, particularly if it were to occur during the peak of the summer recreational flying season (May – September).

The Jefferson County Pilots Association (JCPA) has submitted a letter documenting environmental concerns (i.e., socio-economic) associated with runway closure during reconstruction. This letter is included as Attachment "A" to this memorandum. While the Port believes that a categorical exclusion is appropriately issued for the project, we nevertheless share the concerns expressed by the JCPA. Specifically, that runway reconstruction during the peak flying and sales season will create an unnecessary hardship for Port businesses that could be successfully mitigated by allowing the parallel taxiway to be used as a temporary runway.

A summary of the impacted businesses, and the implications for their continued viability, is set forth below.

- Port Townsend Aero Museum: The museum is dedicated to the preservation of aviation history in the northwest, and youth education and mentorship. The museum maintains and restores historic aircraft, and provides flight training for youth. Although the museum generates a portion of its operating revenue from admissions, its youth mentorship program and maintenance/restoration shop is the source for the majority (70%) of its income. The museum estimates that a runway closure during the peak of the flying season could reduce the museum's bottom line by as much as fifty percent (50%), calling into question its continued financial viability.
- Spruce Goose Café: The café has been an iconic local eatery for more than 25 years. The restaurant has a very limited number of tables indoors. During the summer months, outdoor deck seating is available that nearly doubles the restaurant's seating capacity. Although many restaurant patrons drive to "the Goose", the restaurant's owners estimate that approximately 65% of their business is from pilots who specifically fly in to the JCIA for a meal. The restaurant estimates that a majority of its income is from pilots who visit during the peak season. Without this income, it is uncertain as to whether the restaurant could continue.
- Tailspin Tommy's Aircraft Maintenance & Rentals: Tailspin Tommy's is a full service aircraft and engine maintenance facility. The shop conducts annual inspections and performs certified repairs and maintenance of local as well as itinerant aircraft. Roughly 60% of the shop's income is estimated to come from "fly-in" customers during the peak season. In addition to maintenance and repairs, the shop operates the JCIA's only refueling business; nearly 90% of aviation gas sales occur during the peak season. This business also rents aircraft for flight training, an income source that is also dependent upon continued flight operations during the peak season. Tailspin Tommy's continued viability is highly dependent upon continued flight operations during the peak season.

- **United Parcel Service (UPS):** In addition to the businesses based at the JCIA, UPS also flies parcels in to the JCIA on a daily basis for truck delivery throughout northeast Jefferson County. An inability to access the Port Townsend area via delivery aircraft for a period of up to two (2) months would require changes to UPS service model. Parcel deliveries would be delayed, and costs would likely increase as packages would be sent from the Seattle area by truck.

As the foregoing makes plain, a complete closure of the runway and cessation of all flight operations for runway reconstruction – especially if it occurs during the peak flying season – would unacceptably and unnecessarily impact both the businesses located at the JCIA, as well as those dependent upon air access to the area. However, FAA approval of use of the parallel taxiway as a temporary runway during the construction phase of the project can effectively offset the loss of business to airport operators and tenants during construction.

Rationale #2 - Ensuring Continuous Emergency Response Capabilities:

East Jefferson County and Port Townsend are at the end of the road for access from the outside. In consequence, the JCIA is a critical emergency response transportation hub linking east Jefferson County and Port Townsend with the Puget Sound region. It is routinely (i.e., at least several times per week) used for fixed wing air ambulance flights to shuttle patients from Jefferson General Hospital to care centers around the region that are out of practical range for helicopter transport.

Additionally, in the immediate aftermath of a substantial earthquake (e.g., the much anticipated “Cascadia subduction zone earthquake”), air transportation may be the only viable means to deliver supplies and evacuate residents injured during the disaster. This would be most critical in the one to two (1-2) weeks preceding mobilization of a federal response. As long as the taxiway remains intact and useable, emergency responders could continue to carry out airlift supply and rescue operations.

