



PO Box 1180 • Port Townsend, WA 98368

Administration: (360) 385-0656

Operations: (360) 385-2355

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**Port of Port Townsend
1st Monthly Regular Business Meeting
Wednesday, April 10, 2019, 1:00 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 (related to/not related to the agenda)
- IV. Consent Agenda
 - A. Approval of Regular Business Meeting Minutes – March 27, 2019.....1-4
 - B. Write-off Register.....5
 - C. Approval of Warrants
- V. Second Reading
- VI. First Reading
- VII. Regular Business
 - A. PUD Transformer Easement.....6-10
 - B. Christie Living Trust/PT Aero Museum Lease Assumption, Hangar M.....11-16
 - C. WSDOT Airport Aid Grant Authorizing Resolution No. 699-19.....17-21
 - D. Organizational Chart Update.....22-24
- VIII. Staff Comments
- IX. Commissioner Comments
- X. Next Regular Business Meeting:
Wednesday, April 24, 2019 at 5:30 pm
Port Commission Building, 333 Benedict Street, Port Townsend, WA
- XI. Executive Session
- XII. Adjournment

PORT COMMISSION REGULAR BUSINESS MEETING – March 27, 2019

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

Present: Commissioners –Putney, Hanke & Tucker
Interim Executive Director Pivarnik
Auditor Berg
Deputy Director Toews
Attorney Chmelik (via Skype audio/visual)

Excused: Minutes - Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Putney called the meeting to order at 5:30 p.m.

II. APPROVAL OF AGENDA:

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

III. PUBLIC COMMENTS:

Gordon Neilson, retired local business owner, commented that he has heard Natives are not paying for ramp fees and provided a history and education of Native American's treaty rights. He also requested recognition – the plaque, as previously discussed - of tribal donations made towards the boat ramp construction.

Commissioner Tucker commented back.

Kitt Kittredge, Quilcene resident, requested no Port Quilcene properties be sold, discussed the amount of taxes received from District 3, and asked to maintain public beaches. She then read a letter from Anne Ricker regarding a possible sale of land to Coast Seafoods and their current lease.

Jennifer Takaki, owner of the Marina Café and the Betty Gee commented on alternative restroom/shower locations.

Jack Gray, Chimaquam resident and Port tenant, stated he was pleased to hear Mr. Neilson comments on tribal relations and treaties. He then commented on the agenda item the Multi-year Levy Period and the notice provided only to the Peninsula Daily News (PDN). He wishes to see more transparency, trust and discussion.

Carl Berg commented on the legal notice published in only the PDN.

Gwendolyn Tracy commented on Item C-Kimmel's Krab Shack, Item E-Multi-year Levy, the need to update the Comp Scheme, Strategic Plan and Capital Repair Plan, the need for advisory committees, commended the commission and staff for working towards stormwater compliance, among other issues.

Robert Frank, Admiral Ship Supply, commented on the IDD and today's Multi-year resolution. Ms. Berg clarified the difference between the IDC and the IDD.

IV. CONSENT AGENDA:

A. Approval of Regular Business Meeting Minutes – March 13, 2019

B. Approval of Warrants

Warrant #060335 through #060343 in the amount of \$15,230.22 for Payroll & Benefits
Electronic Payment in the amount of \$61,700.97 for Payroll & Benefits

Warrant #060344 through #060377 in the amount of \$75,344.15 for Accounts Payable

Commissioner Hanke moved to approve the Consent Agenda as presented.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

V. SECOND READING (Action Items):

VI. FIRST READING (Discussion Only):

VII. REGULAR BUSINESS:

A. Marine Science Center Briefing:

Janine Boire, Executive Director of the Marine Science Center (MSC), provided a briefing on their project pulling invasive beach grass near MSC building. 15-20' south of MSC the beach is owned by the Port. She informed Earth Day will involve a beach cleanup at Fort Worden. She educated further on invasive grasses.

B. Department of Fish & Wildlife Lease:

Mr. Pivarnik briefed on the history of this lease, managed by Washington State Department of Enterprise Services, and the creosote issue. This lease extends the term another five years and states the Port would spend up to \$120K to abate the creosote smell. The Port is planning to install a new HVAC system and remove carpet to abate the odor. They have agreed to sign the lease which includes an 8.9% increase. Answering Commissioner Tucker, Mr. Pivarnik stated the job would go out to bid.

