



2nd Monthly Meeting Agenda
Wednesday, February 23, 2022, 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.

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Public Comments
- IV. Consent Agenda
 - A. Approval of Workshop & Business Meeting Minutes from February 9, 2022 1-7
 - B. Approval & Ratification of Warrants 8-20
 - C. SEA Green Partners (d/b/a SEA Marine) Lease 21-40
 - D. Ratify Emergency Declaration (king tide) 41-46
- V. Special Presentation: Recognition of Terry Khile47
- VI. Second Reading ~ none
- VII. First Reading ~ none
- VIII. Regular Business
 - A. Airport Engineering Professional Services for 2nd Connector Taxiway 48-54
 - B. Sims Way Gateway Task Force..... 55-59
 - C. Environmental Services On-Call Agreement 60-71
- IX. Staff Comments
- X. Commissioner Comments
- XI. Next Regular Business Meeting: Wednesday, March 9, 2022, with Public Workshop at 9:30 a.m. and Regular Meeting at 1:00 p.m., via Zoom
- XII. Executive Session
- XIII. Adjournment
- Informational Items.....72
 - Port Contracts Update..... 73
 - “Love Where You Live” campaign report..... 74-76

PORT COMMISSION PUBLIC WORKSHOP – February 9, 2022

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

Present: Commissioners Hanke, Hasse, and Petranek
Executive Director Berg
Deputy Director Toews
Finance Director Berg
Port Engineer & Director of Capital Projects Klontz
Recorder Erickson

I. CALL TO ORDER:

Commissioner Petranek opened the Workshop at 9:32 a.m.

II. AGENDA:

- Preparation for the 2/17/2022 Intergovernmental Collaborative Group (ICG) meeting regarding Economic Framework.
Commissioners discussed the Economic Framework outline prepared by the ICG “to provide a shared direction for community leaders from the County, City, Port and PUD to collaborate on issues of economic importance” in preparation for the upcoming ICG meeting on this topic.
- Commission Meeting Procedures
 - Meeting times
After discussion, Commission decided that the current evening meetings will continue to be at 5:30 p.m. going forward.
 - Pledge of Allegiance
After a short discussion, Commission decided to leave the pledge on their meeting agendas.

III. ADJOURNMENT:

The Workshop adjourned at 11:15 a.m.

ATTEST:

Pamela A. Petranek, President

Peter W. Hanke, Secretary

Carol Hasse, Vice President

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, February 9, 2022

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

Present via Zoom online video: Commissioners Hanke, Hasse, and Petranek
Executive Director Berg
Deputy Director Toews
Director of Finance & Administration Berg
Director of Capital Projects and Port Engineer Klontz
Port Recorder Erickson
Port Attorney Woolson

I. CALL TO ORDER (00:00:03)

Commissioner Petranek called the meeting to order at 1:01 p.m.

II. APPROVAL OF AGENDA (00:00:52)

Agenda was accepted by unanimous consent.

III. PUBLIC COMMENTS (00:01:09) *the following comments were sent in via email:*

Chris Bakken wrote regarding the Jefferson County's Moderate Risk Waste Facility & the marine trades, encouraging the Port to work with the County to ensure these important services are available to marine trades and others for the appropriate handling of these hazardous materials until there is a fully functioning replacement facility in place.

Gwendolyn Tracy emailed to comment that she was in favor of keeping the evening Commissioner meetings and also keeping the pledge of allegiance on the agenda.

Pete Langley and eight other members of the PTMTA sent Commissioners a letter to comment that they would like to keep one of the monthly Port Commission meetings at 5:30 PM to allow working marine trades people the option to attend.

Bill Curtsinger wrote an email regarding meeting times, saying he is opposed to shifting the evening meetings to earlier in the day.

Joni Blanchard wrote an email regarding the moderate waste facility, saying since many boatowners/workers of the Port (along with many businesses around town) particularly generate toxic waste, it'd be good to work with the City/County to keep someplace available until a new facility can be built.

Diana Talley wrote regarding the Moderate Risk Waste facility, saying there is a huge and constant need to handle large amounts of maritime toxic waste in our waterfront industrial community. She thought that moving this service outside the Port will send a signal to users and abusers that it's not an environmental priority of the Port of Port Townsend, but she knows it's a strong priority and part of the triple bottom line.

IV. CONSENT AGENDA (00:06:04)

A. Approval of Workshop & Regular Business Meeting Minutes from December 8, 2021.

B. Approval of Warrants

Warrant #064762 through #064768 in the amount of \$25,801.10 and Electronic Payment in the amount of \$173,080.25 for Payroll & Benefits.

Warrant #064769 through #064823 in the amount of \$112,894.72 for Accounts Payable.

C. Ratification of contract with DNR for vessel demolition

D. Resolution 766-22 regarding the Auditor's Revolving Fund

The Consent Agenda was approved by unanimous consent.

V. SECOND READING: ~ none

VI. FIRST READING ~ none

VII. REGULAR BUSINESS (00:07:03)

A. Quilcene Community Meeting Report out

Executive Director Berg reported that 38 Quilcene community members had attended the meeting on February 2, where Port staff brought cost estimates and layouts for some ideas for development, with emphasis on uplands, RV park, glamping, tent camping, etc. He said they had answered many questions from the community and referred to page 26 of the packet that identifies the top priorities in Quilcene, with an emphasis on maintaining current infrastructure, before moving on to new initiatives. He said the other two key meeting takeaways was a desire to see an evening presence there, i.e., a harbormaster position, and secure the Quilcene Yacht Club in a long-term lease. Mr. Berg said the next Port meeting with the Quilcene community will be Tuesday, March 1, and that his goal is to work with the community on developing a plan during the March, April, and May meetings with the goal to present to the Commission a plan for consideration in May.

Mr. Berg recognized the strong desire to start certain projects, but said staff are reluctant to begin work prior to having a plan; therefore, he thought focusing on a shorter timeframe was prudent, in order to finalize a plan, which may include phasing. To that aim, he will order title reports for the Port's Quilcene properties this week and have a surveyor do boundary-line work, in particular with our neighbor, the Canterburys, in order to understand some of the history and underlying Port responsibilities there. He said that homework from that meeting was to obtain the past decade of revenue and expenditures for Quilcene fueling operations; staff will be bringing that and more detail on cost estimates for some of the near-term projects to the meeting in March. Mr. Berg said the big challenge for the Port is how to afford to maintain the Herb Beck Marina as a first-class facility with very little or no new revenue.

Deputy Director Toews thought that the next step, consistent with the Port's strategic plan, was to focus on the scope of costs to fix aging infrastructure first, before starting a conversation about potential uses that might increase revenues.

Anne Ricker, Quilcene resident, thanked Port staff and Commissioners for their attention and commitment to understanding Quilcene's needs and then gave her impressions of the community meeting on February 2. The following summarizes her perspective of the meeting:

- There was some controversy concerning a fuel dock, which would never pay for itself; the marina is a small facility that doesn't need fuel, as most boaters bring their own.
- As for Quilcene not paying for itself as a commercial recreational site, Coast Seafood as the chief commercial participant could pay for everything needed, with their lease money. The moorage, ramp, camping, and bathroom fees would certainly pay for whatever else is needed, such as a manager. If these fees were studiously collected and the facility brought to standard, that is.
- The Yacht Club benefits the community through its diverse role on site, including large scholarships, public and private events, and the members pay all expenses and do all the maintenance themselves.
- The people in Quilcene are not opposed to camping or property enhancement. They simply want to see the entire property returned to fully functioning before changes are made.
- Before the phased discussion, Kit Kittredge proposed a full-time maintenance handyman / harbormaster living in a small residence on the site where the former residence was. The infrastructure already exists. This person would mow, collect fees, fix what breaks, take moorage & camping reservations and locate them, watch over the Marina, etc.
- The Phase I discussion, which is what everybody wanted, included:
 - 1) Ramp: very dangerous - a lawsuit waiting to happen. This might cost more than summarized.
 - 2) Parking Lot: there is inadequate parking, and it needs resurfacing soon. Coast employees direct the madhouse during shrimping (coming up soon); at least fill the potholes before that.
 - 3) Docks: Matt's assessment of needs seems direct. Allocation and fees for spaces is a job for the new manager.
 - 4) The bathroom, showers, laundry can be cleaned up and opened while a plan for expansion into a new office space, possible food service, store, hostel, a multi-purpose facility is being

finalized. Again, a manager can ensure that damage and misuse are eliminated when the bathrooms are open.

- 5) Dredging: the most expensive problem is the silted-up entrance to the marina. Instead of “dredging” could a “repair” mitigate some permitting requirements? Paul Mahan presented an idea for filling in some length of the breakwater to bring in a large scoop to remove the buildup. This was intriguing to everyone and very creative.
 - 6) There was the matter of points for acquiring permit for funding, which was unclear to some residents. Would removing the rip rap from the area in front of the Yacht Club to recreate the old swim beach get points? Does creating a park-like place at the existing swim beach get points? Does volunteering get us any points? We need more information and clarification.
- When the meeting ended the participants were energized and optimistic. It was a productive, well-run, civilized, two-hour discussion.

Ray Canterbury thanked the Port for continuing to listen and for offering this forum to gather the Community’s input in an ongoing discussion. He agreed with the summary given by Anne Ricker and added that a common sentiment was that the burden to the community (increased vehicle and pedestrian traffic and lack of access) would outweigh any benefits more development would bring. A majority of the community feel that performing critical maintenance should be the Port’s first priority and the focus of its efforts. He reiterated Ms. Ricker’s point about the Quilcene Yacht Club’s importance to the community. He said that two challenges facing the Port as it considers options in Quilcene were 1) generating revenue from a seasonal and recreational facility, and 2) acquiring the necessary permits for critical maintenance like dredging and breakwater repair.

Mr. Canterbury said he’d asked the directors about the cost of option #3 and how it could expect a return on investment by the taxpayers, and Mr. Berg had offered to prepare a cost-benefit analysis to possibly bring to the next meeting. He said that some community members had expressed interest in having a full-time harbormaster on site and possibly getting a fuel station at the Marina as well. In closing, he thanked the Port for continuing its effort to listen to the Quilcene community.

Commissioner Hasse asked if the full-time harbormaster could live aboard a boat or an RV instead of in a physical house, and Mr. Canterbury said he’d bring that question to the next meeting. He said providing a nice place to live for a person adept at handyman skills might be cheaper than a salary.

Commissioner Hanke asked what the community thought about the different locations for camping and glamping sites on the plans, and Ms. Ricker’s response was that the former RV camping spot would be preferred, and Mr. Canterbury added that development of any kind would mean more traffic on the road, and the possibility of the community losing their access to this treasured spot.

Capital Projects Director Klontz added that the drawings he had provided at the meeting were high-level concepts provided for discussion purposes. Mr. Canterbury said they thought they were helpful and hoped that the plans could be discussed in more detail at the next meeting.

Commissioner Petranek asked if there were any funding in the works for the boat ramp. Executive Director Berg said that once the Port has a plan on the type of ramp wanted, the Port could target the next RCO grant cycle for that. He stated the question is, what is the intent for this marina’s future? Are we dredging for boats with a 6-foot draft, or are we dredging for trailer boats; are we running a seasonal marina or are we expecting people to rent slips year-round and be able to get sailboats in and out? Answering these questions will help us plan and pursue funds.

Ms. Ricker asked how well utilized the marina was now, and Deputy Director Toews said that he understood that there had been more requests for moorage than there were slips available.

Mr. Canterbury said the community was concerned that with more people from outside the area using the Quilcene marina, it leaves less opportunities for locals to use it. Mr. Toews said with respect to Boating Infrastructure Grant, the program has been reasonably well funded in recent years, and the way to win points and obtain grant funding is by developing proposals that have wide appeal and serve the voting public regionally, not just locally. He said the Port is hearing loud and clear that this is the gem of Quilcene, a facility that residents really love and take pride in and want to restore; however, the challenge is threading the needle to find projects that appeal to granting agencies, but still aligned with

community desires. Mr. Berg added that massive demand to get to limited Port facilities means there will be changed behaviors by those who use them and that will impact local users.

Ray Canterbury asked if the Port were able to make fixes to the marina to attract year-round, full-time moorage with every slip full, would that make the marina profitable or at least solvent? Deputy Director Toews stated that the challenge is the incredible cost of the capital repair, replacement and maintenance and that what the Port is really seeking is sustainability.

B. December (Quarter 4) 2021 Financials (00:52:56)

Finance Director Berg referred to page 70 of the packet regarding the operating revenues five-year comparative table and said that 2021 was clearly the strongest year yet for operations. She said it was a big increase compared to the prior year, but because of the pandemic, 2020 was a little lower than we expected. She explained that as compared to 2019, the increase is still almost 10%, which is a really strong increase and then if the five years is averaged, it's about 7% annually, which is really good. Referring to the operating expenditures on the next page, she said the five-year comparative table shows about an 8% increase compared to the prior year, although the five-year trend is 2.6%. She explained that the Port has been building capacity in operations with staffing, and also there's been an increase in repair and maintenance work. Although there are a lot of variables, comparing revenues and expenditures, one can see that the Port is ahead in revenues, which is where we want to be. She said that debt service for the year is on target.

Ms. Berg referred to page 72 where the list of capital project expenses shows the Port was very busy in 2021, spending almost \$1.5 million on 16 different projects. She gave a few statistics on the capital projects and then went over capital purchases.

Commissioner Hanke said capital purchases like the new 75-ton Travelift go onto our books as an asset, so, not only are we using dollars to do projects and make capital purchases, but we're also increasing our assets.

Finance Director Berg said the reserves increased from last year by \$2.5 million and about 54% of that is IDD money. The unreserved cash actually went down in the year by a little over \$400,000, and she said much of that was related to the Port's significant capital work and purchases.

Executive Director Berg said the goal is to get the Port debt free by 2027 and be able to use our general property tax levy revenue more flexibly. He said the next goal is a long-term plan with reserves, to use today's dollars to fund projects or equipment we estimate we will need tomorrow.

C. IDD Quarterly Report (Q4, 2021) (01:12:27)

Finance Director Berg referred to page 76 of the packet for the quarterly IDD report, saying that this is the first full year this has been provided. She said the visual on page 78 gives the most information for the first two years of the levy; we have collected about \$2.5 million, and the year-end balance is now approximately \$2,000,000, after spending about \$500,000.

Commissioner Petranek said the format was clear and commented that the Port is ready to start work on the Point Hudson Jetty as soon as permits are acquired.

Executive Director Berg said staff recommends using IDD funds to continue funding IDD budgeted projects. At about the \$2.6 million a year level, IDD funds will be exhausted in approximately the year 2027, so we will go into 2027 with IDD money in the bank for projects that we're pursuing, and that would be the year that we would make our final debt service payment and free up our general property tax levy.

Commissioner Hasse asked what happens to the \$2 million if we don't get the permit for the jetty?

Executive Director Berg said that the Port will get the permit, it's just a question of when; and since there is no rule that we spend the IDD money in the year collected, it will be in the bank until we get the needed permits.

D. Capital Projects Report (Q4, 2021) (01:22:07)

Capital Projects Director & Port Engineer Klontz said his report on page 81 of the packet gives a snapshot on 26 of the projects the Port has been working on and shows the progress on some

specific projects. He provided more detail on some of the listed projects: #2 dredging in Quilcene, #7 relocating old Coast Guard building in Boat Haven Yard to be a new Moorage Office, #16 taxiway connector at the airport, #17 Point Hudson Jetty replacement, #20 & 21 Boat Haven yard expansion.

Executive Director Berg said he appreciated this capital report and hoped that it would ensure the Commissioners and public see at a glance the current Commission-approved Port projects and in what stage they're in.

Commissioner Hasse asked if the numbers were in order of importance, and whether the date the project was approved could be included. Mr. Klontz replied that the numbers were arbitrary and purely for ease of reference. As for the date of approval, that could be included, no problem.

