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**Commission Meeting
1st Monthly Meeting Agenda
Wednesday, December 14, 2022, 1:00 p.m.**

**Point Hudson Pavilion Building, 355 Hudson Street, Port Townsend, & via Zoom
<https://zoom.us/> – or call (253) 215-8782 – and use Webinar ID: 862 6904 3651, Password:
911887**

- I. Call to Order & Pledge of Allegiance
- II. Approval of Agenda
- III. Public Comments
- IV. Consent Agenda
 - A. Approval of Regular Business Meeting Minutes from November 22, 2022.....3-6
 - B. Approval & Ratification of Warrants and Wire Transfer Approval7-17
 - C. Northwest School of Wooden Boatbuilding (NWSWB) Lease Amendment
No. 118-40
 - D. Port Townsend Sailing Association Lease Agreement41-46
 - E. Resolution #781-22 Authorizing the Sale of Vessel – *Gannett*47-49
 - F. Interagency Agreement for San Juan and F Street Environmental Categorization
and Clean Up50-67
 - G. Resolution #783-22 Authorizing Executive Director to Execute All Documents
Necessary to Complete the First Phase of Heathier Together Planning Process 68-77
 - H. Resolution #782-22 Establishing a Multi-Governmental Process for
Collaborating on Issues of Mutual Importance (Intergovernmental Collaborative
Group)78-85
- V. Second Reading - None
- VI. First Reading - None
- VII. Regular Business
 - A. September 2022 YTD Financial Report86-91
 - B. Delegation of Authority and Meeting Procedures Updates92-103
 - C. Personal Services Agreement for Government Relations Consulting (State/Federal
Policy Priorities & Funding)104-115
 - D. IDD Levy Financial Report, YTD Qtr. 3, 2022116-118
 - E. Point Hudson Jetty Update..... -

VIII. Staff Comments

IX. Commissioner Comments

X. Next Meeting of the Commission:

Wednesday, January 11, 2023 at the Pavilion Building & via Zoom with Public Workshop at 9:30 a.m. and Regular Business Meeting at 1:00 p.m.

XI. Executive Session ~ None

XII. Adjournment

Informational Items

- Port Lease Update119-125
- September 2022 Year-to-Date Financial Detail126-130

PORT COMMISSION REGULAR BUSINESS MEETING – Tuesday, November 22, 2022

The Port of Port Townsend Commission met for a regular business session at the Point Hudson Pavilion Building, 355 Hudson Street, Port Townsend, and also online via Zoom.

Present: Commissioners Hasse, Hanke, and Petranek
 Executive Director Berg
 Deputy Director Toews
 Director of Finance and Administration Berg
 Director of Capital Projects & Port Engineer Klontz
 Attorney Seth Woolsen
 Operations Manager Sparks
 Port Recorder Sanders

I. CALL TO ORDER & PLEDGE OF ALLEGIANCE (Rec. 00:00:13)
 Commissioner Petranek called the meeting to order at 1:00 p.m.

II. APPROVAL OF AGENDA (Rec. 00:01:05)
The agenda was approved as amended by unanimous consent.

III. PUBLIC COMMENTS (Rec. 00:01:43)

The following provided written comment.

Naiome Kreinke spoke in support of the Port donating the waterfront lot located behind the Commander's Beach House to be used for the construction of a traditional Pacific Northwest longhouse.

Kit Kittredge of the Linger Longer Improvement Committee thanked the Port for the Quilcene conversations about the marina property and presented a list of questions about the Short Family Farm.

Eric Taylor spoke in opposition to the Port purchasing the Short Family Farm.

George Yount spoke in opposition to the Port purchasing the Short Family Farm without a plan and community support.

IV. CONSENT AGENDA (Rec. 00:03:00)
 A. Approval of Workshop and Regular Business Minutes from November 9, 2022
 B. Approval & Ratification of Warrants
 Warrant #065987 through #065988 in the amount of \$13,753.25
 Warrant #065989 through #065992 in the amount of \$6,247.36 and Electronic Payment in the total amount of \$104,497.38
 Electronic payment in the amount of \$9,985.82
 Warrant #065993 through 066034 in the amount of \$166,129.13
 C. Resolution 780-22 Authorizing Warrant Cancellation

Commissioner Hanke moved to approve the Consent Agenda as written with the removal to Regular Business of Item D. Authorize Executive Director to Execute Professional Services Agreement with Kennedy Jenks for \$210,110 and Contract

Amendment up to Ten Percent of the original contract value). Approved by unanimous consent.

V. SECOND READING ~ none

VI. FIRST READING ~ none

VII. REGULAR BUSINESS (Rec. 00:04:57)

A. Updated Organizational Chart (Rec. 00:04:48)

Executive Director Berg reported that during the budget discussion, the staffing changes were discussed. No new FTEs are being created. The Harbor Master position would become a non-represented position. The current CSR-III position would become assistant harbor master.

Commissioners: Discussion centered on the individuals in the current positions and a request for justification for the assistant harbormaster position over retaining

a yard manager structure. There was common interest in optimal functioning of the moorage office. Staff fielded questions regarding the agreement already bargained with the union toward improving management oversight and authority. Staff also reviewed the timeline for permitting the old customs house as the moorage/yard office.

Commissioner Hanke moved to approve the organizational chart as presented.

B. Boat Haven Breakwater Repair Update (Rec. 00:27:34)

Executive Director Berg introduced the item reviewing the different paths for repair and design of the remaining portions of the 550 foot breakwater. Although the Commission awarded a contract with American Construction in 2019, the permitting was not in place to move forward with the project and the Port then negotiated a revised contract price for waiting. The project was initially partially funded with insurance proceeds of \$117,000.

Director of Capital Projects & Port Engineer Klontz: gave a presentation on the history and background of the repairs and reviewed a map of the breakwater repair needs. Noted on a map were red sections covered under the contract with American that may no longer be immediately needed. An additional estimated \$200,000 is needed as well as re-bidding the project to do green sections, including engineering design. Alternatives as part of Mott McDonald's rehabilitation assessment were shown.

Commissioners: There was discussion of the repairs as well as investing in designing for demolition and replacement as well as seeking funding for this work. Once completed, the desire is to gift the jetty back to the Corps of Engineers. There were questions about permitting as well as desired design given sea level rise concern.

Without any Commission objection, there was no objection to Staff's recommendation to use the \$400,000 slated for previously contracted jetty repairs in the 2023 capital budget and then re-bid for the alternate repairs. A contract with a qualified engineering firm would come back for approval by the Commission.

C. Point Hudson Jetty Update (Rec. 00:55:50)

Director of Capital Projects & Port Engineer Klontz showed photos of the project's progress on the rock placement and quality control on this bedding stone.

D. Shorts Family Farm Update (Rec. 01:04:00)

Executive Director Berg recognized the public comment and questions received by the Commission. A more formal presentation would be made in December. A web page update is in process, including an environmental assessment. There would be more discussion and Commission update in December. A presentation of findings is planned in Chimacum at a Special Meeting in January. Commission questions were about finding/soliciting management partners and broadly notifying partners about the December meeting to begin to respond to questions so they can meaningfully participate in January.

E. Authorize Executive Director to Execute Professional Services Agreement with Kennedy Jenks for \$210,110 and Contract Amendment up to Ten Percent of the original contract value (01:30:02)

Director of Capital Projects & Port Engineer Klontz provided background on the boatyard general water permit, including Washington Department of Commerce resiliency funding received. Parametrix prepared the Level III report. He reviewed two design options. The contract before the Commission is for design engineering services. Site plans and options would come back before the Commission for approval.

Commissioners: Questions related to boatyard expansion and highway stormwater runoff. There was discussion of stormwater biofiltration options and questions about pavement collection systems.

Commissioner Petranek moved to authorize the Port Executive Director to execute the professional services agreement with Kennedy Jenks for \$210,110 and authorize the Port Executive Director to execute contract amendments up to 10% (\$21,011) of the original contract value.

VIII. STAFF COMMENTS (Rec. 01:53:00)

Deputy Director Toews reported that the Quilcene boat ramp improvement project was presented to RCO. A questionnaire is also being developed with respect to the west boatyard expansion project to seek input from the trades. The strategic plan update is scheduled to begin with January meetings and the Commission would have an opportunity to consider the makeup of the stakeholder committee in December.

Operations Manager Sparks (01:58:00) reported on yard activity. As of October 2021, there were 14 haulouts on the 300-ton and 52 on the 75-ton lift. For comparison, in October 2022, there were 13 haulouts on the 300-ton and 72 on the 75-ton lift and an increase in revenue of

\$46,124 over 2021 (\$33,800 -75 and \$12,324 - 300-ton). Particularly noteworthy is that the Port is able to turn over boats faster under the current structure. Right now, there are 17 (vacant?) spaces in the 75-ton area and one limited access space (available?) in the 300-ton lot.

IX. COMMISSIONER COMMENTS (Rec. 02:01:43)

Commissioner Hasse spoke about excitement over the leadership direction of the WPPA, jetty progress, participation in the great work of the Marine Resources Committee, and Climate Action Committee event by Jefferson County. Relaying a Chamber holiday announcement: on December 3, an 85-foot decorate tree erected at the fairgrounds, and a Rakers Car Parade with holiday lights. Film Festival would also show “Buddy the Elf.” A Port potential film festival partnership opportunity is a film related to the 2023 boat yard barbeque/celebration.

Commissioner Petranek reported on her attendance, including good presentations at the Pacific Marine Expo. Drawings were then conducted for the 300-ton and 75-ton free haulout: winners were Scott Cameron of Gig Harbor and Lilian Kuehl of Port Angeles respectively.

X. Next Public Workshop & Regular Business Meeting (Rec. 02:08:00):

Workshop: Wednesday, December 14, 2022 at 9:30 a.m. Regular Business Meeting:
Wednesday, December 14, 2022 at 1:00 p.m. at the Pavilion Building & via Zoom.

XI. EXECUTIVE SESSION (None)

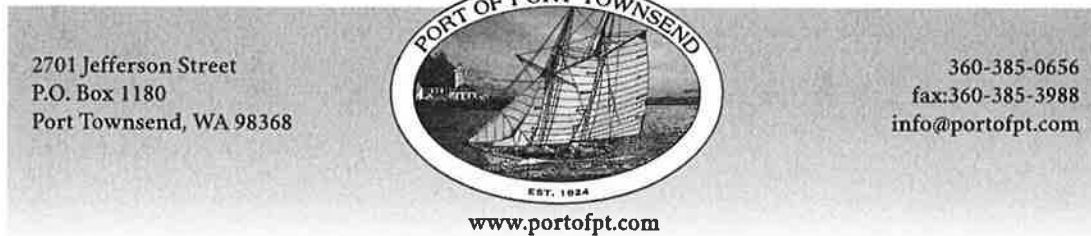
XII. ADJOURNMENT (Rec. 02:10:33): meeting adjourned at 3:10 p.m., there being no further business before the Commission.

ATTEST:

Pamela A. Petranek, President

Peter W. Hanke, Secretary

Carol L. Hasse, Vice President



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 Warrants No. 064676 in the amount of \$156.15 and 065776 in the amount of \$6,250.00 are declared void on this on this 14th day of December, 2022.

For: **Accounts Payable**

Commissioner Pam Petranek

Commissioner Carol Hasse

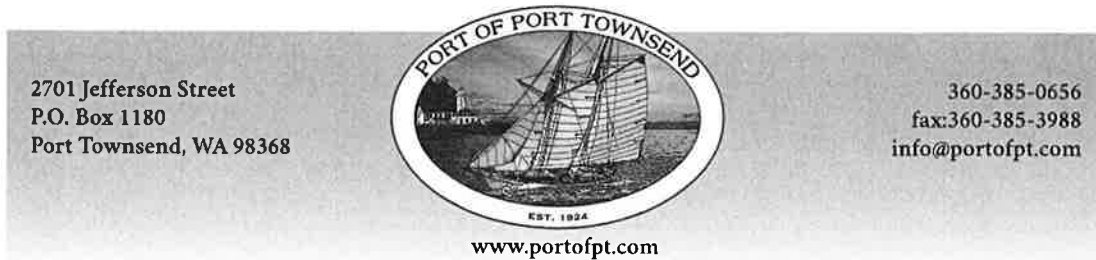
Commissioner Pete W. Hanke

S. Abigail Berg, Director of Finance
And Administration

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
0000064676	REV 1/12/2022	MON040 Jennifer Mitchell			156.15-
Check Comment: Warrant was thrown away on accident CK000006467601					
	1/12/2022	156.15-	0.00		
	G/L Account: 761-2900-19	UNIFORM EXPENSE: P. H. MARINA & RV		156.15-	
0000065776	REV 9/28/2022	INS070 Insight Strategic Partners, LLC			6,250.00-
Check Comment: Warrant Lost in Mail CK000006577601					
	9/28/2022	6,250.00-	0.00		
1099 Form: C	Box: 1				
	G/L Account: 781-3100-28	CONTRACT SERVICES: EXEC		6,250.00-	
	Bank W Total:	6,406.15-	0.00	6,406.15-	6,406.15-
	Report Total:	6,406.15-	0.00	6,406.15-	6,406.15-



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 066035 through No. 066050 generated on October 14th, 2022 in the amount of \$30,128.18 and Electronic Payment in the amount of \$170,843.33, for a total amount of \$200,971.51 is ratified.