Commissioner Hanke moved to direct staff to move forward with the lease as presented.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

C. Kimmel's Crab Shack Ground Lease:

Mr. Toews reminded the Commission that the buildings on the New Day spit were surplus back in 2016. He stated at the time, a ground lease was proposed for a fifty-year term, which the Commission did not approve. The past administration decided against selling the buildings and believed it was the Port's responsibility to find ways to undertake renovations, including a much-needed roof replacement of the main building. However, due to financial constraints, the Port has been unable to take on those capital expenses and would be unable to recoup those costs in a lease. An updated appraisal was completed on the buildings and a purchase price of \$101,250, for all four structures in current condition, has been agreed upon by Mr. Kimmel. In conjunction with the purchase, the lease presented includes a thirty-year term and Mr. Toews described

other parts of the lease terms and answered questions from the Commission, including discussion regarding the Port-owned pier.

Commissioner Hanke moved to approve the lease and sale with Mr. Kimmel as presented.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

D. February 2019 Financials:

Ms. Berg provided a briefing. She reported the Port is seeing solid revenues and reduction in expenses and is adjusting to cash basis reporting. Further discussion and clarifications on the financials ensued.

Per a request from the Commission, Mr. Pivarnik briefed on the Operations Report.

E. Resolution No. 698-19 – Authorizing a Multi-year Levy Period:

Mr. Toews refreshed on the Port's Industrial Development District formed in 1966 and stated there have been no modifications to those boundaries since. He reviewed RCW 53.36 including its history and changes made over the years to the statute. He stated this is not a resolution that would impose a tax in and of itself, instead a resolution authorizing a second multi-year levy period of up to twenty years to complete projects within boundaries of previously established IDD, including Port owned properties, areas in proximity to the shoreline and the Jefferson Co. International Airport. The Commission, on an annual basis, would determine whether to collect any IDD tax money in the ensuing year. Mr. Toews reminded of the critical infrastructure maintenance required and the high costs to repair. Staff believes the IDD levy is a critical tool needed to provide funding to fix capital assets, defend private sector jobs and preserve the working waterfront, heritage and character and strongly recommends Resolution approval.

Commissioner Putney addressed previous questions heard in Public Comments: Why not later? He discussed his views, IDD facts, taxes and explained the community has too much to lose if the IDD is not undertaken. Commissioner Putney discussed the hard work and research staff and the Commission has done to reduce costs, optimize income sources and figure ways to pay for capital improvements.

Commissioner Hanke addressed previous public comments regarding more transparency, trust and community involvement. He stated the Port is slowly sinking with the inability to address failing infrastructure. Staff and the Commission have been addressing revenue and expenses to balance the budget, but this does not carry capital budget needs. Conservative estimate of capital expenses is \$20M in next 20 years. The levy would allow the Port to address Port-owned properties and to keep them open. At risk: Quilcene marina and adjacent properties, breakwaters, docks, runway, stormwater, Mats Mats ramp.

Commissioner Hanke stated currently staff and Commission are dedicated to move the Port forward, be productive and transparent. He stated the current Commission is committed to make the Port successful. He believes this is a safeguard to these

resources and believes in the levy 100%. He would like to see a citizen's advisory board in place.

Commissioner Tucker discussed the necessity of the levy. He would also like to see a citizen's advisory board.

Commissioner Hanke moved to adopt Resolution No. 698-19 as presented.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

VIII. STAFF COMMENTS:

Mr. Toews reported he and Mr. Pivarnik would be in Kent tomorrow to meet with the Capital Projects Advisory Board of the Department of Enterprise Services seeking approval of application for alternative bid procedure for Point Hudson Jetty project. Will hear decision same day.

IX. COMMISSIONER COMMENTS:

Commissioner Hanke discussed the storm-damaged tie-up floating dock at Fort Worden and suggested possible assistance from the Port. He also commented on the IDD and a citizen's advisory board.

Commissioner Putney reported on Local Food Council group update, the Maritime Heritage meeting for new maritime heritage designation, and a Broadband meeting he attended in Blyn.

Commissioner Tucker stated he also attended the Maritime Heritage meeting, and has been involved with tribal relations, education and a meeting with the tribes. Commissioner Putney stated he also attended the same tribal meeting with Commissioner Tucker and Mr. Pivarnik.

X. NEXT PUBLIC WORKSHOP/REGULAR BUSINESS MEETING:

Next regular business meeting will be held Wednesday, April 10, 2019 at 1:00 pm in the Port Commission Building, 333 Benedict St, Port Townsend. (Workshop has been canceled.)

XI. EXECUTIVE SESSION:

XII. ADJOURNMENT:

The meeting adjourned at 6:50 pm there being no further business to come before the Commission.

ATTEST:

Stephen R. Tucker, Secretary

William W. Putney III, President

Peter W. Hanke, Vice President

**ACCOUNTS RECEIVABLE
WRITE-OFF/COLLECTION REGISTER**

April 10, 2019

The staff of the Port of Port Townsend recommends that the following accounts be written off and turned in for collection as applicable.

