



**Port of Port Townsend
2nd Monthly Meeting Agenda
Wednesday, June 23, 2021, 5:30 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.

Agenda

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Public Comments
- IV. Consent Agenda
 - A. Approval of Workshop and Business Meeting Minutes from June 9, 2021 1-7
 - B. Approval & Ratification of Warrants 8-14
 - C. NW School of Wooden Boatbuilding Lease 15-34
 - D. Resolution 747-21 BIG Grant application Boat Haven Linear Dock..... 35-40
- V. Special Presentation: Pyrolysis Report – Tetra Tech..... 41
- VI. Second Reading ~ none
- VII. First Reading ~ none
- VIII. Regular Business
 - A. Updated Capital Plan for 2021 with new & changed projects 42-49
 - B. County request to use property near airport for a temporary homeless camp 49-1 – 49-26
- IX. Staff Comments
- X. Commissioner Comments
- XI. Next Regular Business Meeting: Wednesday, July 14, 2021
Workshop at 9:30 a.m. & Meeting at 1:00 p.m., via Zoom
- XII. Executive Session – none as of 6/18/2021
- XIII. Adjournment

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- Informational Items 50
- a. Commission Contracts Update 51
 - b. City of Port Townsend Water Delivery 52
 - c. Clean Marina Certificate for Herb Beck Marina..... 53-54
 - d. FAA 2022-2026 Capital Improvement Plan for JCIA 55
 - e. Commissioner Communications 56-58
 - f. Policy Updates: Dual Insurance Coverage & HRA VEBA policies 59-62

PORT COMMISSION PUBLIC WORKSHOP – June 9, 2021

The Port of Port Townsend Commission met for a Public Workshop online via Zoom

Present: Commissioners Hanke, Petranek & Putney
Executive Director Berg
Finance Director Berg
Deputy Director Toews
Recorder Erickson

I. CALL TO ORDER:

Commissioner Hanke opened the Workshop to order at 10:00 a.m.

II. AGENDA:

- Port Lease Policy review:

Current Port Organizational Management & Business Practices (Lease Policy) was reviewed and both minor clarification and substantive updates were discussed. A draft policy with minor clarification added will be brought to Commission at a later date for further discussion and approval.

III. ADJOURNMENT:

The Workshop adjourned at 11:32 a.m.

ATTEST:

Pamela A. Petranek, Vice President

William W. Putney III, Secretary

Peter W. Hanke, President

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, June 9, 2021

The Port of Port Townsend Commission met for a regular business session via Zoom online.

Present via Zoom online video: Commissioners Hanke, Petranek and Putney
Executive Director Berg
Deputy Director Toews
Finance Director Berg
Port Engineer Love
Port Recorder Erickson
Port Attorney Woolson

I. CALL TO ORDER (00:00:05): Commissioner Hanke called the meeting to order at 1:00 p.m.

II. APPROVAL OF AGENDA (00:00:13)

It was noted that the agenda had been updated on 6/8/21 to include two items, Acceptance of the 2020 Work Yard Resurfacing project, and JCIA Runway Project Change Order.

Commissioner Putney moved to accept the recently updated Agenda as presented; Commissioner Petranek seconded the motion, and the motion carried unanimously.

III. PUBLIC COMMENTS (00:03:28) presented out of order

Comment sent in via email, and read aloud for the record:

Jock & Sonchen Patton wrote in support of leasing the former Landfall site to the NWMC.

Brad West and Carla Main wrote in support of the proposed addition of a NWMC Community Classroom on the old Landfall property.

Comment given live during the meeting: Tom Thiersch asked about public funds going to a specific agency—a proactive service listed in the proposed 5-party EDC agreement “Administer & seek to expand the Local Investing Opportunities Network (LION).” He also suggested that the agreement should require the EDC to subject itself to the Public Records Act and the Open Public Meetings Act.

IV. CONSENT AGENDA (00:00:45)

A. Approval of Public Meeting Minutes from May 26, 2021.

B. Approval & Ratification of Warrants

Warrant #063810 in the amount of \$7,742.69 for Accounts payable.

Warrants #063811 through #063820 in the amount of \$35,806.69 and Electronic Payment in the amount of \$164,662.52 for Payroll & Benefits.

Warrants #063821 through #063868 in the amount of \$81,198.49 for Accounts Payable.

Electronic Debit in the amount of \$250 for Business License Renewal.

Warrant #063786 in the amount of \$12,615.53 is declared void for Accounts Payable.

C. Lease: Dive Tech, Inc d/b/a Octopus Gardens Diving

D. Acceptance of the 2020 Work Yard Resurfacing project

Commissioner Petranek moved to accept the Consent Agenda; Commissioner Putney seconded. Commissioner Putney noted two errata in the minutes (his vote on Yard Rate Discount Change was no, not abstain; and he attended the WPPA Trustees meeting).

Vote was taken and acceptance of the Consent Agenda with these changes was approved unanimously.

V. SPECIAL PRESENTATION: (00:09:34)

A. Point Hudson Breakwater Update

Port Engineer Mike Love spoke about the opportunity to make comments on the project¹. He then gave a presentation on the Point Hudson Breakwater Improvement Project: its history, current condition and why it needs improvement, design objectives of the improved breakwater, potential permitting and scheduling scenarios, environmental considerations, and timeline. He said the breakwater replacement design is similar in style to the existing breakwater with modern materials and walkway on the south breakwater, that permitting will include replacement of both breakwaters, and that the project may be done in two phases, with the north phase first. The earliest start date is September 2022 (after Wooden Boat Festival) with completion of the north breakwater March 2023, and continue with the south breakwater in September 2023, with completion in March 2024.

B. Public Comments (00:41:28)

Jake Beatty of the NW Maritime Center thanked the Port for the thought and consideration the Port put into this project, especially around the timing and the impact to the whole community.

Commissioner Petranek thanked him for the good presentation and felt this project was finally on track after 10 years.

Commissioner Hanke thanked Port Engineer Love for the excellent presentation and asked what would happen if a big storm caused a breach or a failure of the breakwater. Mr. Love said that if that happened, the Port would do what was needed to make emergency repairs, and begin talks with the Army Corp of Engineers and Dept. of Fish and Wildlife.

Commissioner Putney asked with the removal of the breakwater, if the plan was to remove the finger piers and ask vessels to move to another location. Mr. Love said the Port is considering that, depending on weather conditions, until we have protection back in place—or perhaps removing some of the finger piers closer to the project first and see how it stands.

Commissioner Petranek asked how the work would affect Sea Marine's operations. Mr. Love said the marina could not be opened each day (it would take too long to move the barge out and back), but there might be a Sunday shutdown. He said the Port would be working with Sea Marine on plans, but first needs to get the permits.

VI. SECOND READING (none)VII. FIRST READING (none)VIII. REGULAR BUSINESS (00:49:13)

A. April Year-to-date Financial Report

Finance Director Berg referred to her staff memo on the April Year-to-date report, which gave information that is not in the financial statement itself. On accounts payable, the item discussed before, the outstanding invoice from Scarcella Brothers, is close to completion with the Change Order coming to the Commission in today's meeting. She noted the \$559,922 on the Change Order includes sales tax. Year-to-date Capital Project expenditures is mostly done by Port staff, and the Port excavator has been used many times already. She noted the Port was using IDD funds to match grants and stretch these public funds further.

Commission Petranek asked about reserved vs. unreserved funds, and Ms. Berg answered that reserved money is where the Commission decided by resolution to hold funds for a specific

¹ Public comment period open until July 2, 2021. Please direct your comments or information regarding potential impacts to environmental resources or historic properties to: US Economic Development Administration Jim Jacobson, EDA Regional Environmental Officer, jjacobson@eda.gov or call (206) 833-6035
Or to Mike Love, Port Engineer, mike@portofpt.com or call (360) 379-5025.

purpose; like IDD, unemployment, Boat Haven reserve, the Capital & Operating reserves and the Emergency reserve.

Finance Director Berg reported that financial statements show that revenues are looking very strong compared to last year (up ~23%) and more importantly—what we planned for—to the budget (up ~15%). She explained the line just above the total revenue line is the increase/decrease in accounts receivables, which provides the Commission with what the actual cash received is with those revenues.

Commissioner Hanke asked about pre-bookings with payments to reserve; how is that money reflected in a cash statement? Ms. Berg said it's recorded as a reservation, and on the receivable side it will be recognized in the month in which it occurs.

Finance Director Berg went over the rest of the April year-to-date financial report, explaining that a little more in bank charges is paying for itself in the efficiency of staff not having to handle cash/checks. Commissioner Hanke noted that there was a big increase in income over last year, and Commissioner Petranek commended the yard workers for the hard work they do to fill the yard. Commissioner Putney said he was glad to see the income for the Port above where it was years ago.

B. NW Maritime Center (NWMC) Point Hudson Land Lease (01:03:50)

Deputy Director Toews spoke about this proposed lease, which had been discussed for over two years. He said that the NWMC wants more space for its programs and this lot is near their main campus at the eastern terminus of Water Street in Port Townsend. He explained that since the recent discussion about the term sheet, there were a few changes made:

- Location of the premises: a 50' x 107' rectangle that would allow for some public parking on the north side of the premises between the Puget Sound Express leasehold and the NWMC leasehold.
- Improvements upon the premises: language is less limited with more time to construct the building. The lease term starts 7/1/2021 and ends 6/30/2051 with construction required to conclude no later than 5 years from inception of the lease, providing NWMC as much flexibility as possible to proceed with fund raising and finalize the building design.
- Lease will be 25¢ per square foot, which is a bit high for a Port land lease, but it is a very unique piece of property.
- The amount of general commercial liability insurance required is \$2 million instead of \$1 million combined single limit which is standard language in leases in this region.
- Use of Premises: limited to maritime-related educational programs and marine-related activities; accessory and temporary uses incidental to the primary use are also allowed.

Paragraph 6 of the draft Land Lease Agreement regarding Use of Premises was discussed and changes were made to the draft.

Commissioner Hanke said he didn't like the use of "principally" or "primarily" because these words give wiggle room to other uses.

Commissioner Petranek stated she felt that this was an significant lease in terms of the importance of the NWMC in our community and the length of the lease. She said she would like to see the clarification on usage as outlined, taking away the word "primarily."

Commissioner Petranek moved to authorize the Executive Director to execute the attached Land Lease Agreement with the Northwest Maritime Center, with the amendments to paragraph 6 as outlined in the changed draft shared during this meeting. Commissioner Putney seconded.

Commissioner Putney clarified that variance of the use could be done at the discretion of the Port Commission at a later date. Commissioner Hanke felt that without it being marine-related use, the Port would consider leaving the lot for parking. Commissioner Petranek said that the Port's lease policy sets the use of premises to specific purposes.

Jake Beatty of the NW Maritime Center thanked the Port for allowing him to weigh in on the agreement between the Port and NWMC and said he thought the changes noted would make the lease clearer. He asked about how striking “primarily” affected temporary and incidental uses for other groups in the community. Executive Director Berg said that there is language in the lease that allows for temporary and incidental uses.

Vote was taken, and motion passed unanimously.

C. EDC 5-Party Contract (01:24:35)

Executive Director Berg commented that the County has already approved this draft agreement, and it is moving through the 4 government entities to get approval. He said the fundamental agreement provides funding to EDC Team Jefferson in exchange for a scope of work within that same time period. Its board would have a minimum of two representatives from each commissioner district as well as four governmental (City, County, Port and PUD) representatives; it memorializes the public sector cabinet with four administrators and it includes a level of funding, which for the Port is identified as \$30,000, beginning with the half year on 7/1/2021. There is an escape clause; the Port can work with the board to solve issues, or unilaterally provide 6-months notice to leave the agreement.

Commissioner Putney said the principle responsibility for Economic Development is the Port’s and this agreement doesn’t dispatch that responsibility. Mr. Berg commented that that would be a discussion for 2022, after this moves forward.

Commissioner Petranek said that the work put into this agreement was stellar and that it was a great thing that the 4 government entities were working together on this, then asked about a timeline on the agreement. Mr. Berg said that it needed to be agreed on by the end of June, to take effect July 1. This would allow the EDC to make commitments on rent, job openings, etc.

Commissioner Petranek asked if the details could be refined later, if the contract was okayed in general terms now. Mr. Berg responded that the details would be in the framework which the ICG is still working on, and that they were okaying the expenditure of Port funds today. Ms. Petranek suggested that the Port Commission use a workshop to work out these details later.

Commissioner Petranek moved to approve the 5-party agreement and Commissioner Putney seconded.

The Commissioners brought up issues and asked questions about the agreement; Executive Director Berg responded (in parentheses):

- Sectors of Team Jefferson Board should include Tourism.
- How are the initial 9 members of the board appointed? A clear mechanism is needed before we go forward. (9 to 11 members are self-appointed by the board and should be a combination of old and new board members).
- How does the Public Sector Cabinet (PSC) interface with board and who has ultimate power? (PSC is an advisory group that represents 100% of funders for EDC Team Jefferson, and as such they are intended to be influential. The agreement is meant to be collaborative and on page 111, the dispute provision in para. 11 addresses the role of PSC and also there is some decision-making authority; p. 12 addresses termination.)
- The metrics asked for on pages 104-105 looks burdensome and might impede their work. (Much of what’s in this section is already required as a condition of the State funding, and also probably necessary in this phase of rebuilding EDC Team Jefferson and the relationship it has with the Port.)
- Funding: Does the EDC qualify for Public Infrastructure Funds (PIF)? (Yes)
- Para #17 on page 114, Confidentiality: should we call out an NDA in this? Public funds going to EDC and how that is communicated to the public is important. (Our participation makes anything given to us a public document.)

- Why are public funds going to a specific agency—see public comment re LION. (EDC Team Jefferson, Brian Kuh, stated that as a fan of this lender, they volunteer their administrative function for LION and proposed a nominal budget item to host a LION website; however if it is a problem, it can be changed.)
- How is district diversity ensured? (It is mandated as 2 from each district: p. 104 under 3.)
- Should we require the EDC director, employee, and board to live in Jefferson County? (Due to the unavailability of homes, this would limit these positions to people who already live here.)
- There should be term limits to keep the board rotating, and meetings should be open to public and any elected to attend. (This is true of the PSC, not the board. Term limit is not an audit issue, and this would require rewording the contract. OPMA & PMA would be something to add to the framework discussions with ICG.)
- Does the EDC pay for a business to relocate here? (Page 121 C. 4th bullet: “Assistance to Businesses Relocating to Jefferson County” does not include payment of funds, but help with any permitting, forms, etc.)
- Under recruitment reports there is a list of benefits for businesses. A column should be added to include impacts/costs for businesses relocating here.
- Regular reports should include quarterly reports and communication. (This is required - see page 105, 4.B.)

Executive Director Berg explained the timing of this contract; if approved today, it will not be changed until the next biennium.

Vote was taken, and motion to approve the 5-party agreement was unanimous.

D. JCIA Runway Project: Request for Advance Authorization to Execute Change Order #04 for Asphalt Overlay Work. (02:03:56)

Deputy Director Toews said this was on the agenda to make sure that Scarsella Brothers & subcontractor Lakeside were paid for the work completed in October last year on a corrective action plan for pavement deficiencies. Port Engineer Love was hired and his review and assessment was that it was due to unique subgrade conditions that existed at the airport and not related to contractor work. The mutually acceptable solution would conclusively resolve payment for all pavement-related expenses and close the project out. The Port will pay total now of \$559,922, and go back to FAA and ask for \$288,675 retroactive funding of approximately half of the costs. This requires authority to execute a grant approval with FAA for retroactively funding this work.

Commissioner Putney moved to authorize the Executive Director to execute Change Order 04, as presented, to conclusively resolve costs related to the final paving by Scarsella Brothers Construction related to the JCIA Runway 9/27 Reconstruction Project. Commissioner Hanke seconded.

Commissioner Petranek asked about any other sources of funding, and Deputy Director Toews said that there is some potential of expiring non-project entitlement monies that can be reallocated to airports that have defined projects that need additional funding.

Vote was taken and motion was unanimously approved.

IX. STAFF COMMENTS (02:10:38)

Executive Director Berg commented that in looking ahead to the meeting on June 23, Port Engineer Love and Finance Director Berg would be presenting an updated Capital Program to get approval. He added that the Port is reconsidering its vehicle purchase program for 2021, due to a dearth of vehicles available, and finding instead a way to use those funds to support the Yard crew. He mentioned that a new informal committee under the Intergovernmental Collaborative Group (ICG) would be formed with a combination of elected officials and administrators for the

development of the economic framework for the EDC, and asked who among the Commissioners might be interested in attending in addition to him.

Deputy Director Toews commented on noise complaints due to Global Coating doing scaling and sand-blasting work at Boat Haven in the vicinity of the Hangar Building; thanks to the Yard crew, boats were repositioned in the 300 yard to allow this work to move and all future projects will be relocated to the west curb line. He mentioned that the capital projects update at the next meeting would include details on changes to the Pavilion Building. He then commented that he was excited to meet with Quilcene High School students to encourage the youth of District 3 to participate in the feedback process, and he was looking forward to hearing from different voices.

Port Engineer Love commented that the maintenance crew had been working on Sperry Buildings 2 & 3 with positive feedback from folks who were noticing how hard Port employees were working. They are also wrapping up work on the Nomura building for occupancy next week, and moving forward with small projects at the Pavilion building before permitted work begins.

Port Recorder Erickson reported that she had logged 27 Quilcene survey responses, which was a great response for such a small community.

X. COMMISSIONER COMMENTS (02:25:50)

Commissioner Putney commented that in the closing moments of the last Commission meeting he had neglected to congratulate Commissioner Hanke on his running unopposed for District 3. He said it was important for the public to have elected officials who set aside their own interests to do what's right for the public, and he commended Commissioner Hanke rising to that call, and congratulated him on his election.

Commissioner Petranek also congratulated Commissioner Hanke and said it was good to know who the team would be next year. She complimented the other Commissioners for their work today—for the respectful, great communication. She commented that her fishing boat, Cape Cleare had been doing some test runs in and out of the marina, and it looked like she would indeed be gone to Alaska fishing this summer.

Commissioner Hanke commented that he was honored to run again as Commissioner for District 3 and he appreciated what the community has given him the honor to do. He said that Bill Levitt and Mark Grant are working at the airport on the Aero Museum expansion to accommodate the beautiful, donated planes.

XI. Executive Session – none.

XII. Next Regular Business Meeting: Wednesday, June 23, 2021, at 5:30 p.m., via Zoom

XIII. Adjournment: Meeting adjourned at 3:32 p.m.

ATTEST:

Peter W. Hanke, President

William W. Putney III, Secretary

Pamela A. Petranek, Vice President



PO Box 1180 • Port Townsend, WA 98368

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

WARRANT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the labor performed and the services provided, as described herein, and that the claim is a just and unpaid obligation of the Port of Port Townsend, and that these claims, in Warrant No. 063869 through No. 063870 are approved for payment in the amount of \$3,948.30 is ratified.

Signed and Authenticated on this 23rd day of June, 2021.