VIII. STAFF COMMENTS (0149:14)

Executive Director Berg noted that moving forward as part of our whole reorganization, at the Port, he had asked Chris Sparks, Kristian Ferrero, and Sue Nelson to join the first Commission business meeting of the month in the future, and to include informational items to provide both qualitative and quantitative information. In Ms. Nelson's case, this would include the lease digest and, some detail about current leasing, available properties, status of negotiations, etc.; Mr. Ferrero should supply occupancy and usage statistics and comparisons; and Mr. Sparks should share what's happening operationally at the Port in maintenance port-wide, and yard operations.

Mr. Berg reminded Commissioners that the Port is celebrating Terry Khile's 33-year retirement from the Port on Friday, February 25th at 4:00 PM at the Castle, and he suggested reading the PT Leader for February 9, where the whole beginning of the newspaper is all about the Port and our hiring, promotions, and Terry's retirement.

Executive Director Berg had a request for Commissioners: the Port is in the process of filling a customer service representative (CSR) position at Point Hudson and building teams to perform particular functions. Staff has interviewed two strong candidates and would like to hire both. Mr. Berg requested authorization to hire an additional CSR, because staff would like to have enough team members to be able deliver more hours of service, particularly in the evenings at Point Hudson, maybe here at Boat Haven, as well as to greet and welcome visitors to the marina and RV park and to enhance those levels of service. Mr. Berg said the request for Commission is for a motion to authorize the Port to hire an additional CSR now.

Commissioner Hanke asked if this would mean changing the Organizational Chart. Mr. Berg answered that doesn't really change the approved org. chart because it doesn't list numbers of employees.

Commissioner Hanke moved to authorize staff to bring in a new CSR person for Point Hudson, and motion passed by unanimous vote.

Deputy Director Toews gave an update on the status of negotiations with the county over the future of the Moderate Risk Waste facility (MRW), which began with stakeholder discussions regarding adding space in the Boat Haven yard for the long-term sustainability and enhancement of marine trades businesses. He said one tenant that really doesn't depend upon a location here at Boat Haven for success is Jefferson County's MRW facility, with a lease that ends in 2047. Discussions with Jefferson County began last year on this topic and have focused on an agreement to terminate the existing Interlocal Agreement (ILA), and the lease agreement early in December of 2024. This would allow the county three years to plan for this transition while ensuring we adequately provide for the needs of current MRW facility users. He said that under a new ILA the county would vacate the facility, remove all the waste and equipment and work with the Port to establish a collection program here at Boat Haven, and the Port would work closely with the county to establish dates and locations for collection events to be hosted here. Mr. Toews said the Port is to pay the county just under \$50,000 for the facilities that they've constructed over the years.

Commissioner Petranek noted that the MRW is only open for four hours once a week right now.

Kristian Ferrero commented that he's looking forward to the future in this new position.

Chris Sparks commented that the new 75-ton Travelift had arrived and asked if the Port should christen it. After discussion, it was decided to do the christening on Wednesday, February 16 at noon. Mr. Sparks said that the Port got the contract from Dept. of Natural Resources (DNR) to crush 13 DNR boats that are in long-term storage; and there are several more in the yard that will be disposed of to open up space for paying customers. Mr. Sparks noted that the yard staff would all be wearing high-visibility vests to designate them as Port staff and to be more customer-service friendly.

IX. COMMISSIONER COMMENTS (01:41:05)

Commissioner Hasse commented that she was delighted that Port staff are going to attend these meetings monthly and give Commissioners a report. She reported on the following meetings: Debbie Jahnke about possible native plants for the City/PUD/Port PIF grant (Sims Way project); Scott Wilson & Marian Rowe to help redesign the Port logo with some exciting ideas that are more authentic and historically appropriate to be shared at a meeting in the future; Marine Resource Committee (MRC) and North Olympic Development Council (NODC) meetings, where there was an overwhelming amount of information. She commended Port Engineer Klontz for the great talk that he gave there regarding the Point Hudson Jetty, which was clear and thoughtful and discussed the big tide event in the midst. She also noted many ecologically important work, studies, and efforts that came to light at these meetings.

Commissioner Petranek commented that she, too, had been very busy, attended a WSU and local 2020 seminar called Growing Community Food System Resilience by David Seabrook. She attended an EDC board meeting where they welcomed a new board member and a new council member. At that meeting she volunteered to be on a steering committee called ASAP-Area Sector Analysis Process (for more information see pages 107-109 of the packet). Ms. Petranek gave a boat yard tour to our new PTMTA Vice President Ashland Brown and has plans for future boatyard tours with the Port's new environmental specialist and someone from the Washington State Maritime Heritage Corridor. She said she'd like to attend the North Olympic Development Council's series of climate change meetings, the first one being February November 18th. (Since Commissioner Hasse also wants to attend, staff can list it as a special meeting of the Port Commission.) Ms. Petranek noted another KPTZ interview for Our Working Waterfront would be the next day to interview a set of brothers who are working on boats.

X. Next Public Workshop & Regular Business Meeting (01:50:07): Wednesday, February 23, 2022, at 5:30 p.m. via Zoom. (02:32:00)

XII. EXECUTIVE SESSION

XIII. ADJOURNMENT: meeting adjourned at 3:33 p.m., there being no further business before the Commission.

ATTEST:

Pamela A. Petranek, President

Peter W. Hanke, Secretary

Carol L. Hasse, 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 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 064824 generated on February 15th, 2022 in the amount of \$9,844.03 is ratified.

Signed and Authenticated on this 23rd day of February, 2022.

For: Accounts Payable

Commissioner Pam Petranek

Commissioner Carol Hasse

Commissioner Pete W. Hanke

S. Abigail Berg, Director of Finance
And Administration

Check Register**Journal Posting Date: 2/15/2022****Register Number: CD-000904****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
0000064824	2/15/2022	BAN005	Bank of America				
			2/5/2022 STATEMENT	2/5/2022	9,844.03	0.00	9,844.03
				Report Total:	<u>9,844.03</u>	<u>0.00</u>	<u>9,844.03</u>

Check Entry Number: 001



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Administration: (360) 385-0656
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. 064825 through No. 064828 generated on January 18th, 2022 in the amount of \$6,155.11 and Electronic Payment in the amount of \$106,228.08, for a total amount of \$112,383.19 is ratified.

Signed and Authenticated on this 23rd day of February, 2022.

For: Payroll and Benefits

Commissioner Pam Petranek

Commissioner Carol Hasse

Commissioner Pete W. Hanke

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 064829 through No. 064885, are approved for payment in the amount of \$77,373.17 on this 23rd day of February, 2022.

For: **Accounts Payable**

Commissioner Pam Petranek

Commissioner Carol Hasse

Commissioner Pete W. Hanke

S. Abigail Berg, Director of Finance
And Administration

Check Register

Journal Posting Date: 2/23/2022

Register Number: CD-000906

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
0000064829	2/23/2022	A&A010	A&A Appliance Service Inc				Check Entry Number: 001
			WO-0764	2/2/2022	361.63	0.00	361.63
0000064830	2/23/2022	ADM002	Admiral Ship Supply Inc.				Check Entry Number: 001
			1/31/2022 STATEMENT	1/31/2022	679.32	0.00	679.32
0000064831	2/23/2022	ARR010	Arrow Lumber Port Townsend				Check Entry Number: 001
			79639	1/25/2022	145.29	0.00	145.29
0000064832	2/23/2022	BAR080	Melissa Barran				Check Entry Number: 001
			REFUND 2/3/22	2/3/2022	11.00	0.00	11.00
0000064833	2/23/2022	BER045	Eron Berg				Check Entry Number: 001
			1/2022 EXPENSE	1/31/2022	86.94	0.00	86.94
0000064834	2/23/2022	BER050	Bill Berry				Check Entry Number: 001
			REFUND 2/3/2022	2/3/2022	113.22	0.00	113.22
0000064835	2/23/2022	CED005	CED				Check Entry Number: 001
			5948-1014864	1/25/2022	92.74	0.00	92.74
0000064836	2/23/2022	CEN010	Central Welding Supply				Check Entry Number: 001
			PT 140719	2/3/2022	17.73	0.00	17.73
			PT 140737	2/4/2022	340.24	0.00	340.24
Check 0000064836 Total:					357.97	0.00	357.97
0000064837	2/23/2022	CEN030	CenturyLink				Check Entry Number: 001
			2/1/22 STATEMENT	2/1/2022	175.00	0.00	175.00
0000064838	2/23/2022	CEN035	CenturyLink				Check Entry Number: 001
			2/5/2022 STATEMENTS	2/5/2022	822.44	0.00	822.44
0000064839	2/23/2022	CIN020	Cintas				Check Entry Number: 001
			5094853571	2/8/2022	187.75	0.00	187.75
0000064840	2/23/2022	CIT010	City of Port Townsend				Check Entry Number: 001
			LUP22-013	2/16/2022	369.04	0.00	369.04
0000064841	2/23/2022	CLA003	Clark Land Office				Check Entry Number: 001
			14944	1/31/2022	5,580.00	0.00	5,580.00
0000064842	2/23/2022	COO050	Cooper Fuel				Check Entry Number: 001
			2/1/2022 STATEMENT	2/1/2022	3,812.41	0.00	3,812.41
0000064843	2/23/2022	DCB050	DC Backflow Service				Check Entry Number: 001
			11699	2/8/2022	1,092.00	0.00	1,092.00
			11700	2/9/2022	630.00	0.00	630.00
Check 0000064843 Total:					1,722.00	0.00	1,722.00
0000064844	2/23/2022	DHE030	DH Environmental, Inc.				Check Entry Number: 001
			9850	2/3/2022	2,550.00	0.00	2,550.00
0000064845	2/23/2022	DIR070	DirecTV				Check Entry Number: 001
			075436554X220128	2/16/2022	430.75	0.00	430.75
0000064846	2/23/2022	END040	enduris Washington				Check Entry Number: 001
			R22-318-5	2/7/2022	50.00	0.00	50.00
			R22-318-6	2/14/2022	980.00	0.00	980.00
Check 0000064846 Total:					1,030.00	0.00	1,030.00
0000064847	2/23/2022	ESC020	ESCI Inc				Check Entry Number: 001
			12469	12/5/2021	5,456.95	0.00	5,456.95
0000064848	2/23/2022	FER001	Ferrellgas				Check Entry Number: 001
			1/27/22 STATEMENT	1/27/2022	487.77	0.00	487.77
0000064849	2/23/2022	GOO002	Good Man Sanitation				Check Entry Number: 001
			1/31/22 STATEMENT	1/31/2022	2,063.00	0.00	2,063.00
0000064850	2/23/2022	GOO090	Good To Go!				Check Entry Number: 001
			27680692	1/31/2022	7.25	0.00	7.25

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Check Register
Journal Posting Date: 2/23/2022
Register Number: CD-000906

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
0000064851	2/23/2022	INS070	Insight Strategic Partners, LLC				Check Entry Number: 001
			3723	12/31/2021	2,750.00	0.00	2,750.00
			3772	1/31/2022	3,250.00	0.00	3,250.00
			Check 0000064851 Total:		6,000.00	0.00	6,000.00
0000064852	2/23/2022	JC0003	Jefferson County - Public Work				Check Entry Number: 001
			1/31/22 STATEMENT	2/2/2022	570.26	0.00	570.26
0000064853	2/23/2022	JC1003	Jefferson Co Treasurer				Check Entry Number: 001
			2022 PROP TAXES	2/23/2022	1,364.90	0.00	1,364.90
0000064854	2/23/2022	KIT030	Kitsap Sun				Check Entry Number: 001
			0004349860	1/31/2022	102.68	0.00	102.68
0000064855	2/23/2022	LAS050	Mark Lascelles				Check Entry Number: 001
			REFUND 2/12/2022	2/12/2022	40.00	0.00	40.00
0000064856	2/23/2022	LEM040	Lemay Mobile Shredding				Check Entry Number: 001
			4733162S185	2/1/2022	14.65	0.00	14.65
0000064857	2/23/2022	MAR031	Marine Vacuum Service, Inc.				Check Entry Number: 001
			76106	2/10/2022	3,014.43	0.00	3,014.43
0000064858	2/23/2022	MCD050	Jennie McDonald				Check Entry Number: 001
			REFUND 2/16/22	2/16/2022	11.00	0.00	11.00
0000064859	2/23/2022	MEN050	Megan Menis				Check Entry Number: 001
			REFUND 2/11/22	2/11/2022	11.00	0.00	11.00
0000064860	2/23/2022	O'RE030	O'Reilly Auto Parts				Check Entry Number: 001
			3939-112750	2/7/2022	123.25	0.00	123.25
0000064861	2/23/2022	OES001	OESD 114				Check Entry Number: 001
			2122000891	2/15/2022	4,029.00	0.00	4,029.00
0000064862	2/23/2022	OLY002	The Home Depot Pro Institutional				Check Entry Number: 001
			662791615	1/12/2022	733.26	0.00	733.26
			665906079	1/28/2022	831.56	0.00	831.56
			Check 0000064862 Total:		1,564.82	0.00	1,564.82
0000064863	2/23/2022	OLY003	Olympic Springs, Inc.				Check Entry Number: 001
			345210	1/11/2022	26.02	0.00	26.02
0000064864	2/23/2022	OLY005	Olympic Synthetic Products				Check Entry Number: 001
			337530	2/8/2022	442.64	0.00	442.64
0000064865	2/23/2022	OLY035	Olympic Peninsula Communications, LLC				Check Entry Number: 001
			022	2/6/2022	3,315.00	0.00	3,315.00
0000064866	2/23/2022	PAC004	Pacific Office Equipment Co				Check Entry Number: 001
			1/31/22 STATEMENT	1/31/2022	495.64	0.00	495.64
0000064867	2/23/2022	PEN005	Peninsula Fire Inc				Check Entry Number: 001
			64228	2/9/2022	1,422.34	0.00	1,422.34
			64229	2/9/2022	349.07	0.00	349.07
			64230	2/9/2022	235.60	0.00	235.60
			Check 0000064867 Total:		2,007.01	0.00	2,007.01
0000064868	2/23/2022	PEN060	Peninsula Pest Control, Inc				Check Entry Number: 001
			59573	1/26/2022	545.50	0.00	545.50
0000064869	2/23/2022	PIN010	Pinnacle Investigations Corp				Check Entry Number: 001
			78331	2/16/2022	195.40	0.00	195.40
0000064870	2/23/2022	POR005	Port Townsend Leader				Check Entry Number: 001
			109065	2/1/2022	231.13	0.00	231.13
			198156	12/15/2021	48.25	0.00	48.25
			198188	12/8/2021	30.00	0.00	30.00
			198432	12/22/2021	58.25	0.00	58.25

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Check Register
Journal Posting Date: 2/23/2022
Register Number: CD-000906

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
			198437	12/22/2021	40.00	0.00	40.00
			498431	12/22/2021	29.75	0.00	29.75
			Check 0000064870 Total:		437.38	0.00	437.38
0000064871	2/23/2022	PUD005	PUD #1 of Jefferson County				Check Entry Number: 001
			2/11/22 SATEMENT	2/11/2022	24.54	0.00	24.54
			2/4/2022SATEMENT	2/4/2022	18.92	0.00	18.92
			Check 0000064871 Total:		43.46	0.00	43.46
0000064872	2/23/2022	QUI001	Quill Corporation				Check Entry Number: 001
			22709418	1/28/2022	334.80	0.00	334.80
0000064873	2/23/2022	SEC010	Security Services				Check Entry Number: 001
			120479	2/1/2022	190.85	0.00	190.85
0000064874	2/23/2022	SNE070	Snell Crane Service, Inc.				Check Entry Number: 001
			28424	2/9/2022	5,373.18	0.00	5,373.18
0000064875	2/23/2022	SOU055	Sound Publishing, Inc				Check Entry Number: 001
			8049349.2	12/31/2021	84.00	0.00	84.00
			8052623	1/31/2022	543.95	0.00	543.95
			Check 0000064875 Total:		627.95	0.00	627.95
0000064876	2/23/2022	TER005	Terry's Lock & Safe				Check Entry Number: 001
			0128622-671	2/3/2022	55.42	0.00	55.42
0000064877	2/23/2022	TER030	Terrapin Architecture PC				Check Entry Number: 001
			22-074	2/9/2022	3,645.00	0.00	3,645.00
0000064878	2/23/2022	THE020	Thermo Fluids, Inc.				Check Entry Number: 001
			88322203-2107268384	2/9/2022	1,167.85	0.00	1,167.85
0000064879	2/23/2022	TWI001	Spectra Laboratories - Kitsap				Check Entry Number: 001
			22-00654	2/10/2022	45.00	0.00	45.00
0000064880	2/23/2022	ULI040	ULINE				Check Entry Number: 001
			144681628	2/4/2022	11,084.80	0.00	11,084.80
0000064881	2/23/2022	VEN070	VenTek International				Check Entry Number: 001
			130770	2/1/2022	103.65	0.00	103.65
0000064882	2/23/2022	VIR060	Virtower				Check Entry Number: 001
			1259	2/14/2022	500.00	0.00	500.00
0000064883	2/23/2022	WA1901	State of Washington				Check Entry Number: 001
			L146739	2/11/2022	464.40	0.00	464.40
0000064884	2/23/2022	WAS017	Marc Horton - Washington Project Consultants				Check Entry Number: 001
			013122-8	2/1/2022	2,850.00	0.00	2,850.00
0000064885	2/23/2022	WES060	West Marine Pro				Check Entry Number: 001
			009596	2/8/2022	33.76	0.00	33.76
			Report Total:		77,373.17	0.00	77,373.17



PO Box 1180 • Port Townsend, WA 98368
Serving all of Jefferson County

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 material has been furnished, the labor performed and the services provided, as described herein, and that this claim is a just and unpaid obligation of the Port of Port Townsend, and that this claim, in Warrant No. 064750 in the amount of \$84.00.00 is declared void on this on this 23rd day of February, 2022.