Account Number	Account Name	TYPE	BALANCE
165318	Hannum, Josh	PTBH Moorage	\$ 627.94
<p>Josh Hannum left the Port without notice and without paying in April 2018. His cell phone has a message that he is not accepting any calls. I have called the other phone number on file and left messages to return my call with no response. He has been sent statements and notices but has not responded. Recommend writing off the account balance.</p>			
7122	Jewart, Che	PTBH Moorage	\$ 560.24
<p>Che Jewart called and canceled his slip on 11/13/2017, however, he hadn't paid on the slip since September 2017. His boat was not chained because the boat was not in the slip. I left multiple messages before I actually spoke to his wife who told me they were unable to pay because of being self employed and having no money. Spoke to his wife again a month later and she stated that nothing had changed. All calls after this last contact was not answered and messages were not returned. He has been sent statements and notices with no response. Recommend writing off the account balance.</p>			
205520	Jones, Chelsea	PTBH Moorage	\$ 595.18
<p>Chelsea Jones was a guest monthly who left without notice. I called multiple times and left messages for a return call with no response. I mailed past due notices which were returned as "Attempted Unknown". I emailed the past due notices and statements with no response. Recommend writing off the account balance.</p>			
19130	Kent, Bryce & Cathy	PTBH Moorage	\$ 378.35
<p>On 10/21/2017 they emailed that they were giving up their slip. They were billed for two weeks in November due to not giving a two week notice. Two payments were mailed in October and they put a stop payment on the second check claiming they disputed the two week notice charge. I continued to email monthly statements and sent past due notices. Bryce Kent contacted me and stated that he did not want anymore letters or emails and if he continued to receive them he would contact an attorney. Shortly thereafter the mail was being returned as "Return to Sender" and the emails were rejected. Recommend writing off the account balance.</p>			
44486	Koch, Anthony	Dump Fee	\$ 380.00
<p>On August 23, 2017 Anthony Koch was discovered illegally dumping his personal trash at the PTBH Enviro Center. He was not a Port customer. His address was obtained by looking up his vehicle ID and was immediately sent a billing statement. He has ignored all billing statements and mailed notices. Recommend writing off the account balance.</p>			
41126	Kruckeberg, Wayne	PL Hudson	\$ 578.23
<p>Wayne Kruckeberg left PH marina without notice March 2017. He made a few payments on the account but has not made a payment since May 2017. After many billing statements, notices and phone calls on 4/01/2018 he sent an email explaining that he had stopped making payments because he was hit by a truck while riding his bike and was just now getting "back on his feet". He stated in the email that he would start making payments ASAP and gave a new mailing address. However we have not received any payments, his mail is being returned and his phone is not accepting incoming calls. Recommend writing off the account balance.</p>			
41238	Kruckeberg, Wayne	Work Yard	\$ 80.00
<p>This is for bilge water billed on April 4, 2017. See above. Recommend writing off the account balance.</p>			
43484	Moore, Timothy	PH RV	\$ 596.00
<p>Timothy Moore stayed in an RV site for 11 days, August 7 to August 18, 2017, and left without paying. He was sent billing statements and notices. I made multiple calls. When he first spoke to me he claimed health issues was the reason he wasn't able to pay. I continued to call and finally spoke to him again. This time he claimed he was waiting on his unemployment. His mail was being returned as undeliverable so I asked for a current mailing address and he said he didn't have one. He made no commitment to pay. After this conversation I left messages to return my call, however he hasn't responded. Recommend writing off the account balance.</p>			
165352	Packwood, Joseph	PTBH Moorage	\$ 634.41
<p>Joseph Packwood was asked to leave the marina. When he left he still owed on his slip. He has been sent billing statements and notices. His mail is being returned as undeliverable, his phone is no longer in service and he doesn't have an email address. Recommend writing off the account balance.</p>			
25367	Purser, Adrian	PTBH Moorage	\$ 633.75
<p>Adrian Purser was a nightly guest for 22 days in October 2017. He left without paying. He has not responded to billing statements and notices. His phone is not in service. Recommend writing off the account balance.</p>			
165326	Rondeau, Tiffany	PH RV	\$ 1,300.00
<p>Tiffany Rondeau was in the RV park from December 2017 to March 2018. Public Assistance paid for the first month and they were to be responsible for the space rent there after. She paid for one month and left owing for two months. Billing statements have been emailed with no response. Past due notices have been mailed, which were returned as undeliverable and then emailed. There has been no response. I have left multiple messages on both phone numbers on file and no response. Recommend writing off the account balance.</p>			

**ACCOUNTS RECEIVABLE
WRITE-OFF/COLLECTION REGISTER**


April 10, 2019

The staff of the Port of Port Townsend recommends that the following accounts be written off and turned in for collection as applicable.

