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NOTICE OF SPECIAL COMMISSION MEETING

Pursuant to RCW 42.30.080

This meeting will only be accessible remotely, as per Governor's Proclamation 20-28.

NOTICE IS HEREBY GIVEN that the Port Commission of the Port of Port Townsend will hold a special meeting on Tuesday, October 6, 2020 beginning at 1:00 p.m.

**Port of Port Townsend
Special Meeting Agenda
Tuesday, October 6, 2020, 1:00 p.m.**

Via <https://zoom.us/> – or call (253) 215-8782 – and use Webinar ID: 862 6904 3651, Password: 911887

This meeting will only be accessible remotely, as per Governor's Proclamation 20-28.

- I. Call to Order
- II. US Economic Development Administration grant funding resolution, Point Hudson Jetty project, Commission authorization to submit supplemental documentation reflecting updated project cost, Port match contribution, and amount requested from EDA *action requested*
- III. Adjournment

DATED: October 5, 2020

By: 

Eron Berg, Executive Director

PORT OF PORT TOWNSEND

AGENDA MEMO

DATE: 10/6/2020
TO: Commission
FROM: Eron Berg, Executive Director
SUBJECT: EDA Grant for Point Hudson Jetty Project

ISSUES

1. Should the Commission approve the attached resolution authorizing updated conditions for application to the EDA for funding the Point Hudson Jetty Project?

BACKGROUND

The Commission adopted Resolution 723-20 which authorized the application to the Economic Development Administration for an 80% grant on the \$14.1M Point Hudson Jetty Reconstruction project. The EDA has notified the port (letter attached) that it is unable to fund the project at the requested \$11.28M level, but is open to reconsidering funding the project with about \$9.3M.

DISCUSSION

This project can move forward if the EDA is able to provide \$9.3M in funding and staff recommends that the Commission approve the attached resolution committing additional match. If funded at this level, staff will recommend that the port seek support from the state and fund any necessary commitment using proceeds from the IDD levy and/or general obligation debt.

This project is our top priority and is mission critical to the port, the city and the county's economic well being. Without the jetty, it's all over for Point Hudson. The staff recommendation is to proceed, full speed ahead.

FISCAL IMPACT

2021-23: \$4,781,284 (local match) on a \$14,100,000 project.

ATTACHMENTS

1. Resolution 725-20.
2. Letter from the EDA, dated 10-2-2020

RECOMMENDATIONS

1. Motion to approve Resolution 725-20 authorizing updated conditions for application to the EDA for funding the Point Hudson Jetty Project.

RESOLUTION NO. 725-20

A Resolution of the Commission of the Port of Port Townsend

AUTHORIZING THE EXECUTIVE DIRECTOR TO ADJUST THE PORT'S LOCAL MATCH COMMITMENT FOR THE FEDERAL ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) DISASTER RECOVERY PROGRAM GRANT SUBMITTED TO THE EDA ON JULY 23, 2020 FOR DEMOLITION AND RECONSTRUCTION OF THE POINT HUDSON BREAKWATER.

WHEREAS, the Port Commission of the Port of Port Townsend is responsible for coordinating the mitigation of, preparation for, response to, and recovery from natural disasters that affect Port infrastructure and to re-establish resilient infrastructure that will help to sustain the communities of Jefferson County in the future; and

WHEREAS, the Point Hudson Marina's geographical location, at the southeastern tip of the Quimper Peninsula, makes it vulnerable to the damaging wind and wave action of winter storms on Port Townsend Bay, with the potential for such storms to damage Port infrastructure and severely and negatively affect the local economy as well as the maritime heritage and character of the community; and

WHEREAS, from December 10 through December 24, 2018, the Puget Sound region of Western Washington experienced a series of severe winter storms, with high winds and waves, flooding, landslides, mudslides, and a tornado which resulted in a Presidential Disaster Declaration for eight counties, including Jefferson County; and

WHEREAS, the overlapping breakwaters protecting the Point Hudson Marina were damaged during these storms, with broken cable ties and piles, loss of armor rock and overall acceleration of structural deterioration which forced waves and debris into the marina and further damaged docks and floats within the moorage basin; and

WHEREAS, the winter storms of December 2018 revealed the deteriorated and vulnerable condition of the Point Hudson Breakwater, which, if not replaced with more robust and resilient infrastructure, could in future jeopardize public and private property and threaten the economic life of the community; and

WHEREAS, demolition and replacement of both arms of the Point Hudson Breakwater will strengthen critical infrastructure to ensure that it is more resilient and secure, thereby safeguarding the Point Hudson Marina and the businesses which rely directly or indirectly on this facility, as well as the economic vitality of Port Townsend's Commercial Historic District more generally; and

WHEREAS, the Economic Development Administration of the U.S. Department of Commerce (EDA) administers the Economic Adjustment Assistance (EAA) Disaster Recovery Program which makes matching grant funds available to help communities devise and implement long-term economic development recovery strategies in areas where a Presidential Declaration of a major disaster was issued; and

WHEREAS, the Port of Port Townsend qualifies to apply for EAA Disaster Recovery Program grant assistance (funding opportunity number EDA-2019-DISASTER) in that:

- Jefferson County, Washington was included in the major disaster Presidential declaration (DR-4418) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act as a result of the December 2018 winter storms; and
- The proposed Point Hudson Breakwater replacement project aligns with Investment Priorities identified by the EDA in that:
 - It would facilitate economic recovery and resilience and strengthen the ability of the community to withstand future natural disasters and economic shocks; and
 - It is a critical infrastructure project that would replace a key component of the physical infrastructure that sustains the local economy; and
 - It would help to attract private investment and retain and grow jobs within a designated Opportunity Zone;
- The proposed breakwater replacement has been identified as a priority capital project within the North Olympic Development Council's Comprehensive Economic Development Strategy (CEDS) since 2016; and