For: **Accounts Payable**

Commissioner Pete W. Hanke

Commissioner Pam Petranek

Commissioner Carol Hasse

S. Abigail Berg, Director of Finance
And Administration

Manual Check and Payment Register
Journal Posting Date: 2/17/2022
Register Number: MC-000278

Port of Port Townsend (PTA)

Bank: W WARRANTS PAYABLE

Check Number/ Invoice Number	Check Date Invoice Date	Vendor Number Invoice Amount	Discount	Distribution Amount	Check Amount
0000064750	REV 1/26/2022	SOU001			84.00-
Check Comment: S/B Sound Publications, Inc					
CK000006475001					
	1/26/2022	84.00-	0.00		
G/L Account:	781-7425-28	MARKETING: EXECUTIVE		84.00-	
	Bank W Total:	84.00-	0.00	84.00-	84.00-
	Report Total:	84.00-	0.00	84.00-	84.00-



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ELECTRONIC DEBIT – Kitsap Bank

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 claim is a just, due and unpaid obligation of the Port of Port Townsend, that we are authorized to authenticate and certify said claim, and that the Electronic Debit from the Port Checking Account held at Kitsap Bank is approved for payment in the amount of **\$3,475.64 is ratified.**

Signed and Authenticated on this **23rd** day of **February**, 2022.

For: Washington State, Department of Revenue

Combined Excise Tax Return – for ***January, 2022*** in the amount of **\$3,475.64.**

Commissioner Pam Petranek

Commissioner Carol Hasse

Commissioner Pete W. Hanke

S. Abigail Berg, Director of Finance
and Administration

Washington State Department of Revenue

Your Return has been submitted and your confirmation number is **0-025-028-274**

Below is information from your Monthly Return for the period ending January 31, 2022

Filing Date	February 17, 2022
Account ID	161-000-044
Primary Name	BOAT HAVEN FUEL DOCK
Payment Method	ACH Debit/E-Check
Payment Effective	February 18, 2022
Total Tax	4,627.15
Total Credits	1,151.51
Total Due	3,475.64



Combined Excise Tax Return

161-000-044
BOAT HAVEN FUEL DOCK
PORT OF PORT TOWNSEND

Filing Period: January 31, 2022

Due Date: February 25, 2022

Filing Frequency: Monthly

Business & Occupation

Tax Classification	Gross Amount	Deductions	Taxable Amount	Tax Rate	Tax Due
Retailing	36,597.65	0.00	36,597.65	0.004710	172.37
Service and Other Activities (\$1 million or greater in prior year)	46,399.17	0.00	46,399.17	0.017500	811.99
Total Business & Occupation					984.36

State Sales and Use

Tax Classification	Gross Amount	Deductions	Taxable Amount	Tax Rate	Tax Due
Retail Sales	36,597.65	0.00	36,597.65	0.065000	2,378.85
Total State Sales and Use					2,378.85

Public Utility Tax

Tax Classification	Gross Amount	Deductions	Taxable Amount	Tax Rate	Tax Due
Water Distribution	942.31	0.00	942.31	0.050290	47.39
Other Public Service Business	6,218.20	0.00	6,218.20	0.019260	119.76
Total Public Utility Tax					167.15

Deductions

Tax Classification	Deduction	Amount
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Business & Occupation

Retailing	Motor Vehicle Fuel Tax	0.00
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State Sales and Use

Retail Sales	Motor Vehicle Fuel Sales	0.00
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Credits

	Amount
Main Street Credit	984.36
Main Street Credit	167.15
Total Credits	1,151.51

Local City and/or County Sales Tax

Location	Taxable Amount	Tax Rate	Tax Due
1601 - PORT TOWNSEND	36,597.65	0.026000	951.54
Total Local City and/or County Sales Tax			951.54

Transient Rental Income

Location	Income
1601 - PORT TOWNSEND	7,262.59
Total Transient Rental Income	7,262.59

Special Hotel/Motel

Location	Taxable Amount	Tax Rate	Tax Due
1601 - PORT TOWNSEND	7,262.59	0.020000	145.25
Total Special Hotel/Motel			145.25

Total Tax	4,627.15
Total Credits	1,151.51
Subtotal	3,475.64
Total Amount Owed	3,475.64

Prepared By: Donna Frary
E-Mail Address: donna@portofpt.com
Submitted Date: 2/17/2022
Confirmation #: 0-025-028-274

Payment Type: ACH Debit/E-Check
Amount: \$3,475.64
Effective Date: 2/18/2022

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	February 23, 2022
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 – SEA Green Partners, d/b/a SEA Marine
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Info Memo B. Term Sheet C. Lease Agreement, Exhibit 'A'

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 2/23/2022
TO: Port Commission
FROM: Eric Toews, Deputy Director and Sue Nelson, Lease & Contracts Administrator
SUBJECT: SEA Green Partners, LLC d/b/a SEA Marine Lease Agreement

BACKGROUND: SEA Green Partners, LLC (d/b/a SEA Marine) have expressed their desire to rent the sail loft portion of the Armory Building. A long-time presence at Point Hudson, SEA Marine offers sail-making, and marine canvas fabrication and repair services at their present facility. However, having recently purchased a canvas and sail-making business formerly located in Port Hadlock, SEA Marine requires a larger, dedicated canvas shop to consolidate their operations.

DISCUSSION: Lease terms agreed upon between Port staff and SEA Marine, include premises totaling 3,335 square feet of floor space in the Armory Building at the market rate of \$0.69/sf, for a five (5) year initial term, together with one (1) additional five (5) year option. Terms of the proposed lease preserve their ability to early terminate with ninety (90) days advance notice, after the completion of the twelfth (12th) month of the initial lease term, and are in all material respects consistent with, and help to implement, the Commission's adopted Lease Policy.

SEA Marine plans to undertake several improvements to the premises prior to commencement of the lease term on May 1, 2022, to make the space suitable for their intended use. These are likely to include repairs to the interior walls and ceiling of the Sail Loft, as well as installation of mini-split HVAC systems. The precise nature and scope of these tenant improvements will be reviewed and authorized in writing by the Executive Director via a "No Rent Access Period Memorandum" prior to being undertaken.

RECOMMENDATION: Authorize the Executive Director to execute the attached Lease Agreement with SEA Green Partners, LLC d/b/a SEA Marine.

MOTION: None required. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the attached Lease Agreement.

ATTACHMENTS

- Summary of Key Terms
- SEA Green Partners, LLC d/b/a SEA Marine Lease Agreement, including Exhibit 'A'

PORT OF PORT TOWNSEND:
Summary of Key Terms – SEA Green Partners, LLC d/b/a SEA Marine
Point Hudson No Rent Access Memo and Building Lease Agreement

1. **TENANT:** SEA Green Partners, LLC d/b/a SEA Marine, a Washington limited liability company.
2. **PREMISES:** Approximately 3,335 sf of space located in the building commonly known as the “Armory Building”, located at 315 Jackson Street, Port Townsend, WA (comprised by approximately 3,050 sf of loft and office space on the second floor, together with approximately 285 sf of storage and foyer space on the ground floor).
3. **TERM:** A rent-free access period, prior to lease commencement, to allow the tenant to make building improvements, including re-skinning, and painting of the interior walls, and the installation of a new heating/cooling system. Also, a five (5) year lease term, commencing May 1, 2022, and ending on April 30, 2027, plus one (1) five (5) year term option. Additionally, the agreement shall be terminable by the tenant, after the twelfth (12th) month of the initial lease term is completed, and upon 90 days’ (3 months) advance written notice.
4. **RENT:** Market rate of \$0.69/sf x 3,335 sf, for a base total of \$2,301.15, plus \$295.47 (12.84% Leasehold Excise Tax [LET]) = \$2,596.62
5. **USE OF PREMISES:** Marine-related canvas and upholstery shop.
6. **DEPOSIT:** Three (3) month security deposit of \$6,903.45 + LET \$886.40 (\$7,789.85) would be required prior to execution of the lease.
7. **UTILITIES:** All utilities are the responsibility of the Tenant.
8. **MAINTENANCE & REPAIR:** All maintenance and repairs are the Tenant’s responsibility.
9. **INSURANCE:** Per Port policy. 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.
10. **ASSIGNMENT/SUBLEASE:** Permitted only by prior written consent of the Port.
11. **DEFAULTS/TERMINATION:** Time is of the essence. Failure to pay rent, or to abide by the covenants/agreements contained in the agreement, may serve as a basis for termination. Tenant will be provided with fifteen (15) days’ written notice to cure defaults.

PORT OF PORT TOWNSEND POINT HUDSON BUILDING LEASE

THIS LEASE AGREEMENT made this ____ day of February 2022, 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 **SEA Green Partners, LLC, d/b/a SEA MARINE**, a Washington limited liability company, hereinafter referred to collectively 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 3,335 sf of space located in the building commonly known as the "Armory Building", located at 315 Jackson Street, Port Townsend, WA (comprised by approximately 3,050 sf of loft and office space on the second floor, together with 285 sf of storage and foyer space on the ground floor),

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 May 1, 2022, and ending at midnight, April 30, 2027, unless 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. Lessee's notification to extend the Lease shall be delivered to the Port in writing at least ninety (90) days prior to the end of the initial lease term.
3. **RIGHT OF EARLY TERMINATION.** Provided Lessee is not, and has not been, in default under the terms and conditions of this Lease, it shall have a Right of Early Termination of this Lease. The notice to early terminate may only be given after the twelfth (12th) month of the initial lease term is completed. Lessee shall apprise the Port of its intention to early terminate the Lease in writing with at least ninety (90) days advance notice, failing which, the Right of Early Termination shall be null and void. Therefore, the earliest date Lessee may cancel the Lease and vacate the premises is May 1st, 2023.

4. RENT:

- a. Lessee agrees to pay as rent for the leased premises the sum of **Two Thousand Three Hundred and One Dollars and Fifteen Cents (\$2,301.15)**¹ per month plus all applicable taxes.
- b. Beginning on March 1, 2024, and every three (3) years thereafter, the rental rate may be adjusted to the fair market rental rate for the premises based on the fair market rental rate then prevailing for comparable commercial and/or industrial premises in the Western Washington area, bearing in mind all allowable uses of the property and all services and amenities available to the premises by virtue of its location. In the event the parties are unable to reach agreement on the fair market rate adjustment, the rate 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.
- c. Except in years when a fair market rate adjustment is made as set forth in Subparagraph (b) of this Paragraph 4, above, the rental rate beginning in year two (2) and annually throughout the term of this Lease will be adjusted by an amount equal to the percentage change over the prior year 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.
- d. In no event shall any rent adjustment under subparagraphs (b) or (c) of this paragraph 4 result in a reduction in rent from the rate paid in the prior year.
- e. The rent for each month shall be paid to the Port in advance on or before the first day of every month of the lease term and shall be payable at the accounting office of the Port or at such place as the Port may hereafter designate.

5. 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.

6. DEPOSIT: Lessee shall deposit with the Port, security in the amount of **Seven Thousand Seven Hundred Eighty-Nine Dollars and Eighty-Five Cents (\$7,789.85)**.² The 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.

7. USE OF PREMISES: Lessee shall use the premises for the purpose of a marine-related canvas and upholstery shop, together with associated office space and storage, and shall not use

¹ Calculated as follows: building space @\$0.69 per sf x 3,335 sf = \$2,301.15 rent; \$2,301.15 (rent) x 12.84% (leasehold excise tax (LET)) = \$295.47; \$2,301.15 (rent) + \$295.47 (LET) = \$2,596.62 total.

² Required security for all Port leases is an amount equivalent to three (3) months' rent together with applicable taxes (i.e., at lease inception, \$2,301.15 per month x 3 = \$6,903.45; \$6,903.45 x 12.84% LET = \$886.40; \$6,903.45 + \$886.40 = \$7,789.85). Beginning in year three (3) and every three (3) years thereafter, the deposit amount may be adjusted to ensure that an amount equivalent to three (3) months of the then current rent (i.e., as may be adjusted for as set forth in Paragraph 4) is on file with the Port.

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, except for temporary closures for such periods as may reasonably be necessary for repairs or redecorating or for reasons beyond Lessee's reasonable control. Lessee agrees that it will not disturb the Port or any other tenant of the Port's by making or permitting any disturbance or any unusual noise, vibration, or other condition on or in the premises.

- 8. CONDUCT COVENANTS AND WARRANTIES:** In addition to all other covenants and warranties set forth herein, Lessee specifically represents 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 all common areas, or the property of other Tenants, their invitees, and visitors.
- 9. UTILITIES:** Lessee shall be liable for, and shall pay throughout the term of this Lease, all utility services furnished to the premises, including, but not limited to light, heating, electricity, communications (including WiFi), gas (propane), water, sewerage, garbage disposal, and janitorial services.
- 10. ACCEPTANCE OF PREMISES:** Lessee has examined the leased premises and accepts them in their present condition "as is" and without further maintenance liability on the part of the Port. 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.
- 11. 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 Agreement, 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 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 the systems lying outside the premises), exterior siding, doors, window frames, gutters, downspouts, and the heating system serving the premises, unless such repairs are necessitated by Lessee's negligence or failure to maintain the interior. Lessee shall, at its' own expense, and always:

- a. Keep the premises, and the adjoining roadways and sidewalks, neat, clean and in a safe and sanitary condition.
- b. Maintain and keep the rented premises in a good state of repair; and
- c. Not commit waste of any kind.

12. ALTERATIONS AND IMPROVEMENTS: Lessee shall make no alterations or improvements to or upon the premises or install any fixtures (other than trade fixtures which can be removed without injury to the premises) without first obtaining written approval from the Executive Director of the Port. When seeking the Port's approval, Lessee shall submit full plans and specifications for any proposed alterations and shall furnish proof of compliance with all applicable building codes and other regulations and shall apply for and obtain all necessary permits for such work. If the proposed improvements are estimated to cost more than \$25,000, the Port may require the posting of a completion bond as security for the completion of the improvements. Upon conclusion of the alterations, Lessee shall furnish "as-built" drawings of all improvements and alterations. The Port's approval of alterations shall also include agreement for disposition of the improvements upon termination of this Lease.

13. 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.

14. DAMAGE OR DESTRUCTION:

- a. Should the premises or the buildings or structures of which the premises are a part be damaged by fire or other casualty, and if the damage is repairable within four (4) weeks from the date of the occurrence (with the repair work and the preparations therefore to be done during regular working hours on regular work days), the premises shall be repaired with due diligence by the Port, and in the meantime the monthly minimum rental shall be abated in the same proportion that the untenable portion of the premises bears to the whole thereof, for the period from the occurrence of the damage to the completion of the repairs.
- b. Should the premises or any buildings or structures of which the premises are a part be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot be repaired within four (4) weeks of the occurrence, the Port shall have the option to terminate this Lease on thirty (30) days' notice, effective as of any date not more than sixty (60) days after the occurrence. In the event this paragraph 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.