The JCIA’s critical emergency response role is reflected in Jefferson County’s planning, not only for isolated cases of trauma that require emergency evacuations, but also for major disasters where the airport may be our community’s primary link to outside help until other transportation infrastructure is restored. Recently, a program has been coordinated between the JCPA and the Jefferson County Department of Emergency Management to incorporate general aviation pilots into the County’s emergency response plans. As a first step, the JCPA has amended its bylaws to include language facilitating pilot participation as part of the County’s Disaster Airlift Response Team (DART). In this role, qualified JCPA members would participate in emergency response activities when requested by Jefferson County Emergency Management. Included as Attachment “B” to this document is a memo from Lynn Sterbenz, Director of the Jefferson County Department of Emergency Management, and Gary Lanthrum,

President of the JCPA, detailing the important emergency management functions of the JCIA.

The Port believes that approval of taxiway use as a temporary runway is a prudent and necessary measure to ensure that a vital emergency response link to the region is maintained throughout construction.

ENSURING SAFE TAXIWAY USE DURING CONSTRUCTION

We anticipate that the Seattle ADO will raise important safety concerns with the proposed temporary use of the parallel taxiway during Runway 9-27 reconstruction. These concerns can successfully be addressed through a mitigation plan to ensure safe use of the taxiway.

Potential mitigation measures to consider in developing such a plan could include, but are not necessarily limited to the following:

- Restricting flight operations to daylight hours;
- Restricting flight operations to Category 1, Group A aircraft;
- Adding an allowance for temporary closures through NOTAM and the AWOS;
- Installing lighted indicators showing when the taxiway can be used as a runway and when it cannot be used (note: an illuminated X at each end of the taxiway could be used for temporary closures);
- Removing the reflectors along the taxiway while in use as a temporary runway, since night operations would be prohibited;
- Increasing the width of the area allowed for landing by adding 5' – 10' of grass on either side of the paved taxiway;
- Ensuring there are no abrupt transitions from one surface to the other (i.e., asphalt to grass) before allowing take-offs or landings on the composite temporary runway
- Establishing a gross weight limitation for aircraft using the taxiway;
- Eliminating the IFR approach during runway reconstruction project;
- Implementing a NOTAM stipulating that prior permission is required to land (PPR);
- Mandating a safety briefing for transient pilots before using the taxiway;
- Requiring all local pilots receive the same safety briefing at a JCPA meeting before being permitted to use the taxiway as a temporary runway.

Finally, we have provided a table in Attachment "C" to this document that highlights other public airfields in the Puget Sound region with very narrow runways. We are persuaded that these narrow runways provide an important precedent for the FAA to consider when reviewing the Port's use of the parallel taxiway at JCIA as a temporary runway.

From public outreach efforts to the wider aviation community, to the publishing of a detailed NOTAM, we firmly believe that all airport users can become well versed in safe practices and operational procedures of this proposed temporary runway.

CONCLUSION

In sum, FAA approval of the parallel taxiway at the JCIA is critical to the continued viability of businesses located there, and to ensure uninterrupted emergency response access to east Jefferson County. Thank you in advance for your thoughtful consideration of the Port's request, and your willingness to work with us, the JCPA, and other stakeholders to ensure continued flight operations during the JCIA runway reconstruction project.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Pivarnik", with a large, stylized loop at the end.

Jim Pivarnik
Interim Executive Director

To: Mary Vargas, Airport Engineer, Seattle Airports District Office; Sam Gibboney, Executive Director, POPT; POPT Commissioners

From: Gary Lanthrum, President, Jefferson County Pilots Association (JCPA)

Subject: Environmental Impacts Associated with Runway Rehabilitation at 0S9

The documents associated with rehabilitation of the runway at Jefferson County International Airport, 0S9 suggest that the FAA has determined this work warrants a categorical exclusion from environmental review. That seems to be based on the fact that the only disturbed land will be on the already disturbed area of the runway. In conducting a National Environmental Policy Act (NEPA) review, the Council on Environmental Quality (CEQ) requires more than land disturbance to be part of the NEPA review process. When assessing the impacts of a federal action, the CEQ requires impacts to the whole human environment to be considered. This includes socio economic impacts.

The JCPA and business tenants at 0S9 do not believe the socio-economic impacts of this action have been adequately considered in developing the alternatives analysis. Currently, there are three full-time active businesses on the Port property at 0S9. They are the **Port Townsend Aero Museum**, the **Spruce Goose Café** and **Tailspin Tommy's**. Each of these businesses will be severely impacted by a lengthy closure of the runway at 0S9 during the busy flying months of summer. The following discussion covers the impacts each of these businesses will incur if all flight operations are halted during runway rehabilitation.