For: **Accounts Payable**

Commissioner Pete W. Hanke

Commissioner Pam Petranek

Commissioner William W. Putney III

S. Abigail Berg, Director of Finance
And Administration

Check Register**Journal Posting Date: 6/23/2021****Register Number: CD-000863****Port of Port Townsend (PTA)**

Bank Code: W - WARRANTS PAYABLE

| Check Number | Check Date | Vendor | Invoice Number | Invoice Date | Invoice Amount | Discount Applied | Payment Amount | |
|---------------|------------|--------|-----------------------|--------------|----------------|------------------|----------------|-------------------------|
| 063869 | 6/23/2021 | CIT010 | City of Port Townsend | | | | | |
| | | | NUMORA BUILDING | 6/10/2021 | 42.00 | 0.00 | 42.00 | Check Entry Number: 001 |
| 063870 | 6/23/2021 | SET015 | Seton Construction | | | | | |
| | | | RETAINAGE RELEASE | 6/10/2021 | 3,906.30 | 0.00 | 3,906.30 | Check Entry Number: 001 |
| Report Total: | | | | | 3,948.30 | 0.00 | 3,948.30 | |

Run Date: 6/10/2021 8:24:11AM**A/P Date: 6/23/2021****Page: 1****User Logon: DLF**



PO Box 1180 • Port Townsend, WA 98368

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3988

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Fax: (360) 385-

WARRANT/ELECTRONIC PAYMENT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations against the Port of Port Townsend, that we are authorized to authenticate and certify to said claim and that payment of these claims, in Warrant No. 063871 through No. 063877 generated on May 14th, 2021 in the amount of \$13,326.12 and Electronic Payment in the amount of \$85,390.65, for a total amount of \$98,716.77 **is ratified.**

Signed and Authenticated on this 23rd day of June, 2021.

For: **Payroll and Benefits**

Commissioner Pete W. Hanke

Commissioner Pam Petranek

Commissioner William W. Putney III

S. Abigail Berg, Director of Finance
And Administration



PO Box 1180 • Port Townsend, WA 98368

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

WARRANT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims is a just, due and unpaid obligation of the Port of Port Townsend, that I am authorized to authenticate and certify to said claim and that these claims, in Warrant No 063878 through No. 063927, are approved for payment in the amount of \$175,566.37 on this 23rd day of June, 2021.

For: Accounts Payable

Commissioner Pete W. Hanke

Commissioner Pam Petranek

Commissioner William W. Putney III

S. Abigail Berg, Director of Finance
And Administration

Check Register

Journal Posting Date: 6/23/2021

Register Number: CD-000864

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE

| Check Number | Check Date | Vendor | Invoice Number | Invoice Date | Invoice Amount | Discount Applied | Payment Amount | |
|---------------------|------------|--------|---------------------------------|--------------|----------------|------------------|----------------|-------------------------|
| 063878 | 6/23/2021 | A+E001 | A+ Equipment Rentals, Inc | | | | | Check Entry Number: 001 |
| | | | 70540-1 | 6/14/2021 | 1,221.92 | 0.00 | 1,221.92 | |
| 063879 | 6/23/2021 | ADM002 | Admiral Ship Supply Inc. | | | | | Check Entry Number: 001 |
| | | | 5/31/21 STATEMENT | 5/31/2021 | 71.19 | 0.00 | 71.19 | |
| 063880 | 6/23/2021 | BAN005 | Bank of America | | | | | Check Entry Number: 001 |
| | | | 6/5/21 STATEMENT | 6/5/2021 | 6,261.13 | 0.00 | 6,261.13 | |
| 063881 | 6/23/2021 | BOT040 | Botero & Son Electrical LLC | | | | | Check Entry Number: 001 |
| | | | 17-2280 | 5/13/2021 | 9,029.61 | 0.00 | 9,029.61 | |
| 063882 | 6/23/2021 | CEN030 | CenturyLink | | | | | Check Entry Number: 001 |
| | | | 6/1/2021 STATEMENT | 6/1/2021 | 200.00 | 0.00 | 200.00 | |
| 063883 | 6/23/2021 | CEN035 | CenturyLink | | | | | Check Entry Number: 001 |
| | | | 6/8/2021STMTS | 6/8/2021 | 805.06 | 0.00 | 805.06 | |
| 063884 | 6/23/2021 | COO050 | Cooper Fuel | | | | | Check Entry Number: 001 |
| | | | 6/1/2021 STATEMENT | 6/1/2021 | 3,202.49 | 0.00 | 3,202.49 | |
| 063885 | 6/23/2021 | COW020 | Cowling and Co. LLC | | | | | Check Entry Number: 001 |
| | | | 217 | 5/31/2021 | 2,044.80 | 0.00 | 2,044.80 | |
| | | | 218 | 5/31/2021 | 4,886.40 | 0.00 | 4,886.40 | |
| | | | 223 | 5/31/2021 | 192.00 | 0.00 | 192.00 | |
| Check 063885 Total: | | | | | 7,123.20 | 0.00 | 7,123.20 | |
| 063886 | 6/23/2021 | DHE030 | DH Environmental, Inc. | | | | | Check Entry Number: 001 |
| | | | 8980 | 2/28/2021 | 2,085.80 | 0.00 | 2,085.80 | |
| 063887 | 6/23/2021 | ELP050 | El Prescadero Loco | | | | | Check Entry Number: 001 |
| | | | REFUND 6/9/2021 | 6/9/2021 | 42.37 | 0.00 | 42.37 | |
| 063888 | 6/23/2021 | EXA030 | Examintetics, Inc | | | | | Check Entry Number: 001 |
| | | | 325677 | 6/8/2021 | 1,650.00 | 0.00 | 1,650.00 | |
| 063889 | 6/23/2021 | FER001 | Ferrellgas | | | | | Check Entry Number: 001 |
| | | | 5006340510 | 5/26/2021 | 456.47 | 0.00 | 456.47 | |
| 063890 | 6/23/2021 | FIS020 | Fish N Hole | | | | | Check Entry Number: 001 |
| | | | 5596703 | 6/9/2021 | 22.05 | 0.00 | 22.05 | |
| | | | 5596706 | 6/14/2021 | 35.55 | 0.00 | 35.55 | |
| Check 063890 Total: | | | | | 57.60 | 0.00 | 57.60 | |
| 063891 | 6/23/2021 | GIB030 | Steven Gibbons | | | | | Check Entry Number: 001 |
| | | | REFUND 6/13/21 | 6/13/2021 | 591.34 | 0.00 | 591.34 | |
| 063892 | 6/23/2021 | GLO025 | Global Coatings LLC | | | | | Check Entry Number: 001 |
| | | | SECURITY REFUND | 6/10/2021 | 4,170.21 | 0.00 | 4,170.21 | |
| 063893 | 6/23/2021 | GOO002 | Good Man Sanitation | | | | | Check Entry Number: 001 |
| | | | 11154A | 5/25/2021 | 1,963.80 | 0.00 | 1,963.80 | |
| 063894 | 6/23/2021 | GRE060 | Ken Greff | | | | | Check Entry Number: 001 |
| | | | REFUND 05282021 | 5/28/2021 | 1,034.40 | 0.00 | 1,034.40 | |
| 063895 | 6/23/2021 | HOW060 | Molly Howe | | | | | Check Entry Number: 001 |
| | | | REFUND 06/5/2021 | 6/5/2021 | 154.00 | 0.00 | 154.00 | |
| 063896 | 6/23/2021 | INS070 | Insight Strategic Partners, LLC | | | | | Check Entry Number: 001 |
| | | | 3139 | 2/28/2021 | 2,750.00 | 0.00 | 2,750.00 | |
| 063897 | 6/23/2021 | JEF030 | Jefferson Healthcare | | | | | Check Entry Number: 001 |
| | | | C. SHAW | 6/5/2021 | 305.02 | 0.00 | 305.02 | |
| 063898 | 6/23/2021 | LEM040 | Lemay Mobile Shredding | | | | | Check Entry Number: 001 |
| | | | 4703267 | 6/1/2021 | 13.88 | 0.00 | 13.88 | |
| 063899 | 6/23/2021 | MUR002 | Murrey's Disposal Co. Inc. | | | | | Check Entry Number: 001 |
| | | | 6/1/2021 STMTS | 6/1/2021 | 8,526.69 | 0.00 | 8,526.69 | |
| 063900 | 6/23/2021 | NOR040 | Northwest Maritime Center | | | | | Check Entry Number: 001 |

Run Date: 6/17/2021 3:21:39PM

A/P Date: 6/23/2021

Page: 1

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Check Register

Journal Posting Date: 6/23/2021

Register Number: CD-000864

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE

| Check Number | Check Date | Vendor | Invoice Number | Invoice Date | Invoice Amount | Discount Applied | Payment Amount | |
|---------------------|------------|--------|---------------------------------------|--------------|----------------|------------------|----------------|-------------------------|
| | | | 48 NORTH ADS | 6/23/2021 | 2,292.00 | 0.00 | 2,292.00 | |
| 063901 | 6/23/2021 | OES001 | OESD 114 | | | | | Check Entry Number: 001 |
| | | | 2021001352 | 6/15/2021 | 4,029.00 | 0.00 | 4,029.00 | |
| 063902 | 6/23/2021 | OLY001 | Olympic Equipment Rentals Inc | | | | | Check Entry Number: 001 |
| | | | 271981 | 6/9/2021 | 32.06 | 0.00 | 32.06 | |
| 063903 | 6/23/2021 | OLY002 | The Home Depot Pro Institutional | | | | | Check Entry Number: 001 |
| | | | 615743176 | 5/6/2021 | 154.08 | 0.00 | 154.08 | |
| | | | 619011406 | 5/24/2021 | 929.77 | 0.00 | 929.77 | |
| Check 063903 Total: | | | | | 1,083.85 | 0.00 | 1,083.85 | |
| 063904 | 6/23/2021 | OLY003 | Olympic Springs, Inc. | | | | | Check Entry Number: 001 |
| | | | 05312021 | 5/31/2021 | 17.35 | 0.00 | 17.35 | |
| 063905 | 6/23/2021 | OLY035 | Olympic Peninsula Communications, LLC | | | | | Check Entry Number: 001 |
| | | | 018 | 6/1/2021 | 1,088.75 | 0.00 | 1,088.75 | |
| 063906 | 6/23/2021 | PAP020 | Pape Machinery | | | | | Check Entry Number: 001 |
| | | | 12687566 | 6/4/2021 | 47.75 | 0.00 | 47.75 | |
| 063907 | 6/23/2021 | PET025 | Petrick Lock & Safe | | | | | Check Entry Number: 001 |
| | | | 20320 | 6/15/2021 | 18.00 | 0.00 | 18.00 | |
| 063908 | 6/23/2021 | PIN010 | Pinnacle Investigations Corp | | | | | Check Entry Number: 001 |
| | | | 75128 | 6/16/2021 | 96.70 | 0.00 | 96.70 | |
| 063909 | 6/23/2021 | PIT015 | Curtis Pitts | | | | | Check Entry Number: 001 |
| | | | REFUND /16/21 | 6/16/2021 | 83.71 | 0.00 | 83.71 | |
| 063910 | 6/23/2021 | POR005 | Port Townsend Leader | | | | | Check Entry Number: 001 |
| | | | 107271 | 6/1/2021 | 2,902.00 | 0.00 | 2,902.00 | |
| 063911 | 6/23/2021 | POR065 | Port of Port Townsend | | | | | Check Entry Number: 001 |
| | | | C PITTS 51.68 | 6/16/2021 | 51.68 | 0.00 | 51.68 | |
| 063912 | 6/23/2021 | PRI001 | The Printery | | | | | Check Entry Number: 001 |
| | | | 210105 | 5/27/2021 | 645.78 | 0.00 | 645.78 | |
| 063913 | 6/23/2021 | PUD001 | Pud District #1 | | | | | Check Entry Number: 001 |
| | | | 6/11/2021 | 6/11/2021 | 196.87 | 0.00 | 196.87 | |
| 063914 | 6/23/2021 | PUD005 | PUD #1 of Jefferson County | | | | | Check Entry Number: 001 |
| | | | INV 590 ACT 122 | 6/15/2021 | 1,100.00 | 0.00 | 1,100.00 | |
| 063915 | 6/23/2021 | QUI090 | Quilcene Village Store | | | | | Check Entry Number: 001 |
| | | | 10149 | 6/10/2021 | 21.86 | 0.00 | 21.86 | |
| 063916 | 6/23/2021 | ROD030 | Rodda Paint | | | | | Check Entry Number: 001 |
| | | | 44162885 | 6/10/2021 | 595.50 | 0.00 | 595.50 | |
| | | | 6833093 | 6/3/2021 | 96.48 | 0.00 | 96.48 | |
| Check 063916 Total: | | | | | 691.98 | 0.00 | 691.98 | |
| 063917 | 6/23/2021 | SCA020 | Scarsella Bros., Inc. | | | | | Check Entry Number: 001 |
| | | | ESTIMATE # 5 | 6/23/2021 | 98,670.19 | 0.00 | 98,670.19 | |
| 063918 | 6/23/2021 | SEC010 | Security Services | | | | | Check Entry Number: 001 |
| | | | 116442 | 6/1/2021 | 190.85 | 0.00 | 190.85 | |
| 063919 | 6/23/2021 | SEW040 | Ian Seward | | | | | Check Entry Number: 001 |
| | | | REFUND 6/15/2021 | 6/15/2021 | 705.68 | 0.00 | 705.68 | |
| 063920 | 6/23/2021 | SNE020 | S-Net Communications | | | | | Check Entry Number: 001 |
| | | | 105103 | 6/23/2021 | 563.03 | 0.00 | 563.03 | |
| 063921 | 6/23/2021 | SOU055 | Sound Publishing, Inc | | | | | Check Entry Number: 001 |
| | | | 8026157 | 5/31/2021 | 530.40 | 0.00 | 530.40 | |
| 063922 | 6/23/2021 | TER030 | Terrapin Architecture PC | | | | | Check Entry Number: 001 |
| | | | 21-207 | 6/2/2021 | 1,257.36 | 0.00 | 1,257.36 | |
| 063923 | 6/23/2021 | THE020 | Thermo Fluids, Inc. | | | | | Check Entry Number: 001 |

Run Date: 6/17/2021 3:21:39PM

A/P Date: 6/23/2021

Page: 2

User Logon: DLF

Check Register**Journal Posting Date: 6/23/2021****Register Number: CD-000864****Port of Port Townsend (PTA)**

Bank Code: W - WARRANTS PAYABLE

| Check Number | Check Date | Vendor | Invoice Number | Invoice Date | Invoice Amount | Discount Applied | Payment Amount |
|--------------|------------|--------|-------------------------------|--------------|----------------|------------------|--------------------------------|
| | | | 86076021 | 5/24/2021 | 1,463.25 | 0.00 | 1,463.25 |
| 063924 | 6/23/2021 | TWI001 | Spectra Laboratories - Kitsap | | | | Check Entry Number: 001 |
| | | | 21-04070 | 6/9/2021 | 58.00 | 0.00 | 58.00 |
| 063925 | 6/23/2021 | ULI040 | ULINE | | | | Check Entry Number: 001 |
| | | | 134146370 | 5/24/2021 | 5,037.76 | 0.00 | 5,037.76 |
| | | | 134202572 | 5/25/2021 | 315.68 | 0.00 | 315.68 |
| | | | Check 063925 Total: | | 5,353.44 | 0.00 | 5,353.44 |
| 063926 | 6/23/2021 | VEN070 | VenTek International | | | | Check Entry Number: 001 |
| | | | 127257 | 6/1/2021 | 103.65 | 0.00 | 103.65 |
| 063927 | 6/23/2021 | WAS003 | Washington Public Ports Assn. | | | | Check Entry Number: 001 |
| | | | 021-434 | 6/4/2021 | 300.00 | 0.00 | 300.00 |
| | | | 021-482 | 6/7/2021 | 255.00 | 0.00 | 255.00 |
| | | | Check 063927 Total: | | 555.00 | 0.00 | 555.00 |
| | | | Report Total: | | 175,566.37 | 0.00 | 175,566.37 |

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

| | |
|---------------------|--|
| MEETING DATE | June 23, 2021 |
| AGENDA ITEM | <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input type="checkbox"/> Regular Business <input type="checkbox"/> Informational |
| AGENDA TITLE | IV.C. Lease: Northwest School of Wooden Boatbuilding |
| STAFF LEAD | Eric Toews, Deputy Director |
| REQUESTED | <input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input checked="" type="checkbox"/> Discussion |
| ATTACHMENTS | <ol style="list-style-type: none"> 1. Info Memo 2. Term Sheet 3. Lease Agreement, including Exhibit 'A' |

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 6/17/2021
TO: Port Commission
FROM: Eric Toews, Deputy Director & Sue Nelson, Lease & Contracts Administrator
SUBJECT: Northwest School of Wooden Boatbuilding Lease Agreement

ISSUE: Should the Commission authorize the Executive Director to execute a lease agreement substantially in the form presented with the Northwest School of Wooden Boatbuilding for a portion of the Nomura Building?

BACKGROUND & DISCUSSION: In April of 2020, the Northwest School of Wooden Boatbuilding (NWSWB, or “the Boat School”) entered into month-to-month rental agreement for approximately 1,942 square feet on the ground floor of the Nomura Building. The space is being used as a satellite classroom for maritime education and systems classes. Under the current month-to-month rental agreement, both monetary and nonmonetary consideration are included as rent, with monetary rent established at \$500.07 per month, which represents 25% of market rent.

Below market monetary rent is appropriate in this circumstance because the Boat School is providing job training and education that is of direct benefit to the Port. The vocational training provided by the Boat School is an authorized function of the Port under RCW 53.08.245, and will help to provide the education necessary for new trades people to enter into marine-related industries in Jefferson County, a key component of the local economy. Hence, the value of the combined monetary and non-monetary consideration is adequate, and equivalent to the fair market monetary rent that would ordinarily be charged for the space.

The location of the premises is ideal for the Boat School, as it allows the students and faculty to be in the heart of the Boat Yard, allowing for hands-on training.

RECOMMENDATION: Staff recommends that the Commission authorize the Executive Director to execute a lease with the Northwest School of Wooden Boat Building substantially in the form presented.

MOTION: None required. Approval of this item on the Consent Agenda authorizes the Executive Director to execute a lease with the Boat School. The form will be in all material respects identical to the draft presented to the Commission under this agenda item.

ATTACHMENTS

- Summary of Key Terms, consisting of two (2) pages; and
- Northwest School of Wooden Boat Building Lease, including attached Exhibit “A”, together consisting of sixteen (16) pages.