Signed and Authenticated on this 14th day of December, 2022.

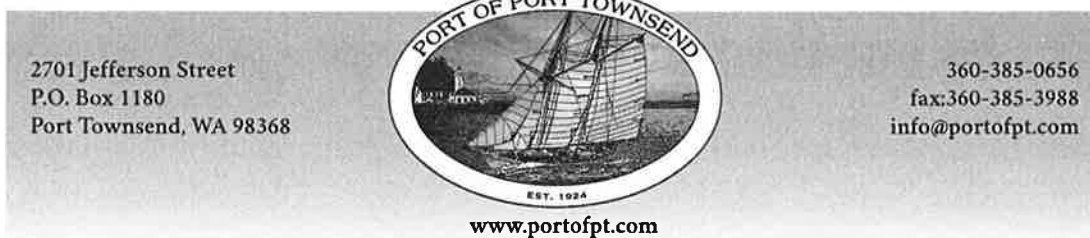
For: Payroll and Benefits

Commissioner Pam Petranek

Commissioner Carol Hasse

Commissioner Pete W. Hanke

S. Abigail Berg, Director of Finance
And Administration



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 066051 through No. 066131, are approved for payment in the amount of \$159,428.37 on this 14th day of December, 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: 12/14/2022

Register Number: CD-000958

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
0000066051	12/14/2022	A1C050	A-1 Coupling				Check Entry Number: 001
			K02027-001	12/1/2022	130.23	0.00	130.23
0000066052	12/14/2022	ADL050	Adler Tank Rentals				Check Entry Number: 001
			4629239	11/30/2022	2,259.02	0.00	2,259.02
0000066053	12/14/2022	ADM002	Admiral Ship Supply Inc.				Check Entry Number: 001
			11/30/22 STATEMENT	11/30/2022	437.33	0.00	437.33
0000066054	12/14/2022	ARR010	Arrow Lumber Port Townsend				Check Entry Number: 001
			11/28/22 STATEMENT	11/28/2022	1,767.30	0.00	1,767.30
0000066055	12/14/2022	BER040	Abigail Berg				Check Entry Number: 001
			11/2022 EXPENSE	11/29/2022	56.43	0.00	56.43
0000066056	12/14/2022	BER045	Eron Berg				Check Entry Number: 001
			11/2022 EXPENSE	11/29/2022	269.01	0.00	269.01
0000066057	12/14/2022	BRI045	Matthew Brink				Check Entry Number: 001
			REFUND 11/18/22	11/18/2022	875.16	0.00	875.16
0000066058	12/14/2022	CAR001	Carl's Building Supply				Check Entry Number: 001
			11/30/22 STATEMENT	11/30/2022	240.65	0.00	240.65
0000066059	12/14/2022	CED005	CED				Check Entry Number: 001
			5948-1028613	11/23/2022	283.66	0.00	283.66
			5948-1029225	11/30/2022	258.87	0.00	258.87
Check 0000066059 Total:					542.53	0.00	542.53
0000066060	12/14/2022	CHM030	Chmelik Sitkin & Davis P.S.				Check Entry Number: 001
			10/2022	11/18/2022	3,418.00	0.00	3,418.00
0000066061	12/14/2022	CIT001	City Of Port Townsend				Check Entry Number: 001
			11/30/22 STATEMENTS	11/30/2022	11,650.76	0.00	11,650.76
0000066062	12/14/2022	COA050	Mott MacDonald				Check Entry Number: 001
			102683-1	7/19/2022	2,239.00	0.00	2,239.00
			102683-2	8/2/2022	2,797.36	0.00	2,797.36
			102683-3	9/8/2022	14,204.50	0.00	14,204.50
			102683-5	11/4/2022	11,411.50	0.00	11,411.50
Check 0000066062 Total:					30,652.36	0.00	30,652.36
0000066063	12/14/2022	COO050	Cooper Fuel				Check Entry Number: 001
			11/2022 STATEMENT	12/1/2022	3,208.58	0.00	3,208.58
0000066064	12/14/2022	COU035	Coultas Construction Managment Solutions, LLC				Check Entry Number: 001
			22-011P	12/1/2022	16,380.00	0.00	16,380.00
0000066065	12/14/2022	CPC020	CP Communications				Check Entry Number: 001
			POPT011222	12/5/2022	3,400.00	0.00	3,400.00
0000066066	12/14/2022	DIR070	DirecTV				Check Entry Number: 001
			075436554X221128	11/28/2022	861.50	0.00	861.50
0000066067	12/14/2022	DLL010	D L Logos				Check Entry Number: 001
			4185	11/30/2022	127.97	0.00	127.97
			4188	12/1/2022	331.23	0.00	331.23
Check 0000066067 Total:					459.20	0.00	459.20
0000066068	12/14/2022	DOT010	Anthony Doty				Check Entry Number: 001
			REFUND 11/15/22	11/15/2022	471.94	0.00	471.94
0000066069	12/14/2022	FER001	Ferrellgas				Check Entry Number: 001
			5007412255	11/27/2022	389.37	0.00	389.37
0000066070	12/14/2022	FER030	Kristian Ferrero				Check Entry Number: 001
			11/2022 EXPENSE	12/7/2022	529.50	0.00	529.50
0000066071	12/14/2022	FIS020	Fish N Hole				Check Entry Number: 001
			5607468	11/9/2022	53.72	0.00	53.72

Run Date: 12/8/2022 12:44:12PM

A/P Date: 12/14/2022

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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
0000066072	12/14/2022	GRA005	Grainger				Check Entry Number: 001
			9513944547	11/15/2022	836.27	0.00	836.27
0000066073	12/14/2022	GRE015	Greentree Communications Co				Check Entry Number: 001
			10481	11/1/2022	706.97	0.00	706.97
0000066074	12/14/2022	GUA080	Guardian Security Systems, Inc.				Check Entry Number: 001
			1310370	12/1/2022	162.01	0.00	162.01
			1310371	12/1/2022	114.56	0.00	114.56
			1310372	12/1/2022	130.92	0.00	130.92
			1310373	12/1/2022	218.20	0.00	218.20
			1310374	12/1/2022	196.38	0.00	196.38
			1312932	11/30/2022	10,620.63	0.00	10,620.63
Check 0000066074 Total:					11,442.70	0.00	11,442.70
0000066075	12/14/2022	HAD001	Hadlock Building Supply				Check Entry Number: 001
			11/25/22 STATEMENT	11/25/2022	149.31	0.00	149.31
0000066076	12/14/2022	HAN040	Pete Hanke				Check Entry Number: 001
			11/2022 EXPENSE	11/30/2022	85.00	0.00	85.00
0000066077	12/14/2022	HAR095	Randy Harper				Check Entry Number: 001
			REFUND 11/28/22	11/28/2022	119.41	0.00	119.41
0000066078	12/14/2022	HEN002	Henery Hardware				Check Entry Number: 001
			741942	10/26/2022	50.82	0.00	50.82
			741951	10/26/2022	34.55	0.00	34.55
			741953	10/26/2022	17.43	0.00	17.43
			741966	10/26/2022	18.74	0.00	18.74
			742073	10/28/2022	41.41	0.00	41.41
			742103	10/28/2022	9.81	0.00	9.81
			742127	10/28/2022	66.05	0.00	66.05
			742240	10/31/2022	79.76	0.00	79.76
			742252	10/31/2022	80.70	0.00	80.70
			742263	10/31/2022	86.35	0.00	86.35
			742347	11/2/2022	55.77	0.00	55.77
			742357	11/2/2022	62.49	0.00	62.49
			742366	11/2/2022	91.56	0.00	91.56
			742496	11/4/2022	22.76	0.00	22.76
			742549	11/4/2022	156.39	0.00	156.39
			742643	11/7/2022	38.35	0.00	38.35
			742647	11/7/2022	43.17	0.00	43.17
			742674	11/7/2022	85.28	0.00	85.28
			742729	11/8/2022	46.88	0.00	46.88
			742740	11/8/2022	7.62	0.00	7.62
			742801	11/9/2022	45.76	0.00	45.76
			742863	11/10/2022	9.81	0.00	9.81
			742877	11/10/2022	47.98	0.00	47.98
			742889	11/10/2022	21.57	0.00	21.57
			743041	11/14/2022	98.36	0.00	98.36
			743127	11/15/2022	62.05	0.00	62.05
			743130	11/15/2022	21.81	0.00	21.81
			743161	11/16/2022	9.76	0.00	9.76
			743173	11/16/2022	40.30	0.00	40.30
			743179	11/16/2022	60.81	0.00	60.81
			743198	11/16/2022	39.21	0.00	39.21

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
			743199	11/16/2022	130.13	0.00 130.13
			743320	11/18/2022	6.10	0.00 6.10
			743348	11/16/2022	34.88	0.00 34.88
			743430	11/21/2022	28.26	0.00 28.26
			743434	11/21/2022	49.28	0.00 49.28
			743488	11/22/2022	70.90	0.00 70.90
			743532	11/22/2022	46.21	0.00 46.21
			743544	11/22/2022	49.68	0.00 49.68
			743556	11/23/2022	91.41	0.00 91.41
			743575	11/23/2022	49.06	0.00 49.06
			743592	11/23/2022	16.35	0.00 16.35
			743593	11/23/2022	65.43	0.00 65.43
Check 000066078 Total:					2,191.00	0.00 2,191.00
000066079	12/14/2022	HEN004	Port Townsend Garden Center			Check Entry Number: 001
			163418	11/30/2022	10.89	0.00 10.89
000066080	12/14/2022	HIL075	Hills & Valley Catering			Check Entry Number: 001
			12/22 DEPOSIT	12/6/2022	842.57	0.00 842.57
000066081	12/14/2022	HRA030	HRA VEBA Trust			Check Entry Number: 001
			12/2022	12/14/2022	725.68	0.00 725.68
000066082	12/14/2022	INS070	Insight Strategic Partners, LLC			Check Entry Number: 001
			4185.2	8/31/2022	6,250.00	0.00 6,250.00
			4306	10/31/2022	6,250.00	0.00 6,250.00
Check 000066082 Total:					12,500.00	0.00 12,500.00
000066083	12/14/2022	JAM040	Jamestown Networks			Check Entry Number: 001
			7344	12/1/2022	530.00	0.00 530.00
000066084	12/14/2022	JC0003	Jefferson County - Public Work			Check Entry Number: 001
			11/2022 STATEMENT	12/5/2022	495.32	0.00 495.32
000066085	12/14/2022	KEN010	Kendrick Equipment			Check Entry Number: 001
			U50991	12/1/2022	8,197.61	0.00 8,197.61
			U50999	11/23/2022	514.45	0.00 514.45
			U51002	11/23/2022	402.96	0.00 402.96
Check 000066085 Total:					9,115.02	0.00 9,115.02
000066086	12/14/2022	LAN001	Landau Associates			Check Entry Number: 001
			0052512	11/16/2022	701.25	0.00 701.25
000066087	12/14/2022	LEM040	Lemay Mobile Shredding			Check Entry Number: 001
			4772367S185	12/1/2022	14.07	0.00 14.07
000066088	12/14/2022	MAR031	Marine Vacuum Service, Inc.			Check Entry Number: 001
			78543	12/6/2022	3,200.99	0.00 3,200.99
000066089	12/14/2022	MAR047	Maritime Publishing			Check Entry Number: 001
			2022CI-1176	11/22/2022	2,228.00	0.00 2,228.00
000066090	12/14/2022	MAR096	Marian Roh			Check Entry Number: 001
			221201	12/1/2022	137.50	0.00 137.50
000066091	12/14/2022	MON040	Jennifer Mitchell			Check Entry Number: 001
			EXPENSE 12/2021	12/14/2022	156.15	0.00 156.15
000066092	12/14/2022	MUR002	Murrey's Disposal Co. Inc.			Check Entry Number: 001
			12/1/22 STATEMENTS	12/1/2022	8,802.26	0.00 8,802.26
000066093	12/14/2022	NOR099	Northwest Towing & Recovery LLC			Check Entry Number: 001
			14424	10/25/2022	54.50	0.00 54.50
000066094	12/14/2022	O'RE030	O'Reilly Auto Parts			Check Entry Number: 001
			3939-145449	11/29/2022	43.75	0.00 43.75