Port Townsend Aero Museum: The Port Townsend Aero Museum preserves aviation history in the Pacific Northwest. The museum contributes to the vibrant Jefferson County community. Although the museum does have an exhibit hall and does obtain some funding from museum admissions, the economic engine that supports the museum is based on its youth mentorship program and its maintenance/restoration shop. Young adults in the youth program participate in all aspects of operations, including aircraft restoration and flight activities. Attracting these young adults to the museum's program is highly dependent on their ability to participate in flight training, and their work on aircraft that fly into the museum for service. The youth mentorship program and the maintenance/restoration shop provide 70% of the museum's total funding, and most of that contribution is accrued during the prime flying months of May through September.

Cancelling flight operations for a summer would have a devastating impact on both the youth program and the museum's aircraft restoration and maintenance business. Although 70% of our funding comes from the youth program and aircraft maintenance/restoration, 70% of that revenue is accrued during the summer months when conditions are best for flight operations. Losing access to flight operations during this critical time of the year would have a net impact of 50% on our bottom line. That could call the financial viability of the museum into question. We request the FAA seriously consider an action alternative that allows continued flight operations while the runway is being rehabilitated.

Spruce Goose Café: The Spruce Goose Café is a small restaurant near the middle of the field at 0S9. There are only a hand full of tables inside the restaurant. During the summer months, seating on our deck becomes viable and that nearly doubles our service capacity. Although the restaurant does have a base of customers that drive in from the local area, they only make up 35% of our business. 65% of our business comes from pilots that specifically fly here for a meal. They are attracted to both the food and the location. Being able to watch other aircraft operate while having a meal is a big part of the draw for our pilot customers. Naturally, that business peaks in the prime flying months of the summer. Over the winter, the café survives, but 75% of our operating profits come from pilots and that business peaks during the prime summer flying months. Without the increased

revenue that itinerant pilots provide during the summer months, it is uncertain if the café could survive. We implore the FAA to ensure continued flight operations are allowed while the runway is being rehabilitated.

Tailspin Tommy's Aircraft Maintenance & Rentals: Tailspin Tommy's is a full service aircraft and powerplant maintenance facility. This shop does annual inspections and performs certified repairs and maintenance to both local and itinerant aircraft. 85% of the shop's repair and inspection business comes from aircraft based somewhere else. Most of this fly-in business comes during the peak flying months of May through September. Those months represent 60% of our operating revenue. In addition to the maintenance business, we rent four small aircraft and sell aviation fuel. 90% of all avgas sales are in the peak flying months that coincide with peak summer construction dates. If all flight operations are curtailed during runway rehabilitation, all of our aircraft rental business would cease. The viability of our business is highly dependent on continued airport operations. Closing the runway without providing an alternative means of bringing new aircraft in, allowing repaired aircraft to fly away, and allowing our rental aircraft to operate would economically cripple this business. The margins in this line of work are small, so losing revenue during the peak earning months of the summer would be catastrophic. Please consider an alternative action that allows continued flight operations during rehabilitation of the main runway.

The JCPA pilots fly aircraft with certified aircraft engines. These engines are older (but reliable) designs that require regular operation to keep internal metal parts protected with an oil film. Sitting idle for months at a time can lead to corrosion of engine camshafts and the need for expensive repairs. The best thing that can be done for certified aircraft is to fly them regularly at high power settings. Closing the airport completely during runway rehabilitation would preclude these necessary flight operations.

All three businesses and the Jefferson County Pilots Association ask that the FAA revisit their NEPA requirements and consider the socio-economic impacts of the proposed action. This could be done by developing an Environmental Assessment, or as part of the generic impact assessment. When assessing alternative actions, inclusion of an option that would allow continued flight operations (with limitations) by using the current taxiway as a runway should be given full consideration. This would go a long way towards minimizing the socio-economic impacts of the proposed action.