Account Number	Account Name	TYPE	BALANCE
85190	Sharp, Rowan	PTBH Moorage	\$ 337.50
<p>Rowan Sharp was a nightly guest in October 2017 who did not come into the office to register even though his boat was tagged. He left without ever registering. He was sent billing statements and notices with no response. He has been a Port guest so we had his phone number on file. I left multiple messages and he never responded. Recommend writing off the account balance.</p>			
44701	Smith, Heather	PTBH Moorage	\$ 658.60
<p>Heather Smith was a nightly guest September 04, 2017. She left with out paying for the nightly stay. It was discovered that she had an environmental spill that required clean up. She was billed for the spill. Her billing statements and notices were being returned as undeliverable. I had left multiple messages with no response. In a recent attempt to contact her by phone we were informed that her phone was restricted or non-working. Recommend writing off the account balance.</p>			
105211	Swain, Holly	Pt. Hudson	\$ 685.00
<p>Holly Swain's moorage was terminated due to non-payment. Her boat was not in the slip at the time of the termination so it could not be chained. Her mail was being returned so I emailed her the billing statements and notices with no response. I have left messages at the phone number on file with no response. The phone number for "David", who's number was listed on her account, was called and he requested that we not call him anymore. He said he is no longer paying her bills. Recommend writing off the account balance.</p>			
42978	Wood, Chris	PTBH Moorage	\$ 313.66
<p>Chris Wood had extended his monthly guest days by three days waiting to haul out. Also when he went back into the water he neglected to register and he left without paying. His mail was being returned so I emailed his billing statements and notices with no response. I have also called and left multiple messages with no response. Recommend writing off the account balance.</p>			
75136	Woodiwiss, Sean	PTBH Moorage	\$ 448.96
<p>Sean Woodiwiss left the slip in May 2018 without giving notice. He has been sent billing statements and notices however his mail is being returned as undeliverable. There is no email on file and the phone number on file is a wrong number. They claim to not know Sean Woodiwiss. Recommend writing off the account balance.</p>			

TOTAL:

\$ 8,807.82


S. Abigail Berg
Director of Finance & Admin.

Port Attorney


Jim Pivarnik
Interim Executive Director

William W. Putney III
President

Peter W. Hanke
Vice - President

Stephen R. Tucker
Secretary

DATE: _____

PORT OF PORT TOWNSEND AGENDA COVER SHEET

MEETING DATE	April 10, 2019
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. A) PUD Transformer Easement
STAFF LEAD	Jim Pivarnik, Interim Executive Director
REQUESTED	<input type="checkbox"/> Motion <input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Info Memo B. Easement C. Drawing D. Map

PORT OF PORT TOWNSEND INFORMATIONAL MEMO

DATE: 4/5/2019
TO: Port Commission
FROM: Jim Pivarnik, Executive Director
SUBJECT: PUD Transformer Easement

BACKGROUND: The City of Port Townsend has plans to underground all utilities in and around Port Townsend. With that the PUD needs to site transformer locations throughout the city. The next phase of this project will be to provide power to the new visitor center park facility and other area businesses around the chamber offices.

DISCUSSION: The PUD has approached the Port to see if they can locate two transformers behind the dive shop on Washington Street (see attached drawing). This location will not adversely affect any Port operations. This is also a great location for the Port because as we look to possibly developing our parcel on Washington, it will provide ample power for any development that we might envision.

RECOMMENDATION: Authorize Executive Director to sign utility easement with the Jefferson County PUD.

ATTACHMENTS

Easement
Drawing
Map

RETURN ADDRESS:
PUD#1 of Jefferson County
310 Four Corners Road
Port Townsend, WA 98368

EASEMENT

GRANTOR: PORT OF PORT TOWNSEND
GRANTEE: PUBLIC UTILITY DISTRICT NUMBER 1 OF JEFFERSON COUNTY
SHORT LEGAL: Section:11 QTR Section: NW1/4 Township:30N Range:1W
ASSESSOR'S PROPERTY TAX PARCEL: 957607201

For and in consideration of One Dollar (\$1.00) and other valuable consideration in hand paid,

PORT OF PORT TOWNSEND ("Grantor" herein), its successors and assigns hereby conveys and warrants to PUBLIC UTILITY DISTRICT #1 OF JEFFERSON COUNTY, a Washington Municipal ("Grantee" herein), its successors and assigns for the purposes hereinafter set forth, a nonexclusive perpetual easement over, under, along, across and through the following described real property ("Property" herein) Jefferson County, Washington:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

EASEMENT LOCATION: Except as may be otherwise set forth herein, Grantee's rights shall be exercised upon that portion of the Property (the Easement Area" herein) that is twentyfive (25) feet in width having twelve (12) feet of such width on each side of the centerline of Grantee's systems located as constructed or to be constructed, extended or relocated on the Property, except those portions of the Property occupied by existing building footings, foundations, and/or subsurface structures.