PORT OF PORT TOWNSEND
Summary of Key Terms
Northwest School of Wooden Boatbuilding – Boat Haven Building Lease
(June 14, 2021)

1. **LESSEE:** Northwest School of Wooden Boatbuilding (“the Boat School”), a Washington nonprofit corporation (UBI # 600383380)
2. **PREMISES:** An approximately 1,942 square foot (50’ x 107’) area of space located on the ground floor of the K.C. Nomura Building (commonly known as the “Skookum Building”) located at 385 Benedict Street, Port Townsend, Jefferson County, Washington.
3. **TERM:** Five (5) years, beginning on July 1, 2021, and ending on June 30, 2026, with one (1) five (5) year option.
4. **RENT AND NONMONETARY CONSIDERATION:** Below market rent to be allowed throughout the lease term IN CONSIDERATION of the Boat School’s provision of marine systems instruction in various disciplines (intensive vocational training) of direct benefit to Port Boat Haven tenants and contractors that serve Port customers. Rent = **\$509.78** per month plus Leasehold Excise Tax¹, if applicable. Fair market rate increase may be applied at the beginning of year three (3) and every three (3) years after. CPI-U applied annually beginning in year two (2) and each year where a market rate adjustment has not been applied.
5. **DEPOSIT:** Three month’s security + LHT required at lease inception (\$1,725.71). Because Lessee has a deposit on file of \$500.07, a deposit balance of \$1,225.64 would be due.
6. **USE OF PREMISES:** Maritime educational/classroom space (building) and practical field application of competencies on vessels (land). The Boat School will pay all costs and expenses associated and in connection with the use of the Premises and the rights and privileges there in granted, including, but not limited to, leasehold and other taxes, permit fees, license fees, and assessments lawfully levied or assessed upon the Premises or property at any time.
7. **HOLDING OVER:** In the event the Maritime Center allows the lease to expire without negotiating a new agreement with the Port, the tenancy will roll over into a month-to month basis, with all other provisions of the lease agreement remaining in effect, except that the rent will increase to 125% of the rent due in the month preceding the holdover.
8. **UTILITIES:** All utilities are the responsibility of the Boat School. Separate water and electrical meters have not yet been established for the premises. Accordingly, it is anticipated that fees will be billed on the basis of the difference or “delta” between baseline historic data provided by Skookum Educational Services, Inc., and the new/increased utility charges.
9. **MAINTENANCE & REPAIR:** The Port will be responsible for maintaining in good condition the structural parts of the building, including the foundations, bearing and exterior walls, subflooring and roofs, the unexposed electrical, plumbing and sewerage systems (including those portions of

¹ \$509.78 per month is derived as follows: 1) 25% of the per square foot per month market rent (\$1.05, adjusted for inflation) for the building space as determined by Clarke, White & Veenstra in the April 2020 appraisal prepared on behalf of the Port; 1,942 sf x \$1.05 = \$2,039.10 x 25% = **\$509.78**; \$509.78 x 12.84% Leasehold Excise Tax= \$65.46; \$509.78 + \$65.46 = \$575.24.

the systems lying outside the premises), exterior doors, window frames, gutters, downspouts, and the heating, and the ventilation system serving the premises. The Boat School will be 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 the premises.

10. **INSURANCE:** Commercial General Liability of \$2,000,000 combined single limit; Workers Compensation Insurance of not less than \$1,000,000 per occurrence; insurance certificates naming the Port as an additional insured; proof of insurance must be provided prior to occupancy.
11. **ASSIGNMENT/SUBLEASE:** Permitted only by prior written consent of the Port.
12. **LIMITED WAIVER OF IMMUNITY:** A limited waiver of immunity under the Industrial Insurance Act (or other similar scheme) will be required to protect the Port against personal injury lawsuits that may be brought by employees of the Maritime Center.
13. **DEFAULTS/TERMINATION:** Time is of the essence. Failure to pay rent, or to abide by the covenants/agreements contained in the lease, would serve as a basis for termination. The Maritime Center will be provided with fifteen (15) days' written notice to cure defaults.

PORT OF PORT TOWNSEND BOAT HAVEN BUILDING LEASE

THIS LEASE AGREEMENT made this ____ day of June 2021, 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 **NORTHWEST SCHOOL OF WOODEN BOAT BUILDING¹**, a Washington non-profit corporation, hereinafter referred to as "Lessee,"

WITNESSETH:

FOR AND IN CONSIDERATION of the mutual promises, covenants, and conditions hereinafter set forth, the parties agree as follows:

1. **LEASED PREMISES:** The Port hereby leases to Lessee, and Lessee hereby hires and leases from the Port, the following described premises situated in Jefferson County, State of Washington:

Approximately 1,942 square feet of space on the ground floor of the Karl C. Nomura Building (commonly known as the "Skookum Building") located at 385 Benedict Street, in Port Townsend, Jefferson County, Washington,

hereinafter referred to as "the premises." The premises are depicted on Exhibit "A" which is attached hereto and which by this reference is incorporated herein as if fully set forth herein.

2. **TERM:** The term of this Lease is five (5) years, beginning July 1, 2021, and ending at midnight, June 30, 2026, unless extended or sooner terminated as provided in this Lease. The Lessee shall also have an option to extend the lease term by one (1) additional five (5)-year term. Notification to extend the Lease will be done in writing 90 days prior to end of the initial lease term.
3. **RENT AND NONMONETARY CONSIDERATION:** It is agreed that Lessee shall pay rent and other nonmonetary consideration for use of the premises as follows:
 - a. **Rent – Monetary Consideration:** Lessee agrees to pay **Five Hundred Fourteen Dollars and Sixty-Three Cents (\$509.78)** per month plus all applicable taxes.² The rent for each month shall be paid to the Port in advance on or before the

¹ UBI # 601-112-324; business operates under one or more registered trade names.

² Calculated as follows: 1,942 square feet x \$1.05 psf (note: \$1.05 is Clark, White Veenstra's April 2020 appraisal of \$1.00 per square foot adjusted for inflation through May 2021) = \$2,039.10; \$2,039.10 x 25% = \$509.78. If/when applicable, leasehold excise tax (LET) will be calculated @ 12.84% - or, \$509.78 x 12.84% = \$65.46.

first day of each and every month and shall be payable at such place as the Port may hereinafter designate. The rental rate beginning in year two (2) and annually throughout the initial or any extended term of this Lease will be adjusted by an amount equal to the accumulative amount found on the Consumer Price Index for all urban consumers (CPI-U) for Seattle-Tacoma-Bellevue, which is compiled by the Department of Labor, Bureau of Statistics. In the event Lessee exercises its option for a second five (5) year term, beginning in year six (6) the rental rate may be adjusted to twenty-five percent (25%) of the fair market rental rate then prevailing for comparable commercial and/or industrial property in the Western Washington area, bearing in mind all allowable uses of the property and all services and amenities available to the property by virtue of its location. In no event shall any rent adjustment result in a reduction in rent from the rate paid in the prior year.

b. Job Training and Education - Non-Monetary Consideration: In addition to the rents set forth in subparagraph 3(a), above, Lessee shall, throughout the term of this Agreement, use the premises primarily for the purpose of occupational education programs associated with Port tenants and Port-related economic activities. Lessee agrees to periodically furnish quantitative information on the number of workers trained, placed in jobs, the types of jobs and range of compensation, and any other tangible benefits realized by the Port, workers, local businesses and public. Lessee shall furnish information in a form acceptable to the Port's Auditor documenting that the requirements of this paragraph have been satisfied.

- 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:** At inception of this Lease, Lessee shall establish with the Port a security deposit in the amount of **One Thousand Seven Hundred Twenty-Five Dollars and Seventy-One Cents (\$1,725.71)**.³ Lessee has an existing deposit of **Five Hundred Dollars and Seven Cents (\$500.07)** currently on file with the Port under a month-to-month rental agreement terminated and superseded by this Lease. Accordingly, Lessee shall deposit an additional **One Thousand Two Hundred Twenty-Five Dollars and Sixty-Four Cents (\$1,225.64)** in order to satisfy the requirements of this Paragraph 5. Throughout the initial lease term or any extended term, the security deposit shall be adjusted annually to ensure that an amount equivalent to three (3) months' then current rent plus all applicable taxes is maintained with the Port. The

³ Required security for all Port leases is three (3) months (minimum + LET, calculated as follows: \$509.78 per month x 3 = \$1,529.34; \$1,529.34 x 12.84% LET = \$196.37; = \$1,529.34 + \$196.37 = \$1,725.71.

deposit shall be held by the Port as security for Lessee's faithful performance of all its 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 marine systems instruction (vocational training) and associated uses 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 in a first-class manner 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 redecorating or for reasons beyond Lessee's reasonable control.
7. **CONDUCT COVENANTS AND WARRANTIES:** Lessee specifically covenants and warrants to the Port as follows:
 - a. **Quiet Conduct.** The conduct of Lessee and such others for whom Lessee is responsible shall not, in any manner, disturb the quiet enjoyment of other tenants, invitees, or visitors, in or near where the Premises are located, including common areas.
 - b. **Damage.** The conduct of Lessee and such others for whom Lessee is responsible shall not result in or cause destruction or damage to the Premises, or any part thereof including, but not limited to any and all common areas, or the property of other tenants, their invitees, and visitors.
8. **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 the following: electricity; water; sewerage; garbage disposal; and communications. Because separate water and electrical meters have not been installed, fees will be assessed on the basis of the difference between baseline historic utility usage data for the Nomura Building and the new, increased, utility charges. The Port will develop a formula for fairly apportioning electric, water and sewerage utilities based on a proportionate use basis. The formula shall be provided in writing to Lessee prior to assessment of any charges.
9. **ACCEPTANCE OF PREMISES:** Lessee has examined the premises and accepts them in their present condition "as is". The Port makes no representations or warranties with respect to the condition, suitability, zoning restrictions, or usability, except the Port's right to grant a lease 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.

- 10. MAINTENANCE AND REPAIR:** Maintenance and repair of the premises shall be the sole responsibility of Lessee. Accordingly, 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's obligation to make repairs shall not extend to any repairs to the roof (structure or covering), to the foundations of the building or structure and exterior walls, of which the leased premises are a part, unless such repairs are necessitated by Lessee's negligence or failure to maintain the interior. Lessee shall, at its' own expense, and at all times:

- a. Keep the premises, and the adjoining roadways and sidewalks, 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.

11. ALTERATIONS AND IMPROVEMENTS:

- a. 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, which shall not be unreasonably withheld. Such written approval shall also include agreement for disposition of the improvements upon termination of this Lease.
- b. The parties understand and agree that during the initial term of this Lease, Lessee intends to proceed with removal of all or a portion of the principal north/south partition wall within the premises in order to create a larger classroom space. Because the subject partition wall is load bearing, this alteration is anticipated to require building permit review and approval. The parties agree to collaborate in the design of such alteration, with Lessee solely responsible for the cost of the alteration which is anticipated to be undertaken by Port Maintenance staff.

- 12. 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.

13. DAMAGE OR DESTRUCTION:

- a. Should the premises or the building 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 the building 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 subparagraph 13(b) shall become applicable, the Port shall advise Lessee within thirty (30) days after the happening 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.

- 14. 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. This provision shall survive the termination of this Agreement.

- 15. LIMITED WAIVER OF IMMUNITY UNDER WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW AND OTHER SIMILAR INDUSTRIAL INSURANCE SCHEMES:** For purposes of the indemnification provision set forth in Paragraph 14, above, and only to the extent of claims against Lessee by the Port under such indemnification provision, Lessee specifically waives any immunity it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW, The United States Longshore and Harbor Workers Compensation Act, 33 USC §901-950, or any other similar workers' compensation schemes. The indemnification obligation under this lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefit acts, or other employee benefit acts. The foregoing provision was specifically negotiated and agreed upon by the parties hereto.
- 16. 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 \$2,000,000.00 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 Lessee's employees from claims under Washington Workers Compensation Act as well as all Federal Acts applicable to the Lessee's operations at the site such as but not limited to U.S. Longshoremen and Harborworkers Act, Jones Act, and Federal Employers Liability section of the Washington Workers Compensation Policy and all Federal Acts Insurance shall not be less than \$1,000,000.00 for each occurrence.

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 16(a) and (b) herein shall be met prior to inception of this Lease Agreement.

- 17. 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 17 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.

- 18. 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 Agreement, 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.
- 19. TAXES:** Lessee shall be liable for and shall pay throughout the term of this Lease Agreement, all applicable license and excise fees and occupation taxes covering the business conducted on the premises, and all applicable taxes on property of Lessee on the leased premises and any applicable taxes on the leased premises or leasehold interest created by this Lease Agreement, including the Washington State Leasehold Tax (currently 12.84% of rents paid) levied under RCW 82.29A.030.
- 20. 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 further agrees to comply with all applicable federal, state, and municipal laws, ordinances, and regulations. Lessee further agrees to obtain all required permit authorizations prior to commencing any alteration or improvement to the premises approved by the Port under Paragraph 11, above. 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.
- 21. 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, 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 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. If the Port shall give its consent to any assignment or sublease, this paragraph shall nevertheless

continue in full force and effect and no further assignment or sublease shall be made without the Port's consent.

- 22. DEFAULTS - TERMINATION:** 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.
- 23. 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 Agreement 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. The Lessee and the Port's Executive Director will agree to appropriate compensation to be provided Lessee for loss of use, cost of relocation, and/or cost of improvements. 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.
- 24. 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.

- 25. 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.
- 26. 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.
- 27. 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.
- 28. 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 22 hereof.
- 29. 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.

30. SURRENDER OF PREMISES – ATTORNEY’S FEES:

- a. At the expiration or earlier termination of the term, Lessee shall surrender to the Port the possession of the premises and all improvements. Surrender or removal of fixtures, trade fixtures and improvements shall be as directed in Paragraph 11 of this Lease on ownership of improvements at termination. Lessee shall leave the surrendered premises in broom-clean condition except as provided to the contrary in provisions of this Lease on maintenance and repair of improvements. All property that Lessee is required to surrender (i.e., fixtures and improvements) shall become the Port’s property at termination of this Lease. All property that Lessee is not required to surrender but that Lessee abandons shall, at the Port’s election, become the Port’s property at termination. If Lessee fails to surrender the premises at the expiration or sooner termination of this Lease, Lessee shall defend and indemnify the Port from all liability and expense resulting from the delay or failure to surrender, including, without limitation, claims made by any succeeding tenant founded on or resulting from Lessee’s failure to surrender.
- b. In the event that either party shall commence legal action to interpret or to enforce any of the provisions of this Lease, the substantially prevailing party shall be entitled to an award for all reasonable attorneys’ fees, costs and disbursements incurred in any such action, in addition to any other relief to which the substantially prevailing party may be entitled. Any action brought under the terms of this Lease shall be maintained in Jefferson County, Washington.

31. 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.

32. 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.

- 33. 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 which would or might constitute the basis for such a lien on the leased premises if not paid.
- 34. 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
c/o Lease & Contracts Administrator
PO Box 1180
Port Townsend, Washington 98368

To Lessee:

NORTHWEST SCHOOL OF WOODEN BOAT BUILDING
c/o Executive Director
42 N. Water Street
Port Hadlock, WA 98339
Phone: (360) 385-4948

or to such other respective addresses as either party 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.

- 35. "LESSEE" INCLUDES LESSEE, ETC.:** It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular 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 Lessee or Lessees under this Lease Agreement.
- 36. CAPTIONS:** The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.
- 37. 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.

- 38. NON-DISCRIMINATION IN 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 Agreement. 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.

- 39. NON-DISCRIMINATION IN 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.

- 40. 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 its 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 _____ day of June 2021 and effective upon the receipt of a deposit and liability insurance documentation from the Lessee.

THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN THE PARTIES AND CONTAINS A LIMITED WAIVER OF IMMUNITY UNDER TITLE 51 RCW, AN INDEMNIFICATION AND A RELEASE.

LESSEE – NORTHWEST SCHOOL OF WOODEN BOAT BUILDING

Betsy Davis, Executive Director

ATTEST:

LESSOR - PORT OF PORT TOWNSEND

APPROVED AS TO FORM

Eron Berg, Executive Director

Port Attorney

**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

I certify that I know or have satisfactory evidence that Betsy Davis signed this instrument and that she is authorized to execute the instrument and acknowledged it to be her 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**

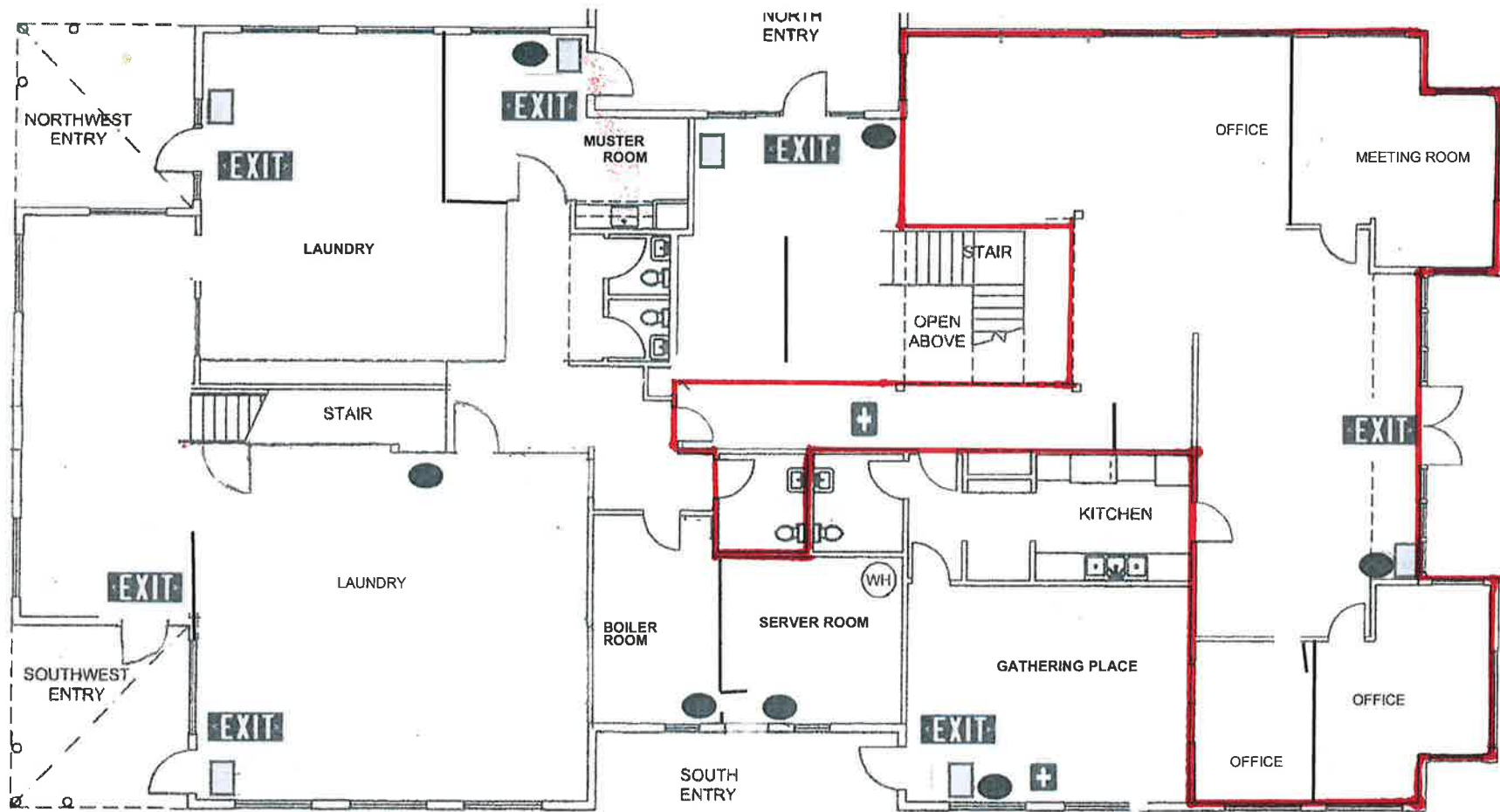
I certify that I know or have satisfactory evidence that Eron Berg signed this instrument and that he is authorized to execute the instrument as Interim Executive Director of the Port of Port Townsend and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Signature of
Notary Public: _____

My Appointment Expires: _____

NORTHWEST SCHOOL OF WOODEN BOAT BLDG.
EXHIBIT 'A'



- Fire Alarm
- Fire extinguisher

In an emergency, evacuate the building by the nearest marked exit, and gather together for roll call under the flag pole by the launch ramp.