Thank you for your consideration,



Mike Payne, President
Port Townsend Aero
Museum
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Christine Gray
& Andrea Raynor
Owners of the Spruce
Goose Café
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Scott Erickson, Owner
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Gary Lanthrum, President
Jefferson County Pilots
Association
(703) 629-3134
jeffcopilots@gmail.com



To Mary Vargas, Airport Engineer, Seattle Airports District Office; Sam Gibboney, Executive Director, Port of Port Townsend (POPT); POPT Commissioners

From Lynn Sterbenz, Director, Jefferson County Department of Emergency Management; Gary Lanthrum, President, Jefferson County Pilots Association

Subject Emergency Management Functions of the Jefferson County International Airport

Mary, Sam and Port of Port Townsend Port Commissioners:

Emergency management is a challenge in smaller counties and communities. That is especially true for Jefferson County, Washington. Although Jefferson County is on a peninsula, for all practical purposes it is more like an island from an emergency response perspective. The bridges to this peninsula and the single overland road access are old and are very vulnerable to damage in a major earthquake. An earthquake greater than Magnitude 5.0 could damage transportation infrastructure sufficiently to delay external emergency support. It could also quickly exceed the ability of local government resources to effectively respond to all emergency needs¹. Any federal government response is expected to take several weeks to mobilize and would likely concentrate on higher population centers in the region outside of Jefferson County. As a result, the Jefferson County Department of Emergency Management relies heavily on volunteers and encourages individuals and families living in the county to stockpile at least 30 days of food, water and necessary medicine.

It is likely that land transport corridors and port facilities will be damaged by a major earthquake in the area. That limits the ability of emergency responders from outside of the county to offer aid and assistance in the critical days immediately following such an event. To maximize our ability to respond effectively, the Jefferson County Department of Emergency Management (JCDEM) is working closely with the Jefferson County Pilots Association (JCPA) to establish a Disaster Airlift Response Program (DARP) that would be staffed with volunteer general aviation pilots. These pilots would be part of a Disaster Airlift Response Team, DART. DARP & DART organizations have been established throughout the State of California, and have been formally incorporated into the Clallam County, Washington Emergency Management Plans. The Washington State Pilots Association (WPA) has an active program to encourage development of DART groups in Washington State. Coordination between the JCDEM and the JCPA has led to formal creation of a DART group as part of the JCPA organization. The JCDEM & JCPA are working on activation and communications protocols to use DART resources as part of the local emergency management response as needed. The local DART group would provide assistance until a coordinated federal and state response is able to provide committed aviation resources. JCDEM and JCPA have already conducted site surveys to identify emergency landing areas that could be used by participating bush planes in the DART that do not require paved runways to operate from.

All of the Jefferson County DART resources are based at the Jefferson County International Airport. For these resources to provide emergency support in response to a disaster, they have to be able to depart from their home airport. Although a major earthquake is a low probability

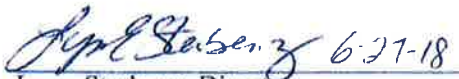
event, the consequences of such an event would be very high. The Jefferson County Emergency Operations Guides include response to these low probability, high consequence events. Those plans are being updated to incorporate DART resources into the formal response to a disaster.

The planned rehabilitation of the runway at Jefferson County International Airport has the potential to close all airport flight operations for an extended period of time. Loss of all flight operations out of this airport would cause a significant reduction in Jefferson County's initial emergency response capability. Loss of DART resources would significantly impact emergency evacuation services in the critical first week following a disaster. As mentioned earlier, federal and state aviation resources would initially be overwhelmed by emergency needs in higher population areas, making the availability of Jefferson County's DART pilots even more important. The Jefferson County Department of Emergency Management and the Jefferson County Pilots Association request the FAA's Airport District Office authorize continued flight operations out of Jefferson County International Airport during runway rehabilitation efforts currently scheduled for 2019. Both the Department of Emergency Management and the JCPA believe that flight operations could be conducted safely in parallel with runway rehabilitation with reasonable restrictions. These restrictions could include:

1. Restrict flight operations to daylight hours only;
2. Restrict Flight Operations to Category 1, Group A aircraft;
3. Add an allowance for temporary closures through NOTAM and/or AWOS broadcasts;
4. Install lighted indicators showing when the taxiway can be used as a runway and when it cannot be used. An illuminated X at each end of the runway could be used for temporary closures;
5. The reflectors along the taxiway would be removed while it is being used as a runway since no night operations will be allowed;
6. Increase the width of the area allowed for landing by adding 5' – 10' of grass on either side of the paved taxiway. Ensure there are no abrupt transitions from one surface to the other before allowing take-offs or landings on the composite temporary runway.