- The project is also reflected in the Port of Port Townsend’s Comprehensive Scheme of Harbor Improvements as a priority capital project necessary to support the health and resilience of the Port Townsend and Jefferson County economy; and

WHEREAS, on July 23, 2020 the Port submitted an application for EAA Disaster Recovery Program grant assistance (funding opportunity number EDA-2019-DISASTER); and

WHEREAS, on October 2, 2020 the EDA’s Seattle Regional Investment Review Committee (IRC) informed the Port (see letter, attached) that a decision on the Port’s application had been deferred, and that the Port could elect to have its request for funding assistance reconsidered, PROVIDED THAT:

- The Port increase its match commitment to \$4,781,284 (34%) of the currently estimated project cost of \$14,062,000; and
- Document that the Port’s matching share will be committed to the project for the period of performance, available as needed, and not be conditioned or encumbered in any way that may preclude its use consistent with the requirements of EDA investment assistance; and
- The Port revise and resubmit portions of its application (forms SF 424 and SF 424C) to reflect the updated funding amount requested from EDA, the updated project cost, and the Port’s match contribution.

WHEREAS, the Port of Port Townsend matching funds will come from Port general obligation bond indebtedness, Industrial Development District (IDD) levy proceeds, and Port reserves pending Port Commission appropriation following notice of award from the EDA, which is not anticipated until later this year.

NOW, THEREFORE, BE IT RESOLVED as follows:

- 1. Application for Disaster Recovery Program Grant Assistance Amended:** The Commission for the Port of Port Townsend, Jefferson County, Washington, supports amending and resubmitting portions of its previously submitted EDA EAA Disaster Recovery Program grant application to request \$9,281,316 in funding assistance to demolish and reconstruct both the South and North arms of the Point Hudson Breakwater.
- 2. Executive Director Authorized to Execute All Necessary Documents & Agreements:** The Port Commission authorizes its Executive Director, Eron Berg, or his designee, to sign and submit all necessary documents to both amend its previously submitted application to and to enter into a project agreement with the EDA, if the requested funding (as amended) is awarded.
- 3. Port of Port Townsend Match Commitment Increased:** The Port Commission expresses its commitment to meet the EAA Disaster Recovery Program match requirements with up to \$4,781,284 in local/Port match monies.
- 4. Adequacy of Process Confirmed:** The Port of Port Townsend certifies that appropriate opportunity for public comment on this application was provided, and further, that this application authorization was properly and lawfully adopted following the requirements of the Port of Port Townsend and all applicable laws and policies.

ADOPTED this 6th day of October 2020, 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:

Pamela A. Petranek, Secretary

Peter W. Hanke, President

William W. Putney III, Vice President

APPROVED AS TO FORM:

Port Attorney



U.S. DEPARTMENT OF COMMERCE
Economic Development Administration
915 Second Avenue, Room 1890
Seattle, Washington 98174
Fax: 206.220.7669
Voice: 206.220.7660

October 2, 2020

In reply refer to:
EDA Control No. 115908

Mr. Eron Berg
Executive Director
PO Box 1180
Port Townsend, WA 98368

Dear Mr. Berg:

The U.S. Economic Development Administration's (EDA) Seattle Regional Office Investment Review Committee (IRC) has considered your application for investment assistance to fund the Point Hudson Breakwater Replacement Project. EDA receives many more proposals than it can fund. Although the IRC found your application aligned with EDA investment priorities, the agency regrets to inform you that a definitive decision on your application has been deferred to a future date.

Although EDA is not moving forward with funding your project at this time, you may elect to have your application carried forward and re-considered at an IRC meeting to be scheduled in the future. **The option to carry your application forward does not guarantee that the application will be funded.** The EDA Seattle Regional Office, however, is willing to re-consider your application for funding with other applications that are received.

If you would like for EDA to carry your application forward and re-consider it during a future competitive IRC meeting, please, respond in writing to this notice no later than October 12, 2020. The written response may be in the form of an e-mail message or published letter. If you do not respond to this correspondence in writing by the specified date, EDA will consider the application withdrawn. You also have the option of withdrawing your application and submitting a revised or new application.

Included in your written response, please, address or submit the following items:

- Match commitment letter needs to be updated to reflect the increased amount to \$4,781,284, or 34% of the total project cost. It should also include required language from the Notice Of Funding Opportunity (NOFO): "The applicant must document that the matching share will: (i) be committed to the project for the period of performance, (ii) be available as needed, and (iii) not be conditioned or encumbered in any way that may preclude its use consistent with the requirements of EDA investment assistance."
- Revised SF 424C to reflect the updated funding amount requested from EDA.

- Revised SF 424 to reflect the updated project cost, applicant contribution, and amount requested from EDA.

If you do not respond to this notification in writing by the specified date, EDA will consider the application withdrawn. You also have the option of withdrawing your application and submitting a revised or new application. If you have any questions, do not hesitate to contact Laura Ives, Economic Development Specialist, at (206) 200-1951 or LIves@eda.gov. You may contact your Economic Development Representative, Richard Berndt, as well at (206) 220-7682 or RBerndt@eda.gov.

Thank you for your interest in EDA. For more information about our programs and other upcoming funding opportunities, please visit our website at www.eda.gov.

Sincerely,



Digitally signed by
KERSTIN MILLIUS
Date: 2020.10.02
16:21:48 -07'00'

Kerstin Millius
Acting Regional Director
Seattle Regional Office

Enclosures

c: Richard Berndt, Economic Development Representative