Port Townsend Office

1st Floor

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

| | |
|---------------------|--|
| MEETING DATE | June 23, 2021 |
| AGENDA ITEM | <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input type="checkbox"/> Regular Business <input type="checkbox"/> Informational |
| AGENDA TITLE | IV.D. Resolution 747-21 BIG Grant application Boat Haven Linear Dock |
| STAFF LEAD | Eric Toews, Deputy Director |
| REQUESTED | <input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion |
| ATTACHMENTS | <ol style="list-style-type: none"> 1. Info Memo 2. Resolution 747-21 BIG Grant application Boat Haven Linear Dock |

DATE: 6/17/2021
TO: Port Townsend Port Commission
FROM: Eric Toews, Deputy Director
SUBJECT: Boating Infrastructure Grant (BIG) Authorizing Resolution No. 747-21 – Boat Haven Linear Dock Replacement

ISSUE: Should the Executive Director and Deputy Director be authorized to execute and file such agreements as may be needed with the Washington State Recreation and Conservation Office (RCO) to secure Boating Infrastructure Grant (BIG) program funding to support the Boat Haven Linear Dock Replacement Project?

BACKGROUND & DISCUSSION: As previously reported in staff comments during the June 9, 2021, regular meeting, staff is proceeding with preparation of a grant funding request to help support replacement of a substantial portion (approximately 1,035 linear feet) of the Boat Haven Linear Dock. Staff has prepared a draft of Port Commission Resolution No. 747-21 (attached) which would authorize the Executive Director or Deputy Director to execute and file all documents necessary to secure grant funding assistance from RCO for this important project. The form and content of the resolution is mandated by the Washington State Attorney General's Office.

Constructed in the 1967, the 1,035-foot Boat Haven Linear Dock is nearing the end of its useful life. The proposed project would replace the present east-west section of dock and associated pilings using modern materials (e.g., "sunlight" decking, creosote-treated pilings to be replaced with galvanized steel pilings). Located at the heart of Boat Haven, this facility is critical for recreational boaters as well as the marine trades.

The preliminary estimate for this project is \$2,679,625, of which amount 44%, or \$1,179,036 would be "grant eligible".¹ The Port would be seeking \$884,277 (75%) of the grant eligible portion of the project costs, with a Port grant match of \$294,759 (25%). However, because the majority of the project would not be BIG Program eligible, the Port (if successful) would be funding \$1,795,348 (77%) of the overall dock replacement project.

The technical submission deadline for the grant is July 7, 2021. Following review by RCO, applications are returned to applicants for further refinement and revision, with formal submission in August. Awards will not be announced until the spring of 2022.

FISCAL IMPACT: As noted above, this project will require up to \$2,679,625 in overall funding. Because only a portion of the overall project cost is eligible for grant funding, the Port would be required to support the lion's share of the larger project (\$1,795,348, 77%), with 33% of the overall cost being grant funded. BIG funding is limited to 75% of eligible project costs. Hence, the Port is seeking \$884,277, or 75%, of the eligible project cost of \$1,179,036, which represents 44% of the total linear feet of dock and pilings to be replaced.

¹ BIG monies may only be used for projects serving transient, non-trailerable recreational vehicles of 26 feet or greater in length. Because Boat Haven Linear Dock serves multiple classes of vessels, including commercial and permanent (month-to-month) moorage tenants, only 44%, or approximately 911 linear feet of dock would meet the eligibility requirements for grant funding.

RECOMMENDATION: Approve Port Commission Resolution 747-21 as presented.

MOTION: As this item is on the Consent Agenda, no specific motion required.

ATTACHMENT: Draft Port Commission Resolution No. 747-21. Please also note that a sample RCO Grant Agreement is hyperlinked within the Resolution to enable convenient review.

RESOLUTION NO. 747-21

A Resolution of the Commission of the Port of Port Townsend

AUTHORIZING THE EXECUTIVE DIRECTOR OR DEPUTY DIRECTOR OF THE PORT OF PORT TOWNSEND TO FILE APPLICATIONS WITH THE WASHINGTON STATE RECREATION AND CONSERVATION OFFICE (RCO), SEEKING BOATING INFRASTRUCTURE GRANT (BIG) PROGRAM FUNDING TO SUPPORT REPLACEMENT OF THE BOAT HAVEN LINEAR DOCK FACILITY.

Project Number and Name: 21-1261 DEV, BOAT HAVEN LINEAR DOCK REPLACEMENT PROJECT

This Resolution 747-21 authorizes the person(s) identified below (in Section 2) to act as the authorized representative/agent on behalf of the Port of Port Townsend (the "Port") and to legally bind the Port with respect to the above Project for which the Port seeks grant funding assistance managed through the Recreation and Conservation Office (the "Office").

WHEREAS grant assistance is requested by our organization to aid in financing the cost of the Project referenced above;

NOW, THEREFORE, BE IT RESOLVED that:

Section 1. Our organization intends to apply for funding assistance managed by the Office for the above "Project."

Section 2. Our organization authorizes the following person or persons holding specified titles/positions (and subsequent holders of those titles/positions) to execute the following documents binding our organization on the above projects:

| Grant Document | Name of Signatory or Title of Person Authorized to Sign |
|---|--|
| Grant application (submission thereof) | Eron Berg, Executive Director of the Port of Port Townsend OR Eric Toews, Deputy Director of the Port of Port Townsend |
| Project contact (day-to-day administering of the grant and communicating with the RCO) | Eric Toews, Deputy Director of the Port of Port Townsend |
| Agreement amendments | Eron Berg, Executive Director OR Eric Toews, Deputy Director |
| Authorizing property and real estate documents (Notice of Grant, Deed of Right or Assignment of Rights if applicable). These are items that are typically recorded on the property with the county. | Eron Berg, Executive Director OR Eric Toews, Deputy Director |

The above persons are considered “authorized representatives/agents” for purposes of the documents indicated. The Port shall comply with a request from the RCO to provide documentation of persons who may be authorized to execute documents related to the grant.

Section 3. Our organization has reviewed the sample RCO Grant Agreement on the Recreation and Conservation Office’s WEBSITE at:

<https://rco.wa.gov/wp-content/uploads/2019/06/SampleProjAgreement.pdf>.

We understand and acknowledge that if offered an agreement to sign in the future, it will contain an indemnification and legal venue stipulation and other terms and conditions substantially in the form contained in the sample Agreement and that such terms and conditions of any signed Agreement shall be legally binding on the sponsor if our representative/agent enters into an Agreement on our behalf. The Office reserves the right to revise the Agreement prior to execution.

Section 4. Our organization acknowledges and warrants, after conferring with its legal counsel, that its authorized representatives/agents have full legal authority to act and sign on behalf of the organization for their assigned role/document.

Section 5. Grant assistance is contingent on a signed Agreement. Entering into any Agreement with the Office is purely voluntary on our part.

Section 6. Our organization understands that grant policies and requirements vary depending on the grant program applied to, the grant program and source of funding in the Agreement, the characteristics of the project, and the characteristics of our organization.

Section 7. Our organization further understands that prior to our authorized representatives/ agents executing any of the documents listed above, the RCO may make revisions to its sample Agreement and that such revisions could include the indemnification and the legal venue stipulation. Our organization accepts the legal obligation that we shall, prior to execution of the Agreement(s), confer with our authorized representatives/agents as to any revisions to the project Agreement from that of the sample Agreement. We also acknowledge and accept that if our authorized representatives/agents execute the Agreements with any such revisions, all terms and conditions of the executed Agreement shall be conclusively deemed to be executed with our authorization.

Section 8. Any grant assistance received will be used for only direct eligible and allowable costs that are reasonable and necessary to implement the project referenced above.

Section 9. If match is required for the grant, we understand our organization must certify the availability of match at least one month before funding approval. In addition, our organization understands it is responsible for supporting all non-cash matching share commitments to this project should it not materialize.

Section 10. Our organization acknowledges that if it receives grant funds managed by the Office, the Office will pay us on only a reimbursement basis. We understand reimbursement basis means that we will only request payment from the Office after we incur grant eligible and allowable costs and pay them. The Office may also determine an amount of retainage and hold that amount until all project deliverables, grant reports, or other responsibilities are complete.

Section 11. Our organization acknowledges that any property owned by our organization that is developed, renovated, enhanced, or restored with grant assistance must be dedicated for the purpose of the grant in perpetuity unless otherwise allowed by grant program policy, or Office in writing and per the Agreement or an amendment thereto.

Section 12. This resolution is deemed to be part of the formal grant application to the Office.

Section 13. Our organization warrants and certifies that this resolution was properly and lawfully adopted following the requirements of our organization and applicable laws and policies and that our organization has full legal authority to commit our organization to the warranties, certifications, promises and obligations set forth herein.

ADOPTED this 23rd day of June 2021, 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

Peter W. Hanke, President


Pamela A. Petranek, Vice President

On file at:
The Port of Port Townsend Administration Building
2701 Jefferson Street
Port Townsend, WA 98368

Consistent with Governor's Proclamation 20-28, this Applicant Resolution was adopted by our organization during a remotely accessible meeting (via ZOOM) on June 23, 2021.

Washington State Attorney General's Office

APPROVED AS TO FORM:



Assistant Attorney General

Date: February 13, 2020

Port Attorney

Date: June 23, 2020

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

| | |
|---------------------|--|
| MEETING DATE | June 23, 2021 |
| AGENDA ITEM | <input type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input checked="" type="checkbox"/> Regular Business <input type="checkbox"/> Informational |
| AGENDA TITLE | VIII. A. Updated Capital Plan for 2021 with new & changed projects |
| STAFF LEAD | Mike Love, Director of Capital Projects & Port Engineer |
| REQUESTED | <input checked="" type="checkbox"/> Information <input type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion |
| ATTACHMENTS | No materials – presentation only |

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

| | |
|---------------------|---|
| MEETING DATE | June 23, 2021 |
| AGENDA ITEM | <input type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input checked="" type="checkbox"/> Regular Business <input type="checkbox"/> Informational |
| AGENDA TITLE | VIII. A. Updated Capital Plan for 2021 with new & changed projects |
| STAFF LEAD | Mike Love, Director of Capital Projects & Port Engineer |
| REQUESTED | <input checked="" type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input checked="" type="checkbox"/> Discussion |
| ATTACHMENTS | <ol style="list-style-type: none"> 1. Updated 5-year Capital Improvement Plan (CIP) for 2021-2025 as of June 2021 2. Updated 5-year CIP for 2021-2025 as of October 2020 3. Photo of a gator vehicle for reference |

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 6/16/2021
TO: Port Commission
FROM: Abigail Berg, Director of Finance & Administration, and
Mike Love, Director of Capital Projects & Port Engineer
SUBJECT: Updated 5-year Capital Improvement Plan (CIP) for 2021-2025

ISSUE

Presented today is an updated capital improvement plan (CIP) that includes potential funding for years 2021-2025. The primary focus is on the remainder of this year regarding Commission approval of projects, in addition to providing the Commission with a preview of upcoming budget discussions regarding both projects and funding for the 5-year CIP.

BACKGROUND/DISCUSSION

Attached to this memo is a copy of the 5-year CIP plan adopted during the 2021 budget process in November 2020 and a draft updated 5-year CIP plan for the same timeframe. In the past 7-8 months, there has been a huge shift in potential projects because the Port has not only added the Director of Capital Projects position, but in more recent months, the Port has been successful with grant funding opportunities for infrastructure. As a result of these changes, as well as being nearly halfway through the year, we have more accurate projections.

In comparing the November 2020 version with the draft presented here, the overall CIP spending increased in 2021 from \$1,504,361 to \$1,896,934; this is an increase of \$392,573. One of the large changes is the pending payment of approx. \$560,000 for the additional overlay work required on the JCIA Runway Reconstruction project. Other projects were moved to 2022, like the Boat Haven Breakwater Repair for \$350,000. This report should be reviewed by project line item for further details. The 1st page lists projects by location; the 2nd page lists projects by funding source—both on the original CIP and the updated one.

As was discussed at the last Commission meeting, our 2021 replacement pick-up truck order was cancelled due to microchip supply issues. In an effort to continue to support Yard staff, we are proposing to instead purchase two (2) gator vehicles with two (2) trailers for them to use in the Yard, and a mower for the airport (originally planned for 2022). In addition, the Boat Haven Planning committee has made it clear that the boat stacking machine isn't as critical as a replacement 70 Ton lift. This lift is well over 30 years old (circa 1985) and it is becoming increasingly difficult to obtain replacement parts. Staff obtained a quote for a replacement 75 Ton lift for \$587,918, including tax, delivery and assembly. In addition, the lift vendor also provided us with an estimated used equipment value for the 70 Ton of \$60,000-\$70,000, and they could assist with disassembly of the 70 Ton, if concurrent with the delivery of a new 75 Ton. The vendor requires a 35% deposit in advance. Staff would like to order a new 75 Ton lift now for delivery in 2022; the deposit is estimated at \$189,000.

FISCAL IMPACT

| | |
|--|-----------|
| 2021 – increased capital expenditures of | \$392,573 |
| 2021 -- increased grant funding by | \$329,839 |
| 2021 – decreased IDD levy funding by | \$106,700 |
| 2021 – increased NOI funding by | \$186,959 |

RECOMMENDATION

1. Motion to accept the updated 5-year CIP with 2021 capital projects as presented, including the use of funding to pay for them.
2. Motion to approve ordering a new 75 Ton lift for delivery in 2022.

ATTACHMENTS:

- Updated 5-year Capital Improvement Plan (CIP) for 2021-2025 as of October 2020
- Updated 5-year Capital Improvement Plan (CIP) for 2021-2025 as of June 2021
- Photo of a possible gator vehicle for reference

Port of Port Townsend

| | note | 2021 estimate | 2022 estimate | 2023 estimate | 2024 estimate | 2025 estimate | Total 5 year estimate |
|---|------|--------------------|--------------------|--------------------|------------------|--------------------|--------------------------|
| FUNDING SOURCES | note | 2021 estimate | 2022 estimate | 2023 estimate | 2024 estimate | 2025 estimate | Total 5 year estimate |
| GRANTS -- Secured | | | | | | | |
| FAA - JCIA Runway Rehabilitation Grant close-out | | (22,661) | - | - | - | - | (22,661) |
| RCO - PH North & South Jetties Replacement - Construction | | - | (882,611) | - | - | - | (882,611) |
| PORT WIDE CAPITAL RESERVE | | | | | | | |
| Main Breakwater Repairs | | | - | | | | - |
| BOAT HAVEN RESERVE | | | | | | | |
| Main Breakwater Repairs - Construction | | (45,025) | - | - | - | - | (45,025) |
| IDD LEVY RESERVE | | | | | | | |
| PH North & South Jetties Replacement | | - | - | - | - | - | - |
| Design & Permitting | | (226,700) | - | - | - | - | (226,700) |
| Construction | | - | (1,233,478) | (1,410,000) | - | - | (2,643,478) |
| Work & Boat Yard Resurfacing | | (90,000) | - | (100,000) | (100,000) | (100,000) | (390,000) |
| Main Stormwater Pump Station repairs | | (100,000) | - | - | - | - | (100,000) |
| JCIA Fuel Tank Replacement | | - | (325,000) | - | - | - | (325,000) |
| Dock Renovation & Piling Replacement | | (150,000) | (150,000) | (150,000) | (150,000) | (150,000) | (750,000) |
| Sperry Buildings Capital Maintenance (planned 2/year) | | (70,000) | (100,000) | (100,000) | (100,000) | (100,000) | (470,000) |
| Work & Boat Yard Electrical Design | | (30,000) | - | - | - | - | (30,000) |
| Work & Boat Yard Electrical Construction | | - | (350,000) | - | (75,000) | | (425,000) |
| Quilcene Implementation of Plan | | - | (400,000) | - | - | - | (400,000) |
| Quilcene Marina Dock Repairs | | - | (256,000) | - | - | - | (256,000) |
| Quilcene Ramp Upgrade | | - | - | (300,000) | - | - | (300,000) |
| PH Building Preservation (including roofs) | | - | (100,000) | (100,000) | (100,000) | (100,000) | (400,000) |
| JCIA Renovate Hangars | | - | - | - | - | (600,000) | (600,000) |
| TOTAL PROJECTED IDD LEVY FUNDS USE 2021-2025 | | (666,700) | (2,914,478) | (2,160,000) | (525,000) | (1,050,000) | (7,316,178) |
| NET OPERATING INCOME (NOI) | | | | | | | |
| Main Breakwater Repairs - Construction | | (304,975) | - | - | - | - | (304,975) |
| JCIA Airport Terminal | | (100,000) | - | - | - | - | (100,000) |
| Moorage Office | | (60,000) | - | - | - | - | (60,000) |
| Quilcene Facility Planning & Prelim. Eng. | | (50,000) | - | - | - | - | (50,000) |
| Paint Boat Haven Fuel dock | | (10,000) | - | - | - | - | (10,000) |
| Point Hudson Landscaping | | (40,000) | - | - | - | - | (40,000) |
| Small Capital projects - unidentified | | - | (140,000) | (140,000) | (140,000) | (140,000) | (560,000) |
| Port Equipment/Vehicle replacement | | (205,000) | (300,000) | (40,000) | (40,000) | (40,000) | (625,000) |
| Total Funding Sources Secured | | (1,504,361) | (4,237,089) | (2,340,000) | (705,000) | (1,230,000) | (10,016,450) |
| Unsecured Anticipated Grants | | | | | | | |
| PH Cantilevered Esplanade | | - | - | - | - | (2,000,000) | (2,000,000) |
| PH North & South Jetties Replacement - Construction | | - | (4,933,911) | (5,640,000) | - | - | (10,573,911) |
| Gardiner Launch Ramp | | - | (500,000) | (500,000) | - | - | (1,000,000) |
| Total Unsecured Anticipated Grants | | - | (5,433,911) | (6,140,000) | - | (2,000,000) | (13,573,911) |
| Total Funding Sources Secured & Unsecured | | (1,504,361) | (9,671,000) | (8,480,000) | (705,000) | (3,230,000) | (23,590,361) |

* Boating Infrastructure Grant (BIG) agreement term extended, however, scope amendment not yet approved to reflect redesigned project.