1. Purpose. Grantee shall have the right to use the Easement Area to construct, operate, maintain, repair, replace, improve, remove, and enlarge one or more utility systems for purposes of transmission, distribution and sale of electricity. Together with the right of access over and across said Property to enable Grantee to exercise its rights hereunder. As used herein, the term "systems" shall include all appurtenances and facilities as are necessary, in the judgment of Grantee, for the operation and maintenance of said systems.

2. Grantor's Use of Easement Area. Grantor agrees not to erect any structures on said Easement Area, and further agrees not to place trees, rockeries, fences or other obstructions on the Property that would interfere with the exercise of Grantee's rights herein.

3. Grantor's Agreement to Relocate Utility System (s). Upon permitted approval and issuance of a building permit by City of Port Townsend to allow Grantee to construct additional structures on Grantee's property that would cause existing PUD Utility System (s) to obstruct, impinge upon or conflict with a valid construction design; PUD will cooperate with Grantee to remodel or relocate existing systems at PUD expense.

DATED this ___ day _____ of 2019;

GRANTOR: BY: _____

BY: _____

STATE OF WASHINGTON)
)SS
COUNTY OF)

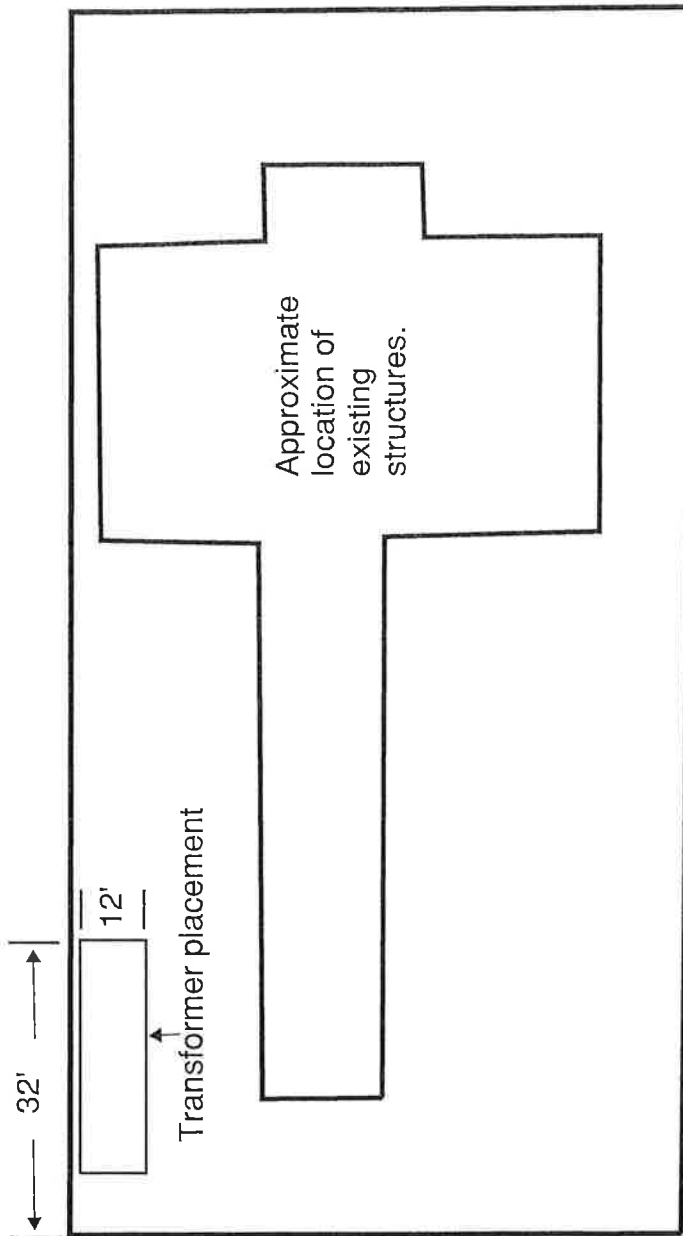
On this ___ day of _____, 2019, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the individual(s) who executed the within and foregoing instrument, and acknowledged that _____ signed the same as _____ free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this hereto affixed the day and year in this certificate first above written.