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
0000066095	12/14/2022	OLY002	The Home Depot Pro Institutional				Check Entry Number: 001
			715187035	11/1/2022	51.53	0.00	51.53
			715437737	11/2/2022	1,463.07	0.00	1,463.07
			717815062	11/16/2022	231.14	0.00	231.14
Check 0000066095 Total:					1,745.74	0.00	1,745.74
0000066096	12/14/2022	PAC004	Pacific Office Equipment Co				Check Entry Number: 001
			12/1/22 STATEMENT	12/1/2022	594.03	0.00	594.03
0000066097	12/14/2022	PAL020	Palouse Boatworks				Check Entry Number: 001
			REFUND 12/1/22	12/1/2022	87.68	0.00	87.68
0000066098	12/14/2022	PAP020	Pape Machinery				Check Entry Number: 001
			14077033	11/30/2022	167.41	0.00	167.41
0000066099	12/14/2022	PEN004	Peninsula Floors & Furnishings				Check Entry Number: 001
			777818	11/30/2022	129.02	0.00	129.02
0000066100	12/14/2022	PEN050	Peninsula Heat, Inc.				Check Entry Number: 001
			10653	11/15/2022	521.50	0.00	521.50
0000066101	12/14/2022	PEN060	Peninsula Pest Control, Inc				Check Entry Number: 001
			63797	12/2/2022	545.50	0.00	545.50
0000066102	12/14/2022	PET025	Petrack Lock & Safe				Check Entry Number: 001
			221136	11/28/2022	310.48	0.00	310.48
0000066103	12/14/2022	PHI045	Martin Phipps				Check Entry Number: 001
			11/22 EXPENSE UNIFORM	11/30/2022	341.58	0.00	341.58
0000066104	12/14/2022	PIN010	Pinnacle Investigations Corp				Check Entry Number: 001
			82354	12/1/2022	140.50	0.00	140.50
0000066105	12/14/2022	PIT000	Pitney Bowes Inc.				Check Entry Number: 001
			3316620696	11/25/2022	537.17	0.00	537.17
0000066106	12/14/2022	POR005	Port Townsend Leader				Check Entry Number: 001
			111269	12/1/2022	1,530.50	0.00	1,530.50
0000066107	12/14/2022	POR050	Port Townsend Shipwrights				Check Entry Number: 001
			23941	10/25/2022	1,125.91	0.00	1,125.91
0000066108	12/14/2022	POR097	Port Townsend Sailing Association				Check Entry Number: 001
			REFUND 11/30/22	11/30/2022	124.12	0.00	124.12
0000066109	12/14/2022	PRE010	Precision Approach Engineering				Check Entry Number: 001
			5821	10/31/2022	2,295.80	0.00	2,295.80
0000066110	12/14/2022	PUD005	PUD #1 of Jefferson County				Check Entry Number: 001
			11/18/22 STATEMENTS	11/18/2022	331.51	0.00	331.51
			11/23/22 STATEMENTS	11/23/2022	589.80	0.00	589.80
Check 0000066110 Total:					921.31	0.00	921.31
0000066111	12/14/2022	REI002	Reid Middleton Co				Check Entry Number: 001
			2211147	12/5/2022	3,167.50	0.00	3,167.50
0000066112	12/14/2022	ROL010	Aubri Rollins				Check Entry Number: 001
			11/2022 EXPENSE	11/30/2022	367.50	0.00	367.50
0000066113	12/14/2022	RUB020	Rubicon Yachts LLC				Check Entry Number: 001
			REFUND 11/30/22	11/30/2022	3,583.23	0.00	3,583.23
0000066114	12/14/2022	SAF001	Safeway, Inc.				Check Entry Number: 001
			11/21/22 STATEMENT	11/21/2022	3,189.08	0.00	3,189.08
0000066115	12/14/2022	SCH097	Walter Schicker				Check Entry Number: 001
			REFUND 11/30/22	11/30/2022	172.93	0.00	172.93
0000066116	12/14/2022	SEC010	Security Services				Check Entry Number: 001
			125853	12/1/2022	202.30	0.00	202.30
0000066117	12/14/2022	SHO010	Shold Excavating Inc				Check Entry Number: 001

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE						
Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied
			71663	11/21/2022	76.66	0.00
			71734	11/29/2022	84.91	0.00
			71902	12/6/2022	139.10	0.00
			Check 0000066117 Total:		300.67	0.00
0000066118	12/14/2022	SNE020	S-Net Communications			
			153291	12/1/2022	599.21	0.00
0000066119	12/14/2022	SPA070	Chris Sparks			
			11/22 EXPENSE	11/17/2022	29.96	0.00
0000066120	12/14/2022	SUN020	Sunrise Coffee			
			20221444	12/1/2022	19.70	0.00
0000066121	12/14/2022	SWI050	Swift Plumbing and Heating			
			51715	11/14/2022	201.84	0.00
			51776	11/17/2022	429.58	0.00
			Check 0000066121 Total:		631.42	0.00
0000066122	12/14/2022	TAY080	Terry Taylor			
			11/22 EXPENSE	11/18/2022	46.66	0.00
0000066123	12/14/2022	ULI040	ULINE			
			156492355	11/15/2022	716.84	0.00
0000066124	12/14/2022	VEN070	VenTek International			
			135523	12/1/2022	103.65	0.00
0000066125	12/14/2022	VER001	Verizon Wireless, Bellevue			
			9920670024	11/15/2022	560.04	0.00
0000066126	12/14/2022	VIR060	Virtower			
			1688	12/1/2022	500.00	0.00
0000066127	12/14/2022	WAS003	Washington Public Ports Assn.			
			022-611	11/16/2022	300.00	0.00
0000066128	12/14/2022	WAV040	Wave Broadband			
			043328901-0009845	11/23/2022	157.52	0.00
0000066129	12/14/2022	WES006	Westbay Auto Parts, Inc.			
			11/25/22 STATEMENT	11/25/2022	152.44	0.00
0000066130	12/14/2022	WES060	West Marine Pro			
			1818	11/21/2022	50.31	0.00
			937	11/22/2022	17.96	0.00
			Check 0000066130 Total:		68.27	0.00
0000066131	12/14/2022	WHI090	Shannon White			
			11/22 UNIFORM EXP	12/8/2022	300.00	0.00
			Report Total:		159,428.37	0.00



WIRE APPROVAL – Jefferson County Treasurer

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 this claim by Orion Marine Contractor's Pay Estimate #03 is approved for payment in the amount of \$1,189,677.15 on this 14th day of December, 2022.

For: **Point Hudson North Jetty Construction Work**

Commissioner Pam Petranek

Commissioner Carol Hasse

Commissioner Pete W. Hanke

S. Abigail Berg, Director of Finance
And Administration



Internal Memo

To: Abigail Berg, Director of Finance
From: Matthew Klontz, Capital Projects Director
Date: 12/07/2022
Re: Pay Estimate No 3: for
 Point Hudson Breakwater Replacement Project
 Port Project No. PH-01-001
 EDA Award No. 07-79-07724

Enclosed is the completed pay estimate for above reference project covering work performed by Orion Marine Contractors from November 1 to November 30, 2022. The amount of this payment is identified below. Please note that Orion has provided a retainage bond in lieu of Port withholding a 5% payment. In other words, no retainage should be withheld. Also, payment to Orion should include payment of WSST.

Base Amount this Pay Estimate:	\$1,090,446.52
Add WSST (9.1%):	\$99,230.63
Less Retainage (Bond in Lieu):	\$0
Total Payment this Period:	<u>\$1,189,677.15</u>
 Total Prior Payments:	 \$2,769,251.33
Total Payment to Date:	\$3,958,928.48

MEETING DATE	December 14, 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. Northwest School of Wooden Boatbuilding Lease Amendment No. 1
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
ATTACHMENTS	<ul style="list-style-type: none"> • Northwest School of Wooden Boatbuilding Memo • Northwest School of Wooden Boatbuilding Amendment No. 1 • Exhibit A Northwest School of Wooden Boatbuilding Original Lease

DATE: 12/14/2022
TO: Port Commission
FROM: Eric Toews, Deputy Director and Sue Nelson, Lease & Contracts Administrator
SUBJECT: Northwest School of Wooden Boatbuilding Lease Amendment #1

BACKGROUND & DISCUSSION: Currently, the Northwest School of Wooden Boat Building leases 1,942-square feet of ground floor space in the Nomura Building for marine-related vocational training. The Boat School wishes to share use of the 167-square foot kitchen which is immediately adjacent to their premises with the Port Townsend Sailing Association. Lease Amendment #1 makes provision for shared use of the kitchen. Accordingly, the additional rent for the kitchen space is based on 50% use, with the Boat School paying 25% of that figure, based on the formula for calculating monetary and non-monetary (in-kind/job training and education) consideration set forth in the Original Lease.

RECOMMENDATION: Authorize the Executive Director to execute the attached Amendment No. 1 of the Boat Haven Building Lease of a portion of the Nomura Building to the Northwest School of Wooden Boatbuilding

MOTION: None required. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the attached Amendment No. 1.

ATTACHMENTS

- Lease Amendment No. 1
- Exhibit 'A' (Original Lease)

AMENDMENT #1 BOAT HAVEN BUILDING LEASE

THIS LEASE AMENDMENT #1 (the “first Amendment”) made this ____ day of December 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 **NORTHWEST SCHOOL OF WOODEN BOATBUILDING** a Washington nonprofit corporation hereinafter referred to as “Lessee.”

WITNESSETH:

1. On June 24, 2021, the parties entered into a Lease Agreement concerning certain premises situated at the Port of Port Townsend’s Boat Haven facility, in Port Townsend, WA 98368, hereinafter referred to as the “Original Lease.”
2. The parties are agreed that the Original Lease should be amended to:
 - a. Modify the description of the Premises to include shared (non-exclusive) use of 167 square feet of immediately adjacent kitchen area; and
 - b. Modify the Rent payable to reflect shared use of the kitchen area.

NOW, THEREFORE: Effective on January 1, 2023, the Original Lease shall be amended as set forth below (note: deleted text shown in strikeouts; new/amended language show with double-underlining):

A. Paragraph 1 of the Original Lease, “Leased Premises,” shall be amended to read as follows:

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

Approximately 1,942 square feet of space on the ground floor of the Karl C. Nomura Building (commonly known as the “Skookum Building”), together with shared (non-exclusive) use of the 167-square foot kitchen, located at 385 Benedict Street, in Port Townsend, Jefferson County, Washington,

hereinafter referred to as “the premises.”

B. Paragraph 3 of the Original Lease, “Rent,” shall be amended to read as follows:

- 3. RENT AND NONMONETARY CONSIDERATION:** It is agreed that Lessee shall pay rent and other nonmonetary consideration for use of the premises as follows:

a. **Rent – Monetary Consideration:** Lessee agrees to pay ~~Five Hundred Nine Dollars and Seventy Eight Cents (\$509.78)~~ Five Hundred Thirty-One Dollars and Seventy Cents (\$531.70) per month plus all applicable taxes.¹ The rent for each month shall be paid to the Port in advance on or before the first day of each and every month and shall be payable at such place as the Port may hereinafter designate. The rental rate beginning in year two (2) and annually throughout the initial or any extended term of this Lease will be adjusted by an amount equal to the accumulative amount found on the Consumer Price Index for all urban consumers (CPI-U) for Seattle-Tacoma-Bellevue, which is compiled by the Department of Labor, Bureau of Statistics. In the event Lessee exercises its option for a second five (5) year term, beginning in year six (6) the rental rate may be adjusted to twenty-five percent (25%) of the fair market rental rate then prevailing for comparable commercial and/or industrial property in the Western Washington area, bearing in mind all allowable uses of the property and all services and amenities available to the property by virtue of its location. In no event shall any rent adjustment result in a reduction in rent from the rate paid in the prior year.