We sincerely hope you'll take potential emergency management needs into consideration when making a decision on whether to allow flight operations at Jefferson County International Airport in parallel with any runway rehabilitation work.

Thank-you for your consideration.


Lynn Sterbenz, Director
Jefferson County
Department of Emergency Management


Gary Lanthrum, President
Jefferson County Pilots Association

¹ From the Jefferson County Emergency Operations Guide for Earthquake Preparedness

**ATTACHMENT "C":
Narrow Runways at Public Use Airports in Puget Sound**

The runways listed in the table, below, all have narrow, paved runways that have previously been used by JCIA-based pilots. These are not marginal, private, landing strips. Despite their narrowness, none of these facilities present a challenge to Category 1, Group A Aircraft. This is the category of aircraft the Port proposes to limit taxiway use to, if approved as a temporary runway by the FAA.

Narrow Runways in Puget Sound Suitable for Category 1, Group A Aircraft		
Airport	Use	Runway Length/Width
4W8 Elma Municipal	Public	2,280' x 20'
KOKH AJ Eisenberg (Oak Harbor)	Public	3,265' x 25'
13W Camano Island Airfield	Public	1,750' x 24'
8W5 Apex Airport (Silverdale)	Public	2,500 x 28'
W16 First Air Field (Monroe)	Public	2,087' x 34'
2W3 Swanson Airport (Eatonville)	Public	2,990' x 36'
S43 Harvey Field (Snohomish)	Public	2,672' x 36'
S36 Norman Grier Field (Kent)	Public	3,288' x 40'
1S1 Darrington Municipal	Public	2,491' x 40'
38W Lynden Municipal	Public	2,425' x 40'

* NOTE: Elma, Eisenberg (Oak Harbor) and Camano Island all have runways that are as narrow, or narrower, than the existing parallel taxiway at the JCIA. By close cropping and smoothing the grass verges on either side of the taxiway at JCIA, up to 10' to 20' total serviceable width could be achieved, bringing the effective width of the taxiway in line with all of the public use airports outlined above.

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	November 28, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. C) Agricultural Development Grant Search
STAFF LEAD	Jim Pivarnik, Interim Executive Director
REQUESTED	<input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. Memo

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 11/28/2018
TO: Commission
FROM: Jim Pivarnik, Interim Executive Director
SUBJECT: Agricultural Development Grant Search

BACKGROUND

For years the Port has looked at ways to support other business interests throughout the county. One such business interest was to support our local farmers and producers. In fact, in the Port's original charter, one of the projects that the Port was to pursue, in 1924 was to create and develop a farmer's cold storage facility. Even though that didn't happen the Port has always viewed the adjacent airport property as a perfect location for agricultural production.

DISCUSSION

As agriculture is becoming more and more important for our community's sustainability, production facilities continue to be a stumbling block for our farmers and producers. With that, there is a renewed interest at the federal level to have funding opportunities available for small rural communities to support this very import segment. Staff is aware that we have a lot on our plate, but these grants are designed for long term planning and development. We believe that this is a good time to start the search to find grant opportunities for this purpose. What we are looking for is the Commission's concurrence that this is something that is important for the Port to pursue at this time.

RECOMMENDATION

For discussion and direction.

ATTACHMENTS

None

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	November 28, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. D) Correction to Staff Organizational Chart
STAFF LEAD	Abigail Berg, Director of Finance & Administration
REQUESTED	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Info Memo B. Staff Organizational Chart

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 11/28/2018
TO: Commission
FROM: Sue Nelson
SUBJECT: Correction to Staff Organizational Chart