- 15. 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.
- 16. 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 15, 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.
- 17. 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 tenant's employees from claims under Washington Workers Compensation Act as well as all Federal Acts applicable to

the tenant'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.

The Lessee agrees to supply the Port with appropriate evidence to establish that its insurance obligations have been met, and that the insurance policy or policies are not subject to cancellation without at least thirty (30) days advance written notice to the Port. The conditions set forth in subparagraphs a, b and c of this Paragraph 17 shall be met prior to inception of this Lease Agreement.

- 18. 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 18 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.
- 19. INCREASE IN COST OF INSURANCE:** Lessee shall not use the demised premises in such a manner as to increase the existing rates of insurance applicable to the buildings or structures of which the premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the buildings or structures of which the leased premises are a part, and to the extent allocable to the term of this Lease, may be added to the amount of rental hereinabove specified and shall be paid by Lessee to the Port upon the monthly rental day next thereafter occurring.
- 20. TAXES:** Lessee shall be liable for, and shall pay throughout the term of this Lease, all license and excise fees and occupation taxes covering the business conducted on the premises, and all taxes on property of Lessee on the leased premises and any taxes on the leased premises or leasehold interest created by this Lease Agreement.
- 21. COMPLIANCE WITH PORT REGULATIONS AND WITH ALL LAWS:** Lessee agrees to comply with all applicable rules and regulations of the Port pertaining to the building or other realty of which the premises are a part now in existence or hereafter promulgated for the general safety and convenience of the Port, its various tenants, invitees, licensees, and the general public. Lessee also agrees to comply with all applicable federal, state, and municipal laws, ordinances, and regulations. Lessee further agrees that all buildings, structures, or other improvements, approved by the Port, will be properly permitted by Jefferson County. 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.
- 22. 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. The Port's consent will not unreasonably be withheld.

23. DEFAULTS: Time is of the essence of this Lease Agreement, and in the event of the failure of Lessee to pay the rentals or other charges at the time and in the manner herein specified, or to keep any of the covenants or agreements herein set forth to be kept and performed, the Port may elect to terminate this Lease and reenter and take possession of the premises with or without process of law, PROVIDED, however, that Lessee shall be given fifteen (15) days' notice in writing stating the nature of the default in order to permit such default to be remedied by Lessee within said fifteen (15) day period. If upon such reentry there remains any personal property of Lessee or of any other person upon the leased premises, the Port may, but without the obligation so to do, remove said personal property and hold it for the owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Lessee shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Lessee, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Lessee to the Port, and the balance, if any, shall be paid to Lessee. Notwithstanding any such reentry, the liability of Lessee for the full rental provided for herein shall not be extinguished for the balance of the term of this Lease, and Lessee shall make good to the Port any deficiency arising from a re-letting of the leased premises at a lesser rental than that hereinbefore agreed upon. Lessee shall pay such deficiency each month as the amount thereof is ascertained by the Port. Any failure by the owners, officers, or principals of Lessee to pay rentals, storage fees, moorage or any other charges owed to the Port under separate contract(s) shall constitute default under provisions of this Lease Agreement.

24. TERMINATION BY PORT: In the event that the Port, at its sole discretion, shall require the use of the premises for any purpose for public or private use in connection with the operation of the business of the Port, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee **one hundred and twenty (120)** or more days before the termination date specified in the notice. Lessee and the Port Executive Director will agree compensation to Lessee for loss of use, cost of relocation,

and/or cost of improvement. In the event that the parties are unable to reach agreement on the compensation to Lessee, the amount shall be determined by arbitration before a single arbitrator who shall be jointly selected by the parties or by the Jefferson County Court if the parties cannot agree.

- 25. 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.
- 26. 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.
- 27. 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.
- 28. 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.
- 29. 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 24 hereof.

30. 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.

31. 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 12 of this Lease on ownership of improvements at termination. Lessee shall leave the surrendered premises and any other property 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 shall become the Port’s property at termination of this Lease. All property that Lessee is not required to surrender but that Lessee does abandon 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 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 costs and attorney fees incurred in any such action. Any action brought under the terms of this Lease shall be maintained in Jefferson County, Washington.

32. 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.

33. 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.

- 34. 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.
- 35. 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
Attn: Sue Nelson, Lease & Contracts Administrator
P.O. Box 1180
Port Townsend, Washington 98368

To Lessee:
SEA GREEN PARTNERS, LLC d/b/a SEA MARINE
Attn: Christopher Bakken
419 Jackson Street
Port Townsend, WA 98368
Phone: (360) 385-4000 (office); (503) 784-2454 (cell)

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.

- 36. JOINT AND SEVERAL LIABILITY:** Each and every party who signs this Lease, other than in a representative capacity, as Lessee, shall be jointly and severally liable hereunder.
- 37. "LESSEE" INCLUDES "LESSEES", 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.
- 38. CAPTIONS:** The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.
- 39. 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.

- 40. NON-DISCRIMINATION SERVICES:** The Lessee agrees that it will not discriminate by segregation or otherwise against any person or persons because of race, creed, color, sex, sexual orientation, or national origin in furnishing, or by refusing to furnish, to such person, or persons, the use of the facility herein provided, including any and all services, privileges, accommodations, and activities provided thereby.

It is agreed that the Lessee's noncompliance with the provisions of this clause shall constitute a material breach of this Lease. In the event of such noncompliance, the Port may take appropriate action to enforce compliance, may terminate this Lease, or may pursue such other remedies as may be provided by law.

- 41. NON-DISCRIMINATION EMPLOYMENT:** The Lessee covenants and agrees that in all matters pertaining to the performance of this Lease, Lessee shall at all times conduct its business in a manner which assures fair, equal and non-discriminatory treatment of all persons without respect to race, creed or national origin and, in particular:

- a. Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities, and
- b. Lessee will comply strictly with all requirements of applicable federal, state, or local laws or regulations issued pursuant thereto relating to the establishment of non-discriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination as to any person's race, creed, color, sex, sexual orientation, or national origin.

- 42. 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. If 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.

- 43. LESSEE'S ACKNOWLEDGEMENT OF PRESENCE OF CERTAIN SUBSTANCES:** Lessee acknowledges that because the buildings at Point Hudson were constructed many years ago, that they may contain asbestos, creosote, lead paint and other substances that would not be allowed in modern construction. The Port will comply with the directives of any lawful authority that may require the removal or remediation of such substances and will not use any such substances during the renovation or remodeling of the Point Hudson facility, but Lessee agrees not to demand the removal of any such substances which do not impose a hazard to the health of Lessee and its employees, guests, and invitees. In the event any such substances need to be removed from the leased premises, Lessee agrees to cooperate with the Port and allow the removal of such materials, including the temporary cessation of Lessee's business activities, Lessee's rent shall be abated during any such period of disruption, but Lessee shall not be entitled to any damages or compensation for business interruption or loss of revenue, PROVIDED the Port moves expeditiously to complete such activities.
- 44. ENTIRE AGREEMENT:** This Lease Agreement contains all the understandings between the parties. Each party represents that no promises, representations, or commitments have been made by the other as a basis for this Lease which have not been reduced to writing herein. No oral promises or representations shall be binding upon either party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Lease executed with all necessary legal formalities by the Commission of the Port of Port Townsend.

Lease Agreement dated this ____ day February 2022 as approved by the Port of Port Townsend Port Commission, on the 23rd day of February 2022 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 – SEA GREEN PARTNERS, LLC

Patrick Shannon, Governing Party

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 Patrick Shannon signed this instrument and that he is authorized to execute the instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____

Signature of
Notary Public: _____

My Appointment Expires: _____

**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

I certify that I know or have satisfactory evidence that 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: _____

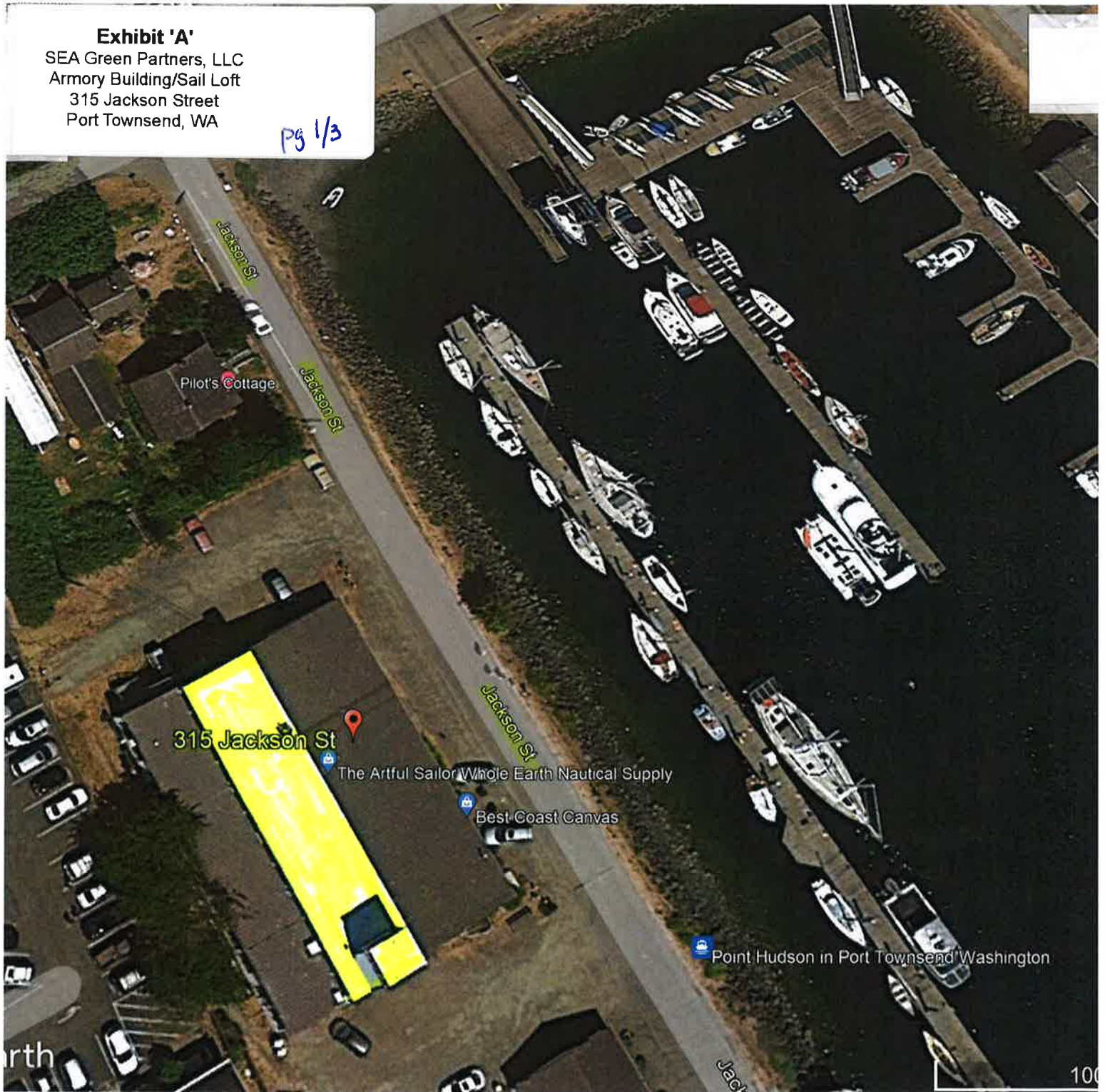
Signature of
Notary Public: _____

My Appointment Expires: _____

Exhibit 'A'

SEA Green Partners, LLC
Armory Building/Sail Loft
315 Jackson Street
Port Townsend, WA

pg 1/3



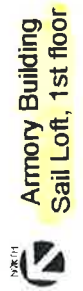
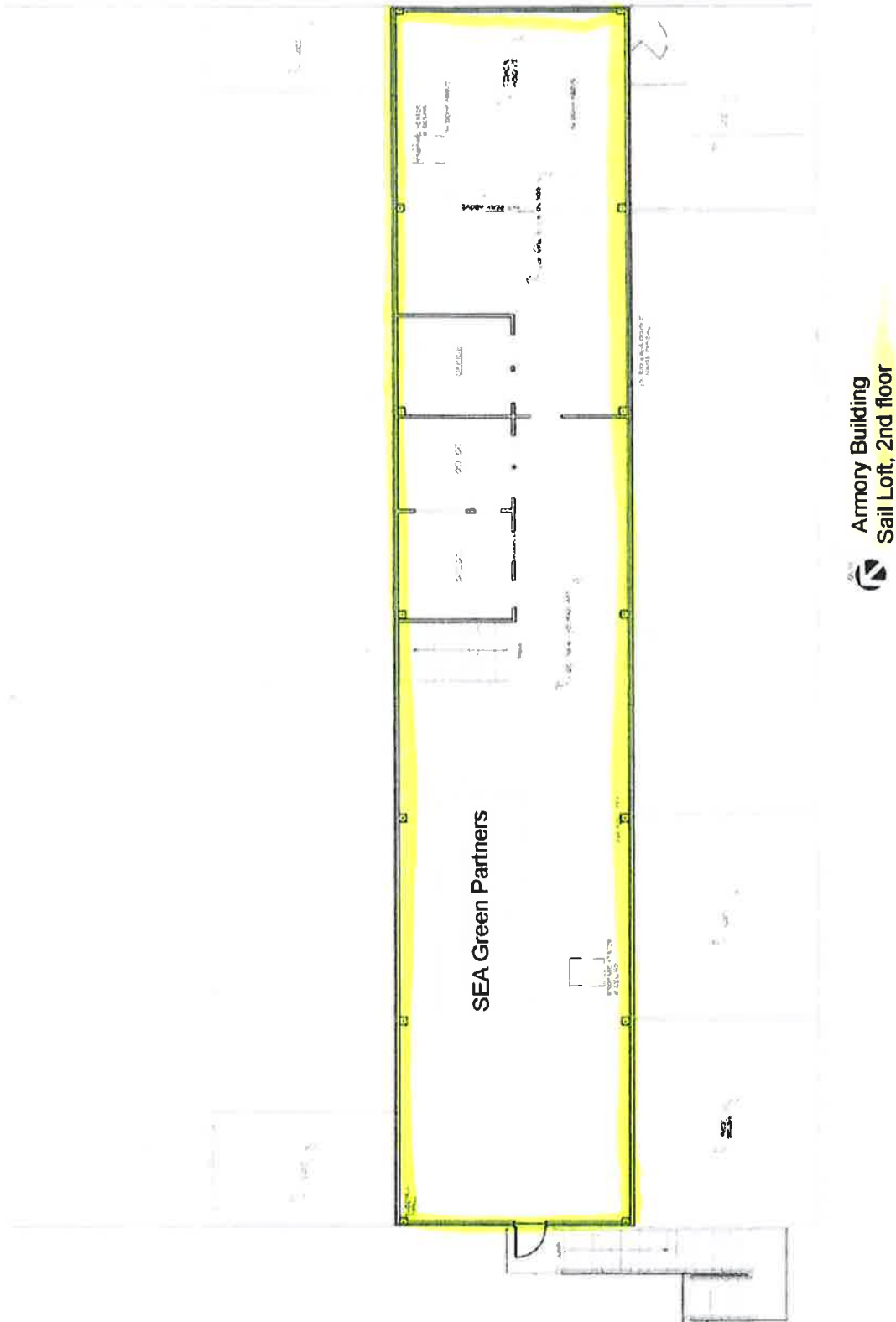


Exhibit 'A'
SEA Green Partners, LLC pg 3/3



PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	February 23, 2022
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. Ratify Emergency Declaration (king tide)
STAFF LEAD	Matthew Klontz, Director of Capital Projects and Port Engineer
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
ATTACHMENTS	<ul style="list-style-type: none"> • Emergency Declaration memo • Emergency Order 2022-01 • Boat Haven Pavement Repair Estimate • Boat Haven pavement repair areas (aerial photo)

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

To: Port of Port Townsend Port Commission

From: Eron Berg, Executive Director

Date: February 17, 2022

Re: Declaration of Emergency – Boat Haven Marina Bulkhead/Asphalt Pavement Subsidence

RCW 39.04.280 requires that, if an emergency exists, the person designated by the governing body may declare an emergency, waive competitive bidding requirements, and award all necessary contracts to address the situation.