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

All other terms and conditions of the Original Lease dated June 24, 2021 shall remain unchanged and in effect.

This Amendment of Building Lease is authorized by the Port of Port Townsend Port Commission on the 14th day of December 2022, executed by the parties this ____ day of December 2022, and is effective immediately.

**LESSEE – NORTHWEST SCHOOL OF
WOODEN BOATBUILDING**

PORT OF PORT TOWNSEND:

Betsy Davis, Executive Director

Eron Berg, Executive Director

¹ Calculated as follows: 1,942 square feet x \$1.05 psf (note: \$1.05 is Clark, White Veenstra's April 2020 appraisal of \$1.00 per square foot adjusted for inflation through May 2021) = \$2,039.10; \$2,039.10 x 25% = \$509.78; shared kitchen space calculated as follows: 167 sf x \$1.05 = \$175.35; \$175.35 ÷ 2 (kitchen shared equally with adjoining tenant) = \$87.68 x 25% = \$21.92; \$509.78 + \$21.92 = \$531.70. If/when applicable, leasehold excise tax (LET) will be calculated @ 12.84% - or, ~~\$509.78~~ \$531.70 x 12.84% = ~~\$65.46~~ \$68.27.

APPROVED AS TO FORM:

Port Attorney

STATE OF WASHINGTON
COUNTY OF JEFFERSON

I certify that I know or have satisfactory evidence that Betsy Davis signed this instrument and that she is authorized to execute the instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____

Signature of
Notary Public: _____

My Appointment Expires: _____

STATE OF WASHINGTON
COUNTY OF JEFFERSON

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

Dated: _____

Signature of
Notary Public: _____

My Appointment Expires: _____

PORT OF PORT TOWNSEND BOAT HAVEN BUILDING LEASE

THIS LEASE AGREEMENT made this 24th day of June 2021, by and between the PORT OF PORT TOWNSEND, a municipal corporation organized and existing under the laws of the State of Washington, Lessor, hereinafter referred to as "the Port," and **NORTHWEST SCHOOL OF WOODEN BOATBUILDING¹**, a Washington non-profit corporation, hereinafter referred to as "Lessee,"

WITNESSETH:

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

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

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

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

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

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

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

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

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

4. **LATE CHARGE:** In the event that any installment of rent remains unpaid more than twenty (20) days after it is due, then Lessee shall also be obliged to pay a "late charge" as per the Port of Port Townsend Rate Schedule then in effect.
5. **SECURITY DEPOSIT:** At inception of this Lease, Lessee shall establish with the Port a security deposit in the amount of **One Thousand Seven Hundred Twenty-Five Dollars and Seventy-One Cents (\$1,725.71)**.³ Lessee has an existing deposit of **Five Hundred Dollars and Seven Cents (\$500.07)** currently on file with the Port under a month-to-month rental agreement terminated and superseded by this Lease. Accordingly, Lessee shall deposit an additional **One Thousand Two Hundred Twenty-Five Dollars and Sixty-Four Cents (\$1,225.64)** in order to satisfy the requirements of this Paragraph 5. Throughout the initial lease term or any extended term, the security

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

deposit shall be adjusted annually to ensure that an amount equivalent to three (3) months' then current rent plus all applicable taxes is maintained with the Port. The deposit shall be held by the Port as security for Lessee's faithful performance of all its obligations under this Lease. Any interest earned on amounts deposited shall be retained by the Port. The deposit shall be returned to Lessee upon termination of this Lease, less any charges owing to the Port or expenses incurred by the Port in repairing damage caused by Lessee or restoring the leased premises to the condition required upon termination of this Lease.

6. **USE OF PREMISES:** Lessee shall use the premises for marine systems instruction (vocational training) and associated uses and shall not use them for any other purpose without the prior written consent of the Port. Lessee shall use the entire premises for the conduct of said business in a first-class manner continuously during the entire term of this Lease, with the exception of temporary closures for such periods as may reasonably be necessary for repairs or redecorating or for reasons beyond Lessee's reasonable control.
7. **CONDUCT COVENANTS AND WARRANTIES:** Lessee specifically covenants and warrants to the Port as follows:
 - a. **Quiet Conduct.** The conduct of Lessee and such others for whom Lessee is responsible shall not, in any manner, disturb the quiet enjoyment of other tenants, invitees, or visitors, in or near where the Premises are located, including common areas.
 - b. **Damage.** The conduct of Lessee and such others for whom Lessee is responsible shall not result in or cause destruction or damage to the Premises, or any part thereof including, but not limited to any and all common areas, or the property of other tenants, their invitees, and visitors.
8. **UTILITIES:** Lessee shall be liable for, and shall pay throughout the term of this Lease, all utility services furnished to the premises, including, but not limited to the following: electricity; water; sewerage; garbage disposal; and communications. Because separate water and electrical meters have not been installed, fees will be assessed on the basis of the difference between baseline historic utility usage data for the Nomura Building and the new, increased, utility charges. The Port will develop a formula for fairly apportioning electric, water and sewerage utilities based on a proportionate use basis. The formula shall be provided in writing to Lessee prior to assessment of any charges.
9. **ACCEPTANCE OF PREMISES:** Lessee has examined the premises and accepts them in their present condition "as is". The Port makes no representations or warranties with respect to the condition, suitability, zoning restrictions, or usability, except the Port's right to grant a lease of the premises. Lessee acknowledges that Lessee has fully

inspected the premises and is not relying on any statement or representation made by the Port or the Port's agents with respect to the condition of the premises, and Lessee assumes the responsibility and risks of the same, including any defects or conditions that cannot be observed by casual inspection.

- 10. MAINTENANCE AND REPAIR:** Maintenance and repair of the premises shall be the sole responsibility of Lessee. Accordingly, at the expiration or sooner termination of this Lease, Lessee shall return the premises to the Port in the same condition in which received (or, if altered by Lessee with the Port's consent, then the premises shall be returned in such altered condition), reasonable wear and tear and damage by fire or unavoidable casualty excepted. Lessee's obligation to make repairs shall not extend to any repairs to the roof (structure or covering), to the foundations of the building or structure and exterior walls, of which the leased premises are a part, unless such repairs are necessitated by Lessee's negligence or failure to maintain the interior. Lessee shall, at its' own expense, and at all times:

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

11. ALTERATIONS AND IMPROVEMENTS:

- a. Lessee shall make no alterations or improvements to or upon the premises or install any fixtures (other than trade fixtures which can be removed without injury to the premises) without first obtaining written approval from the Executive Director of the Port, which shall not be unreasonably withheld. Such written approval shall also include agreement for disposition of the improvements upon termination of this Lease.
- b. The parties understand and agree that during the initial term of this Lease, Lessee intends to proceed with removal of all or a portion of the principal north/south partition wall within the premises in order to create a larger classroom space. Because the subject partition wall is load bearing, this alteration is anticipated to require building permit review and approval. The parties agree to collaborate in the design of such alteration, with Lessee solely responsible for the cost of the alteration which is anticipated to be undertaken by Port Maintenance staff.

- 12. INSPECTION - "FOR RENT" SIGNS:** The Port reserves the right to inspect the leased premises at any and all reasonable times throughout the term of this Lease, PROVIDED, that it shall not interfere unduly with Lessee's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the premises and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the

right to place and maintain "For Rent" signs in conspicuous places on the premises for thirty (30) days prior to the expiration or sooner termination of this Lease.

13. DAMAGE OR DESTRUCTION:

- a. Should the premises or the building of which the premises are a part be damaged by fire or other casualty, and if the damage is repairable within four (4) weeks from the date of the occurrence (with the repair work and the preparations therefore to be done during regular working hours on regular work days), the premises shall be repaired with due diligence by the Port, and in the meantime the monthly minimum rental shall be abated in the same proportion that the untenable portion of the premises bears to the whole thereof, for the period from the occurrence of the damage to the completion of the repairs.
- b. Should the premises or the building of which the premises are a part be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot be repaired within four (4) weeks of the occurrence, the Port shall have the option to terminate this Lease on thirty (30) days' notice effective as of any date not more than sixty (60) days after the occurrence. In the event that this subparagraph 13(b) shall become applicable, the Port shall advise Lessee within thirty (30) days after the happening of any such damage whether the Port has elected to continue the lease in effect or to terminate it. If the Port shall elect to continue this Lease in effect, it shall commence and prosecute with due diligence any work necessary to restore or repair the premises. If the Port shall fail to notify Lessee of its election within said thirty (30) day period, the Port shall be deemed to have elected to terminate this Lease, and the lease shall automatically terminate sixty (60) days after the occurrence of the damage. For the period from the occurrence of any damage to the premises to the date of completion of the repairs to the premises (or to the date of termination of the lease if the Port shall elect not to restore the premises), the monthly minimum rental shall be abated in the same proportion as the untenable portion of the premises bears to the whole thereof.

- 14. INDEMNIFICATION AND HOLD HARMLESS:** The Port, its employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property, regardless of how such injury or damage be caused, sustained, or alleged to have been sustained by the Lessee or by others as a result of any condition (including existing or future defects in the premises) or occurrence whatsoever related in any way to the premises and the areas adjacent thereto or related in any way to Lessee's use or occupancy of the premises and of the areas adjacent thereto. Lessee agrees to defend and to hold and save the Port harmless from all liability or expense of

litigation) in connection with any such items of actual or alleged injury or damage. This provision shall survive the termination of this Agreement.

- 15. LIMITED WAIVER OF IMMUNITY UNDER WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW AND OTHER SIMILAR INDUSTRIAL INSURANCE SCHEMES:** For purposes of the indemnification provision set forth in Paragraph 14, above, and only to the extent of claims against Lessee by the Port under such indemnification provision, Lessee specifically waives any immunity it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW, The United States Longshore and Harbor Workers Compensation Act, 33 USC §901-950, or any other similar workers' compensation schemes. The indemnification obligation under this lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefit acts, or other employee benefit acts. The foregoing provision was specifically negotiated and agreed upon by the parties hereto.
- 16. INSURANCE:** Lessee agrees to maintain during the lease term liability insurance as set forth below, at Lessee's sole expense. All such insurance shall name the Port of Port Townsend as an additional insured and shall be with insurance companies acceptable to the Port.
- a. Comprehensive General Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of \$2,000,000.00 combined single limit for each occurrence. Such insurance shall include but not be limited to bodily injury liability, personal injury liability, property damage liability, broad form property damage liability, contractual liability, and products/completed operations liability.
 - b. Workers Compensation Insurance as will protect Lessee's employees from claims under Washington Workers Compensation Act as well as all Federal Acts applicable to the Lessee's operations at the site such as but not limited to U.S. Longshoremen and Harborworkers Act, Jones Act, and Federal Employers Liability section of the Washington Workers Compensation Policy and all Federal Acts Insurance shall not be less than \$1,000,000.00 for each occurrence.

Lessee agrees to supply the Port with appropriate evidence to establish that its insurance obligations have been met, and that the insurance policy or policies are not subject to cancellation without at least thirty (30) days advance written notice to the Port. The conditions set forth in subparagraphs 16(a) and (b) herein shall be met prior to inception of this Lease Agreement.

- 17. WAIVER OF SUBROGATION:** The Port and Lessee hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance contracts, including any extended coverage endorsements thereto, PROVIDED, that this Paragraph 17 shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of the Port or Lessee.
- 18. INCREASE IN COST OF INSURANCE:** Lessee shall not use the demised premises in such a manner as to increase the existing rates of insurance applicable to the buildings or structures of which the premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the buildings or structures of which the leased premises are a part, and to the extent allocable to the term of this Lease Agreement, may be added to the amount of rental hereinabove specified and shall be paid by Lessee to the Port upon the monthly rental day next thereafter occurring.
- 19. TAXES:** Lessee shall be liable for and shall pay throughout the term of this Lease Agreement, all applicable license and excise fees and occupation taxes covering the business conducted on the premises, and all applicable taxes on property of Lessee on the leased premises and any applicable taxes on the leased premises or leasehold interest created by this Lease Agreement, including the Washington State Leasehold Tax (currently 12.84% of rents paid) levied under RCW 82.29A.030.
- 20. COMPLIANCE WITH PORT REGULATIONS AND WITH ALL LAWS:** Lessee agrees to comply with all applicable rules and regulations of the Port pertaining to the building or other realty of which the premises are a part now in existence or hereafter promulgated for the general safety and convenience of the Port, its various tenants, invitees, licensees and the general public. Lessee further agrees to comply with all applicable federal, state, and municipal laws, ordinances, and regulations. Lessee further agrees to obtain all required permit authorizations prior to commencing any alteration or improvement to the premises approved by the Port under Paragraph 11, above. Any fees for any inspection of the premises during or for the lease term by any federal, state or municipal officer and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.
- 21. ASSIGNMENT OR SUBLEASE:** Lessee shall not assign or transfer this Lease or any interest therein nor sublet the whole or any part of the premises, nor shall this Lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, otherwise, without the written consent of the Port first had and obtained. If Lessee is a corporation, Lessee further agrees that if at any time during the term of this Lease more than one-half (1/2) of the outstanding shares of any class of stock of Lessee corporation shall belong to any stockholders

other than those who own more than one-half (1/2) of the outstanding shares of that class of stock at the time of the execution of this Lease or to members of their immediate families, such change in the ownership of the stock of the Lessee shall be deemed an assignment of this Lease within the meaning of this paragraph. If the Port shall give its consent to any assignment or sublease, this paragraph shall nevertheless continue in full force and effect and no further assignment or sublease shall be made without the Port's consent.