Port of Port Townsend

| | note | 2021 estimate | 2022 estimate | 2023 estimate | 2024 estimate | 2025 estimate | Total 5 year estimate |
|---|------|------------------|------------------|------------------|------------------|------------------|--------------------------|
| JEFFERSON COUNTY INTERNATIONAL AIRPORT (JCIA) | | | | | | | |
| 2020 Runway Rehabilitation - grant close-out | | 560,000 | - | - | - | - | 560,000 |
| Airport Terminal | PS | - | 110,550 | - | - | - | 110,550 |
| Fuel Tank Replacement | | - | 100,000 | 400,000 | - | - | 500,000 |
| Renovate Hangars | | - | - | - | - | 600,000 | 600,000 |
| Construct New Connector TW A2, Install Sign | | - | - | - | - | - | - |
| <i>Phase 1 Design</i> | | - | 90,000 | - | - | - | 90,000 |
| <i>Phase 2 Construction</i> | | - | - | 555,556 | - | - | 555,556 |
| Rehabilitate Apron and Parallel TW (Crack/Slurry Seal) | | - | - | - | - | 333,333 | 333,333 |
| FEMA-Airport Hanger repair | PS | - | 80,000 | - | - | - | 80,000 |
| Maintenance Storage Building/County Building relocate | PS | - | - | 140,800 | - | - | 140,800 |
| BOAT HAVEN | | | | | | | |
| Work & Boat Yard Resurfacing | | - | - | 100,000 | 100,000 | 100,000 | 300,000 |
| Dock Renovations & Piling Replacement | PS | - | - | 150,000 | 150,000 | 150,000 | 450,000 |
| Commercial Dock Repair -New Day Fisheries | PS | 17,500 | - | - | - | - | 17,500 |
| Main Breakwater Repairs - Construction | | - | 350,000 | - | - | - | 350,000 |
| Main Stormwater Pump Station repairs | PS | 100,000 | - | - | - | - | 100,000 |
| Stormwater Treatment Compliance Upgrade | | - | 2,600,000 | - | - | - | 2,600,000 |
| Moorage Office | PS | 15,000 | 191,250 | - | - | - | 206,250 |
| Work & Boat Yard Electrical Upgrades | | - | - | - | - | - | - |
| <i>Design</i> | | - | 30,000 | - | - | - | 30,000 |
| <i>Construction</i> | PS | 75,000 | - | - | 325,000 | - | 400,000 |
| Sperry Buildings Capital Maintenance (2 buildings per year) | PS | 70,000 | 100,000 | 100,000 | 100,000 | 100,000 | 470,000 |
| BH-Linear Dock Replacement | | - | - | - | - | 2,900,000 | 2,900,000 |
| Remodel Skookum/Nomura Building | PS | 60,000 | 40,000 | - | - | - | 100,000 |
| FEMA-Stormwater filter replacement | PS | 30,000 | - | - | - | - | 30,000 |
| POINT HUDSON | | | | | | | |
| Building Preservation (incl. roof replacements) | | - | 100,000 | 100,000 | 100,000 | 100,000 | 400,000 |
| Pavillion Building Remodel | PS | 148,434 | - | - | - | - | 148,434 |
| Point Hudson Landscaping | PS | - | - | - | - | 40,000 | 40,000 |
| Replacement of North & South Jetties | | - | - | - | - | - | - |
| <i>Design & Permitting</i> | | 300,000 | - | - | - | - | 300,000 |
| <i>Construction</i> | | - | 6,000,000 | 6,000,000 | 2,100,000 | - | 14,100,000 |
| PH-Linear and Commercial Dock Replacement | | - | 485,800 | 2,429,000 | - | - | 2,914,800 |
| PH-RV Park Reconstruction | PS | - | - | - | - | 500,000 | 500,000 |
| Cantilevered Esplanade | | - | - | - | - | 2,000,000 | 2,000,000 |
| QUILCENE | | | | | | | |
| Facility Planning & Preliminary Engineering | | 50,000 | - | - | - | - | 50,000 |
| Implementation of Quilcene Plan | | - | 100,000 | 100,000 | 100,000 | 100,000 | 400,000 |
| Marina Dock Repairs | | - | - | - | - | 256,000 | 256,000 |
| Ramp Upgrade | | - | - | - | - | 300,000 | 300,000 |
| OTHER CAPITAL | | | | | | | |
| Gardiner Launch Ramp w/Seasonal Float | | 50,000 | - | 625,000 | - | - | 675,000 |
| FEMA-City Dock Repair | | - | - | 2,000,000 | - | - | 2,000,000 |
| Small Capital projects | | 20,000 | 50,000 | 105,000 | 50,000 | 50,000 | 275,000 |

Port of Port Townsend

| | note | 2021 estimate | 2022 estimate | 2023 estimate | 2024 estimate | 2025 estimate | Total 5 year estimate |
|---|------|------------------|--------------------|--------------------|--------------------|------------------|--------------------------|
| Paint Boat Haven Fuel dock | PS | 10,000 | - | - | - | - | 10,000 |
| Port Equipment/Vehicle replacement | PS | 391,000 | 520,000 | 100,000 | 100,000 | 100,000 | 1,211,000 |
| Total Estimated Project Expenses | | 1,896,934 | 10,947,600 | 12,905,356 | 3,125,000 | 7,629,333 | 36,504,223 |
| FUNDING SOURCES | note | 2021 estimate | 2022 estimate | 2023 estimate | 2024 estimate | 2025 estimate | Total 5 year estimate |
| GRANTS -- Secured | | | | | | | |
| FAA - JCIA Runway Rehabilitation Grant close-out | | (290,000) | - | - | - | - | (290,000) |
| RCO - PH North & South Jetties Replacement - Construction | | - | - | - | - | - | - |
| Fed EDA - PH North & South Jetties Replacement - Construction | | - | (3,000,000) | (3,000,000) | (1,031,300) | - | (7,031,300) |
| State - PH North & South Jetties Replacement - Construction | | - | (1,000,000) | - | - | - | (1,000,000) |
| Fed/State - Stormwater Treatment Compliance Upgrade | | - | (2,050,000) | - | - | - | (2,050,000) |
| FAA NPE -Construct New Connector TW A2, Install Sign | | - | - | - | - | - | - |
| Phase 1 Design (FAA NPE fund) | | - | (81,000) | - | - | - | (81,000) |
| Phase 1 Design (WSDOT funds) | | - | (4,500) | - | - | - | (4,500) |
| Phase 2 Construction (FAA NPE fund) | | - | - | (150,000) | - | - | (150,000) |
| Phase 2 Construction (FAA ST/DI fund) | | - | - | (350,000) | - | - | (350,000) |
| Phase 2 Construction (FAA ST/DI fund) | | - | - | (27,777) | - | - | (27,777) |
| Rehabilitate Apron and Parallel TW (Crack/Slurry Seal) | | - | - | - | - | (300,000) | (300,000) |
| Rehabilitate Apron and Parallel TW (Crack/Slurry Seal) | | - | - | - | - | (16,666) | (16,666) |
| FEMA-City Dock Repair | | - | - | (1,500,000) | - | - | (1,500,000) |
| FEMA-Stormwater filter replacement | PS | (22,500) | - | - | - | - | (22,500) |
| FEMA-Airport Hanger repair | PS | - | (60,000) | - | - | - | (60,000) |
| RCO -Gardiner Launch Ramp | | (40,000) | - | (500,000) | - | - | (540,000) |
| TOTAL PROJECTED GRANT FUNDS USE 2021-2025 | | (352,500) | (6,195,500) | (5,527,777) | (1,031,300) | (316,666) | (13,423,743) |
| PORT WIDE CAPITAL RESERVE | | | | | | | - |
| Main Breakwater Repairs | | | - | | | | - |
| BOAT HAVEN RESERVE | | | | | | | |
| Main Breakwater Repairs - Construction | | | (350,000) | - | - | - | (350,000) |
| Paint Boat Haven Fuel dock | PS | (10,000) | - | - | - | - | (10,000) |
| Commercial Dock Repair -New Day Fisheries | PS | (17,500) | - | - | - | - | (17,500) |
| IDD LEVY RESERVE | | | | | | | |
| PH North & South Jetties Replacement | | - | - | - | - | - | - |
| Design & Permitting | | (300,000) | - | - | - | - | (300,000) |
| Construction | | - | (2,000,000) | (3,000,000) | (1,068,700) | - | (6,068,700) |
| Work & Boat Yard Resurfacing | | - | - | (100,000) | (100,000) | (100,000) | (300,000) |
| Main Stormwater Pump Station repairs | PS | (100,000) | - | - | - | - | (100,000) |
| JCIA Fuel Tank Replacement | | - | (100,000) | (400,000) | - | - | (500,000) |
| Dock Renovation & Piling Replacement | | - | - | (150,000) | (150,000) | (150,000) | (450,000) |
| Sperry Buildings Capital Maintenance (2 buildings per year) | PS | (70,000) | (100,000) | (100,000) | (100,000) | (100,000) | (470,000) |
| Work & Boat Yard Electrical Design | PS | - | (30,000) | - | - | - | (30,000) |
| Work & Boat Yard Electrical Construction | PS | (75,000) | - | - | (325,000) | - | (400,000) |
| BH-Stormwater Treatment Compliance Upgrade | | - | (550,000) | - | - | - | (550,000) |
| FEMA-City Dock Repair | | - | - | (500,000) | - | - | (500,000) |
| Moorage Office | PS | (15,000) | (191,250) | - | - | - | (206,250) |

Port of Port Townsend

| | note | 2021 estimate | 2022 estimate | 2023 estimate | 2024 estimate | 2025 estimate | Total 5 year estimate |
|--|------|--------------------|---------------------|---------------------|--------------------|--------------------|--------------------------|
| Maintenance Storage Building/County Building relocate | PS | - | - | (140,800) | - | - | (140,800) |
| Quilcene Implementation of Plan | | - | (100,000) | (100,000) | (100,000) | (100,000) | (400,000) |
| Quilcene Marina Dock Repairs | | - | - | - | - | (256,000) | (256,000) |
| Quilcene Ramp Upgrade | | - | - | - | - | (300,000) | (300,000) |
| PH Building Preservation (including roofs) | | - | (100,000) | (100,000) | (100,000) | (100,000) | (400,000) |
| JCIA Renovate Hangars | | - | - | - | - | (600,000) | (600,000) |
| TOTAL PROJECTED IDD LEVY FUNDS USE 2021-2025 | | (560,000) | (3,171,250) | (4,590,800) | (1,943,700) | (1,706,000) | (11,971,750) |
| NET OPERATING INCOME (NOI) | | | | | | | |
| FAA - JCIA Runway Rehabilitation Grant close-out | | (270,000) | - | - | - | - | (270,000) |
| FAA NPE -Construct New Connector TW A2, Install Sign | | - | - | - | - | - | - |
| Phase 1 Design (FAA NPE fund) | | - | (4,500) | - | - | - | (4,500) |
| Phase 2 Construction (FAA NPE fund) | | - | - | (8,334) | - | - | (8,334) |
| Phase 2 Construction (FAA ST/DI fund) | | - | - | (19,445) | - | - | (19,445) |
| Rehabilitate Apron and Parallel TW (Crack/Slurry Seal) | | - | - | - | - | (16,667) | (16,667) |
| PH-RV Park Reconstruction | PS | - | - | - | - | (500,000) | (500,000) |
| JCIA Airport Terminal | PS | - | (110,550) | - | - | - | (110,550) |
| Quilcene Facility Planning & Prelim. Eng. | | (50,000) | - | - | - | - | (50,000) |
| Point Hudson Landscaping | PS | - | - | - | - | (40,000) | (40,000) |
| Remodel Skookum/Nomura Building | PS | (60,000) | - | - | - | - | (60,000) |
| Pavillion Building Remodel | PS | (148,434) | - | - | - | - | (148,434) |
| Gardiner Launch Ramp w/Seasonal Float | | (10,000) | - | (125,000) | - | - | (135,000) |
| FEMA-Stormwater filter replacement | PS | (7,500) | - | - | - | - | (7,500) |
| FEMA-Airport Hanger repair | | - | (20,000) | - | - | - | (20,000) |
| Small Capital projects - unidentified | | (20,000) | (50,000) | (105,000) | (50,000) | (50,000) | (275,000) |
| Port Equipment/Vehicle replacement | | (391,000) | (520,000) | (100,000) | (100,000) | (100,000) | (1,211,000) |
| TOTAL PROJECTED NOI FUNDS USE 2021-2025 | | (956,934) | (705,050) | (357,779) | (150,000) | (706,667) | (2,876,430) |
| Total Funding Sources Secured | | (1,896,934) | (10,421,800) | (10,476,356) | (3,125,000) | (2,729,333) | (28,649,423) |
| Unsecured Anticipated Grants | | | | | | | |
| PH Cantilevered Esplanade | | - | - | - | - | (2,000,000) | (2,000,000) |
| Remodel Skookum/Nomura Building funded by Tenant | PS | - | (40,000) | - | - | - | (40,000) |
| PH North & South Jetties Replacement - Construction | | - | - | - | - | - | - |
| PH-Linear and Commercial Dock Replacement | | - | (485,800) | (2,429,000) | - | - | (2,914,800) |
| BH-Linear Dock Replacement | | - | - | - | - | (2,900,000) | (2,900,000) |
| Total Unsecured Anticipated Grants | | - | (525,800) | (2,429,000) | - | (4,900,000) | (7,854,800) |
| Total Funding Sources Secured & Unsecured | | (1,896,934) | (10,947,600) | (12,905,356) | (3,125,000) | (7,629,333) | (36,504,223) |

* Boating Infrastructure Grant (BIG) agreement term extended, however, scope amendment not yet approved to reflect redesigned project.

| | | | | | | | |
|--|---|---|---|---|---|---|---|
| PS= Port maintenance Staff to be involved in the project | - | - | - | - | - | - | - |
|--|---|---|---|---|---|---|---|



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PORT OF PORT TOWNSEND

AGENDA COVER SHEET

| | |
|---------------------|--|
| MEETING DATE | June 23, 2021 |
| AGENDA ITEM | <input type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input checked="" type="checkbox"/> Regular Business <input type="checkbox"/> Informational |
| AGENDA TITLE | VIII.B. County request to use property near airport for a temporary homeless camp |
| STAFF LEAD | Eron Berg, Executive Director |
| REQUESTED | <input checked="" type="checkbox"/> Information <input type="checkbox"/> Motion/Action <input checked="" type="checkbox"/> Discussion |
| ATTACHMENTS | 1. Memo from County Commissioner Greg Brotherton 2. Jefferson County Ordinance re Homeless Facilities |



Interim County Administrator
Mark McCauley
1820 Jefferson Street
PO Box 1220
Port Townsend, WA 98368

June 21, 2022

Eron Berg
Executive Director
Port of Port Townsend
2701 Jefferson St.
Port Townsend, WA 98368

Dear Eron:

As you know, the county is working diligently to identify and evaluate potential sites where we might relocate the homeless population currently residing at the County Fairgrounds. The impending end to the Covid-19 eviction moratorium has made this an urgent and high priority for the county. In doing this we are abiding by Ordinance 10-1221-20 which authorizes the establishment of temporary encampments for the homeless (attached).

One of the candidate sites involves property owned by the Port located adjacent to Jefferson Transit: Assessor tax parcels 001332017 and 001332013. The county respectfully requests that you add a discussion of one or both of these parcels as a potential site for a temporary (not to exceed a year) homeless encampment with your Commission. Commissioner Brotherton plans to attend your Wednesday meeting to answer questions should the discussion be scheduled.

While we continue to evaluate other locations, these parcels offer a number of advantages. We need a minimum of two acres: each of these parcels is at least six acres. A significant amount of that acreage has been cleared with only mowing or brush cutting required. There is much less fire risk at this location than at most other locations. There is an entrance to one of the parcels on 4 Corners Road. Transit is adjacent to one of the parcels. Access to services is reasonably convenient. The parcels are reasonably close to law enforcement in Port Hadlock.

We appreciate your participation in the Board of Commissioners' afternoon session today to have a preliminary discussion regarding these parcels and offering to bring this to your Commission for a discussion. We look forward to hearing from your Commission on this important topic.

Sincerely,

Mark McCauley
Interim County Administrator

**COUNTY OF JEFFERSON
STATE OF WASHINGTON**

| | | |
|---|---|---------------------------------|
| An Ordinance Adopting Interim Zoning | } | |
| Regulations for the Siting, Establishment, | } | |
| and Operation of Temporary Homeless | } | ORDINANCE NO. 10-1221-20 |
| Facilities in Unincorporated Areas of | } | |
| Jefferson County | } | |

WHEREAS, homelessness continues to be a local, regional and national challenge due to many social and economic factors; and

WHEREAS, tent and tiny house encampments have become a temporary mechanism for providing shelter for homeless individuals and families; and

WHEREAS, under RCW 36.01.290 the Washington State Legislature has authorized religious organizations to host temporary encampments to provide shelter for homeless individuals on property that these religious organizations own or control; and

WHEREAS, the Jefferson County Code does not currently have permanent provisions addressing the establishment and operation of temporary homeless facilities; and

WHEREAS, the Washington State Department of Health has confirmed localized person-to-person spread of COVID-19 in Washington State, significantly increasing the risk of exposure and infection to the general public, and creating an extreme public health risk that may spread quickly; and

WHEREAS, the Jefferson County Public Health Department has confirmed localized person-to-person spread of COVID-19 in Jefferson County—and this localized person-to-person spread of COVID-19 in Jefferson County is increasing; and

WHEREAS, based on the COVID-19 threat profile, providing shelter to the homeless population would help to prevent the spread of COVID-19; and

WHEREAS, because of the COVID-19 emergency adoption of interim temporary homeless facilities regulations and processing requirements to preserve and protect public health and safety and prevent danger to public or private property would help to prevent the spread of COVID-19; and

WHEREAS, interim zoning controls enacted under RCW 36.70A.390 or RCW 36.70.790 are methods by which the County may preserve the status quo so that new plans and regulations will not be rendered moot by intervening development; and

WHEREAS, RCW 36.70A.390 or RCW 36.70.790 both authorize the enactment of an interim zoning map, interim zoning ordinance, or interim official control without holding a public hearing as long as a public hearing is held within at least sixty days of enactment; and

WHEREAS, RCW 36.70A.390 provides that, *“A county or city governing body that adopts a moratorium, interim zoning map, interim zoning ordinance, or interim official control without holding a public hearing on the proposed moratorium, interim zoning map, interim zoning ordinance, or interim official control, shall hold a public hearing on the adopted moratorium, interim zoning map, interim zoning ordinance, or interim official control within at least sixty days of its adoption, whether or not the governing body received a recommendation on the matter from the planning commission or department. If the governing body does not adopt findings of fact justifying its action before this hearing, then the governing body shall do so immediately after this public hearing. A moratorium, interim zoning map, interim zoning ordinance, or interim official control adopted under this section may be effective for not longer than six months, but may be effective for up to one year if a work plan is developed for related studies providing for such a longer period. A moratorium, interim zoning map, interim zoning ordinance, or interim official control may be renewed for one or more six-month periods if a subsequent public hearing is held and findings of fact are made prior to each renewal,”* and

WHEREAS, in conformity with the responsibilities of Jefferson County to meet public health, safety and welfare requirements and provide zoning and land use regulations pursuant to state law, and the County’s authority to regulate land use activity within its corporate limits, the County intends to develop appropriate public health, safety and welfare requirements and zoning and land use regulations for the establishment and operation of temporary homeless facilities; and

WHEREAS, the County Board of Commissioners has determined it needs additional time to conduct appropriate research to analyze the effects of the establishment and operation of temporary homeless facilities; and

WHEREAS, interim zoning will provide the County with additional time to review and amend its public health, safety and welfare requirements and zoning and land use regulations related to the establishment and operation of temporary homeless facilities; and

WHEREAS, interim zoning will also allow qualifying religious organizations and registered not-for-profit, tax exempt 501(c)(3) organizations the opportunity to establish and operate temporary homeless facilities; and

WHEREAS, the County Board of Commissioners concludes that the County does have the authority to establish an interim zoning ordinance and that the County must adopt interim zoning concerning the establishment and operation of temporary homeless facilities to act as a stop- gap measure: (1) to provide the County with an opportunity to study the issues concerning the establishment and operation of temporary homeless facilities and prepare appropriate revisions to the County’s codes and regulations; (2) to protect the health, safety, and welfare of the citizens of Jefferson County by avoiding and ameliorating negative impacts and unintended consequences of establishing and operating temporary homeless facilities and, (3) to avoid applicants possibly establishing vested rights contrary to and inconsistent with any revisions the County may make to its rules and regulations as a result of the County’s study of this matter; and

WHEREAS, the County Board of Commissioners adopts the foregoing as its findings of facts justifying the adoption of this Ordinance; and

NOW, THEREFORE, BE IT ORDAINED by the Jefferson County Board of Commissioners that:

Section 1. Findings of Fact. The County Board of Commissioners adopts the above “WHEREAS” recitals as findings of fact in support of its action as required by RCW 36.70A.390 or RCW 36.70.790.