Within the delegation of authority resolution, Resolution No. 762-22, Article III, “Policy Governing Contracts for Performance of Public Work”, paragraph #B, the Commission authorizes the Executive Director to make a finding of the existence of an emergency and to execute any contracts necessary to respond to the emergency. It further provides that the Executive Director shall, at the first Commission meeting following the finding of the existence of an emergency, request Port Commission ratification of the finding of an emergency and any contract awarded or executed pursuant to that finding.

On Friday, January 7, 2022, some of the highest tides ever recorded hit coastal areas of Washington State, with high tides in Port Townsend, Seattle, and Tacoma nearly two feet higher than forecast. Surging seas throughout the region led the National Weather Service to issue coastal flood warnings for the Puget Sound region. During that event there were areas along the Port’s Boat Haven Marina bulkhead that were inundated. On Monday, January 10, 2022, Port Engineer Matt Klontz, and Operations Manager, Chris Sparks conducted an inspection of Port facilities to ascertain the location and extent of damage, if any. Their investigation revealed progressive and rapid sinking and slumping of widespread areas of asphalt pavement in proximity to the creosote-treated timber bulkhead along the northern perimeter of the marina.

Extreme high tides had apparently penetrated the timber revetment, causing areas of erosion and subsidence along approximately 1,000 lineal feet of bulkhead.

As a result of the foregoing, I have declared an emergency and authorized staff to immediately proceed with pavement repairs both to “make safe” and to minimize the likelihood of additional accelerated erosion and subsidence during future king tide events that could disrupt Boat Haven haul-out operations. The initial estimate to cut, remove, add subgrade material, compact and re-pave is initially estimated to cost up to \$75,000.

RECOMMENDATION: Ratify and confirm Emergency Order 2022-01 waiving competitive bidding requirements and authorizing the Executive Director to award of all necessary contracts to address this emergency.

MOTION: No separate motion required. This matter is placed on the Commission's Consent Agenda for the regular meeting of February 23, 2022; adoption of the Consent Agenda operates to ratify and confirm Emergency Order 2022-01.

ATTACHMENTS:

1. Emergency Order No. 2022-01 (consisting of 1 page), dated February 14, 2022; and
2. Engineer's Estimate of Probable Cost of Pavement Repairs, prepared by Matt Klontz, Director of Capital Projects and Port Engineer (consisting of one (1) page), dated February 17, 2022.



EMERGENCY ORDER 2022-01:

Declaration of Emergency & Authorization to Waive Competitive Bidding Requirements

In conformance with the Delegation of Authority Resolution No. 762-22 adopted by the Commission on January 26, 2022, and Washington State statutes RCW 39.04.020, RCW 39.04.280, and RCW 53.08.120, the Executive Director of the Port of Port Townsend declares an emergency situation exists which presents a real, immediate threat to the proper performance of essential functions, or will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. Further, the Executive Director waives the competitive bidding requirements and authorizes the award of all necessary contracts to address this emergency.

The existence of this situation was discovered during inspections and investigations conducted by the Port's Engineer, Matthew Klontz, and Operations Manager, Chris Sparks, on Monday, January 10, 2022, following an unprecedented King Tide event which occurred on January 7, 2022. The investigation revealed progressive and rapid sinking and slumping of widespread areas of asphalt pavement in proximity to the creosote-treated timber bulkhead along the northern perimeter of the marina.

The inspections indicated that the extreme high tides of the preceding week had penetrated the timber revetment, causing rapid erosion and areas of pavement subsidence along approximately 1,000 lineal feet of bulkhead. Affected pavement areas appurtenant to the bulkhead include portions of the main public parking area at Boat Haven, vacated Washington Street (the principal public thoroughfare along the head of the marina), as well as the travel lift piers and travel ways for the Port's 75 and 300-ton mobile travel lifts. Immediate correction of these pavement deficiencies is essential to prevent further damage, maintain uninterrupted haul-out operations, and to ensure safe vehicular travel along the head of the marina. Allowing further erosion and subsidence to occur without immediate action could endanger safe vehicular travel, preclude continued safe haul-out lift operations by the Port, result in an extended period of suspended operations, and cause substantial financial losses to both the Port and its customers.

Staff recommends that procurement of a pavement contractor be handled under emergency contracting provisions to expedite repairs, minimize the potential for operational disruptions, and protect employee and public safety.

Signed February 14, 2022:



Eron Berg, Executive Director
Port of Port Townsend

Boat Haven Pavement Repair

2/17/2022

Project Estimate

Location: Port of Port Townsend Boat Haven Marina
Project Description: Repair Damaged Bulkhead
Description of Work: Repair Damaged Pavement at the Boat Haven
Assumptions: Spoils stock piled on site

Repair Area (sy) 315
Saw Cutting (ft) 425
Depth of Quarry Spalls (in) 18
Crushed Surfacing Depth (in) 6
Asphalt Depth (in) 6

Project Cost:	Qty	Unit	Unit Cost	Cost	
Construction					
Mobilization	1	LS	\$ 5,000	\$	5,000
Saw Cutting	425	LF	\$ 2	\$	850
Roadway Excavation	270	CY	\$ 25	\$	6,750
Geotextile	750	SY	\$ 5	\$	3,750
Quarry Spalls	160	CY	\$ 50	\$	8,000
Crushed Surface Base Course	60	CY	\$ 55	\$	3,300
Asphalt Pavement	110	Ton	\$ 200	\$	22,000
subtotal				\$	49,650
Spoil Removal					
Spoil Disposal	210	CY	\$ 25	\$	5,250
subtotal				\$	5,250
			Subtotal	\$	54,900
			Contingency (rounded)	\$	13,730
			Total	\$	68,630
			USE		\$75,000

25%

G:\Capital Projects\Boat Haven - Old Coast Guard Building\05_Design\AutoCAD\Exhibit - Site Plan.dwg, 1/21/2022 11:52 AM, MATTHEW KLONTZ

Port of Port Townsend Boat Haven Pavement Repair

Quantities			
<div></div>	Pavement Repair	312	sq yd
<div></div>	Saw Cutting	422.43	ft

Boat Haven Boat Yard

Sims Way

Benedict St

Jefferson St

San Juan Ave

Boat St

Washington St

300 Ton
Haulout

75 Ton
Haulout

D - Dock

C - Dock

Boat Haven Marina

A & B - Dock

18' = 12'



DATE: 12/06/2022	SCALE:	NOTED:	DRAWN:	CHECKED:	APPROVED:
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	EXHIBIT ONLY	REVISION	DATE	APPD
0	No.			



PORT OF PORT TOWNSEND
JEFFERSON COUNTY
BOAT HAVEN MOORAGE OFFICE

SHEET:
OF: 1
JOB NO.: -----
DWG EXHIBIT - SITE PLAN

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	February 23, 2022
AGENDA ITEM	<input 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	V. Special Presentation: Recognition of Terry Khile
STAFF LEAD	Eron Berg, Executive Director
REQUESTED	<input type="checkbox"/> Information <input type="checkbox"/> Motion/Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	

Recognition of Terry Khile at his retirement after 33 years at the Port.

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	February 23, 2022
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. Airport Engineering Professional Services for 2 nd Connector Taxiway
STAFF LEAD	Mathew Klontz, Director of Capital Projects and Port Engineer
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	<ul style="list-style-type: none"> • Staff Informational Memo • Airport Engineer PSA Attachment 1: Phase 1, Design • Airport Engineer PSA Attachment 2: Phase 2, Construction

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 2/23/2022
TO: Commissioners
FROM: Matt Klontz
CC: Eron Berg, Eric Toews, Abigail Berg
SUBJECT: Airport Engineering Professional Services for 2nd Connector Taxiway

ISSUE

Should the Port Commission authorize the Port Director to enter into a professional service agreement with Precision Approach Engineering for preconstruction design engineering services related to the 2nd Connector Taxiway project at the Jefferson County International Airport?

BACKGROUND

In December 2021, the Port began formal advertisement for airport engineering and construction management professional services in accordance with federal and state statutory requirements and the Port's procurement practices. Three (3) firms submitted a statement of qualifications (SoQs) in response to the Port's request. The Port evaluated the SoQs of each firm and determined all were highly qualified. The Port elected to interview each firm. Interviews were held on Friday, February 11, 2022. The interview panel included two members of the JCIA Pilots Association (Gary Lanthrum and Eric Taylor) and two members of Port staff (Eron Berg and Matt Klontz). Following the interviews, the panel determined Precision Approach Engineering was the most qualified firm. The second ranked firm was Dowl Engineering and the third ranked firm was Century West Engineering.

The qualification-based selection process conducted fulfills the Federal Aviation Administration (FAA) procurement action needed for entitlement and non-entitlement funded projects for a period of five (5) years. What that means for the Port is that the Port gains administrative efficiency by completing the time-consuming selection process once for multiple projects rather going through the selection process for each individual project.

DISCUSSION

The Port receives \$150,000 annually from the FAA for airport-related capital improvement projects. Current year 2022 funding is programmed towards preconstruction design engineering and permitting for the 2nd connector taxiway. Construction of the taxiway is slated for year 2023 and will use year 2023 entitlement funding plus any remaining balance from year 2022.

There is a quickly approaching deadline of April 1, 2022, when this year's entitlement funding must be obligated. Finalizing a scope of work and fee proposal with Precision Approach Engineer to prepare the contract bid documents for this taxiway project is required to meeting this year's deadline. While the scoping process is underway with Precision Approach, staff is requesting the Port Executive Director be authorized to execute the resulting professional services agreement up to the FAA entitlement amount for year 2022: \$150,000. Authorizing the Port Executive Director in advance of completing the negotiations with the engineering firm, will help the project team meet the April 1 deadline.

Additionally, because of the federal funding, there are administrative steps that involve the FAA which adds time to the normal process of completing a consultant agreement.

The Port was notified on February 11th that our 5-year CIP for the airport needs to be updated by March 11th to include the use of the Bipartisan Infrastructure Law (BIL) funding which is \$790,000 over the next five years. It would be helpful to have our new airport engineer under contract to assist and advise on these updates.

Lastly, Staff plans to bring forward a master on-call professional engineering services agreement with Precision Approach Engineering to Commission at a subsequent meeting. Putting in place a master agreement will further create administrative efficiencies for the Port.

FISCAL IMPACT

The FAA entitlement funding has a participation ratio of 90%|10% meaning the FAA entitlement funding of \$150,000 must be matched by 10% funding or \$16,667 from other funding sources. Typically, the 10% match requirement is satisfied in part by the Washington State Department of Transportation Aviation division contributing 5% or \$8,334 and the Port contributing the other 5%. The resultant total funding available for preconstruction design is \$166,667. However, staff anticipates this phase of the project costing less and is therefore requesting authorization up to \$150,000.

ATTACHMENTS

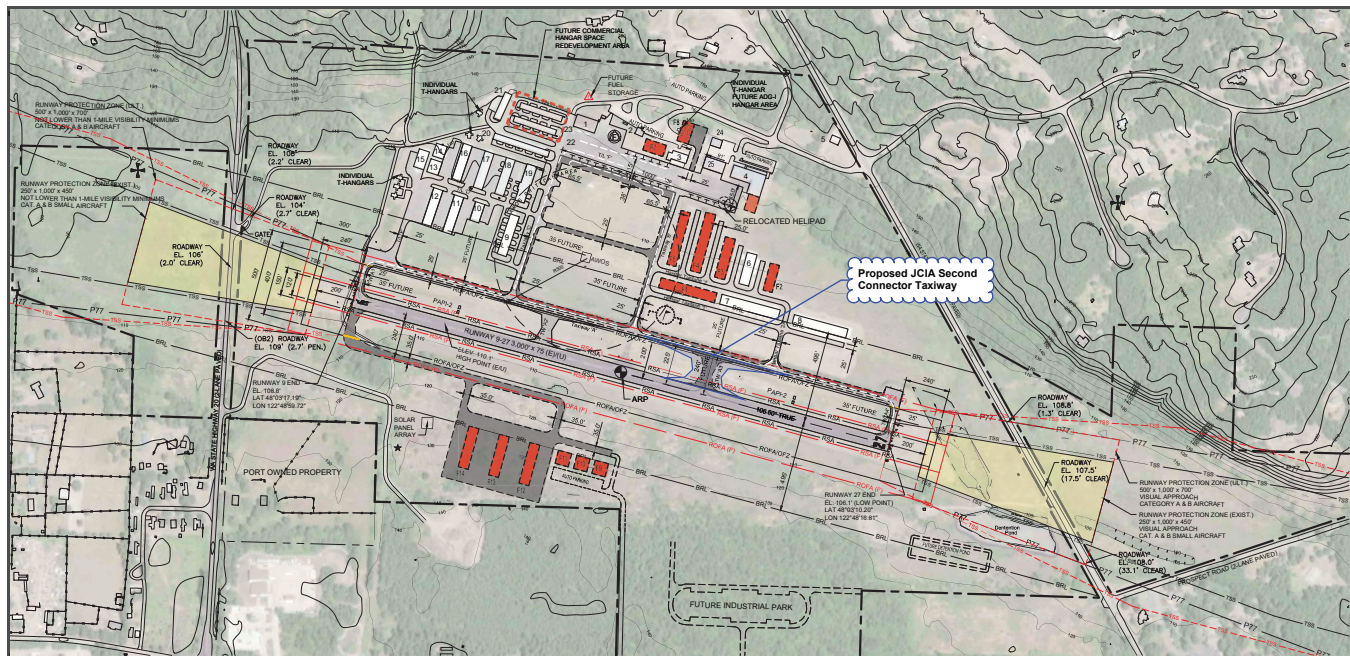
1. FY 22 CIP Data Sheets Second Taxi Connect Phase 1 Design
2. FY 23 CIP Data Sheets Second Taxi Connect Phase 2 Construction

RECOMMENDATION

Motion to authorize the Port Director to execute the professional services agreement with Precision Approach Engineering for preconstruction design services up to \$150,000.

CIP DATA SHEET

AIRPORT	Jefferson County International Airport	LOCID	OS9	LOCAL PRIORITY	
PROJECT DESCRIPTION	Second Connector Taxiway - Phase 1 Design			PLANNED YEAR TO CONSTRUCT	2022



JUSTIFICATION:

The project will construct a new connector taxiway between the Runway 9/27 reconstructed in 2020 and the parallel taxiway for safety improvements at JCIA. The new connector taxiway will be located at the third point of Runway 9/27 at the Runway 27 end. A new connector taxiway was installed in 2020 at the third point towards the Runway 9 end as part of the Runway 9/27 Reconstruction project. The proposed taxiway will serve as the second connector. The two connector taxiways at third points of the runway will improve safety and circulation at the facility by eliminating taxiway operations in the high energy zone at the midpoint of the runway. The pavement width will vary from 35-ft at the narrowest point up to 52-ft at the throat of the taxiway to facilitate aircraft turn movements.

COST ESTIMATE:

ADMINISTRATION:	\$ 16,667	1. Construction	\$ 0	4	\$
ENGINEERING:	\$ 150,000	2	\$	5	\$
INSPECTION:	\$ 0	3	\$		
				TOTAL:	\$ 166,667

Federal (90%) \$ 150,000

(5%) State \$ 8,333.50

Local (5%) \$ 8,333.50

SPONSOR VERIFICATION:

For each and every project as applicable

Date (see instruction sheet or attached comments for more information)

2014	-Date of approved ALP with project shown
TBD	-Date of environmental determination (ROD, FONSI, CatEx)
N/A	-Date of land acquisition or signed purchase agreement
N/A	-Date of pavement maintenance program
N/A	-Date of Benefit Cost Analysis (BCA) as required

SPONSOR'S SIGNATURE:

PRINTED NAME: Matthew Klontz

DATE:

PHONE NUMBER: (360) 379-5025

TITLE: Director of Capital Projects/Port Engineer

EMAIL: matt@portofpt.com

FAA USE ONLY

PREAPP NUMBER	GRANT NUMBER	NPIAS CODE	WORK CODE	FAA PRIORITY	FEDERAL \$

INSTRUCTIONS FOR COMPLETING
CAPITAL IMPROVEMENT PLAN DATA SHEET

A Capital Improvement Plan (CIP) Data Sheet must be submitted for each major work item that is requesting Federal assistance over the next 5 years. Submittal of this information is necessary to effectively administer the Airport Improvement Program.