Print or stamp name of Notary)
NOTARY PUBLIC in and for the State of Washington,
Residing at _____
My appointment expires _____

Notary seal, text and all notations must be inside 1" margins

Port of Port Townsend Property Parcel # 957607201





PORT OF PORT TOWNSEND AGENDA COVER SHEET

MEETING DATE	April 10, 2019
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. B) Christie Living Trust/Pt Aero Museum Lease Assumption, Hangar M
STAFF LEAD	Jim Pivarnik, Interim Executive Director
REQUESTED	<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Info Memo B. Lease Assumption

PORT OF PORT TOWNSEND INFORMATIONAL MEMO

DATE: 4/5/2019
TO: Port Commission
FROM: Jim Pivarnik, Executive Director
SUBJECT: Christie Living Trust/PT Aero Museum Lease Assumption, Hangar M

BACKGROUND: The Port Townsend Aero Museum has purchased the stand alone "M" Hangar from Knox Christie at Jefferson County International Airport. Of course, the Aero Museum intends on using that hangar for aircraft storage and repair.

DISCUSSION:

I have attached an aerial picture of the M hangar complex for your review. This is a single box hangar with 4200 sq. feet of floor space. The assignment will bring this hangar to the new market rate of \$.57 per sq. foot.

RECOMMENDATION: Authorize Executive Director to sign the attached lease assignment.

ATTACHMENTS

Assignment Documents

ASSIGNMENT & ASSUMPTION OF JEFFERSON COUNTY INTERNATIONAL AIRPORT LAND LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LAND LEASE is dated and effective as of **April 11, 2019** by and between the KNOX & LORENA CHRISTIE LIVING TRUST (UTA dated July 21, 1999) ("Assignor"), and THE PORT TOWNSEND AERO MUSEUM, a Washington Non-Profit Corporation ("Assignee") with a business address of 105 Airport Road, Port Townsend, Washington, 98368.

WHEREAS, Assignor is Tenant under that certain LAND LEASE dated May 1, 2003, by and between the PORT OF PORT TOWNSEND, a Washington Municipal Corporation ("Lessor") and Assignor, (as modified from time to time, the "Lease"), respecting certain premises (the "Premises") located at the Jefferson County International Airport, Port Townsend, Washington, as more particularly described therein;

WHEREAS, Assignor desires to assign its interest in the Lease to Assignee and Assignee desires to assume Assignor's obligations under the Lease; and

WHEREAS, Paragraph #16 of the Lease provides that the Assignor's interest in the Lease may not be assigned unless the Lessor grants its written consent to any such assignment,

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor and Assignee agree, and Lessor consents, as follows:

- 1. Assignment of Lease:** Assignor does hereby transfer, assign, convey and deliver to Assignee its entire right, title and interest in the Lease and the Premises.
- 2. Assumption of Obligations:** Assignee does hereby accept this assignment and, for the benefit of Assignor and Lessor, expressly assumes and agrees to hereafter perform all of the terms, covenants, conditions and obligations of Assignor under the Lease, which accrue from and after the date hereof. Assignee has been furnished with a copy of the Lease, which is attached hereto as Exhibit "A" (including all amendments thereto), has reviewed the Lease, and understands all of the terms of the Lease.
- 3. Indemnity:** Assignor agrees to save, indemnify, defend and hold Assignee harmless from and on account of any claims, demands, actions, losses, expenses and liabilities of Assignee under the Lease on account of or arising out of any obligations and liabilities of the Lessee thereunder, arising prior to the date hereof.

Assignee agrees to save, indemnify, defend and hold Assignor harmless from and on account of any claims, demands, actions, losses, expenses and liabilities of Assignor under the Lease on account of or arising out of the obligations and liabilities so assumed and arising after the date hereof.

4. **Rents in Arrears:** Assignor and Assignee understand and agree that the lease is not current, and that Lessee/Assignor presently owes eighteen (18) months in back rents to Lessor. Accordingly, and as a condition precedent to Lessor's approval of this Assignment, Assignee expressly agrees to pay Lessor back rents in the amount of Three Thousand Five Hundred Forty-Two Dollars and Twenty-Eight Cents (\$3,542.28).¹

5. **Deposit Adjustment:** Assignor and Assignee understand and agree that the deposit on file with Lessor is insufficient (i.e., it has not yet been adjusted for CPI increases) and must be increased from the present \$379.14 on file to \$399.00.² Accordingly, and as a condition precedent to Lessor's approval of this Assignment, Assignee expressly agrees to deposit security in the amount of Three Hundred Ninety-Nine Dollars and Zero Cents (\$399.00) with Lessor. Upon fulfillment of this condition, Lessor will expeditiously credit Assignor the \$379.14 presently on file with the Port.