Section 2. Regulations established. Regulations concerning the establishment and processing of applications for temporary homeless facilities in unincorporated Jefferson County are hereby established pursuant to RCW 36.70A.390, RCW 36.70.790, and RCW 38.52.070(2). Establishing such facilities contrary to the provisions of this ordinance is prohibited. Type II Administrative Use approvals shall be required in accordance with Jefferson County Code (JCC) 18.40.270 for temporary homeless facilities in the County. Applications for administrative use approvals, land use approvals, or any other permit or approval, in any way associated with temporary homeless facilities, shall not be processed, issued, granted, or approved unless in compliance with this ordinance. If a temporary homeless facility is established in violation of this ordinance or if, after an administrative use permit is issued for the same, the director of the planning and development services department determines that the permit holder has violated this ordinance or any condition of the permit, the temporary homeless facility, its sponsor and managing agency shall be subject to code enforcement and all activities associated with the temporary homeless facility shall cease, and the site shall be vacated and restored to its pre-encampment conditions.

Section 3. Definitions. The following definitions apply to temporary homeless facilities:

(a) “Temporary homeless facility” means a facility providing temporary housing accommodations that includes a sponsor and managing agency, the primary purpose of which is to provide temporary shelter for people experiencing homelessness in general or for specific populations of the homeless. Temporary homeless facilities include temporary tent encampments and temporary tiny house encampments.

(b) “Temporary tent encampment” means a short-term living facility for a group of homeless people that is composed of tents or other temporary structures, as approved by the director, on a site provided or arranged for by a sponsor with services provided by a sponsor and supervised by a managing agency.

(c) “Temporary tiny house encampment” means a temporary homeless facility for a group of people living in purpose-built tiny houses for people experiencing homelessness, as approved by the director, on a site provided or arranged for by a sponsor with services provided by a sponsor and supervised by a managing agency. Temporary tiny houses for the homeless are typically less than 200 square feet and easily constructed and moved to various locations. For the purposes of this ordinance, temporary tiny homes are not dwelling units and, as such, are not required to meet building codes.

(d) “Managing agency” means an organization identified as the manager of a temporary homeless facility that has the capacity to organize and manage a temporary homeless facility. Managing

agencies are limited to religious organizations and non-profit agencies. A “managing agency” may be the same entity as the sponsor.

(e) “Sponsor” means an organization that:

(i) invites a temporary homeless facility to reside on land they own or lease; and

(ii) is a State of Washington registered not-for-profit corporation and federally recognized tax exempt 501(c)(3) organization; or 3. is recognized by the Internal Revenue Service as exempt from federal income taxes as a religious organization, which expresses its religious mission, in part, by organizing living accommodations for the homeless.

(f) “Director” means the Community Development Department Director.

Section 4. Requirements. The following requirements shall apply to all temporary homeless facilities approved under this ordinance, unless modified by the director through approval of a Type II administrative use permit.

- (a) The encampment shall be located a minimum of 20 feet from the property line of abutting properties containing commercial, industrial, and multifamily residential uses. The encampment shall be located a minimum of 40 feet from the property line of abutting properties containing single-family residential or public recreational uses, unless the director finds that a reduced buffer width will provide adequate separation between the encampment and adjoining uses, due to changes in elevation, intervening buildings or other physical characteristics of the site of the encampment.
- (b) No temporary homeless facility shall be located within a critical area or its buffer as defined by Chapter 18.22 JCC.
- (c) A temporary homeless facility shall comply with the applicable development standards of Title 18 JCC, except that temporary homeless facilities shall not be considered structures for the purposes of calculating parcel’s total lot coverage.
- (d) A six-foot-tall fence is required around the perimeter of the encampment to limit access to the site for safety and security reasons; provided, that the fencing does not create a sight obstruction at the street or street intersections or curbs as determined by the county engineer, unless the director determines that there is sufficient vegetation, topographic variation, or other site conditions such that fencing would not be needed.
- (e) Exterior lighting must be directed downward and glare contained within the temporary encampment.
- (f) The maximum number of residents at a temporary encampment site shall be determined by the director taking into consideration site conditions, but in no case shall the number be greater than fifty (50) people.
- (g) On-site parking of the sponsor shall not be displaced unless sufficient required off- street parking

remains available for the host's use to compensate for the loss of on-site parking or unless a shared parking agreement is executed with adjacent properties.

- (h) A transportation plan, including provisions for transit, and pedestrian and bicycle ingress and egress to the encampment, shall be submitted for review and approval.
- (i) No children under the age of 18 are allowed to stay overnight in the temporary encampment, unless accompanied by a parent or guardian. If a child under the age of 18 without a parent or guardian present attempts to stay at the encampment, the sponsor and the managing agency shall immediately contact Child Protective Services and shall actively endeavor to find alternative shelter for the child.
- (j) The sponsor or managing agency shall provide and enforce a written code of conduct, which not only provides for the health, safety and welfare of the temporary encampment residents, but also mitigates impacts to neighbors and the community. A copy of the code of conduct shall be submitted to the County at the time of application for the administrative use permit. Said code shall be incorporated into the conditions of approval. The managing agency shall post the County approved written code of conduct on site.
- (k) An operations plan must be provided that addresses site management, site maintenance, and provision of human and social services. Individuals or organizations shall have either a demonstrated experience providing similar services to homeless residents; and/or certification or academic credentials in an applicable human service field; and/or applicable experience in a related program with a homeless population. Should an individual or organization not have any of the preceding qualifications, additional prescriptive measures may be required to minimize risk to both residents of the temporary homeless facility and the community in general.
- (l) The sponsor and the managing agency shall ensure compliance with Washington State laws and regulations and the Jefferson County Health Department's regulations concerning, but not limited to, drinking water connections, solid waste disposal, and human waste. The sponsor and the managing agency shall permit inspections by local agencies and/or departments to ensure such compliance and shall implement all directives resulting therefrom within the specified time period.
- (m) The sponsor and managing agency shall assure all applicable public health regulations, including but not limited to the following, will be met for:
 - (i) Potable water, which shall be available at all times at the site;
 - (ii) Sanitary portable toilets, which shall be set back from all property lines as determined by the director;
 - (iii) Hand-washing stations by the toilets and food preparation areas;
 - (iv) Food preparation or service tents; and
 - (v) Refuse receptacles.

- (n) Public health regulations (including those in Chapter 246-215 WAC and Title 8 JCC) shall be followed to specifically include food handling and storage(including proper temperature control), and homeless encampment residents involved in food donations and storages shall be made aware of these Jefferson County Health Department requirements.
- (o) The sponsor and the managing agency shall designate points of contact and provide contact information (24-hour accessible phone contact) to the chief criminal deputy of the Jefferson County Sheriff or his/her designee. At least one designated point of contact shall be on duty at all times. The names of the on duty points of contact shall be posted on-site daily and their contact information shall be provided to the Jefferson County Sheriff's Office as described above.
- (p) Facilities for dealing with trash shall be provided on-site throughout the encampment. A regular trash patrol in the immediate vicinity of the temporary encampment site shall be provided.
- (q) The sponsor and the managing agency shall take all reasonable and legal steps to obtain verifiable identification information, to include full name and date of birth, from current and prospective encampment residents and use the identification to obtain sex offender and warrant checks from appropriate agencies. The sponsor and the managing agency shall keep a current log of names and dates of all people who stay overnight in the encampment. This log shall be available upon request to law enforcement agencies and prospective encampment residents shall be so advised by the sponsor and managing agency.
- (r) Persons who have active warrants, or who are required to register as sex offenders, are prohibited from the encampment's location.
- (s) The sponsor and the managing agency shall immediately contact the Jefferson County Sheriff's Office if someone is rejected or ejected from the encampment when the reason for rejection or ejection is an active warrant or a match on a sex offender check, or if, in the opinion of the on-duty point of contact or on-duty security staff, the rejected/ejected person is a potential threat to the community.
- (t) Tents over 300 square feet in size and canopies in excess of 400 square feet shall utilize flame retardant materials.
- (u) The sponsor, the managing agency and temporary encampment residents shall cooperate with other providers of shelters and services for homeless persons within the County and shall make inquiry with these providers regarding the availability of existing resources.
- (v) The sponsor and/or managing agency shall provide before-encampment photos of the host site with the application. Upon vacation of the temporary encampment, all temporary structures and debris shall be removed from the host site within one calendar week.
- (w) Upon cessation of the temporary encampment, the site shall be restored, as near as possible, to its original condition. Where deemed necessary by the director, the sponsor and/or managing agency shall re-plant areas in which vegetation had been removed or destroyed.

Section 5. Frequency and duration -of temporary homeless facilities.

(a) No more than a maximum of 50 people may be housed in temporary homeless facilities (encampments) located in the unincorporated County at any time. Multiple encampment locations may be permitted provided that the aggregate total of people in all temporary tent and/or tiny house encampments shall not exceed 50.

(b) The director shall not grant a permit for the same site more than once in any calendar year; provided that director is not authorized to issue a permit for the same site sooner than 180 days from the date the site is vacated as provided for in Section 4 of this ordinance.

(c) Temporary tent encampments may be approved for a period not to exceed 180 days. The director may grant one 180-day extension, provided all conditions have been complied with and circumstances associated with the use have not changed. This extension shall be subject to a Type II review process and may be appealed to the hearing examiner as provided in JCC 18.40.270. The permit shall specify a date by which the use shall be terminated and the site vacated and restored to its pre-encampment condition.

(d) Temporary tiny house encampments may be approved for a period of between six months and up to one year, provided the sponsor and managing agency comply with all permit conditions. The director may grant one or more extension(s) not to exceed one additional year, provided enabling legislation allows so. Extensions are subject to a Type II review process in accordance with JCC 18.40.270 and may be appealed to the hearing examiner as provided in JCC 18.40.270. The permit shall specify a date by which the use shall be terminated and the site vacated and restored to its pre-encampment condition.

Section 6. Permit required. Establishment of a temporary homeless facility shall require approval of an administrative use permit, as described in this ordinance, and compliance with all other applicable County regulations. The director shall have authority to grant, grant with conditions or deny an application for an administrative use permit under this ordinance.

Section 7. Application. Application for a Type II administrative use permit shall be made on forms provided by the County, and shall be accompanied by the following information; provided, that the director may waive any of these items, upon request by the applicant and finding that the item is not necessary to analyze the application. An application to establish a temporary homeless facility shall be signed by both the sponsor and the managing agency ("applicant") and contain the following:

(a) A site plan of the property, drawn to scale, showing existing natural features, existing and proposed grades, existing and proposed utility improvements, existing rights-of-way and improvements, and existing and proposed structures, tents and other improvements (including stormwater and erosion control, landscaping and fencing at the perimeter of the proposed encampment and the property and off-street parking);

(b) A vicinity map, showing the location of the site in relation to nearby streets and properties;

- (c) A written summary of the proposal, responding to the standards and requirements of this ordinance;
- (d) The written code of conduct, operations plan and a transportation plan as required by this ordinance;
- (e) Statement of actions that the applicant will take to obtain verifiable identification from all encampment residents and to use the identification to obtain sex offender and warrant checks from appropriate agencies;
- (f) Project statistics, including site area, building coverage, number and location of tents and temporary structures, expected and maximum number of residents, and duration of the encampment;
- (g) Address and parcel number of the subject property;
- (h) Photographs of the site;
- (i) A list of other permits that are or may be required for development of the property (issued by the County or by other government agencies), insofar as they are known to the applicant;
- (j) Permit fees for temporary homeless facilities shall be in accordance with Title 18 JCC; and,
- (k) A list of any requirement under this ordinance for which the applicant is asking to modify.

Section 8. Permit Procedures.

(a) Notice. All temporary homeless facility applications shall be reviewed under a Type II process under JCC 18.40.270, except that the final decision must be rendered within 60 days of a determination of completeness. Additionally, the notice of application shall contain proposed duration and operation of the temporary homeless facility, number of residents for the encampment, and contain a County website link to the proposed written code of conduct, operations plan and transportation plan for the facility.

(b) Decision and Notice of Decision. Final action on permit applications made under this section shall be in accordance with Title 18 JCC. Before any such permit may be granted, the applicant shall demonstrate and the director shall find consistency with Jefferson County Code and the following:

- (i) The proposed use meets the requirements of this ordinance; and,
- (ii) Measures, including the requirements herein and as identified by the director, have been taken to minimize the possible adverse impacts which the proposed encampment may have on the area in which it is located. It is acknowledged that not all impacts can be eliminated, however the risk of significant impacts can be reduced to a temporary and acceptable level as the duration of the encampment will be limited. A notice of the decision shall be provided in accordance with Title 18 JCC.

(c) Conditions. Because each temporary encampment has unique characteristics, including, but not limited to, size, duration, uses, number of occupants and composition, the director shall have the authority to impose conditions on the approval of an administrative use permit to ensure that the proposal meets the criteria for approval listed above. Conditions, if imposed, must be intended to protect public health, life and safety and minimize nuisance-generating features such as noise, waste, air quality, unsightliness, traffic, physical hazards and other similar impacts that the temporary encampment may have on the area in which it is located. In cases where the application for an administrative use permit does not meet the provisions of this ordinance (except when allowed under subsection (d) of this section) or adequate mitigation may not be feasible or possible, the director shall deny the application.

(d) Modification of Requirements. The director may approve an administrative use permit for a temporary encampment that relaxes one or more of the standards in this ordinance only when, in addition to satisfying the decision criteria stated above, the applicant submits a description of the standard to be modified and demonstrates how the modification would result in a safe encampment with minimal negative impacts to the host community under the specific circumstances of the application. In considering whether the modification should be granted, the director shall first consider the effects on the health and safety of encampment residents and the neighboring communities. Modifications shall not be granted if their adverse impacts on encampment residents and/or neighboring communities will be greater than those without modification. The burden of proof shall be on the applicant.

Section 9. Appeal. The director's decision may be appealed to the hearing examiner as provided in Title 18 JCC.

Section 10. Revocation. The director shall also have the authority to revoke an approved administrative use permit, pursuant to Title 18 JCC at any time a sponsor or managing agency has failed to comply with the applicable provisions of this ordinance or permit.

Section 11. Purpose. The purpose of this interim ordinance is to allow and establish a review process for the location, siting, and operation of temporary homeless facilities within the unincorporated County. While the interim ordinance is in effect, the County will study the land use and other impacts associated with temporary homeless facilities, draft final zoning and regulations to address such uses, hold public hearings on such draft regulations, and adopt such regulations.

Section 12. Duration of Interim Ordinance. Unless subsequently extended by the County Board of Commissioners pursuant to state law, this interim Ordinance shall remain for up to one year since a work plan is adopted in Section 13 for related studies providing for a longer period.

Section 13. Work Plan. During the interim ordinance period, County staff will study the issues concerning the establishment and operation of temporary homeless facilities. Staff will prepare a draft ordinance with appropriate revisions to the County's land use regulations on or before 180 days from the date of adoption; perform SEPA review of the draft ordinance on or before 240 days from the date of adoption, and conduct the public review process, including a public hearing before the County's Planning Commission on or before 270 days from the date of adoption and a public

hearing before County Board of Commissioners on or before 300 days from the date of adoption, in accordance with the public participation process required for amendments to the County's development regulations.

Section 14. Conflict with other Jefferson County Code Provisions. If the provisions of this Ordinance are found to be inconsistent with other provisions of the Jefferson County Code, this Ordinance shall control.

Section 15. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional or unlawful by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other sentence, clause or phrase in this Ordinance.

Section 16. Effective Date. This ordinance is effective immediately upon adoption.

Section 17. Public Hearing. Pursuant to state law, a public hearing regarding this must be held within at least sixty days of its adoption, namely on or before February __, 2021.

(SIGNATURES FOLLOW ON NEXT PAGE)


ADOPTED this 21st day of December 2020, at 12:06 p.m.




JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS



Greg Brotherton, Chair


David Sullivan, Member


Kate Dean, Member

APPROVED AS TO FORM:

 12/22/2020
Philip C. Hunsucker, Date
Chief Civil Deputy Prosecuting Attorney

 12/21/2020
Carolyn Gallaway, Date
Deputy Clerk of the Board

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of County Commissioners
Philip Morley, County Administrator

FROM: Linda Paralez, Acting Director, Dept. Community Development

DATE: December 21, 2020

SUBJECT: Emergency Ordinance Setting Forth Regulations concerning the establishment and processing of applications for temporary homeless facilities in unincorporated Jefferson County.