- 22. DEFAULTS - TERMINATION:** Time is of the essence of this Lease Agreement, and in the event of the failure of Lessee to pay the rentals or other charges at the time and in the manner herein specified, or to keep any of the covenants or agreements herein set forth to be kept and performed, the Port may elect to terminate this Lease and reenter and take possession of the premises with or without process of law, PROVIDED, however, that Lessee shall be given fifteen (15) days' notice in writing stating the nature of the default in order to permit such default to be remedied by Lessee within said fifteen (15) day period. If upon such reentry there remains any personal property of Lessee or of any other person upon the leased premises, the Port may, but without the obligation so to do, remove said personal property and hold it for the owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Lessee shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Lessee, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Lessee to the Port, and the balance, if any, shall be paid to Lessee. Notwithstanding any such reentry, the liability of Lessee for the full rental provided for herein shall not be extinguished for the balance of the term of this Lease, and Lessee shall make good to the Port any deficiency arising from a re-letting of the leased premises at a lesser rental than that hereinbefore agreed upon. Lessee shall pay such deficiency each month as the amount thereof is ascertained by the Port.
- 23. TERMINATION BY PORT:** In the event that the Port, at its sole discretion, shall require the use of the premises for any purpose for public or private use in connection with the operation of the business of the Port, then this Lease Agreement may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee sixty (60) or more days before the termination date specified in the notice. The Lessee and the Port's Executive Director will agree to appropriate compensation to be provided Lessee for loss of use, cost of relocation, and/or cost of improvements. In the event that the parties are unable to reach agreement on the compensation to Lessee, the amount shall be determined by arbitration before a

single arbitrator who shall be jointly selected by the parties or by the Jefferson County Court if the parties cannot agree.

24. **TERMINATION FOR GOVERNMENT USE:** In the event that the United States Government or any agency or instrumentality thereof shall, by condemnation or otherwise, take title, possession or the right to possession of the premises or any part thereof, the Port may, at its option, terminate this Lease as of the date of such taking, and, if Lessee is not in default under any of the provisions of this Lease on said date, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.
25. **TERMINATION BECAUSE OF COURT DECREE:** In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its obligations under this Lease, then either party hereto may terminate this Lease by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Lessee is not in default under any of the provisions of this Lease on the effective date of such termination, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.
26. **SIGNS:** No signs or other advertising matter, symbols, canopies or awnings shall be attached to or painted or within the leased premises, including the windows and doors thereof, without the approval of the Executive Director of the Port first had and obtained. At the termination or sooner expiration of this Lease, all such signs, advertising matter, symbols, canopies or awnings attached to or painted by Lessee shall be removed by Lessee at its own expense, and Lessee shall repair any damage or injury to the premises, and correct any unsightly condition, caused by the maintenance and removal of said signs, etc.
27. **INSOLVENCY:** If Lessee shall file a petition in bankruptcy, or if Lessee shall be adjudged bankrupt or insolvent by any court, or if a receiver of the property of Lessee shall be appointed in any proceeding brought by or against Lessee, or if Lessee shall make an assignment for the benefit of creditors, or if any proceedings shall be commenced to foreclose any mortgage or any other lien on Lessee's interest in the premises or on any personal property kept or maintained on the premises by Lessee, the Port may at its option, terminate this Lease.
28. **WAIVER:** The acceptance of rental by the Port for any period or periods after a default by Lessee hereunder shall not be deemed a waiver of such default unless the Port shall so intend and shall so advise Lessee in writing. No waiver by the Port of any

default hereunder by Lessee shall be construed to be or act as a waiver of any subsequent default by Lessee. After any default shall have been cured by Lessee, it shall not thereafter be used by the Port as a ground for the commencement of any action under the provisions of Paragraph 22 hereof.

- 29. PROMOTION OF PORT COMMERCE:** Lessee agrees that throughout the term of this Lease it will, insofar as practicable, promote and aid the movement of passengers and freight through facilities within the territorial limits of the Port. Lessee further agrees that all incoming shipments of commodities that it may be able to control or direct shall be made through facilities within the territorial limits of the Port if there will be no resulting cost or time disadvantage to Lessee.
- 30. SURRENDER OF PREMISES – ATTORNEY’S FEES:**
- a. At the expiration or earlier termination of the term, Lessee shall surrender to the Port the possession of the premises and all improvements. Surrender or removal of fixtures, trade fixtures and improvements shall be as directed in Paragraph 11 of this Lease on ownership of improvements at termination. Lessee shall leave the surrendered premises in broom-clean condition except as provided to the contrary in provisions of this Lease on maintenance and repair of improvements. All property that Lessee is required to surrender (i.e., fixtures and improvements) shall become the Port’s property at termination of this Lease. All property that Lessee is not required to surrender but that Lessee abandons shall, at the Port’s election, become the Port’s property at termination. If Lessee fails to surrender the premises at the expiration or sooner termination of this Lease, Lessee shall defend and indemnify the Port from all liability and expense resulting from the delay or failure to surrender, including, without limitation, claims made by any succeeding tenant founded on or resulting from Lessee's failure to surrender.
 - b. In the event that either party shall commence legal action to interpret or to enforce any of the provisions of this Lease, the substantially prevailing party shall be entitled to an award for all reasonable attorneys’ fees, costs and disbursements incurred in any such action, in addition to any other relief to which the substantially prevailing party may be entitled. Any action brought under the terms of this Lease shall be maintained in Jefferson County, Washington.
- 31. HOLDING OVER:** Any holding over by the Lessee after the expiration of this Lease shall be construed as a tenancy at sufferance (unless such occupancy is with the written consent of the Port) in which event the Lessee will be a tenant from month to month, upon the same terms and conditions of this Lease, except at a rent for such holdover period of 125% of the rental rate in effect for the month preceding

such holdover. Acceptance by the Port of rent after such termination shall not constitute a renewal.

32. **ADVANCES BY PORT FOR LESSEE:** If Lessee shall fail to do anything required to be done by it under the terms of this Lease, except to pay rent, the Port may, at its sole option, do such act or thing on behalf of Lessee, and upon notification to Lessee of the cost thereof to the Port, Lessee shall promptly pay the Port the amount of that cost.
33. **LIENS AND ENCUMBRANCES:** Lessee shall keep the leased premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the said premises by Lessee. At the Port's request, Lessee shall furnish the Port with written proof of payment of any item which would or might constitute the basis for such a lien on the leased premises if not paid.
34. **NOTICES:** All notices hereunder may be delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

To Lessor:

THE PORT OF PORT TOWNSEND
c/o Lease & Contracts Administrator
PO Box 1180
Port Townsend, Washington 98368

To Lessee:

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

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices sent by mail shall be deemed to have been given when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

35. **"LESSEE" INCLUDES LESSEE, ETC.:** It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease, regardless of the number, gender or fact of incorporation of the party who is, or of the parties who are, the actual Lessee or Lessees under this Lease Agreement.

- 36. CAPTIONS:** The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.
- 37. SEVERABILITY:** If any term or provision of this Lease Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.
- 38. NON-DISCRIMINATION IN SERVICES:** The Lessee agrees that it will not discriminate by segregation or otherwise against any person or persons because of race, creed, color, sex, sexual orientation, or national origin in furnishing, or by refusing to furnish, to such person, or persons, the use of the facility herein provided, including any and all services, privileges, accommodations, and activities provided thereby.

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

- 39. NON-DISCRIMINATION IN EMPLOYMENT:** The Lessee covenants and agrees that in all matters pertaining to the performance of this Lease, Lessee shall at all times conduct its business in a manner which assures fair, equal and non-discriminatory treatment of all persons without respect to race, creed or national origin and, in particular:
- a. Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities, and
 - b. Lessee will comply strictly with all requirements of applicable federal, state or local laws or regulations issued pursuant thereto relating to the establishment of non-discriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination as to any person's race, creed, color, sex, sexual orientation, or national origin.
- 40. EASEMENTS:** The Parties recognize that the Port facilities are continuously being modified to improve the utilities and services used and provided by the Port. The Port or its agents shall have the right to enter the demised premises of the Lessee, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair and operate the sewer, water, and drainage lines, and the electrical service, and all other services required by the Port for its use. The Port is hereby granted a continuous

easement or easements that the Port believes is necessary within the lease premises of the Lessee, without any additional cost to the Port for the purposes expressed hereinabove; PROVIDED however, that the Port by virtue of such use does not permanently deprive the Lessee from its beneficial use or occupancy of its leased area.

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

Lease Agreement dated this 24th day of June 2021 and effective upon the receipt of a deposit and liability insurance documentation from the Lessee.

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

LESSEE – NORTHWEST SCHOOL OF WOODEN BOATBUILDING


 Betsy Davis, Executive Director

ELIZABETH S. DAVIS

ATTEST:

LESSOR - PORT OF PORT TOWNSEND


 Eron Berg, Executive Director

APPROVED AS TO FORM


 Port Attorney

**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

I certify that I know or have satisfactory evidence that Betsy Davis signed this instrument and that she is authorized to execute the instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 6-30-21

Signature of
Notary Public:

Luxmi S. Love

My Appointment Expires:

Oct 29, 2021



**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: 6/24/2021

Signature of
Notary Public:

Karen JS Erickson

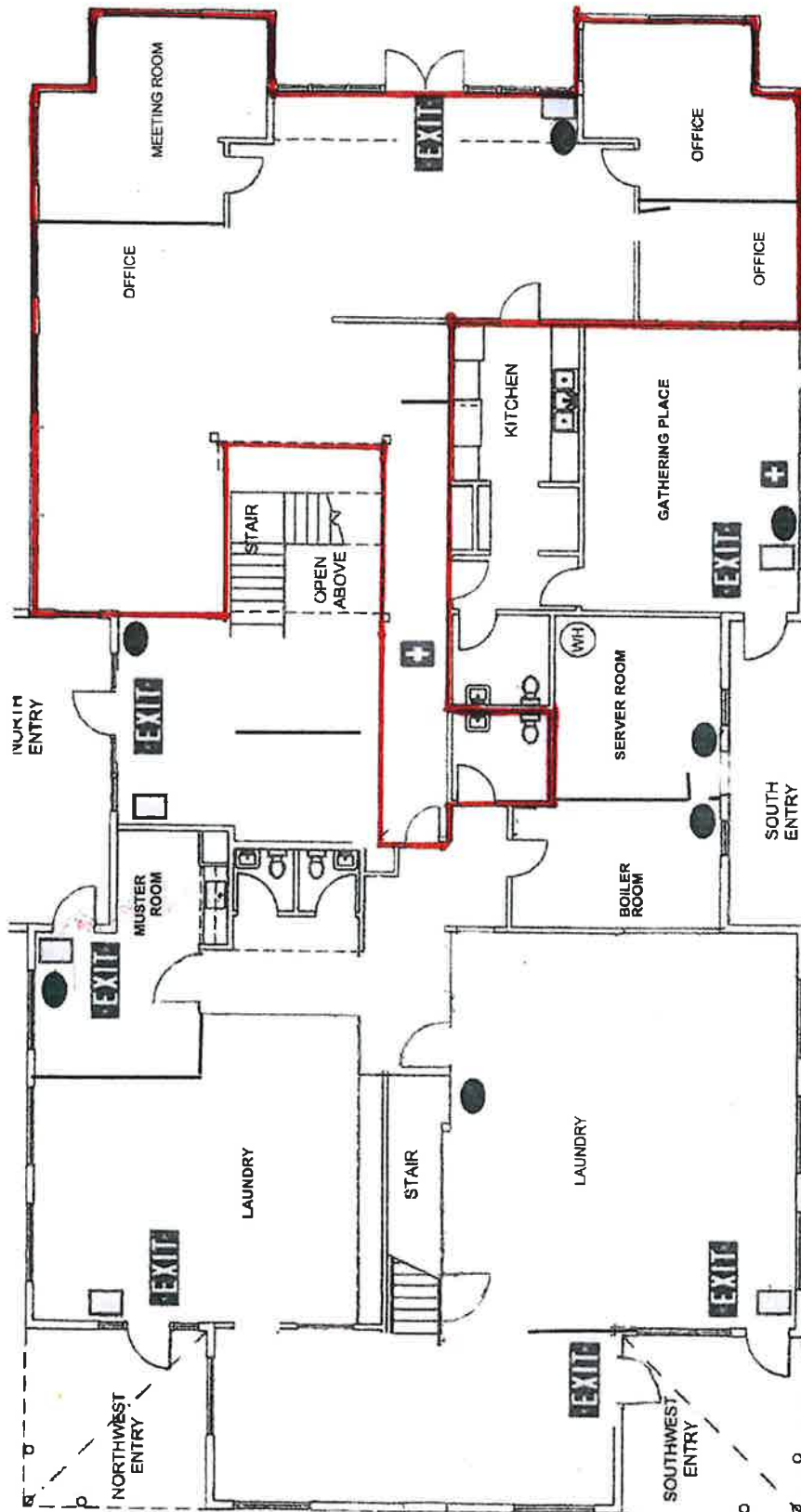
My Appointment Expires:

9/29/2023





EXHIBIT 'A'
NORTHWEST SCHOOL OF WOODEN BOATBUILDING



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

Port Townsend Office
1st Floor



- ☐ Fire Alarm
- ☒ Fire extinguisher

MEETING DATE	December 14, 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. Resolution Port Townsend Sailing Association Lease Agreement
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
ATTACHMENTS	<ul style="list-style-type: none"> • Port Townend Sailing Association Staff Memo • Port Townsend Sailing Association Term Sheet • Port Townsend Sailing Association Lease, including Exhibit A

DATE: 12/14/2022
TO: Port Commission
FROM: Eric Toews, Deputy Director, and Sue Nelson, Lease & Contracts Administrator
SUBJECT: Port Townsend Sailing Association Lease

BACKGROUND: The Port Townsend Sailing Association has been renting a small parcel of land to store a “Conex Box” in the back lot adjacent to Octopus Gardens Dive Shop. They have also been licensed to use a portion of the lot between Octopus Gardens and West Marine for sailing club associated activities, between specified hours, two days a week. The Association has been searching for a space to combine all needs and activities in one location.

DISCUSSION: Gatheringplace recently vacated licensed space on the ground floor of the Nomura Building. The PTSA was informed of its availability and expressed interest in leasing the space. Use by the PTSA fits well with other ground floor uses of the Nomura Building which include the Boat School and the Port Townsend Marine Trades Association.

The Lease presented is for an initial term of five (5) years and two (2) weeks, with an option for one additional five (5) year term. The premises are commonly referred to as the “Raven Room” (conference room), and include the adjacent hallway and restroom, along with shared (non-exclusive) use of the kitchen. The premises will be used as a meeting and activity area for PTSA members.

PTSA’s land rental agreement for space by the dive shop was terminated November 30, 2022, and their associated License & Use Agreement for a portion of the parking lot at that location has been terminated early.

RECOMMENDATION: Staff recommends that the Commission authorize the Executive Director to execute a lease with the Port Townsend Sailing Association substantially in the form presented.

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

ATTACHMENTS

- PTSA Term Sheet
- PTSA Staff Memo
- PTSA Lease Agreement

PORT OF PORT TOWNSEND:
Summary of Key Terms – Port Townsend Sailing Association Building Lease
(December 14, 2022)

1. **TENANT:** Port Townsend Sailing Association, a Washington nonprofit corporation.
2. **PREMISES:** Approximately 480 square feet of ground-floor space on the southeastern side of the Karl C. Nomura Building, located at Boat Haven. The premises include exclusive use of the “Raven Room”, the adjacent hallway and restroom, and shared (non-exclusive) use of the adjoining kitchen.
3. **TERM:** Five (5) years and Two (2) weeks, beginning on December 15, 2022 and ending on December 31, 2027, along with an option to extend the lease by one (1) additional five (5) year term. Notification to extend the Lease must be provided in writing at least ninety (90) days prior to the end of the initial lease term.
4. **RENT:** 480 square feet of floor space @ \$1.14 per sq. ft (\$547.20), plus non-exclusive use of 169 square foot kitchen (shared with the Boat School) x \$1.14 per sq. ft. = \$190.38 ÷ 50% = \$95.19; \$547.20 + \$95.19 = \$642.39 + Leasehold Excise Tax. CPI-U applied at the beginning of year (two) 2 and each year thereafter in any extended lease term. A market rate adjustment may be applied at beginning of year three (3), and every three years thereafter. A no rent period has been authorized for the period December 15, 2022 through February 28, 2023 in consideration of improvements to be undertaken to the premises by the PTSA (e.g., re-carpeting and painting).
5. **HOLDING OVER:** In the event Lessee allows the lease to expire without negotiating a new agreement with the Port, the tenancy will roll over into a month-to-month basis, with all other provisions of the lease agreement remaining in effect, except that the rent will increase to 125% of the rent due in the month preceding lease expiration.
6. **USE OF PREMISES:** Meeting and activity area for Association members, and such other uses as are connected with and pertinent thereto.
7. **SECURITY:** Three month’s security + Leasehold Excise Tax would be required at lease inception (\$2,174.62).
8. **UTILITIES:** All utilities are the responsibility of the Lessee.
9. **MAINTENANCE & REPAIR:** Lessee is responsible for maintaining and repairing all interior walls, floors, ceilings, doors, interior and exterior windows and fixtures, exposed electrical, plumbing and sewerage systems, and for repairing damage caused to any portion of Port-owned buildings, per Port-adopted policy.
10. **INSURANCE:** Per Port policy. Commercial General Liability of \$1,000,000 combined single limit; Workers Compensation Insurance of not less than \$1,000,000 per occurrence; insurance certificates naming the Port as an additional insured; proof of insurance must be provided prior to occupancy.
11. **ASSIGNMENT/SUBLEASE:** Permitted only by prior written consent of the Port.
12. **DEFAULTS/TERMINATION:** Time is of the essence. Failure to pay rent, or to abide by the covenants/agreements contained in the lease, may serve as a basis for termination. Lessee will be provided with fifteen (15) days’ written notice to cure defaults. Port may also terminate upon one-hundred and eighty (180) days’ written notice, at its sole discretion, for public or private use in connection with the operation of the business of the Port.

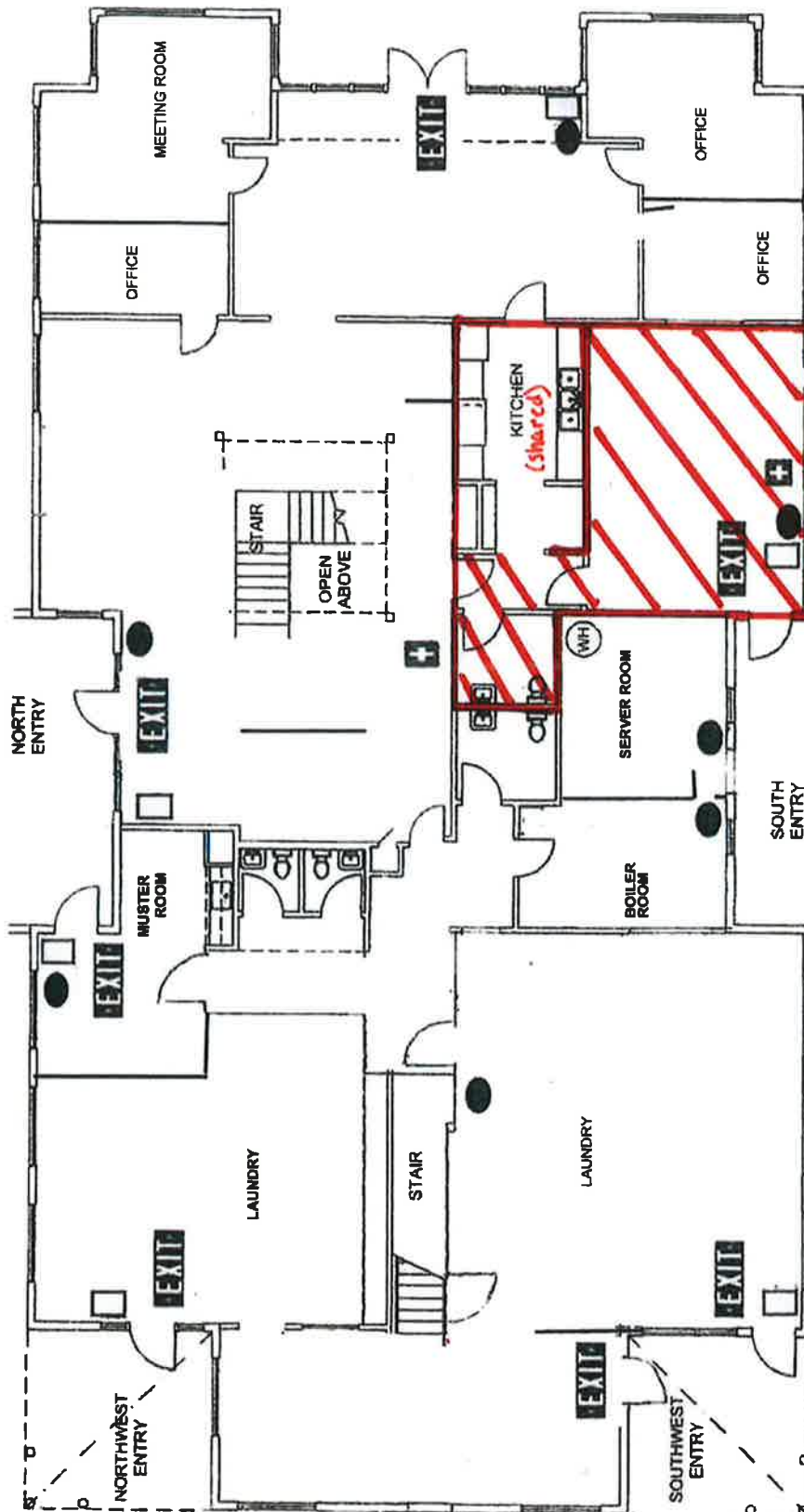
EXHIBIT A

**LEGAL DESCRIPTION
PORT TOWNSEND SAILING ASSOCIATION LEASE
PORT OF PORT TOWNSEND**

The premises referred to in paragraph #1 of this Lease Agreement are located on the ground floor of the south-eastern side of the Karl C. Nomura Building, situated at 385 Benedict Street, on a portion of Hastings Second Addition to the City of Port Townsend, Block 167, Lots 1-4, with a portion of vacated Washington Street fronting lots 1 and 3 and also a portion of vacated Water Street lying westerly of Benedict Street, in Section 11, Township 30 North, Range 1 West of the Willamette Meridian, as per plat recorded in Volume 1 of Plats, page 29, records of Jefferson County, Washington.