HEADER INFORMATION - Include the name of the airport, the LOCID, the local priority of the requested work, the project description and the desired Federal fiscal year (October 1st to September 30th) that you desire the project.

SKETCH - Color-coded sketch that depicts and identifies the scope of the proposed project. An aerial photo can be used as long as it shows the proposed project information.

JUSTIFICATION - Answers the questions of what it is, why is it needed and what is the benefit. This is a very important part of your Capital Improvement Plan. The information is required to accurately determine the eligibility of your project and its priority for funding. Projects without adequate justification cannot be added to the CIP. To help you prepare solid justification we have compiled the following list of suggestions, which you can use to support your assessment of the need for this project. Be sure to list all reasons and needs for your project and include a detailed description of existing conditions. Use extra pages if needed.

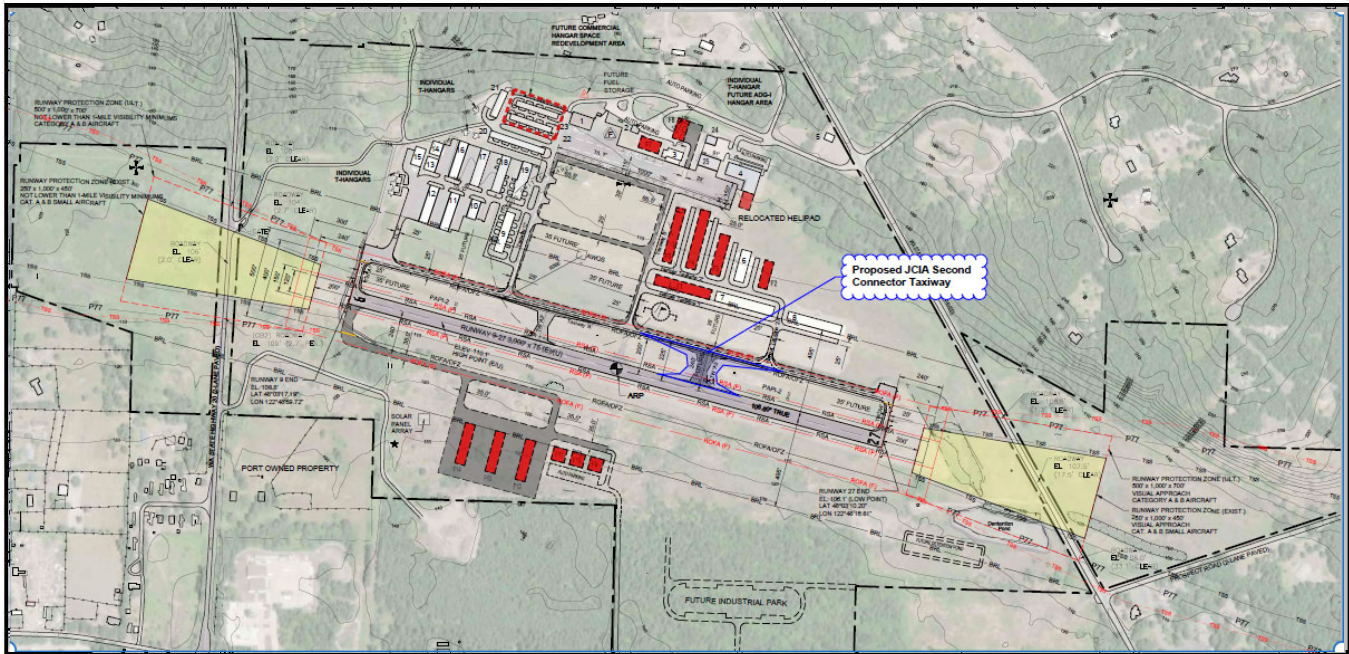
- For pavement rehabilitation include the age of the pavement, distresses, Pavement Condition Index (PCI) Rating (you may be able to obtain this info from the WSDOT-AD), or any other factor that would affect pavement life. Include type of pavement (apron, runway) and dimensions (linear feet and width or square footage). Also include what you have done to maintain the pavement over its lifetime and the date of the last major rehabilitation (i.e. overlays, sealcoats, etc.)
- New taxiways/taxilanes – what will this taxiway/taxilane serve? Does it serve a hangar area? Is it a parallel taxiway? What width are you proposing? If you propose a width that is wider than FAA standards, indicate how that additional pavement will be funded.
- For Apron Expansion indicate the current size of the apron and what you plan to add. Indicate why you need more apron space and how the apron area will be used (tie down area, etc).
- For fencing projects – indicate the height of the fence and lineal footage. Also, explain why the fence is needed (i.e. deer fencing, security, etc)
- Land acquisition explain what the land is needed for – approach protection? Development such as a new hangar area? Also include if it is fee or easement. Include parcel numbers and acreage of those parcels. Please state if residences or businesses will be acquired.
- For Arrival/Departure Building, provide what type of facility you currently have and what you plan to build (square footage, types of rooms)

COST ESTIMATE - The estimate of total cost including the Federal, State and Local shares. For first year projects, attach a detailed cost estimate showing unit costs; aggregate in square yards (S.Y.), concrete paving in square yards (S.Y.) and asphaltic paving in tons. Separate the costs for land acquired in fee and land acquired in easement. Note if the project is dependent on other sources of funding (i.e. other agency grants)

SPONSOR VERIFICATION - The verification that the project is properly planned and is ready to "go" within the first year of the CIP for applicable projects. Except for equipment acquisition, proposed development and land acquisition must be shown on an approved ALP, have cleared environmental processing, and the land already acquired or have a signed purchase agreement. These requirements must be completed before a project can be considered for upcoming year funding. For the 2nd and 3rd years of the CIP program, the sponsor should be working towards satisfying these requirements. Date each item verifying that all project requirements are satisfied (check marks are not acceptable).

CIP DATA SHEET

AIRPORT	Jefferson County International Airport	LOCID	OS9	LOCAL PRIORITY	
PROJECT DESCRIPTION	Second Connector Taxiway - Phase 2 Construction	PLANNED YEAR TO CONSTRUCT	2023		



JUSTIFICATION:

The project will construct a new connector taxiway between the Runway 9/27 reconstructed in 2020 and the parallel taxiway for safety improvements at JCIA. The new connector taxiway will be located at the third point of Runway 9/27 at the Runway 27 end. A new connector taxiway was installed in 2020 at the third point towards the Runway 9 end. The proposed taxiway will serve as the second connector. The two connector taxiways at third points of the runway will improve safety and circulation at the facility by eliminating taxiway operations in the high energy zone at the midpoint of the runway. The taxiway pavement width will vary from 35-ft at the narrowest point up to 52-ft to facilitate aircraft turn movements.

COST ESTIMATE:

ADMINISTRATION:	\$20,000	1. Construction	\$480,000	4	\$
ENGINEERING:	\$0	2	\$	5	\$
INSPECTION:	\$50,000	3	\$		
				TOTAL:	\$550,000

Federal (90%) \$ 495,000

(5%) State \$ 27,500

Local (5%) \$ 27,500

SPONSOR VERIFICATION:

For each and every project as applicable

Date (see instruction sheet or attached comments for more information)

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N/A	-Date of pavement maintenance program
N/A	-Date of Benefit Cost Analysis (BCA) as required

SPONSOR'S SIGNATURE:

PRINTED NAME: Matthew Klontz

DATE:

TITLE: Director of Capital Projects/Port Engineer

PHONE NUMBER: (360) 379-5025

EMAIL: matt@portofpt.com

FAA USE ONLY

PREAPP NUMBER	GRANT NUMBER	NPIAS CODE	WORK CODE	FAA PRIORITY	FEDERAL \$
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- Land acquisition explain what the land is needed for – approach protection? Development such as a new hangar area? Also include if it is fee or easement. Include parcel numbers and acreage of those parcels. Please state if residences or businesses will be acquired.
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COST ESTIMATE - The estimate of total cost including the Federal, State and Local shares. For first year projects, attach a detailed cost estimate showing unit costs; aggregate in square yards (S.Y.), concrete paving in square yards (S.Y.) and asphaltic paving in tons. Separate the costs for land acquired in fee and land acquired in easement. Note if the project is dependent on other sources of funding (i.e. other agency grants)

SPONSOR VERIFICATION - The verification that the project is properly planned and is ready to "go" within the first year of the CIP for applicable projects. Except for equipment acquisition, proposed development and land acquisition must be shown on an approved ALP, have cleared environmental processing, and the land already acquired or have a signed purchase agreement. These requirements must be completed before a project can be considered for upcoming year funding. For the 2nd and 3rd years of the CIP program, the sponsor should be working towards satisfying these requirements. Date each item verifying that all project requirements are satisfied (check marks are not acceptable).

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	February 23, 2022
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. Sims Way Gateway Task Force
STAFF LEAD	Eron Berg, Executive Director
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	<ul style="list-style-type: none"> • Staff Informational Memo • City Agenda item – Sims Way Gateway Stakeholder Group

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 2/23/2022
TO: Commission
FROM: Eron Berg, Executive Director
SUBJECT: Sims Way Gateway Project Stakeholder Advisory Group

ISSUE

Should the Commission accept and ratify the City's establishment and selection of members to the Sims Way Gateway Project Stakeholder Advisory Group?

BACKGROUND

The PUD owns and operates an electrical transmission line that runs parallel to Sims Way at the outside edge of the boatyard. Along the same alignment and very close to those power lines, there is a row of Lombardy poplar trees that are near and above the power lines. I understand that these trees were planted between 1964 and 1976¹ which makes them about 50 years old. This summer, Port staff witnessed arcing between the power lines and the trees and on one occasion experienced an electrical tingling sensation while standing in the Boat Yard. Burn marks were plainly visible on the poplar trees at the height of the lines.

As a result of the safety concerns, last summer, I authorized the PUD to enter Port property for any emergency tree trimming that they deemed appropriate and on July 14, 2021, the Commission authorized the PUD to fully remove those trees on Port property that create a safety hazard. The City, PUD and Port continued to work together to develop a project that not only addresses the safety concerns, but also implements the City's Gateway Plan (which includes tree replanting and pedestrian amenities) while also expanding the Boat Yard. This became what we call the Sims Way Gateway Project and on September 17, 2021, the Commission authorized a Public Infrastructure Fund (PIF) grant application to Jefferson County. That grant has been awarded, and the City, Port and PUD are presently working on selecting a design team to begin work and are planning more public process and engagement.

DISCUSSION

On your agenda tonight is a request to accept and ratify the Sims Way Gateway Project Stakeholder Advisory Group. The City Council Agenda memo is attached for your review and for additional detail on the process.

The proposed stakeholder advisory group will work with the City's Parks Recreation Tree & Trail Advisory Board (PRTTAB) on project design recommendations to the City Council, Port Commission and PUD Commission. Staff from the City, Port and PUD, as well as consultants, will support the work of the stakeholder advisory group.

¹ Simpson, Peter, *City of Dreams* (Jefferson County Historical Society, 2018) at page 192

Here are the proposed members of the Sims Way Gateway Project Stakeholder Advisory Group:

Name	Organization	Diversity in Representation
Jennifer Rotermund	PRTTAB Liaison	Arboriculture/Landscape Architecture
Ron Sikes	Admiralty Audubon	Kah Tai Nature Park
Forest Shomer	Resident	Local Arborist
Kate Dwyer	Resident	Local Arborist
Dan Burden	Resident	Transportation and Multimodal Mobility
Russell Hill	Resident	Civil Engineer - Design
Joni Blanchard	Resident	Boatyard
Arlene Allen	Chamber	Tourism
Steve Mader	Resident	WSDOT/NEPA/SEPA landscape, native plants, forestry

By accepting and ratifying this committee, we make it a joint committee which is helpful in this collaborative project. Most of this committee's work will be to advise and recommend infrastructure layout and tree selection within the Sims Way right of way. For the Boat Yard expansion project, I imagine this committee will take a close look at the interface between Port property and the right of way including, in particular, the look, feel and functionality of the fence.

Following the creation of the stakeholder advisory group, I imagine next steps to include qualification-based selection of appropriate consultants (i.e., professional engineers, arborists, landscape architects, etc.) to begin the design phase work on this project. That phase will include the public engagement process outlined in the City's memo, in addition to the formal permitting process and the ongoing listening that occurs by elected officials at and outside of regular meetings.

FISCAL IMPACT

None: this project is included in the 2022 adopted budget.

ATTACHMENTS

City of Port Townsend Agenda Bill on the same topic.

RECOMMENDATION

Motion to accept and ratify the City's establishment and selection of members to the Sims Way Gateway Project Stakeholder Advisory Group.



Agenda Bill AB22-xxx
Meeting Date: February 22, 2022
Agenda Item:
☒ **Regular Business Meeting**
☐ **Workshop/Study Session**
☐ **Special Business Meeting**

Submitted By: Steve King, PW Director
Department: Public Works

Date Submitted: February 15, 2022
Contact Phone: 360-379-5090

SUBJECT: Motion to recognize the stakeholder committee membership and support their efforts in the Sims Way Gateway project technical analysis.

CATEGORY:

- ☐ Consent ☐ Resolution
☐ Staff Report ☐ Ordinance
☐ Contract Approval ☒ Other: Motion
☐ Public Hearing (Legislative, unless otherwise noted)
☐ **3-Year Strategic Plan:** 1 - Build small town quality of life

BUDGET IMPACT: N/A

Expenditure Amount: \$N/A

Included in Budget? Yes ☒ No ☐

Cost Allocation Fund: 305 CIP Street

SUMMARY STATEMENT:

In July of 2021, the Jefferson County PUD and the Port of Port Townsend approached the City concerning a safety concern regarding the transmission power lines and interference with the row of Poplar trees fronting Boat Haven along Sims Way. At the August 2021 Parks Recreation Tree & Trail Advisory Board (PRTTAB) meeting, City staff presented a proposal to the board to remove and replace the Poplar Trees along Boat Haven. This proposal also included replacement of the trees along the Kah Tai side as well based on previous studies and the work of volunteers who have been stewarding Kah Tai improvements over the years. The PRTTAB recommended proceeding with the project and reinforced the need to replace the poplars for a number of reasons. The PRTTAB also suggested an open transparent process, recognizing there could likely be public concerns or push back regarding the proposal.

The opportunity to develop and apply for funding from the Jefferson County Public Infrastructure Fund Board (PIF) jointly alongside the Port and PUD was approved by the City Council through Resolution 21-057 on September 20, 2022. Funding of \$1m was awarded to support the project including the undergrounding of the transmission lines, expansion of the boat yard, replacement of the poplars and installation of a path along Sims Way later in the fall.

At their December 14, 2021, meeting, the PRTTAB recommended developing a comprehensive approach to public engagement including appointment of a time-bound stakeholder advisory group representing diversified interests. The purpose of the stakeholder group is to work with a consultant through the technical elements of the project. The analysis of the technical elements will include a comprehensive look at the

interaction of the project components in order to create a thoughtful project approach. Their meetings are not required to be open public meetings, but the City will be making viewing of each of their meetings possible through virtual means. Public engagement on the stakeholder advisory group will be through the PRTTAB.

The PRTTAB provided a recommendation of three individuals with background with Kah Tai and arboriculture in Port Townsend as possible members to the stakeholder advisory group; they also recommended Jennifer Rotermund as the PRTTAB liaison.