6. **Contingency:** Notwithstanding anything to the contrary herein, this Assignment shall be contingent upon the receipt of the consent of the Lessor as evidenced by the execution by the Lessor's consent set forth below. By consenting to this Assignment, Lessor acknowledges:

- a. That with the exception of the back rents and deposit adjustment specifically enumerated in Paragraphs #4 and #5, above, all rents, royalties, penalties, assessments, taxes, and charges of any kind owing to Lessor arising out of the Lease have been timely paid, that no such rents, royalties, penalties, assessments, taxes, or charges that have accrued to date hereof are unpaid, and that to the best of Lessor's knowledge there are no rents, penalties, assessments, taxes, or charges of any kind contemplated by Lessor to be imposed on or after the date hereof that are not specified in the Lease;
- b. That, with the exception of the back rents and deposit adjustment specifically enumerated in Paragraphs #4 and #5, above, Assignor is not in default or violation of any provision of the Lease;
- c. That the Lease is in effect in accordance with its terms; and
- d. That the Lease is enforceable in accordance with its terms.

6. **Successors and Assigns:** This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

Executed as of the date first above written.

¹ The Port Townsend Aero Museum, Assignee, is a non-profit corporation; accordingly, no Washington State leasehold excise tax has been applied to back rents that post-date the transfer of Hangar M by way of deed from Christie to the Aero Museum. Because the delay in reviewing and approving this assignment was due to disruptions occasioned by staffing changes at the Port of Port Townsend, the Port has agreed to pay leasehold excise tax on back rents in the amount of \$454.83 for the eighteen-month period cited above (i.e., \$3,542.28 x 12.84% = \$454.83).

² The deposit is equivalent to two (2) month's rent at the current rate of \$199.50, as set forth in Paragraph #4 of the Land Lease dated May 1, 2003.

ASSIGNOR:

KNOX & LORENA LIVING TRUST

Knox N. Christie, Trustee

ASSIGNEE:

PORT TOWNSEND AERO MUSEUM

Michael Payne, Secretary/Treasurer
and authorized agent

LESSOR'S CONSENT:

The Port of Port Townsend, as owner and holder of all right, title and interest under the Lease hereby consents to the foregoing assignment.

THE PORT OF PORT TOWNSEND
A Washington Municipal Corporation

Jim Pivarnik, Executive Director

APPROVED AS TO FORM:

Port Attorney

Jefferson county International Airport

Location Hangar M



Legend
Hangar M

200 ft

PORT OF PORT TOWNSEND AGENDA COVER SHEET

MEETING DATE	April 10, 2019
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. C) WSDOT Airport Aid Grant Authorizing Resolution No. 699-19
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Info Memo B. Resolution No. 699-19

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 4/5/2019
TO: Port Commission
FROM: Eric Toews, Deputy Director
SUBJECT: WSDOT Airport Aid Grant Authorizing Resolution No. 699-19

BACKGROUND: The Washington State Department of Transportation (WSDOT), Aviation Division, administers the State's Airport Aid Grant Program pursuant to RCW 47.68. The program provides important financial assistance to public-use airports in the preservation of Washington's system of airports. Under RCW 47.68.090, port districts that own and operate public-use airports that are included in the Washington Aviation System Plan (WASP) are "eligible airport sponsors" and may apply for WSDOT Airport Aid funds.

DISCUSSION: At the regular meeting of February 27 the Commission voted unanimously to request the FAA to structure the Phase 3 Airport Improvement Program (AIP) Grant to delay on-site construction activities to the spring or early summer of 2020. Staff of the Seattle Airports District Office of the FAA are working with Port staff to achieve this outcome, and Port staff expects that the final bid specifications for the project will preclude on-site construction activities in 2019. The modestly delayed start of construction activity means that the majority of project work will occur in 2020 when the Port is likely to be better positioned to meet its match obligations.

Despite the altered project timing and based upon our conversations with WSDOT Aviation Division staff, it is advised that we submit an Airport Aid Grant application this year to maximize the probability of the Port receiving its 5% match funding from the state.

Phase 3 of the project will involve pre-construction submittals in 2019, and construction in the spring and early summer of 2020. Field work will include reconstruction of the 3,000' x 75' asphalt runway and relocation of the center taxiway. The construction work will also include grading, storm drainage modifications, and lighting replacement.

The cost of Phase 3 of the project is anticipated to be \$4,380,000.¹ Of this total, the FAA will fund 90%, or \$3,942,000. The remaining 10%, or \$438,000, is to be provided through a combination of Port matching funds and WSDOT Airport Aid grant monies.