Exhibit "A"

Port Townsend Sailing Association
Ground Floor Portion of the Nomura Building
385 Benedict Street, Port Townsend WA



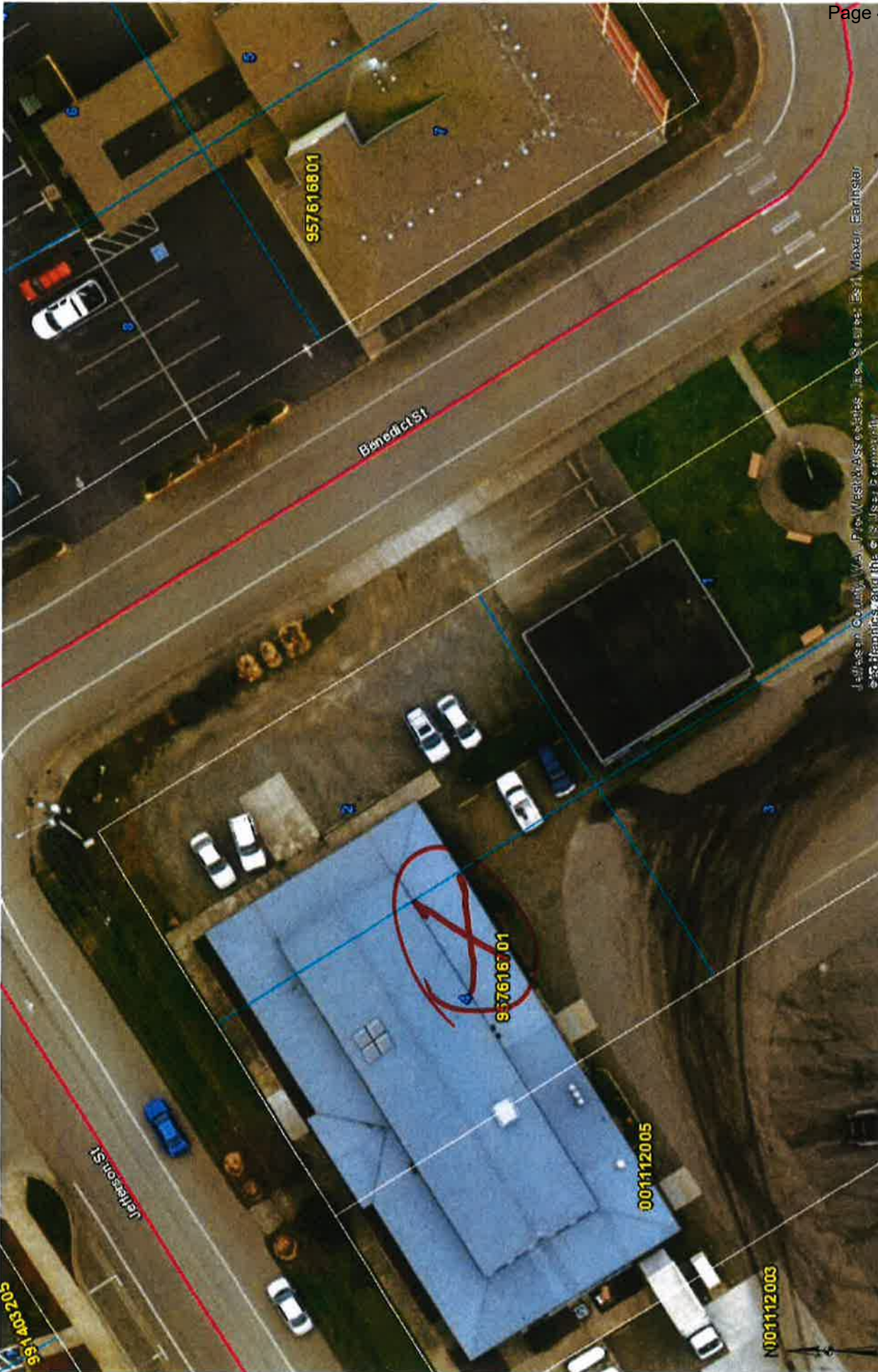
In an emergency, evacuate the building by the nearest marked exit, and gather together for roll call under the flag pole by the launch ramp.

NOMURA BUILDING

1st Floor



- ☐ Fire Alarm
- ☒ Fire extinguisher



Jefferson County, WA

These data are provided on an "AS-IS" basis, without warranty of any type, expressed or implied, including but not limited to any warranty as to their performance, merchantability, or fitness for

Date: 11/2/2022

1:564

MEETING DATE	December 14, 2022
AGENDA ITEM	<input checked="" type="checkbox"/> Consent Agenda
AGENDA TITLE	IV. E. Resolution 781-22 Authorizing Sale of Vessel - Gannett
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input type="checkbox"/> Motion <input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Resolution

RESOLUTION NO. 781-22

**A RESOLUTION OF THE COMMISSION OF THE PORT OF
PORT TOWNSEND AUTHORIZING THE SALE OF VESSELS
LOCATED WITHIN THE PORT OF PORT TOWNSEND'S MOORAGE
FACILITIES; DECLARING, WHERE TITLE REVERTS TO THE PORT
OF PORT TOWNSEND, THAT THE VESSELS NOT NEEDED FOR
PORT OF PORT TOWNSEND'S PURPOSES; AND AUTHORIZING
THE EXECUTIVE DIRECTOR TO SELL OR OTHERWISE DISPOSE
OF THE VESSELS.**

WHEREAS, the owners of the vessels listed on Exhibit "A" owe the Port of Port Townsend charges. These charges are listed on Exhibit "A" and have not been paid.

WHEREAS, the Port of Port Townsend has followed the procedures in RCW 53.08.320,

WHEREAS, the vessels listed on Exhibit "A" are not needed for Port of Port Townsend purposes;

NOW THEREFORE BE IT RESOLVED as follows:

1. Pursuant to RCW 53.08.320, the Executive Director or the Executive Director's designee (hereinafter the "Executive Director") is hereby authorized to conduct a public sale of the vessels listed on Exhibit "A". The Executive Director shall sell the vessels to the highest and best bidder for cash. The Executive Director is further authorized, at the Executive Director's discretion, to determine a minimum bid requirement and/or require a letter of credit for the vessels to discourage the future abandonment of the vessels.
2. Pursuant to RCW 53.08.090, for those vessels listed on Exhibit "A" where title reverts to the Port of Port Townsend, the vessels are not need for Port of Port Townsend purposes and therefore declared surplus property.
3. Pursuant to RCW 53.08.090, for those vessels listed on Exhibit "A" where title reverts to the Port of Port Townsend, the Executive Director is authorized to sell the vessels or otherwise dispose of the vessels at the Executive Director's discretion.

ADOPTED by the Board of Commissioners on the 14th day of December 2022, and duly authenticated in open session by the signature of the Commissioners voting in favor thereof with the seal of the Commission affixed here to.

ATTEST:

Peter W. Hanke, Secretary

Pamela A. Petranek, President

Carol L. Hasse, Vice President

APPROVED AS TO FORM:

Port Attorney

Exhibit A

<u>VESSEL NAME</u>	<u>OWNER NAME</u>	AMOUNT OWING
Gannet	Ainslie Pryor	\$21,314.71

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	December 14, 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. F. Interagency Agreement (IAA) between the Washington State Department of Ecology (ECY) and the Port to Conduct Supplemental Investigations & Cleanup Planning for the San Juan Grocery Site
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
ATTACHMENTS	<ul style="list-style-type: none">• Informational Memo• Interagency Agreement between Washington State Dept. of Ecology and Port

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 12/14/2022

TO: Port Commission

FROM: Eron Berg, Executive Director; Eric Toews, Deputy Director

SUBJECT: Interagency Agreement (IAA) between the Washington State Department of Ecology (ECY) and the Port to Conduct Supplemental Investigations & Cleanup Planning for the San Juan Grocery Site

ISSUES:

1. Should the Commission authorize the Executive Director to execute an Interagency Agreement (IAA) with the State Department of Ecology that would facilitate conducting supplemental environmental investigations and cleanup planning for the former San Juan Grocery Store Site in Port Townsend?
2. Should the Commission authorize the Executive Director and Port Executive Staff to conduct a qualifications-based procurement process that results in the selection of, and the execution of a contract with, a qualified consultant to perform the services specified in the IAA, consistent with the compensation limit of \$145,000 identified in the IAA?

BACKGROUND: For more than a year, the Port has been interested in playing a helpful role in the clean-up and redevelopment of the old San Juan Grocery Store site, located at the intersection of San Juan and F Streets in Port Townsend. In 1996, the City of Port Townsend designated and zoned this intersection as a “mixed use center” (C-I/MU) with the expectation that it would be developed with a compatible mix of small-scale commercial uses and medium density multifamily housing in multi-story buildings. However, the existence of legacy petroleum contaminants from a service station which operated at the northwest corner of this intersection from the 1960s through 1990, together with insufficient market demand, has impeded redevelopment and beneficial use of this site.

In 2019, a Preliminary Planning Assessment (PPA) Report was prepared to document past remedial investigation activities conducted at the site, present a preliminary conceptual site model, propose cleanup standards, and evaluate and identify a preferred remedial alternative. Earlier this year, Port staff contacted staff on Ecology’s Toxics Cleanup Program to discuss what further work needed to be conducted precedent to a full site cleanup. Ecology staff recommended an IAA under the Interlocal Cooperation Act (Chapter 39.34 RCW) as the appropriate vehicle to accomplish supplemental investigation and cleanup planning. Under the IAA, the Port would be responsible for conducting a competitive procurement process, selecting a qualified consultant, and managing that consultant to successfully perform a scope of work agreed upon with Ecology, with Ecology funding the investigative work. Project deliverables would include a draft and final Analysis of Brownfield Cleanup Alternatives (ABCA) to be submitted to Ecology by June 30, 2023.

In the spirit of intergovernmental collaboration with the City, to help implement the vision articulated in the City’s Comprehensive Plan, and to help reduce barriers to more affordable and workforce housing in our community, staff believe the work to be conducted under this IAA is of substantial benefit to the Port and community.

DISCUSSION: Under the attached Interagency Agreement (IAA), Ecology and the Port would partner to conduct supplemental investigation of the cleanup site, complete site characterization of the nature and extent of contamination and prepare an action-able cleanup plan. The timeline to complete this work under the proposed IAA is aggressive, with a project completion date of June 30, 2023. For this reason, staff is requesting that the Commission authorize the Executive Director to execute the IAA with Ecology, and also authorize staff to immediately proceed with consultant selection, execution of a contract, and commencement of work.

On Wednesday, December 7, 2022, Ecology staff provided the Final Draft Interagency Agreement (see attached) for Port review and approval.

FISCAL IMPACT: Under the IAA, Ecology and Port staff have determined that the cost of accomplishing the work will not exceed \$145,000, with the Port's eligible consultant costs to be reimbursed by Ecology.

MOTION: None required. Port Commission adoption of the Consent Agenda will accomplish the following: 1) authorize the Executive Director to execute the attached IAA; and 2) authorize staff to conduct a qualifications-based procurement process that results in the selection of, and the execution of a contract with, a qualified consultant to perform the services required under the IAA. No separate, subsequent, Commission authorization of a professional services agreement will be required.

ATTACHMENT: IAA between the Washington State Department of Ecology and the Port of Port Townsend Concerning Supplemental Investigation and Cleanup Planning for the San Juan Grocery Site, consisting of fifteen (15) pages.



INTERAGENCY AGREEMENT (IAA)

BETWEEN

THE STATE OF WASHINGTON, DEPARTMENT OF ECOLOGY

AND

THE PORT OF PORT TOWNSEND

THIS INTERAGENCY AGREEMENT (“Agreement” or “IAA”) is made and entered into by and between the state of Washington, Department of Ecology, hereinafter referred to as “**ECOLOGY**,” and the Port of Port Townsend hereinafter referred to as the “**PPT**” and “**CONTRACTOR**,” pursuant to the authority granted by Chapter [39.34](#) of the Revised Code Washington, Interlocal Cooperation Act.

THE PURPOSE OF THIS AGREEMENT is for The Port of Port Townsend (PPT) to conduct both a supplemental investigation and cleanup planning for the former San Juan Grocery Store Site to facilitate potential acquisition of the property and conduct a full cleanup, followed by redevelopment of the Site.

WHEREAS, ECOLOGY has legal authority under RCW 70A.305 and PPT has legal authority under RCW 35.21.735 that allows each party to undertake the actions in this agreement.

THEREFORE, IT IS MUTUALLY AGREED THAT:

1. SCOPE OF WORK

PPT shall furnish the necessary personnel, equipment, material and/or service(s) and otherwise do all things necessary for or incidental to the performance of the work set forth in Appendix A, *Statement of Work, Deliverables and Budget*, attached hereto and incorporated herein.

2. PERIOD OF PERFORMANCE

The period of performance of this IAA will commence on the signature date of ECOLOGY and be completed by **06/30/2023**, unless the Agreement is terminated sooner as provided herein. Amendments extending the period of performance, if any, shall be at the sole discretion of ECOLOGY.

3. COMPENSATION

Compensation for the work provided in accordance with this IAA has been established under the terms of RCW 39.34.130 and RCW 39.26.180(3). This is a performance-based agreement, under which payment is based on the successful completion of expected deliverables.

The source of funds for this IAA is the Environmental Protection Agency (EPA) State and Tribal Response Program (STRP) Grant CFDA #66.817. Both parties agree to comply with all applicable rules and regulations associated with these funds.