STATEMENT OF ISSUE:

There is a recognized need to adopt regulations concerning the establishment and processing of applications for temporary homeless facilities in unincorporated Jefferson County. This need is immediate, especially considering the onset of winter in the time of COVID-19. Accordingly, the Jefferson County Board of Commissioners should consider adopting an emergency ordinance that sets forth interim regulations.

ANALYSIS:

The Jefferson County Board of Commissioners has held discussions regarding code amendments and projects to help people who are experiencing homelessness. Based on staff reviews of other jurisdictions who have dealt with the same issues, the best course of action is to adopt an emergency ordinance that allows for the establishment of temporary homeless facilities to be permitted and built in selected locations in unincorporated Jefferson County. The regulations would include site development as well as operational oversight requirements. An Emergency Ordinance is attached to this Agenda Request as Appendix A (Emergency Ordinance).

Current county zoning and building codes do not allow for the building and operation of temporary housing facilities including the construction of wooden tents or tiny homes. State law, however, at RCW 36.01.290, authorizes religious organizations to host temporary tent encampments to provide shelter for homeless individuals on properties these religious organizations own.

The adoption of the Emergency Ordinance is allowed by state law. The rationale behind this approach for Jefferson County is that it will allow for those religious or qualified private, non-profit organizations that may wish to manage such temporary homeless encampments to now legally do so. Adoption of the Emergency Ordinance must be followed up with a public hearing within 60 days following adoption. At the public hearing and in consideration of public input, the Board can consider changes if necessary to the interim regulations in the Emergency Ordinance. The Emergency Ordinance would last for one year from the date of its adoption, if confirmed at the required hearing because it has a workplan for developing permanent regulations. That timeframe

allows for time to consider longer-term regulations in support of facilities and programs for the homeless.

FISCAL IMPACT:

Work associated with the drafting of the Emergency Ordinance is funded entirely by the County's general fund. Any subsequent permitting activity carried out under the Emergency Ordinance would be funded by the requisite permit fees.

RECOMMENDATION:

Adopt the Emergency Ordinance.

REVIEWED BY:

Philip Morley, County Administrator

Date

**COUNTY OF JEFFERSON
STATE OF WASHINGTON**

**An Ordinance Adopting Interim Zoning }
Regulations for the Siting, Establishment, }
and Operation of Temporary Homeless } **ORDINANCE NO.** _____
Facilities in Unincorporated Areas of }
Jefferson County }**

WHEREAS, homelessness continues to be a local, regional and national challenge due to many social and economic factors; and

WHEREAS, tent and tiny house encampments have become a temporary mechanism for providing shelter for homeless individuals and families; and

WHEREAS, under RCW 36.01.290 the Washington State Legislature has authorized religious organizations to host temporary encampments to provide shelter for homeless individuals on property that these religious organizations own or control; and

WHEREAS, the Jefferson County Code does not currently have permanent provisions addressing the establishment and operation of temporary homeless facilities; and

WHEREAS, the Washington State Department of Health has confirmed localized person-to-person spread of COVID-19 in Washington State, significantly increasing the risk of exposure and infection to the general public, and creating an extreme public health risk that may spread quickly; and

WHEREAS, the Jefferson County Public Health Department has confirmed localized person-to-person spread of COVID-19 in Jefferson County—and this localized person-to-person spread of COVID-19 in Jefferson County is increasing; and

WHEREAS, based on the COVID-19 threat profile, providing shelter to the homeless population would help to prevent the spread of COVID-19; and

WHEREAS, because of the COVID-19 emergency adoption of interim temporary homeless facilities regulations and processing requirements to preserve and protect public health and safety and prevent danger to public or private property would help to prevent the spread of COVID-19; and

WHEREAS, interim zoning controls enacted under RCW 36.70A.390 or RCW 36.70.790 are methods by which the County may preserve the status quo so that new plans and regulations will not be rendered moot by intervening development; and

WHEREAS, RCW 36.70A.390 or RCW 36.70.790 both authorize the enactment of an interim zoning map, interim zoning ordinance, or interim official control without holding a public hearing as long as a public hearing is held within at least sixty days of enactment; and

WHEREAS, RCW 36.70A.390 provides that, *“A county or city governing body that adopts a moratorium, interim zoning map, interim zoning ordinance, or interim official control without holding a public hearing on the proposed moratorium, interim zoning map, interim zoning ordinance, or interim official control, shall hold a public hearing on the adopted moratorium, interim zoning map, interim zoning ordinance, or interim official control within at least sixty days of its adoption, whether or not the governing body received a recommendation on the matter from the planning commission or department. If the governing body does not adopt findings of fact justifying its action before this hearing, then the governing body shall do so immediately after this public hearing. A moratorium, interim zoning map, interim zoning ordinance, or interim official control adopted under this section may be effective for not longer than six months, but may be effective for up to one year if a work plan is developed for related studies providing for such a longer period. A moratorium, interim zoning map, interim zoning ordinance, or interim official control may be renewed for one or more six-month periods if a subsequent public hearing is held and findings of fact are made prior to each renewal;”* and

WHEREAS, in conformity with the responsibilities of Jefferson County to meet public health, safety and welfare requirements and provide zoning and land use regulations pursuant to state law, and the County’s authority to regulate land use activity within its corporate limits, the County intends to develop appropriate public health, safety and welfare requirements and zoning and land use regulations for the establishment and operation of temporary homeless facilities; and

WHEREAS, the County Board of Commissioners has determined it needs additional time to conduct appropriate research to analyze the effects of the establishment and operation of temporary homeless facilities; and

WHEREAS, interim zoning will provide the County with additional time to review and amend its public health, safety and welfare requirements and zoning and land use regulations related to the establishment and operation of temporary homeless facilities; and

WHEREAS, interim zoning will also allow qualifying religious organizations and registered not-for-profit, tax exempt 501(c)(3) organizations the opportunity to establish and operate temporary homeless facilities; and

WHEREAS, the County Board of Commissioners concludes that the County does have the authority to establish an interim zoning ordinance and that the County must adopt interim zoning concerning the establishment and operation of temporary homeless facilities to act as a stop- gap measure: (1) to provide the County with an opportunity to study the issues concerning the establishment and operation of temporary homeless facilities and prepare appropriate revisions to the County’s codes and regulations; (2) to protect the health, safety, and welfare of the citizens of Jefferson County by avoiding and ameliorating negative impacts and unintended consequences of establishing and operating temporary homeless facilities and, (3) to avoid applicants possibly establishing vested rights contrary to and inconsistent with any revisions the County may make to its rules and regulations as a result of the County’s study of this matter; and

WHEREAS, the County Board of Commissioners adopts the foregoing as its findings of facts justifying the adoption of this Ordinance; and

NOW, THEREFORE, BE IT ORDAINED by the Jefferson County Board of Commissioners that:

Section 1. Findings of Fact. The County Board of Commissioners adopts the above “WHEREAS” recitals as findings of fact in support of its action as required by RCW 36.70A.390 or RCW 36.70.790.

Section 2. Regulations established. Regulations concerning the establishment and processing of applications for temporary homeless facilities in unincorporated Jefferson County are hereby established pursuant to RCW 36.70A.390, RCW 36.70.790, and RCW 38.52.070(2). Establishing such facilities contrary to the provisions of this ordinance is prohibited. Type II Administrative Use approvals shall be required in accordance with Jefferson County Code (JCC) 18.40.270 for temporary homeless facilities in the County. Applications for administrative use approvals, land use approvals, or any other permit or approval, in any way associated with temporary homeless facilities, shall not be processed, issued, granted, or approved unless in compliance with this ordinance. If a temporary homeless facility is established in violation of this ordinance or if, after an administrative use permit is issued for the same, the director of the planning and development services department determines that the permit holder has violated this ordinance or any condition of the permit, the temporary homeless facility, its sponsor and managing agency shall be subject to code enforcement and all activities associated with the temporary homeless facility shall cease, and the site shall be vacated and restored to its pre-encampment conditions.

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(b) “Temporary tent encampment” means a short-term living facility for a group of homeless people that is composed of tents or other temporary structures, as approved by the director, on a site provided or arranged for by a sponsor with services provided by a sponsor and supervised by a managing agency.

(c) “Temporary tiny house encampment” means a temporary homeless facility for a group of people living in purpose-built tiny houses for people experiencing homelessness, as approved by the director, on a site provided or arranged for by a sponsor with services provided by a sponsor and supervised by a managing agency. Temporary tiny houses for the homeless are typically less than 200 square feet and easily constructed and moved to various locations. For the purposes of this ordinance, temporary tiny homes are not dwelling units and, as such, are not required to meet building codes.

(d) “Managing agency” means an organization identified as the manager of a temporary homeless facility that has the capacity to organize and manage a temporary homeless facility. Managing agencies are limited to religious organizations and non-profit agencies. A “managing agency” may be the same entity as the sponsor.

(e) "Sponsor" means an organization that:

(i) invites a temporary homeless facility to reside on land they own or lease; and

(ii) is a State of Washington registered not-for-profit corporation and federally recognized tax exempt 501(c)(3) organization; or 3. is recognized by the Internal Revenue Service as exempt from federal income taxes as a religious organization, which expresses its religious mission, in part, by organizing living accommodations for the homeless.

(f) "Director" means the Community Development Department Director.

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(b) No temporary homeless facility shall be located within a critical area or its buffer as defined by Chapter 18.22 JCC.

(c) A temporary homeless facility shall comply with the applicable development standards of Title 18 JCC, except that temporary homeless facilities shall not be considered structures for the purposes of calculating parcel's total lot coverage.

(d) A six-foot-tall fence is required around the perimeter of the encampment to limit access to the site for safety and security reasons; provided, that the fencing does not create a sight obstruction at the street or street intersections or curbs as determined by the county engineer, unless the director determines that there is sufficient vegetation, topographic variation, or other site conditions such that fencing would not be needed.

(e) Exterior lighting must be directed downward and glare contained within the temporary encampment.

(f) The maximum number of residents at a temporary encampment site shall be determined by the director taking into consideration site conditions, but in no case shall the number be greater than fifty (50) people.

(g) On-site parking of the sponsor shall not be displaced unless sufficient required off- street parking remains available for the host's use to compensate for the loss of on- site parking or unless a shared parking agreement is executed with adjacent properties.

(h) A transportation plan, including provisions for transit, and pedestrian and bicycle ingress and

egress to the encampment, shall be submitted for review and approval.

- (i) No children under the age of 18 are allowed to stay overnight in the temporary encampment, unless accompanied by a parent or guardian. If a child under the age of 18 without a parent or guardian present attempts to stay at the encampment, the sponsor and the managing agency shall immediately contact Child Protective Services and shall actively endeavor to find alternative shelter for the child.
- (j) The sponsor or managing agency shall provide and enforce a written code of conduct, which not only provides for the health, safety and welfare of the temporary encampment residents, but also mitigates impacts to neighbors and the community. A copy of the code of conduct shall be submitted to the County at the time of application for the administrative use permit. Said code shall be incorporated into the conditions of approval. The managing agency shall post the County approved written code of conduct on site.
- (k) An operations plan must be provided that addresses site management, site maintenance, and provision of human and social services. Individuals or organizations shall have either a demonstrated experience providing similar services to homeless residents; and/or certification or academic credentials in an applicable human service field; and/or applicable experience in a related program with a homeless population. Should an individual or organization not have any of the preceding qualifications, additional prescriptive measures may be required to minimize risk to both residents of the temporary homeless facility and the community in general.
- (l) The sponsor and the managing agency shall ensure compliance with Washington State laws and regulations and the Jefferson County Health Department's regulations concerning, but not limited to, drinking water connections, solid waste disposal, and human waste. The sponsor and the managing agency shall permit inspections by local agencies and/or departments to ensure such compliance and shall implement all directives resulting therefrom within the specified time period.
- (m) The sponsor and managing agency shall assure all applicable public health regulations, including but not limited to the following, will be met for:
 - (i) Potable water, which shall be available at all times at the site;
 - (ii) Sanitary portable toilets, which shall be set back from all property lines as determined by the director;
 - (iii) Hand-washing stations by the toilets and food preparation areas;
 - (iv) Food preparation or service tents; and
 - (v) Refuse receptacles.
- (n) Public health regulations (including those in Chapter 246-215 WAC and Title 8 JCC) shall be followed to specifically include food handling and storage (including proper temperature control), and homeless encampment residents involved in food donations and storages shall be made aware of these Jefferson County Health Department requirements.

- (o) The sponsor and the managing agency shall designate points of contact and provide contact information (24-hour accessible phone contact) to the chief criminal deputy of the Jefferson County Sheriff or his/her designee. At least one designated point of contact shall be on duty at all times. The names of the on duty points of contact shall be posted on-site daily and their contact information shall be provided to the Jefferson County Sheriff's Office as described above.
- (p) Facilities for dealing with trash shall be provided on-site throughout the encampment. A regular trash patrol in the immediate vicinity of the temporary encampment site shall be provided.
- (q) The sponsor and the managing agency shall take all reasonable and legal steps to obtain verifiable identification information, to include full name and date of birth, from current and prospective encampment residents and use the identification to obtain sex offender and warrant checks from appropriate agencies. The sponsor and the managing agency shall keep a current log of names and dates of all people who stay overnight in the encampment. This log shall be available upon request to law enforcement agencies and prospective encampment residents shall be so advised by the sponsor and managing agency.
- (r) Persons who have active warrants, or who are required to register as sex offenders, are prohibited from the encampment's location.
- (s) The sponsor and the managing agency shall immediately contact the Jefferson County Sheriff's Office if someone is rejected or ejected from the encampment when the reason for rejection or ejection is an active warrant or a match on a sex offender check, or if, in the opinion of the on-duty point of contact or on-duty security staff, the rejected/ejected person is a potential threat to the community.
- (t) Tents over 300 square feet in size and canopies in excess of 400 square feet shall utilize flame retardant materials.
- (u) The sponsor, the managing agency and temporary encampment residents shall cooperate with other providers of shelters and services for homeless persons within the County and shall make inquiry with these providers regarding the availability of existing resources.
- (v) The sponsor and/or managing agency shall provide before-encampment photos of the host site with the application. Upon vacation of the temporary encampment, all temporary structures and debris shall be removed from the host site within one calendar week.
- (w) Upon cessation of the temporary encampment, the site shall be restored, as near as possible, to its original condition. Where deemed necessary by the director, the sponsor and/or managing agency shall re-plant areas in which vegetation had been removed or destroyed.

Section 5. Frequency and duration -of temporary homeless facilities.

- (a) No more than a maximum of 50 people may be housed in temporary homeless facilities (encampments) located in the unincorporated County at any time. Multiple encampment locations may be permitted provided that the aggregate total of people in all temporary tent and/or tiny house encampments shall not exceed 50.

(b) The director shall not grant a permit for the same site more than once in any calendar year; provided that director is not authorized to issue a permit for the same site sooner than 180 days from the date the site is vacated as provided for in Section 4 of this ordinance.

(c) Temporary tent encampments may be approved for a period not to exceed 180 days. The director may grant one 180-day extension, provided all conditions have been complied with and circumstances associated with the use have not changed. This extension shall be subject to a Type II review process and may be appealed to the hearing examiner as provided in JCC 18.40.270. The permit shall specify a date by which the use shall be terminated and the site vacated and restored to its pre-encampment condition.

(d) Temporary tiny house encampments may be approved for a period of between six months and up to one year, provided the sponsor and managing agency comply with all permit conditions. The director may grant one or more extension(s) not to exceed one additional year, provided enabling legislation allows so. Extensions are subject to a Type II review process in accordance with JCC 18.40.270 and may be appealed to the hearing examiner as provided in JCC 18.40.270. The permit shall specify a date by which the use shall be terminated and the site vacated and restored to its pre-encampment condition.

Section 6. Permit required. Establishment of a temporary homeless facility shall require approval of an administrative use permit, as described in this ordinance, and compliance with all other applicable County regulations. The director shall have authority to grant, grant with conditions or deny an application for an administrative use permit under this ordinance.

Section 7. Application. Application for a Type II administrative use permit shall be made on forms provided by the County, and shall be accompanied by the following information; provided, that the director may waive any of these items, upon request by the applicant and finding that the item is not necessary to analyze the application. An application to establish a temporary homeless facility shall be signed by both the sponsor and the managing agency ("applicant") and contain the following:

(a) A site plan of the property, drawn to scale, showing existing natural features, existing and proposed grades, existing and proposed utility improvements, existing rights-of-way and improvements, and existing and proposed structures, tents and other improvements (including stormwater and erosion control, landscaping and fencing at the perimeter of the proposed encampment and the property and off-street parking);

(b) A vicinity map, showing the location of the site in relation to nearby streets and properties;

(c) A written summary of the proposal, responding to the standards and requirements of this ordinance;

(d) The written code of conduct, operations plan and a transportation plan as required by this ordinance;

(e) Statement of actions that the applicant will take to obtain verifiable identification from all encampment residents and to use the identification to obtain sex offender and warrant checks from appropriate agencies;

- (f) Project statistics, including site area, building coverage, number and location of tents and temporary structures, expected and maximum number of residents, and duration of the encampment;
- (g) Address and parcel number of the subject property;
- (h) Photographs of the site;
- (i) A list of other permits that are or may be required for development of the property (issued by the County or by other government agencies), insofar as they are known to the applicant;
- (j) Permit fees for temporary homeless facilities shall be in accordance with Title 18 JCC; and,
- (k) A list of any requirement under this ordinance for which the applicant is asking to modify.

Section 8. Permit Procedures.

(a) Notice. All temporary homeless facility applications shall be reviewed under a Type II process under JCC 18.40.270, except that the final decision must be rendered within 60 days of a determination of completeness. Additionally, the notice of application shall contain proposed duration and operation of the temporary homeless facility, number of residents for the encampment, and contain a County website link to the proposed written code of conduct, operations plan and transportation plan for the facility.

(b) Decision and Notice of Decision. Final action on permit applications made under this section shall be in accordance with Title 18 JCC. Before any such permit may be granted, the applicant shall demonstrate and the director shall find consistency with Jefferson County Code and the following:

- (i) The proposed use meets the requirements of this ordinance; and,
- (ii) Measures, including the requirements herein and as identified by the director, have been taken to minimize the possible adverse impacts which the proposed encampment may have on the area in which it is located. It is acknowledged that not all impacts can be eliminated, however the risk of significant impacts can be reduced to a temporary and acceptable level as the duration of the encampment will be limited. A notice of the decision shall be provided in accordance with Title 18 JCC.

(c) Conditions. Because each temporary encampment has unique characteristics, including, but not limited to, size, duration, uses, number of occupants and composition, the director shall have the authority to impose conditions on the approval of an administrative use permit to ensure that the proposal meets the criteria for approval listed above. Conditions, if imposed, must be intended to protect public health, life and safety and minimize nuisance-generating features such as noise, waste, air quality, unsightliness, traffic, physical hazards and other similar impacts that the temporary encampment may have on the area in which it is located. In cases where the application for an administrative use permit does not meet the provisions of this ordinance (except when allowed under subsection (D) of this section) or adequate mitigation may not be feasible or possible, the director shall deny the application.