Following the Town Hall event on December 15, 2022, a number of other stakeholders came forward to volunteer to be on the advisory group. The stakeholder list includes the following members of the public:

Name	Organization	Diversity in Representation
Jennifer Rotermund	PRTTAB Liaison	Arboriculture/Landscape Architecture
Ron Sikes	Admiralty Audubon	Kah Tai Nature Park
Forest Shomer	Resident	Local Arborist
Kate Dwyer	Resident	Local Arborist
Dan Burden	Resident	Transportation and Multimodal Mobility
Russell Hill	Resident	Civil Engineer - Design
Joni Blanchard	Resident	Boatyard
Arlene Allen	Chamber	Tourism
Steve Mader	Resident	WSDOT/NEPA/SEPA landscape, native plants, forestry

Staff would like to recognize this list of individuals as a technical advisory committee to work with the technical team to analyze options for the Sims Way Gateway project. Following this meeting, staff will forward this list to the Jefferson County PUD and the Port of Port Townsend to ask for their endorsement.

ATTACHMENTS: N/A

CITY COUNCIL COMMITTEE RECOMMENDATION: N/A

RECOMMENDED ACTION:

Motion to recognize the stakeholder committee membership and support their efforts in the Sims Way Gateway project technical analysis.

ALTERNATIVES:

- ☒ Take No Action
 ☐ Refer to Committee
 ☒ Refer to Staff
 ☐ Postpone Action
☐ Remove from Consent Agenda
☐ Waive Council Rules and approve Ordinance ____
☐ Other:

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	February 23, 2022
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. C. Environmental Services On-Call Agreement
STAFF LEAD	Mathew Klontz, Director of Capital Projects and Port Engineer
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	<ul style="list-style-type: none"> • Staff Informational Memo • Environmental Services On-Call Draft Professional Services Agreement (PSA)

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 2/23/2022
TO: Commissioners
FROM: Matt Klontz
CC: Eron Berg, Eric Toews, Abigail Berg
SUBJECT: Award & Execution of Environmental Services On-Call Agreement

ISSUE

Should the Port Commission award and execute an on-call agreement with Cowling & Company, LLC, doing business as Widener & Associates, for professional services related to environmental consultation and permitting for a variety of Port of Port Townsend (Port) capital improvement projects? Additionally, should the Commission delegate signing authority for execution of project-specific task orders issued under the cover of the on-call agreement to the Port Executive Director.

BACKGROUND

The Port administers the repair and replacement of its existing infrastructure as well as construction of new infrastructure through the delivery of the Port's 5-Year Capital Improvement Program (CIP). Environmental consultation with federal and state resource agencies and the associated permitting for CIP projects is a necessary component of project delivery. It must be noted, the environmental process is unusually complex in marine and nearshore environments typical of the Port's facilities. Additionally, the environmental process can drive the pre-construction schedule, taking two or more years to complete. In other words, design engineering generally is more straight forward compared to the environmental permitting necessary to deliver a project that may impact ecologically sensitive areas and habitat.

Since the Port, like most small Ports, does not have the staff with specialize environmental expertise, it is necessary to establish a non-architect/engineer (non-A/E) professional services contract with a consultant for environmental services on an as-needed basis. Staff is recommending the Port accomplish this by entering into an on-call professional services agreement with Widener & Associates. As project needs arise, task orders will be negotiated and issued to Widener in support of the delivery of the Port's CIP.

DISCUSSION

A qualification-based selection process was used for non-A/E services, since the services are in support of public works. In February 2022, Port staff conducted a selection process using the MRSC consultant roster in accordance with state statutory requirements and the Port's procurement practices.

The selection process concluded with Widener & Associates as the top-ranked firm. The specific terms of the agreement includes a three (3)-year contract term with the total not-to-exceed limit set at \$600,000. Project specific task orders will be negotiated and executed as the need arises during the term of the agreement.

The Port has many projects over the near-term horizon, which is exciting, but will be challenging to deliver. Port staff is up to that challenge. Over the next three years potential on-call task orders including estimated consultant fees include:

- Quilcene Marina Dredge \$25,000
- Boat Haven D Dock Renovation & Pile Replacement \$5,000
- Boat Haven Breakwater Repair \$15,000
- Boat Haven Breakwater Replacement \$100,000
- Boat Haven Linear Dock Replacement..... \$80,000
- Boat Haven Marina Dredge..... \$25,000
- Point Hudson Jetty Reconstruction (Local Permitting & Construction Habitat/Water Quality Monitoring) \$60,000
- Gardiner Boat Launch \$65,000
- Boat Haven West Yard Expansion \$80,000
- Boat Haven North Yard Expansion \$30,000
- Boat Haven Bulkhead Replacement (FEMA-PA) \$100,000
- City Dock Replacement (FEMA-PA)..... \$100,000
- Jefferson County International Airport Wetland Monitoring... \$10,000
- Boat Haven Stormwater Cultural Resource \$10,000
- Boat Haven Stormwater Improvement \$30,000

FISCAL IMPACT

Annually, the Port's budget is updated to be consistent with the project list identified in the 5-year Capital Improvement Program. Potential new projects and cost changes to existing planned projects may have an impact on the current year budget. Such increases in project costs would be brought to the Commission for approval.

ATTACHMENTS

1. Attachment 1 Draft Professional Services Agreement, Cowling & Co., LLC, d/b/a Widener & Assoc.

RECOMMENDATION

Motion to award and execute the on-call agreement with Widener & Associates and authorize the Port Executive Director to execute project specific on-call task orders.

PORT OF PORT TOWNSEND:

STANDARD PROFESSIONAL SERVICES AGREEMENT (NON-ARCHITECTURAL & ENGINEERING)

This Standard Agreement for Professional Services not involving architectural, engineering or surveying work (the "Agreement") is made and entered into on February 24, 2022, by the Port of Townsend, a Washington municipal corporation (the "Port"), and the consultant listed below (the "Consultant") for the scope of work outlined in this Agreement.

The Port: Port of Port Townsend
2701 Jefferson Street
P.O. Box 1180
Port Townsend, WA 98368

Port Contact: Matthew Klontz, Director of Capital Projects & Port Engineer
Telephone: 360-385-0656, ext. #112
Email: matt@portoftpt.com

Consultant Cowling & Company, LLC
d/b/a Widener & Associates
1902 120th Place, SE
Suite 202
Everett, WA 98208-6292
UBI No. 603-348-384

Consultant Contact: Jordan Cowling Widener, President
Telephone: 425-332-3971
Email: jordancw@widener-enviro.com

Project: On-Call Environmental Permitting

1. Scope of Work. Consultant shall provide the services as agreed upon with Port management and outlined in Attachment "A" to this Agreement. **Exhibit "A"** outlines a general Scope of Services. All work by the Consultant under the general Scope of Services shall proceed under written Task Orders approved in advance by the Port.
2. Compensation. The Consultant shall be compensated for services provided and for expenses based on the attached "Fee Schedule" attached hereto as **Exhibit "B"**. The total expenditure by the Port for this Agreement shall not exceed \$600,000.
3. Term of the Agreement. The term of this Agreement shall commence with the mutual execution of this Agreement and will terminate when all tasks associated with the scope of services herein (as hereafter may be modified in writing) have been completed by the Consultant but in no event later than February 28, 2025.
4. Incorporation of Exhibits and General Provisions. Services covered by this Agreement shall be performed in accordance with the General Provisions and any attachments or schedules. This

Agreement supersedes all prior agreements and understandings and may only be changed by written amendment executed by both parties.

THIS AGREEMENT CONTAINS AN INDEMNIFICATION FROM THE CONSULTANT TO THE PORT AND A LIMITED WAIVER OF IMMUNITY UNDER TITLE 51, THE WASHINGTON WORKERS COMPENSATION ACT. THIS AGREEMENT INCLUDES THE EXHIBITS ATTACHED HERETO AND THE GENERAL PROVISIONS.

PORT OF PORT TOWNSEND

**COWLING & COMPANY, LLC
d/b/a Widener & Associates**

Eron Berg, Executive Director

Jordan Cowling Widener, President

GENERAL PROVISIONS

1. Selection. The professional services to be provided under this Agreement are exclusively connected with public works projects outside the scope of “personal services” as defined by RCW 53.19.010(6) and none of the work to be completed involves the provision of architectural, engineering, or surveying services within the scope of Chapter 39.80 RCW. Accordingly, the Consultant was chosen in accordance with the Port’s applicable policies and procedures following a qualifications-based evaluation of selected environmental professionals whose Statements of Qualifications were listed on the Municipal Research and Services Center (MRSC) roster.

2. Termination for Cause. This Agreement may be terminated by either party upon seven (7) days' written notice should one party fail to perform in accordance with its terms through no fault of the other. In the event the party that fails to perform is the Consultant, the determination of "fail to perform in accordance with its terms" shall be in the sole judgment of the Port. In the event of termination, the Consultant shall be compensated for satisfactory services performed to the termination date. In no case, however, shall such compensation exceed the original amount of the Agreement as approved or as amended by the Port. Any work product generated by the Consultant prior to such termination shall be the sole property of the Port, and the Consultant agrees to provide the Port with all such materials.

3. Termination Without Cause. Further, this Agreement may be terminated by the Port at any time for any reason whatsoever, at the sole discretion of the Port, with seven (7) days' written notice. In the event of such termination, compensation shall be paid as provided in Paragraph 2 above.

4. Consultant Services. Consultant’s services shall meet or exceed the standard for similar services performed by professionals in the State of Washington.

5. Charges for Additional Services. The Consultant shall obtain the written approval of the Port for any charges for additional services performed by the Consultant, the additional services of others retained by Consultant or the furnishing of additional supplies, materials or equipment. The Consultant shall not be entitled to compensation for any such additional charges incurred in violation of this paragraph without prior written Amendment to the Agreement.

6. Monthly Progress Statements. The Consultant shall submit monthly statements of services rendered and expenses incurred to the Port in a form acceptable to the Port. The Port shall make prompt monthly payments for work completed to the Port's satisfaction and expenses incurred. In no event shall the Port be charged interest on payments due under this Agreement.

7. Applicable Law. All federal, state, and local laws applicable in the rendering of the services by the Consultant shall be complied with in all respects by the Consultant as shall all rules and regulations of the Port and any other governmental agency. By executing this Agreement, Consultant further certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, or declared ineligible or voluntarily excluded from participation in this transaction by any Federal department or agency. It further agrees by submitting this proposal or acceptance of this Agreement that it will include this clause without modification in all lower tier transactions, solicitations, proposals, agreements, contracts, and subcontracts.

Where the offeror/consultant or any lower tier participant is unable to certify to this statement, it shall attach an explanation to this Agreement. The Port reserves the right to require Consultant to replace a sub-consultant or lower tier participant who cannot meet the foregoing certification requirements.

8. Deviations from Scope of Work. The Port may at any time issue written directions within the general scope of this Agreement. If any such direction causes an increase or decrease in the cost of this Agreement or otherwise affects any other provision of this Agreement, the Consultant shall immediately notify the Port. The Port may modify the amount spent for identified tasks within the scope of work providing the total amount of the Agreement, or as modified by written Amendment, is not exceeded. Any work done in violation of this paragraph shall be at the sole expense of the Consultant.

9. Port Review of Title Documents and Permit Documents. Prior to the submission of any documents related to any permits or the execution or recordation of any documents effecting title to any property, the said document shall be reviewed by the Port. The Port shall be responsible for all costs associated with such review.

10. Conflict of Interest. Consultant covenants that it presently has no interest and shall not acquire an interest, directly or indirectly, which would conflict in any manner or degree with its performance under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having such interest shall be employed by it or any of its sub-consultants.

11. Insurance. Consultant, concurrently with the execution of this Agreement, shall provide the Port with evidence that Consultant has obtained and is maintaining the insurance listed

as follows:

(a) Workers' Compensation Insurance as required by law;

(b) Employers' Liability Insurance (bodily injuries) with a limit of One Hundred Thousand Dollars (\$100,000) per occurrence with an insurance company authorized to write such insurance in all states where the Consultant will have employees located in the performance of its work covering its common law liability to such employees;

(c) Comprehensive General Liability Insurance and Automobile Liability Insurance covering all owned and non-owned automobiles or vehicles used by or on behalf of Consultant with a Five Hundred Thousand Dollar (\$500,000) combined single limit for bodily injury and/or property damage per occurrence and an annual aggregate limit of One Million Dollars (\$1,000,000);

(d) Each of the policies required herein shall name the Port as an additional insured. Furthermore, each policy of insurance required herein shall (i) be written as a primary policy; (ii) expressly provide that such insurance may not be materially changed, amended or canceled with respect to the Port except upon forty-five (45) days' prior written notice from the insurance company to the Port; (iii) contain an express waiver of any right of subrogation by the insurance company against the Port and its elected officials, employees, or agent; (iv) expressly provide that the insurance proceeds of any loss will be payable notwithstanding any act or negligence of Consultant which might otherwise result in a forfeiture of said insurance; and (v) in regard to physical property damage coverage, expressly provide that all proceeds shall be paid jointly to Consultant and Port;

(e) With regard to Professional Liability Insurance, the Consultant shall maintain the same in full force and effect during the term of this Agreement and for a period of one year thereafter; and

(f) The Consultant shall furnish the Port

with two (2) copies of Certificates of Insurance evidencing policies of insurance required herein. The Consultant shall maintain these policies as identified above for itself and its sub-consultants for the term of this Agreement and for a period of one year thereafter. Such Certificates shall specifically state that the insurance company or companies issuing such insurance policies shall give the Port at least forty-five (45) days' written notice in the event of insurance company's or companies' cancellation or material changes in any of the policies.

12. Indemnification. The Consultant shall defend (with legal counsel satisfactory to the Port), indemnify and hold the Port, its elected officials, agents and employees harmless from and against all liabilities, obligations, fines, claims, damages, penalties, lawsuits, governmental proceedings, judgments, costs and expenses (including, without limitation, all attorneys' fees, costs and expenses of litigation):

- Arising out of any act or omission of Consultant, its directors, officers, consultants, agents and/or employees in connection with the services provided pursuant to this Agreement; and/or
- Arising from a breach of this Agreement by Consultant; and/or
- Arising out of or due to any failure on the part of Consultant to perform or comply with any rule, ordinance or law to be kept and performed.

The Port will inform Consultant of any such claim or demand that alleges liability based in whole or in part on any act or omission of Consultant, its directors, officers, agents, or employees. Thereafter the Consultant shall (i) reasonably cooperate in the defense of such claim and (ii) pay its defense of such claim as incurred, whether or not such claim is ultimately successful. In this regard, the Port will reasonably cooperate with Consultant in allowing Consultant to jointly select, with the

Port, attorneys to defend the Port and Consultant provided that Consultant confirms its obligation to pay the Port's defense costs.

12.1 In the event of concurrent negligence by the Port and Consultant, then at the conclusion of the action (e.g., judgment, arbitration award or settlement), the attorneys' fees and costs incurred in defending the Port shall be apportioned to the parties based on their respective fault as provided by RCW 4.24.114.

12.2 The foregoing indemnification obligation shall include, but is not limited to, all claims against the Owner by an employee or former employee of the Consultant or any sub-consultant or service provider. For this purpose, the Consultant expressly waives, as respects the Owner only, all immunity and limitation on liability under any industrial insurance Act, including Title 51 RCW, or other workers compensation act, disability act, or other employees benefits of any act of any jurisdiction which would otherwise be applicable in the case of such a claim.

13. Confidentiality. Any reports, documents, questionnaires, records, information, or data given to or prepared or assembled under this Agreement shall be kept confidential unless a specific written waiver is obtained from the Port and shall not be made available by the Consultant to any individual or organization without prior written approval of the Port except as may be ordered by a court of competent jurisdiction. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

14. Plans, etc. Property of Port. All original plans, drawings and specifications prepared by the Consultant and any and all sub-consultants for the Port and funded by the Port are and shall remain the property of the Port whether or not the Project for which they are made is executed. This shall not apply to proprietary

software or documentation that may be provided to the Port and that was developed independent of funding by the Port. The Consultant assumes no liability for any use of the Drawings and Specifications other than that originally intended for this Project. Originals, including electronic forms of the data prepared by the Consultant and funded by the Port shall become the property of the Port. No reports, records, questionnaires, software programs provided by Port or other documents produced in whole or in part by the Consultant under this Agreement shall be the subject of an application for copyright by or on behalf of the Consultant. When Consultants work results in the preparation of plans and specifications for bidding purposes, the Port will provide the Consultant with five (5) completed sets of bid documents. Additional sets will be the responsibility of the Consultant.