ISSUE

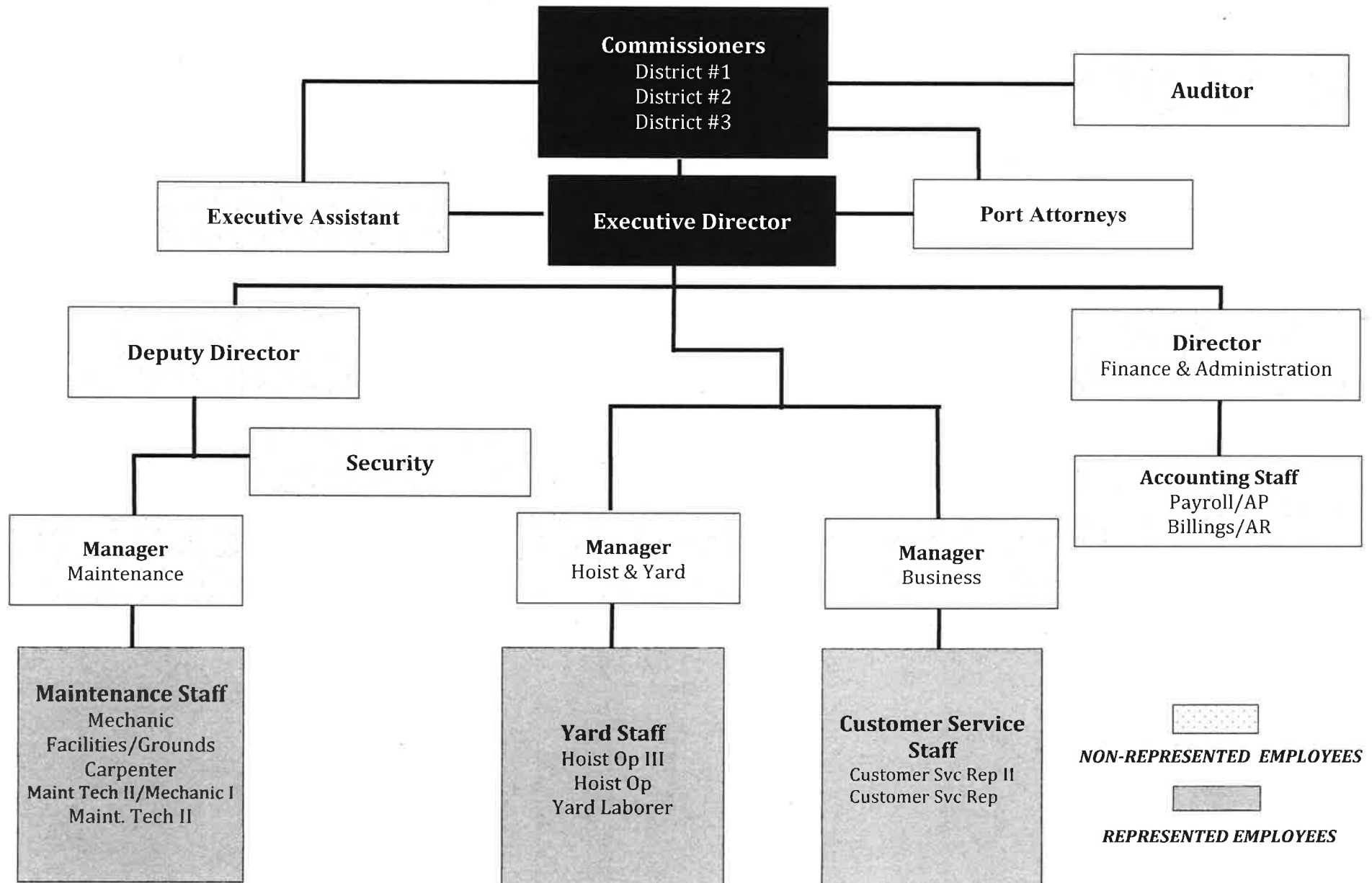
At the November 14, 2018 Port Commission Meeting, the Commission adopted the revised Staff Organizational Chart. Due to a clerical error, the new position in the Maintenance Department was incorrectly listed as "Electrician/Maintenance Tech II". Attached is the Organizational Chart, with the corrected position as, "Maintenance Tech II/Mechanic I.

ATTACHMENTS

Adopt the corrected Staff Organizational Chart.