(d) Modification of Requirements. The director may approve an administrative use permit for a temporary encampment that relaxes one or more of the standards in this ordinance only when, in addition to satisfying the decision criteria stated above, the applicant submits a description of the standard to be modified and demonstrates how the modification would result in a safe encampment with minimal negative impacts to the host community under the specific circumstances of the application. In considering whether the modification should be granted, the director shall first consider the effects on the health and safety of encampment residents and the neighboring communities. Modifications shall not be granted if their adverse impacts on encampment residents and/or neighboring communities will be greater than those without modification. The burden of proof shall be on the applicant.

Section 9. Appeal. The director's decision may be appealed to the hearing examiner as provided in Title 18 JCC.

Section 10. Revocation. The director shall also have the authority to revoke an approved administrative use permit, pursuant to Title 18 JCC at any time a sponsor or managing agency has failed to comply with the applicable provisions of this ordinance or permit.

Section 11. Purpose. The purpose of this interim ordinance is to allow and establish a review process for the location, siting, and operation of temporary homeless facilities within the unincorporated County. While the interim ordinance is in effect, the County will study the land use and other impacts associated with temporary homeless facilities, draft final zoning and regulations to address such uses, hold public hearings on such draft regulations, and adopt such regulations.

Section 12. Duration of Interim Ordinance. Unless subsequently extended by the County Board of Commissioners pursuant to state law, this interim Ordinance shall remain for up to one year since a work plan is adopted in Section 13 for related studies providing for a longer period.

Section 13. Work Plan. During the interim ordinance period, County staff will study the issues concerning the establishment and operation of temporary homeless facilities. Staff will prepare a draft ordinance with appropriate revisions to the County's land use regulations on or before 180 days from the date of adoption; perform SEPA review of the draft ordinance on or before 240 days from the date of adoption, and conduct the public review process, including a public hearing before the County's Planning Commission on or before 270 days from the date of adoption and a public hearing before County Board of Commissioners on or before 300 days from the date of adoption, in accordance with the public participation process required for amendments to the County's development regulations.

Section 14. Conflict with other Jefferson County Code Provisions. If the provisions of this Ordinance are found to be inconsistent with other provisions of the Jefferson County Code, this Ordinance shall control.

Section 15. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional or unlawful by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other sentence, clause or phrase in this Ordinance.

Section 16. Effective Date. This ordinance is effective immediately upon adoption.

Section 17. Public Hearing. Pursuant to state law, a public hearing regarding this must be held within at least sixty days of its adoption,, namely on or before February __, 2021.

(SIGNATURES FOLLOW ON NEXT PAGE)

ADOPTED this _____ day of _____ 2020, at ____: ____ .m.

JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS

SEAL:

Greg Brotherton, Chair

David Sullivan, Member

ATTEST:

Kate Dean, Member

APPROVED AS TO FORM:

Carolyn Gallaway, Date
Deputy Clerk of the Board

Philip C. Hunsucker, Date
Chief Civil Deputy Prosecuting Attorney

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

| | |
|---------------------|---|
| MEETING DATE | June 23, 2021 |
| AGENDA ITEM | <input type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input type="checkbox"/> Regular Business <input checked="" type="checkbox"/> Informational |
| AGENDA TITLE | Informational Items |
| STAFF LEAD | Eron Berg, Executive Director |
| REQUESTED | <input checked="" type="checkbox"/> Information <input type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion |
| ATTACHMENTS | <ul style="list-style-type: none"> a. Commission Contracts Update b. City of Port Townsend Water Delivery c. Clean Marina Certificate for Herb Beck Marina d. FAA 2022-2026 Capital Improvement Plan for JCIA e. Commissioner Communications f. Policy Updates: Dual Insurance Coverage & HRA VEBA policies |

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: June 7, 2021

TO: Commissioners

FROM: Sue Nelson, Lease & Contracts Administrator

CC: Eron Berg, Executive Director

SUBJECT: **June 9, 2021 Commission Meeting (revised)**– Commission Update: New/Amended Contracts Under \$50,000, Approved by Executive Director Eron Berg, per Delegation of Authority Resolution No. 746-21

| Name | Dates | Description | Amount Not to Exceed: |
|---------------------------------|---------------------|--|--------------------------|
| Insight Strategic Partners, LLC | 6/1/2021-12/31/2022 | Amend #1-Capital funding support/legislative outcomes. | \$50,000.00 |
| | | | |
| | | | |

RECEIVED

JUN 07 2021

June 3, 2021

Port of Port Townsend
Administration Office

The City of Port Townsend places a high value on coordinating with stakeholders and the public prior to making substantial decisions. The City is currently in the process of negotiating a renewal of the public private partnership with the Port Townsend Paper Mill for sustainable and reliable water delivery for the next 40 plus years. The partnership began in 1928 with the completion of construction of a 29 mile pipeline between the Olympic Mountains (Big Quilcene River) and the City. Today, the water transmission infrastructure is aging and the current partnership agreement between the City and the Paper Mill is in need of updating. This letter is intended to provide notification of this effort and to share historical and technical information concerning the Olympic Gravity Water System (OGWS) and future plans to a sustain reliable water supply for the future.

The City and Paper Mill have been researching and collecting data over the past year. This information is integrated into a series of technical documents (white papers). The following white papers are available for download on the City's Engage PT webpage at www.cityofpt.us/engagept under infrastructure or directly at <https://cityofpt.us/engagept/page/water-supply-mill-agreement>. The intent of this research and analysis is understand the future water system needs for the City of Port Townsend and Port Townsend Paper Mill.

The City invites review of the information posted on the website and requests feedback as follows:

1. As a stakeholder, would you or your agency like to be kept informed as the process continues?
2. Would you or your agency like to meet with City Staff to discuss this effort in further detail?
3. Are there stakeholders that you would recommend contacting not included in the contact list attached?
4. Please feel free to respond with any written comments by July 14, 2021. The City values your feedback and will consider all comments received.

The next steps for the City involves the process of negotiating a public private partnership with the Port Townsend Paper Mill based on the best data available and given the mutual goals of sustaining a water supply for both parties. The City anticipates completing the process in the fall of 2021.

Cc: John Mauro, City Manager
Cc: Port Townsend Paper Mill



June 9, 2021

Herb Beck Marina
Attn: Terry Taylor
1731 Linger Longer Rd
Quilcene, WA 98376

Dear Terry,

Congratulations! For your efforts to protect water quality, properly manage waste, and promote clean boating, Herb Beck Marina is recognized as a **Certified Clean Marina** under the Clean Marina Washington Program.

Herb Beck Marina has earned the right to “fly the flag”. We encourage you to use the enclosed certificate and logo materials to show your community, tenants and guests that you are doing your part to protect the environment. Your facility will be listed on the Clean Marina Washington website at www.cleanmarinawashington.org.

You have joined a network of 83 marinas currently certified in Washington State and hundreds more marinas in similar programs around the country. We look forward to working with you on pollution prevention projects and in increasing recognition for your efforts in this area. If you have any success stories to share we would like to hear them.

If you have any questions about Clean Marina Washington, please call me at (206) 297-7002.

Thank you again for your work in protecting Washington waterways.

Sincerely,



Blair Englebrecht
Boating Programs Manager
Puget Soundkeeper Alliance
Blair@pugetsoundkeeper.org

Enclosures: Logo CD with instructions, certificate, window decals.

Certificate of Achievement



for excellence in pollution prevention and promoting clean boating practices,
on this 20th day of May, 2021

Herb Beck Marina

is hereby recognized as a Certified Washington State Clean Marina

Blair Englebrecht

Blair Englebrecht, Puget Soundkeeper Alliance

Clean Marina Washington is a joint project of Puget Soundkeeper Alliance, EnviroStars Cooperative, Northwest Marine Trade Association, Sea Grant of Washington, Washington Department of Ecology, Washington Department of Natural Resources and Washington State Parks and Recreation.



Federal Aviation Administration

Memorandum

Date: 6/8/2021

To: Jefferson County International Airport

From: Mary Vargas

Subject: 2022-2026 CIP

The development of a solid Capital Improvement Plan (CIP) is important to identify the highest priority work within the anticipated funds that would most effectively improve the statewide airport system from a safety and preservation perspective. The summary below represents the plan the FAA will move forward with at this time. The table below represents the projects that we intend to move forward with at this time; however as in any given year, projects are dependent on the availability of funding. Any changes to the agreed upon project list needs to be coordinated on your next SCIP and may affect funding and year.

Jefferson County International Airport 5-YEAR PROJECTS & PLANNED FUNDING

| Year# | Project Name | NPE* | ST/DI | Total * |
|-------|--|-----------|-----------|-----------|
| 2022 | Construct New Connector TW A2, Install Sign, Phase 1- Design | \$81,000 | \$0 | \$81,000 |
| 2023 | Construct Connector TW A2, Install Sign, Phase 2 Construction | 150,000 | \$350,000 | \$500,000 |
| 2024 | No Project (Carryover) | | | |
| 2025 | Rehabilitate Apron and Parallel TW (crack/slurry seal) Design/Construction | \$300,000 | \$0 | \$300,000 |
| 2026 | No Project (Carryover) | | | |

Projects originally planned for FY2021 that have been postponed are not addressed in this memo. If you plan to move a FY2021 project into FY2022 for a grant, please talk to your project manager.

*Demand for funds may exceed funds available. Non-primary entitlement funds are specifically for general aviation airports that show needed airfield development listed in the latest published National Plan of Integrated Airport Systems (NPIAS). Non-primary entitlement funds are calculated as follows; the lesser of \$150,000 or 1/5 of an airport's 5-year development cost.

For reference non primary entitlements balance prior to any FY2021 funding actions are listed below.

| | | |
|-----------------|--------------|------------------|
| (2018 Expiring) | FY 2018 | \$ 0 |
| | FY 2019 | \$ 0 |
| | FY 2020 | \$ 150,000 |
| | FY 2021 | \$ 150,000 |
| | TOTAL | \$300,000 |

Your project manager is Mary Vargas, (206)-231-4131, Mary.Vargas@faa.gov please contact Her with any questions, comments or concerns.

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

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|---------------------|--|
| MEETING DATE | June 23, 2021 |
| AGENDA ITEM | <input type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input type="checkbox"/> Regular Business <input checked="" type="checkbox"/> Informational |
| AGENDA TITLE | Informational Item e. Commissioner Communications |
| STAFF LEAD | Eron Berg, Executive Director |
| REQUESTED | <input checked="" type="checkbox"/> Information <input type="checkbox"/> Motion/Action <input checked="" type="checkbox"/> Discussion |
| ATTACHMENTS | (1) 6/8/2021 email from Bob Frank, President, Admiral Ship Supply |

Commissioners Communications ~ for meeting on 6/23/2021

① From: bob@admiralshipsupply.com
Sent: Tuesday, June 8, 2021 9:28 AM
To: Pam Petranek <Pam@portofpt.com>; Pete Hanke <phanke@portofpt.com>; Bill Putney <bill@portofpt.com>
Cc: Eron Berg <Eron@portofpt.com>; Kristian Ferrero <kristian@portofpt.com>; Terry Khile <terry@portofpt.com>; Eric Toews <eric@portofpt.com>
Subject: March Discount Followup Comments

Dear Commissioners,

I was disappointed in the discussions and outcome surrounding the decision (or lack of) to remove the month of March from the current Winter discount at the last commission meeting. The commission is ultimately overriding recommendations of the staff and management who are the most knowledgeable about the Port's clientele and its day to day business needs.

Commissioner Hanke's concerns during his commissioner comments about lost revenue were spot on. March begins the busiest time of year for the Port. Why are you discounting one of the busiest months of the year? Leaving money on the table hurts the bottom line and puts into jeopardy the recent trend of operating sustainably. It undermines the trust of the public that has been vocal in the past about being good stewards of the taxpayer's money. As March is at the end of discount period, if a season's yard occupancy trends down, the discount could be reinstated. There was little danger in enacting this decision.

The photo attached was taken earlier this week. It shows at least six empty spots in front of the Heavy Haul Out. This is not the norm for early June. I wonder how many potential boats were told they couldn't get hauled until July and how this has affected recent occupancy?

I applaud the Port for authorizing overtime to increase the amount of hauls during the month of May. The yard staff I spoke with were happy and it was a good solution to alleviate the gridlock. The feedback from the Commercial Fishermen I spoke to was positive despite the additional cost of a haul.

And finally I was surprised to hear that I was the only person to provide positive feedback on removing the month of March from the discount program. I talked to many individuals between the two meetings in which this was on the agenda. It was also discussed among the Board of the PTMTA. The feedback I received before I submitted my letter of May 13th was generally positive.

Sincerely,

Robert Frank, President
Admiral Ship Supply II Inc.

PS, I don't see a need for this to be read publicly. Unsure of your correspondence policy after my last letter made it to public comment.



PORT OF PORT TOWNSEND

AGENDA COVER SHEET

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|---------------------|--|
| MEETING DATE | June 23, 2021 |
| AGENDA ITEM | <input type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input type="checkbox"/> Regular Business <input checked="" type="checkbox"/> Informational |
| AGENDA TITLE | Informational Item f. Policy Updates |
| STAFF LEAD | Eron Berg, Executive Director |
| REQUESTED | <input checked="" type="checkbox"/> Information <input type="checkbox"/> Motion/Action <input checked="" type="checkbox"/> Discussion |
| ATTACHMENTS | <ul style="list-style-type: none"> • Dual Insurance Coverage policy • HRA VEBA policy |

PORT OF PORT TOWNSEND

AGENDA MEMO

DATE: 6/23/2021
TO: Commission
FROM: Eron Berg, Executive Director
SUBJECT: Personnel Policy Updates

ISSUES

1. Does the Commission desire to modify the proposed draft personnel policies regarding dual insurance coverage and HRA-VEBA?

BACKGROUND

The Commission has delegated authority to the Executive Director to adopt personnel policies. Attached are two new policies which are presented in draft form to provide the Commission with an opportunity to modify or address concerns prior to adoption.

DISCUSSION

The Port was a participant with HRA-VEBA in the past but ceased participation some number of years ago. In discussions with non-represented staff, restarting HRA-VEBA is desired. HRA-VEBA is a federal tax benefitted program that allows pre-tax dollars to go into a fund that grows as invested and so long as the dollars are spent on qualifying medical cost reimbursement, is spent without tax. The attached draft HRA-VEBA policy establishes participation in the plan, identifies the employee group (non-represented at this time, may extend to represented staff, if desired, through bargaining in the future) and establishes the method of contribution. Both the employer and the employee save as the dollars that go into individual HRA-VEBA accounts do so without federal payroll tax deductions.

The second policy establishes a method for employees who are double covered to opt out of the Port's medical coverage and be paid a portion of the savings into their HRA-VEBA account. This policy encourages efficient use of medical coverage for those who are double covered and again, saves both the employee (through contributions to their HRA-VEBA account, and reduced taxes) and the employer (through premium contributions reduced by half, and reduced taxes) money.

FISCAL IMPACT

These policies will result in some cost savings

ATTACHMENTS

1. HRA-VEBA policy
2. Dual Insurance Coverage policy

RECOMMENDATIONS

Informational only, unless the Commission desires to provide any feedback or make any modifications.

Issue Date: June 24, 2021
Issued By: Eron Berg, Executive Director
Effective: July 1, 2021

Policy ____ Dual Insurance Coverage

A. Establishment of Policy

- Voluntary program for employees and/or dependents who are eligible for medical benefits from the Port of Port Townsend.
- Employees must certify eligibility annually during open enrollment.
- Dual insurance benefit is limited to medical coverage only. Dental insurance will remain in effect for all eligible employees and dependents per PEBB requirements for participation.
- Prior to removing medical insurance for an eligible employee and/or dependents, employees are required to sign a waiver certifying that they and/or their dependents have other medical insurance. This waiver includes acknowledgement that proof of continuous, comprehensive medical coverage is required to re-enroll the employee and/or eligible dependents in a Port of Port Townsend plan. *Note: If a court has established that you are financially responsible for a dependent child you are advised to speak with an attorney prior to enrolling in this program.*
- Employees and/or eligible dependents are only eligible to rejoin the Port's medical insurance program during open enrollment. Open enrollment is from November 1 to November 30 of each year (for coverage beginning January 1 of the following year). The only exception would be if an employee and/or eligible dependent loses their (non-Port) medical coverage during the middle of the year. In this situation the employee and/or dependent is eligible to rejoin the Port's program on the 1st day of the month following loss of insurance.
- Employees are required to notify the Port of Port Townsend Payroll Department immediately if any dependent who has been removed from the Port's medical insurance no longer qualifies as an eligible dependent for medical benefits through the Port. The incentive payment will be adjusted to reflect the dependent's loss of eligibility. Failure to do so will cause repayment of the ineligible costs and payments.
- Incentives shall be paid as follows: 50% of the savings in premiums to the Port. Incentives shall be paid into the employee's HRA-VEBA account.
- This program will remain in effect until employee informs the Port of Port Townsend of a change or the dependent is no longer eligible for medical insurance, or the Port modifies or cancels the program.
- Employees may be denied participation based upon minimum enrollment requirements from PEBB.

B. Scope & Applicability

- Applies to employees who are eligible for medical benefits from the Port of Port Townsend.
- Limited to non-union employees and/or dependents who are eligible for insurance benefits through the Port of Port Townsend and who have other coverage. Employees, spouses, and dependents are eligible to be removed from the insurance program.
- **The Port of Port Townsend retains the right to revoke, modify, or cancel the policy at any time.**

Adoption Date: June 24, 2021
Issued By: Eron Berg, Executive Director
Effective: July 1, 2021

Policy ____ HRA VEBA FOR NON-REPRESENTED EMPLOYEES

A. GENERAL

The Port of Port Townsend ("Employer") has adopted the HRA VEBA Medical Reimbursement Plan for Public Employees in the Northwest ("Plan"). Employer shall contribute to the Plan on behalf of all non-represented employees ("Group") defined as eligible to participate in the Plan. Each eligible employee must submit a completed and signed Membership Enrollment Form to become a Plan participant and be eligible for benefits under the Plan.

This policy is effective for regular, full-time employees of the Port who are not represented by, or part of, any bargaining unit.

Contributions on behalf of each eligible employee shall be based on the following selected funding sources/formulas:

1. **Sick leave cash-out upon voluntary separation.** Consistent with the Port's Personnel Handbook, eligibility is limited to employees who voluntarily separate with sick leave cash-out rights during the term hereof. Employer contributions shall include the entire cash-out value of all unused sick leave accrued and available for cash-out upon voluntary separation per Employer policy.
2. **Mandatory employee contributions** (no individual elections permitted). Eligible employees shall receive additional benefits in the form of VEBA Plan contributions equal to eighty Dollars (\$80.00) per month and the employee's salary shall be reduced in an equal amount. Such contributions shall be made on behalf of all Group employees defined as eligible and shall be considered and referred to as Employer contributions.
3. **Dual Insurance Incentives.** Eligible employees who participate in the Dual Insurance Incentive program shall have 100% of their incentive money paid into their HRA-VEBA accounts.