15. Public Disclosure Request.

Correspondence, reports and other written work that is generated during the course of the relationship created by this Agreement may be requested from the Port by third parties pursuant to the Washington State Public Disclosure Act (RCW 42.17.250 *et. seq.*). The Port shall be solely responsible for making a good faith determining of its obligation to release its public records and not be liable to the Consultant for any such release. This clause shall survive the termination or expiration of this Agreement.

16. Electronic File Compatibility. All electronically transmitted output must be compatible with existing Port software. Consultants shall check with the Port for software application and system compatibility.

17. Pollution. Port acknowledges that the Consultant is not responsible for the creation or presence of contamination or pollution, if any, at the property except to the extent that such a discharge, release or escape is caused by the

negligent act or failure to act of the Consultant. For the purpose of this clause, contamination conditions shall mean the actual or alleged existence, discharge, release or escape of any irritant, pollutant, contaminant, or hazardous substance into or upon the atmosphere, land, groundwater, or surface water of or near the property. The Consultant will promptly notify the Port of contamination conditions, if identified. Notwithstanding the foregoing, the Port does not herein waive any cause of action for damages resulting from the Port's reliance on any misrepresentation (made either knowingly or negligently) by the Consultant with regard to the presence of any contamination or pollution.

18. Payment of Sub-Consultants. The Port may request the Consultant certify that it has paid its sub-consultants in full for all work encompassed by invoices that the Port has paid. The Consultant shall be solely responsible for the performance of and payment to its sub-consultants. All such sub-consultants shall possess all licenses and insurance as required by the laws of the State of Washington.

19. Non-Discrimination. In connection with the performance of this Agreement, the Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, marital status, or being handicapped, a disadvantaged person, or a disabled or Vietnam-era veteran.

20. Survivability. All covenants, promises, and performance which are not fully performed as of the date of termination shall survive termination as binding obligations.

21. Notices. All notices, demands, requests, consents and approvals which may, or are required to be given by any party to any other party hereunder, shall be in writing and shall be deemed to have been duly given if delivered personally, sent by electronic mail to the email

address provided above with confirmation of receipt, sent by a nationally recognized overnight delivery service, or sent by United States registered or certified mail, return receipt requested, postage prepaid to the address provided on the first page of the Agreement.

22. Time of Performance. Time is specifically declared to be of the essence of this Agreement and of all acts required to be done and performed by the parties hereto.

23. No Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement.

24. Counterparts and Authority. This Agreement may be signed in counterparts. Each person signing below represents and warrants that they have complete authority to execute this Agreement.

25. Facsimile or Electronic PDF File Transmission. This Agreement and all subsequent notices or modifications may be executed by the parties and transmitted by facsimile or electronic transmission of a PDF file and, if so executed and transmitted this and all subsequent notices or modifications will be for all purposes as effective as if the parties had delivered an executed original.

26. Attorney Fees. The prevailing party in any action concerning this Agreement shall be awarded their reasonable attorney fees and costs.

27. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any

other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

28. Waiver. No failure by either party to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or any other covenant, agreement, term or condition.

29. Law and Jurisdiction. This Agreement is made and delivered in Jefferson County, Washington in the county wherein the Port is located and shall be construed and enforced in accordance with Washington law. Exclusive jurisdiction and venue for any disputes under this Agreement shall be solely in the Superior Court of Jefferson County, Washington, and not in any federal court.

30. Amendment. No modification, termination or amendment of this Agreement may be made except by written agreement signed by all parties, except as provided herein.

31. Entire Agreement. This is the entire agreement between the parties. It may not be altered or modified except by a written amendment to this Agreement that references the intent of the parties to amend this Agreement. There is no other oral or written understanding between the parties concerning this matter. The Consultant specifically understands that no Port employees other than the designated Port representative or his/her supervisors are authorized to direct the work of the Consultant.

EXHIBIT “A”: SCOPE OF SERVICES

The following topic areas for task assignments provide a generalized Scope of Work. Individual Task Orders will be negotiated between the Port and Consultant to control the scope, budget, and timing of work. Specific Task Orders will contain a description of the work to be performed, anticipated schedule, budget, and other assumptions and conditions relative to the work to be undertaken consistent with this general Scope of Services.

The principal objective of the work to be performed under this contract is to provide environmental permitting consulting services in connection with a wide range of Port capital projects, which include but is not limited to the following:

- Quilcene – Herb Beck Marina – Entrance channel and marina dredging;
- Boat Haven D Dock Renovation & Pile Replacement;
- Boat Haven Main Breakwater Repairs;
- Boat Haven Breakwater Replacement (east 580’);
- Boat Haven Linear Dock Replacement;
- Boat Haven Marina Dredging;
- Point Hudson Breakwater Replacement (Local Permits, and Construction Habitat/Water Quality Monitoring);
- Gardner Boat Launch Replacement;
- Boat Haven West Yard Expansion and On-Site Mitigation;
- Boat Haven North Yard Expansion;
- Boat Haven Bulkhead Replacement (FEMA-PA);
- City Dock Replacement (FEMA-PA);
- Jefferson County International Airport Wetland Monitoring;
- Boat Haven Stormwater Cultural Resources Survey;
- Boat Haven Stormwater Collection and Treatment System Improvements; and
- Environmental and Land Use Permits - Within the available budget, individual Task Orders may also be developed for a range of other environmental, shoreline and land use permitting as required by the Port.
- Other tasks of similar nature as may be assigned.

EXHIBIT “B”: FEE SCHEDULE

FEES

- The total expenditure by the Port for this Agreement shall not exceed \$600,000.
- Cowling & Company LLC personnel will be billed as follows: -

Actual Not to Exceed TableProject
Coordination Services
2022 Rates
Cowling & Company LLC DBA Widener & Associates

Job Classifications	Direct Labor Rate NTE*		Overhead 110% NTE		Fixed Fee 30% NTE		All Inclusive Hourly Billing Rate NTE	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Project Manager	\$71.00	\$75.00	\$78.10	\$82.50	\$21.30	\$22.50	\$170.40	\$180.00
Senior Project Specialist/Biologist	\$35.00	\$55.00	\$38.50	\$60.50	\$10.50	\$16.50	\$84.00	\$132.00
Project Specialist/Biologist	\$17.00	\$35.00	\$18.70	\$38.50	\$5.10	\$10.50	\$40.80	\$84.00
Administrative Staff	\$15.00	\$25.00	\$16.50	\$27.50	\$4.50	\$7.50	\$36.00	\$60.00

- Hourly rates may be updated annually upon mutual agreement.
- Hourly fees shall be billed to the closest ½ hour increment.
- Travel time shall be paid at ½ the normal hourly fees.

EXPENSES

The fees outlined above shall be inclusive, and shall include reimbursable costs such as mileage, meals, photocopies and overnight delivery charges.

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	February 23, 2022
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"> • Port Contracts Update • “Love Where You Live” campaign report

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: February 17, 2022

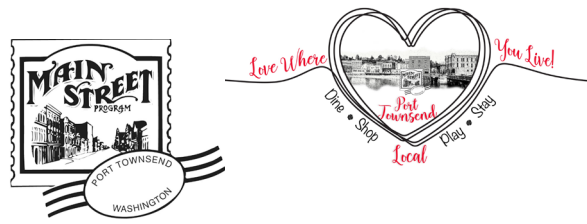
TO: Commissioners

FROM: Sue Nelson, Lease & Contracts Administrator

CC: Eron Berg, Executive Director

SUBJECT: **February 23, 2022 Commission Meeting** – Commission Update: New/Amended Contracts Under \$50,000, Approved by Executive Director Eron Berg, per Delegation of Authority Resolution No. 762-22

Name	Dates	Description	Amount Not to Exceed:
Miller Sheetmetal	2/3/22-6/1/22 (approx. end)	PH Pavilion HVAC system	\$99,700
Jamestown Networks (J-Net)	4/28/22-4/28/23	ISP, fiber optics	\$548/mo



February 15, 2022

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

Dear Eron,

The Port Townsend Main Street Program has successfully completed the “Love Where You Live” campaign funded by the First Federal Community Foundation and participating sponsors. Our sponsors included the Port of Port Townsend, Windermere Real Estate, KPTZ 91.9 FM Port Townsend, The Port Townsend and Jefferson County Leader, KUOW 94.9 FM and KNKX 88.5 FM. The value of the campaign was \$72,500, with additional in-kind media contributions of \$14,941 for a total package of \$87,441. We created a multi-faceted marketing strategy to support Port Townsend’s historic districts during the pandemic this past year.

The final event was a zoom social media workshop with marketing expert Keven Elliff held on January 20, 2022. The Port Townsend Main Street Program collaborated with the Jefferson County Chamber on this program and attracted 39 registrants from across business sectors in Jefferson County. His presentation, “Leveraging the New Reality, Facebook and Instagram Advertising,” was very well received and a copy of his presentation is on our website and accessible to all. It was a great way to start the year—with new ideas and tactics to make social media ad campaigns more effective.

Our campaign had a strong social media and advertising campaign which achieved the goal of maximizing visibility for Port Townsend businesses locally and throughout the I-5 corridor from December 2020 through January 2022. The campaign allowed paid advertising in mediums typically beyond Port Townsend’s tourism budget reach—such as Crosscut (statewide newsletter), KUOW FM and KNKX FM, as well as a robust campaign on Google and Facebook. A mix of eye-catching print and online ads were segmented to appeal to locals and visitors, which promoted two websites created for the campaign: “ILovePortTownsend.com” for locals, and “GoingtoPT.com” for visitors. We had a robust social media campaign to promote shopping, dining and staying in Port Townsend through all the seasons.

We were proud to collaborate with several local nonprofits and provide budget support with their in-person programming as people began to feel more comfortable out in the world. First Federal Community Foundation and our sponsors were acknowledged in the nonprofits’ channels. The Jefferson County Historical Society, Key City Public Theatre, and Northwind Art all benefited. An active campaign on the Jefferson County Chamber readerboard provided income for the Chamber and promoted visibility for our events. Key City Public Theatre was an integral partner for the Hidden History tours which were scripted by our intern, Liz Howe, who came on to help with the campaign as part of her Evergreen College nonprofit studies work. We offered 12 free interactive tours with a professional actor.

Overall 1,545 people attended the niche experiences and these arts/history events gently attracted small groups of people to get in the habit of coming back and enjoying our town, while practicing social distancing. KING 5 TV’s “Evening” Program filmed two of the niche experiences: “Buskers on the Block” and the “Hidden Histories” tours.

We were especially proud of the campaign graphics by our program coordinator, Eryn Smith, (many stores still have the Love Where You Live Posters in their windows), the print and online ads, and the quality of the social media posts which we encouraged merchants to share. Another plus, our staff grew more adept at the whole conversation around social media and we got the largest social media action ever during this campaign—one post got 19,000 impressions and 7,000 engagements!

2019 was considered a banner year for business. It was a great year for our nonprofit program and other nonprofits were also able to offer successful ticketed events, fundraisers and festivals. Many retailers reported that 2021 was the best summer ever, even stronger than 2019.

Business feedback:

From a Gift/Family focused retailer: *"2021 was an awesome year after the disastrous year of 2020.*

It shows how all our efforts together as a community really can make a difference.

Know all of you at Main Street worked hard. My employees worked hard. Our Port Townsend customers were amazing. They made a real effort to come out wearing their masks, shopping local and making sure we were ok. In 2020 we made less than half of 2019. In 2021 we were up 12.5% over 2019. 2021 was our best year to date."

From a service related store which has been in business 33 years: *"We've had a 37.13% increase in 2021 vs 2019; a 6.5% decrease in 2020 vs 2019 and a 46% increase in 2021 vs 2020."*

From a long-time retailer who owns several downtown stores: *"2021 sales were much better than 2020; I checked my 2019 numbers and 2021 was on a par with 2019."*

From a downtown hotelier: *"2021 exceeded 2019 every single month. July/Aug/Sept were 90%+ occupancy in both 2020 and 2021. We had positive feedback on our strict COVID protocols, we took it very seriously."*

From a downtown restaurateur who owns several restaurants: *"2020 was down 55% of 2019 sales and this represented the lowest sales in 15 years or more. Overall 2021 was 90% of 2019 sales, but most of the sales were concentrated into six months. January-April 2021 was a bigger challenge than 2020 but May-September 2021 brought chaotic record sales." This upsurge made staffing and adequate supplies a challenge.*

State-wide, 3,300 restaurants have closed since COVID hit. In the downtown historic district we have had three restaurants close (one temporarily and is now reopening) and five dining spots open (though one is more seasonal). One hotel adapted their lobby into a cozy bottle shop/small bites bar. Some restaurants are fully open, some joined in the streateries program, others have more limited hours, or decided to emphasize take-out. They are adapting to a new restaurant climate which makes the future hard to predict, but they have been creatively navigating it.

Many retail businesses were even harder hit as they tried to figure out how to be open with all of the regulations. While each business is different and operates according to what works best for them, we have received feedback that supply chain issues are a continuing challenge. As 2022 begins, consumers are getting used to the new "normal" way of life and it remains unclear as to what this year will bring. We do feel hopeful that we will be returning to a sense of normalcy in the coming months.

Port Townsend Main Street Program kept its commitment to offer visibility for the businesses across a broad array of channels. We encouraged locals to keep the historic districts top of mind and consistently asked residents to prioritize their local businesses to help keep them strong during another pandemic year.

- We exceeded our goal of signing up 75 businesses, with 81 businesses participating from downtown, Uptown and Point Hudson.
- We created two websites which were designed by RFG Creative (locals focused and outbound-visitor focused), with short merchant videos explaining what *they* loved about Port Townsend.
- We did a county-wide 18,000 piece postcard mailing promoting "Love Where You Live—Port Townsend." We used local printers and kept our business in town.
- The campaign was featured in local print ads, local and regional digital ads, interviews on KPTZ 91.9 FM, Crosscut state-wide newsletter, Google and Facebook social media campaign and underwriting on KUOW FM and KNKX FM. The local print/online ads provided visibility and much-needed revenue for our community newspapers which have also been impacted by the pandemic.
- Executive Director Mari Mullen wrote a monthly Port Townsend and Jefferson County Leader "Perspective" column which featured the campaign often.
- Chamber readerboard ads reinforced the messages about the importance of keeping dollars local and promoted the niche experiences.
- We included "Grab Your Bags"—You're Headed to Port Townsend" rack cards inside Port of Port Townsend Welcome Bags for boaters and RV campers at Point Hudson. The boaters really enjoyed the QR code for the PT Treasures trivia app on the rack card and gave positive feedback to the Port about it. We also distributed the rack cards at hotels and events.
- The print ads featured the lead sponsor logos. The campaign logos were also on the campaign websites, e-newsletters, and signage.

- After checking in with merchants, we saved the bulk of the remaining “outbound” ad budget to promote Port Townsend in 4th quarter 2021 when businesses needed it most. The Seattle/I-5 corridor ads, Crosscut ads, Olympian and Tacoma News Tribune ads as well as Google and Facebook social media ads ran October-December.
- 4th quarter 2021 featured “makers” activities and family-friendly fun as well as print/online ads promoting our local economy over the holidays. We held outdoor events under the CARES ACT-funded Tyler Plaza festival tent which gave more reasons for people to come to town to spend time and money in the historic districts.

We believe this versatile campaign fostered a winning spirit of collaboration and solidarity with our partners and participating businesses. It provided essential funds which helped cultivate key customer support and stressed the importance of supporting our local entrepreneurs during the pandemic. The support was crucial for keeping Port Townsend in the forefront in the public’s hearts and minds. We made it through 2021 together with creativity and determination, better prepared and with a spirit optimism for what’s to come this year.

Thank you for supporting the historic districts with the “Love Where You Live” and “Grab Your Bags—You’re Going to Port Townsend” campaign. It was a privilege to bring resources and focus to our historic districts in this past year.

Sincerely,



Mari F. Mullen
Executive Director
The Port Townsend Main Street Program