Staff has prepared a draft of Port Commission Resolution No. 699-19, authorizing application to WSDOT's Aviation Division for Airport Aid Grant funding for Phase 3 of the Runway

¹ Because Phase 2 engineering on the project has not yet been completed, an engineer's estimate of probable construction cost has not yet been finalized. The total figure cited above (\$4,380,000) is based upon an estimate provided at the 60% design stage, and also includes associated soft costs (i.e., construction phase engineering support and professional construction management).

Reconstruction Project. Staff anticipates applying for at least \$219,000, or 5% of the estimated Phase I costs. The source of matching funds is Port reserves.

Application materials must be submitted to WSDOT by Friday, May 10, 2019. Qualifying projects should be targeted for completion by June 30, 2020. WSDOT will start announcing grant award decisions the week of July 1, 2019.

RECOMMENDATION: Approve the attached Resolution authorizing staff to submit a grant application to WSDOT Aviation for Airport Aid Grant funding support for Phase 3 of the Jefferson County International Airport Runway Rehabilitation Project.

ATTACHMENTS

- Draft Resolution No. 699-19

RESOLUTION NO. 699-19

A Resolution of the Commission of the Port of Port Townsend

RESOLUTION AUTHORIZING THE PORT OF PORT TOWNSEND TO FILE AN APPLICATION WITH THE WASHINGTON STATE DEPARTMENT OF TRANSPORTATION, AVIATION DIVISION, SEEKING AIRPORT AID GRANT FUNDS TO SUPPORT PHASE 3 OF THE RUNWAY REHABILITATION PROJECT AT THE JEFFERSON COUNTY INTERNATIONAL AIRPORT, AND ASSURING THAT LOCAL MATCHING FUNDS ARE AVAILABLE AND AUTHORIZED.

WHEREAS, the Port of Port Townsend is a municipal corporation established in 1924 under Title 53 of the Revised Code of Washington; and

WHEREAS, under RCW 53, the Port of Port Townsend is responsible for developing and maintaining infrastructure that fosters economic development, providing transportation facilities that support commerce and communities within Jefferson County; and

WHEREAS, under RCW §53.08.020 the Port of Port Townsend is specifically authorized to construct, purchase, acquire, lease, maintain and operate air transfer and terminal facilities subject to all applicable state and federal laws; and

WHEREAS, the Port of Port Townsend is applying for financial assistance through the 2019 Washington State Department of Transportation (WSDOT) Airport Aid Grant Program to partially fund Phase 3 of the Runway Rehabilitation Project (construction) to address runway condition issues identified in WSDOT Aviation's 2012 Pavement Condition Assessment;

WHEREAS, the grant agreement for WSDOT financial assistance imposes certain obligations upon the applicant Port, and requires the Port to provide a local share of the project cost; and

WHEREAS, the Port anticipates that the total project cost for Phase 3 of the Runway Rehabilitation Project will not exceed \$4,380,000, of which amount \$3,942,000 is anticipated from the Federal Aviation Administration (FAA), with the remaining 10%, or \$438,000 to be provided through a combination of WSDOT financial assistance and Port of Port Townsend matching funds; and

WHEREAS, the Port had total cash reserves of \$1,032,234 on March 31, 2019, and therefore has the matching funds available to cover its share of project costs;

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

1. Port Executive Director, Jim Pivarnik, or his designee, is authorized to execute and file such documents as may be necessary for the application and award of Airport Aid grant assistance on behalf of the Port of Port Townsend with the WSDOT Aviation Division.
2. Upon consultation with the Port's Director of Finance and Administration, S. Abigail Berg, the Commission of the Port of Port Townsend has concluded, and hereby assures WSDOT Aviation Division, that local matching funds are available and have been authorized for Phase 3 of the JCIA Runway Rehabilitation project.

ADOPTED this 10th day of April 2019, 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:

Stephen R. Tucker, Secretary

William W. Putney III, President

Peter W. Hanke, Vice President

APPROVED AS TO FORM:

Port Attorney

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 4/5/2019
TO: Port Commission
FROM: Jim Pivarnik, Executive Director
SUBJECT: Organizational Chart Update

BACKGROUND: Staff has been looking for the last few months at all administrative positions to see where the Port can be better served with different position duties. Ever since our Port retreat, we have been talking about the need to have a lease administrator on staff to organize and follow through with our 200+ leases. Staff feels that the time is now to bring on this important position.

After further study, contracts are another area where organization and reporting are crucial elements, especially since we are going into a time of capital project development. Senior staff believes that these two functions can be combined into a Lease / Contract Administrator position. This will be an exempt position reporting to the Deputy Director.

We are asking the Commission to approve the addition of one exempt position to fill this important function.

RECOMMENDATION:

Approve attached Organizational Chart to include the Lease / Contract Administrator Position.

ATTACHMENTS:

Organizational Chart

PORT OF PORT TOWNSEND

Organizational Chart