PORT OF PORT TOWNSEND

Organizational Chart



PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	November 28, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. E) October 2018 Financials
STAFF LEAD	Abigail Berg, Director of Finance & Administration
REQUESTED	<input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. October Financials

Port of Port Townsend
Summary of Operating & Non-Operating Revenues & Expenses
2018 Activity with Comparison to Prior Year and Budget

	YTD Oct 2017	YTD Oct 2018	Variance to prior year - 2017 v 2018	notes	YTD Budget 2018	Variance to Budget YTD
REVENUES						
Marinas and RV Parks	2,203,253	2,444,116	240,863		2,230,017	214,099
Yard Operations	1,253,129	1,383,469	130,340		1,494,425	(110,956)
Property Leases & Use	968,234	970,907	2,673		971,443	(536)
Fuel Sales & Leases	40,701	34,332	(6,369)		40,550	(6,218)
Ramp Use	56,592	51,865	(4,727)		60,400	(8,535)
Utilities	189,278	210,739	21,461		190,070	20,669
Total Operating Revenues	4,711,188	5,095,430	384,242		4,986,905	108,524
OPERATING EXPENSES						
Salaries & Wages	1,734,130	1,824,335	90,205		1,777,768	46,567
Payroll Taxes	175,428	183,399	7,970		249,032	(65,633)
Employee Benefits	606,518	624,020	17,502		647,813	(23,793)
Uniform Expense	4,583	3,514	(1,069)		7,791	(4,277)
Contract Services	234,641	238,805	4,164		240,740	(1,935)
Consulting Services	124,832	57,365	(67,467)		137,500	(80,135)
Legal & Auditing	95,834	183,701	87,867		108,000	75,701
Facilities & Operations	537,634	596,825	59,191		646,902	(50,077)
Utilities	406,029	447,066	41,037		389,862	57,204
Marketing	29,351	49,377	20,026		73,185	(23,808)
Economic Development	30,000	30,000	-		15,000	15,000
Travel & Training	17,652	21,664	4,012		24,042	(2,377)
Cost of Goods - Fuel	15,170	9,559	(5,611)		16,100	(6,541)
Community Relations	2,231	-	(2,231)		4,000	(4,000)
Total Operating Expenses	4,014,033	4,269,630	255,597		4,337,735	(68,104)
Income from Operations w/o Depr	697,154	825,799	128,645		649,171	176,629
Non-Operating Revenue						
Capital Contributions/Grants	86,447	113,713	27,267		639,489	(525,776)
Interest	32,248	51,222	18,973		23,000	28,222
Property & other taxes	862,432	893,440	31,009		866,003	27,437
Misc Non-Operating Revenue	34,164	57,159	22,995		26,740	30,419
Total Non-Operating Revenues	1,015,291	1,115,534	100,243		1,555,232	(439,698)
Non-Operating Expenses						
Bond Interest	287,205	256,428	(30,777)		276,777	(20,349)
Bond Mgmt, Issuance & Misc Exp	40,848	1,458	(39,390)		1,175	283
Election Expense	-	-	-		-	-
Total Non-Operating Expenses	328,053	257,886	(70,167)		277,952	(20,066)
Net Non-Operating Income (Expense)	687,238	857,648	170,410		1,277,280	(419,632)
Net Income (Loss)	1,384,393	1,683,448	299,055		1,926,451	(243,003)

Notes: none

Port of Port Townsend Cashflow Report

	YTD October
Net Income w/out Depreciation	1,683,448
Net Change in Accruals from Balance Sheet*	(47,977)
Less: Capital Expenses:	
Storm-water Rx project	(46,126)
Point Hudson South Jetty project	(177,762)
JCIA Runway project	(107,809)
Yard/Moorage Office Remodel project	-
PTBH Restroom	-
PTBH Water Meters project	(1,900)
2018 Workyard Resurfacing	(82,523)
Land	-
Buildings	-
Improvements	(25,485)
Equipment replacement	(103,077)
Total Capital Expenses	(544,682)
Less: Principal Payments on Debt:	
Point Hudson Marina Refunding Bond (2015 LTGO Bond)	(430,000)
PTBH Marina Bond (2010 LTGO Bond)	-
Administrative Building Bond (2013 Revenue Bond)	(203,229)
Total Principal Payments	(633,229)
Increase (Decrease) in Cash Y-T-D	457,560
Beginning Cash at 1/1/2018	1,825,582
Ending Cash at 10/31/18	2,283,142

**These are current assets and current liabilities.*