The parties have determined that the cost of accomplishing the work identified herein will not exceed \$145,000.00, including any indirect charges. Payment for satisfactory performance of the work shall not exceed this amount unless the parties mutually agree via an amendment to a higher amount. Compensation for services shall be based on the terms and tasks set forth in Appendix A, *Statement of Work, Deliverables and Budget*. ECOLOGY will not make payment until it has reviewed and accepted the work.

ECOLOGY may, at its sole discretion, terminate or suspend this Contract, or withhold payments claimed by the CONTRACTOR for services rendered, if the CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

4. BILLING AND PAYMENT PROCEDURE

Payment requests shall be submitted on state form, Invoice Voucher A19-1A. Invoice voucher shall reference the Agreement (IAA) number and clearly identify those items that relate to performance under this Agreement. Invoices shall describe and document to ECOLOGY's satisfaction a description of the work performed, the progress of the work, and related costs. Attach supporting documentation to the invoice.

Send invoices to:

State of Washington
Department of Ecology
Toxics Cleanup Program
Attn: Angela Harkins
PO Box 47600
Olympia, WA 98504-7600

Payment requests may be submitted on a monthly basis. Upon expiration of this Agreement, any claim for payment not already made shall be submitted to ECOLOGY within 30 days after the expiration date or the end of the fiscal year, whichever is earlier.

Payment will be made within thirty (30) days of submission of a properly completed invoice (form A19-1A) with supportive documentation. All expenses invoiced shall be supported with copies of invoices paid.

Payment will be issued through Washington State's Office of Financial Management's Statewide Payee Desk. To receive payment, CONTRACTOR must register as a statewide vendor by submitting a statewide vendor registration form and an IRS W-9 form at website, <https://ofm.wa.gov/it-systems/statewide-vendorpayee-services>. For questions about the vendor registration process, contact Statewide Payee Help Desk at (360) 407-8180 or email PayeeRegistration@ofm.wa.gov.

5. ALTERATIONS AND AMENDMENTS

This Agreement may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

6. ASSIGNMENT

The work to be provided under this Agreement, and any claim arising thereunder, is not assignable or delegable by either party in whole or in part, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.

7. ASSURANCES

Parties to this Agreement agree that all activity pursuant to this agreement will be in accordance with all the applicable current federal, state, and local laws, rules, and regulations.

8. CONFORMANCE

If any provision of this Agreement violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

9. DISPUTES

Parties to this Agreement shall employ every effort to resolve a dispute themselves without resorting to litigation. In the event that a dispute arises under this Agreement that cannot be resolved among the parties, it shall be determined by a Dispute Board in the following manner. Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, agreement terms, and applicable statutes and rules, and then make a determination of the dispute. The determination of the Dispute Board shall be final and binding on the parties hereto, unless restricted by law. The cost of resolution will be borne by each party paying its own cost. As an alternative to this process, if state agencies, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control. The parties may mutually agree to a different dispute resolution process.

10. FUNDING AVAILABILITY

ECOLOGY's ability to make payments is contingent on availability of funding. In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date and prior to completion or expiration date of this Agreement, ECOLOGY, at its sole discretion, may elect to terminate the Agreement, in whole or part, for convenience or to renegotiate the Agreement subject to new funding limitations and conditions. ECOLOGY may also elect to suspend performance of the Agreement until ECOLOGY determines the funding insufficiency is resolved. ECOLOGY may exercise any of these options with no notification restrictions, although ECOLOGY will make a reasonable attempt to provide notice.

In the event of termination or suspension, ECOLOGY will reimburse eligible costs incurred by the CONTRACTOR through the effective date of termination or suspension. Reimbursed costs must be agreed to by ECOLOGY and the CONTRACTOR. In no event shall ECOLOGY's reimbursement exceed ECOLOGY's total responsibility under the agreement and any amendments.

11. GOVERNING LAW AND VENUE

This Agreement is entered into pursuant to and under the authority granted by the laws of the state of Washington and any applicable federal laws. The provisions of this Agreement shall be construed to conform to those laws. This Agreement shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be the Superior Court for Thurston County.

12. INDEPENDENT CAPACITY

The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

13. ORDER OF PRECEDENCE

In the event of an inconsistency in the terms of this Agreement, or between its terms and any applicable statute or rule, the inconsistency shall be resolved by giving precedence in the following order:

- a. Applicable federal and state of Washington statutes, regulations, and rules.
- b. Mutually agreed upon written amendments to this Agreement.
- c. This Agreement, number **C23000XX**.
- d. Appendix A, *Statement of Work, Deliverables and Budget*.
- e. *Appendix B, Special Terms and Conditions*.
- f. Any other provisions or term of this Agreement, including materials incorporated by reference or otherwise incorporated.

14. RECORDS MAINTENANCE

The parties to this Agreement shall each maintain books, records, documents, and other evidence that sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the service(s) described herein. These materials shall be subject to inspection, review, or audit by personnel of both parties, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other materials relevant to this Agreement must be retained for six years after expiration of this Agreement. The Office of the State Auditor, federal auditors, and any persons duly authorized by the parties shall have full access and the right to examine any of these materials during this period. Each party will utilize reasonable security procedures and protections for all materials related to this Agreement. All materials are subject to state public disclosure laws.

15. RESPONSIBILITIES OF THE PARTIES

Each party of this Agreement hereby assumes responsibility for claims and/or damages to persons and/or property resulting from any act or omissions on the part of itself, its employees, its officers, and its agents. Neither party will be considered the agent of the other party to this Agreement.

16. RIGHTS IN DATA

Unless otherwise provided, data which originates from this Agreement shall be "work made for hire" as defined by the United States Copyright Act, Title 17 U.S.C. section 101 and shall be owned by state of Washington, ECOLOGY. Data shall include, but not be limited to, reports, documents, pamphlets, advertisements, books magazines, surveys, studies, computer programs, films, tapes, and/or sound

reproductions. Ownership includes the right to copyright, patent, and register these items, and the ability to transfer these rights.

17. SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

18. SUBCONTRACTORS

CONTRACTOR agrees to take complete responsibility for all actions of any Subcontractor used under this Agreement for the performance. When federal funding is involved, there will be additional CONTRACTOR and subcontractor requirements and reporting.

Prior to performance, all subcontractors who will be performing services under this Agreement must be identified, including their name, the nature of services to be performed, address, telephone, WA State Department of Revenue Registration Tax number (UBI), federal tax identification number (TIN), and anticipated dollar value of each subcontract. Provide such information to ECOLOGY's Agreement manager.

19. SUSPENSION FOR CONVENIENCE

ECOLOGY may suspend this Agreement or any portion thereof for a temporary period by providing written notice to the CONTRACTOR a minimum of seven (7) calendar days before the suspension date. CONTRACTOR shall resume performance on the first business day following the suspension period unless another day is specified in writing by ECOLOGY prior to the expiration of the suspension period.

20. TERMINATION FOR CAUSE

If for any cause, either party does not fulfill in a timely and proper manner its obligations under this Agreement, or if either party violates any of these terms and conditions, the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given the opportunity to correct the violation or failure within fifteen (15) business days. If failure or violation is not corrected, this Agreement may be terminated immediately by written notice of the aggrieved party to the other.

21. TERMINATION FOR CONVENIENCE

Either party may terminate this Agreement without cause upon thirty (30) calendar day prior written notification to the other party. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

22. WAIVER

A failure by either party to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in a written amendment to this Agreement signed by an authorized representative of the parties.

23. AGREEMENT MANAGEMENT

The representative for each of the parties shall be responsible for and shall be the contact person for all communications, notifications, and billings questions regarding the performance of this Agreement. The parties agree that if there is a change in representatives, they will promptly notify the other party in writing of such change, such changes do not need an amendment.

The ECOLOGY Representative is:

Name: Arianne Fernandez
 Address: P.O. Box 47600, Olympia, WA
 98504
 Phone: 360-704-0173
 Email: afer461@ecy.wa.gov

The PPT Representative is:

Name: Eron Berg
 Address: P.O. Box 1180, Port Townsend, WA
 98368
 Phone: 360-385-0656
 Email: eron@portofpt.com

24. ALL WRITINGS CONTAINED HEREIN

This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

The signatories to this Agreement represent that they have the authority to bind their respective organizations to this Agreement.

IN WITNESS WHEREOF, the parties below, having read this Agreement in its entirety, including all attachments, do agree in each and every particular as indicated by their signatures below.

State of Washington Department of Ecology

By:

Signature Date

Barry Rogowski

Toxics Cleanup Program Manager

Port of Port Townsend

By:

Signature Date

Print Name

Title

APPENDIX A

STATEMENT OF WORK, DELIVERABLES AND BUDGET

Project Purpose

The Port of Port Townsend (PPT) is interested in categorizing clean up requirements and quantifying cleanup costs for the old San Juan Grocery store cleanup site (Site) located at 100 Discovery Road in Port Townsend, Washington to facilitate potential acquisition of the source property and conduct a full Site cleanup, followed by redevelopment of the source property. The Site is listed in Ecology's databases as Facility Site ID 83285858 and Cleanup Site ID 10681.

This agreement will include supplemental investigation activities of the Site to assess data gaps identified in the 2019 Preliminary Planning Assessment (PPA) Report. Supplemental investigations have indicated Site contamination may be moving off the source property and to the east via groundwater. The supplemental investigation, conducted as part of this agreement scope of work, will assist with fully characterizing the nature and extent of both soil and groundwater contamination impacts sufficient to support development of a remedial investigation report. Past contaminant analysis was focused on petroleum and its associated parameters only. Additional contaminants will be included in this supplemental investigation to meet the requirements of a formal remedial investigation under the Model Toxics Control Act (MTCA). Soil and groundwater samples will be collected and analyzed for contaminants of concern identified in the 2019 PPA and listed below in this agreement.

Background

PPT is partnering with the Department of Ecology (ECOLOGY) to conduct a supplemental investigation of the San Juan Grocery Store cleanup site (Site) to complete characterization of the nature and extent of contamination and conduct cleanup planning. The source property is approximately 1.14 acres and is currently empty of any structures. Site supplemental investigation activities will include source property quarterly groundwater sampling and both soil and groundwater sampling at the adjacent parcel to the east located at 3020 San Juan Avenue and in the San Juan Avenue right of way between the two (2) properties.

The source property functioned as a store and gasoline service station from the 1960s until the early 1990s. The grocery store closed in 1990, and the 1900 square foot, single story commercial building was demolished in 2018. Three (3) underground storage tanks (USTs) and the pump island were removed in 1990. A gasoline release was identified in the adjacent San Juan Avenue right-of-way in 1995. An initial limited Phase II Environmental Site Assessment (ESA) of the former tank pit, piping, and former dispenser area led to removal of the remaining UST tank system vent lines and piping.

Additional limited Phase II ESAs were conducted in 2006 and 2017, and a Preliminary Planning Assessment Report (PPA) was completed in 2019 that included additional sampling to fill previously identified data gaps, assess further data gaps, and determine possible cleanup alternatives for the Site.

The 2006 Phase II ESA was restricted to the parcel boundaries and identified petroleum and its associated parameters above MTCA Method A cleanup levels in soil and groundwater as a recognized environmental condition (REC).

The 2017 Phase II ESA included limited soil borings on the south adjacent property that did not find contamination above MTCA Method A cleanup levels.

The 2019 PPA identified the following:

- Soil contamination between twelve (12) and twenty-one (21) feet below ground surface (bgs) within the source property boundary above MTCA Method A cleanup levels for the following:
 - Gasoline range total petroleum hydrocarbons (TPH),
 - Benzene,
 - Toluene,
 - Ethylbenzene, and
 - Xylene (BTEX).
- Groundwater contamination above MTCA Method A cleanup levels within the source property boundary for the following:
 - Gasoline-range TPH,
 - Diesel-range TPH,
 - BTEX,
 - Lead, and
 - 1-2 dibromoethane (EDB).
- Site impacted groundwater may be migrating off-property under San Juan Avenue.
 - Road improvements in 1995 along the eastern property line uncovered gasoline and its associated additives in quantities above the MTCA Method A cleanup levels within the right-of-way, including:
 - Benzene, and
 - Xylene.

Task 1 – Supplemental Investigation Both on Source Property and Off Property – Collection of Soil and Groundwater Samples

PPT will conduct a supplemental investigation off-property of the to assess the data gaps identified in the 2019 PPA, including conducting an initial/baseline sample collection of soil and groundwater to delineate the extent of potentially migrating groundwater contamination, and collection of additional quarterly groundwater samples to outline potential seasonal fluctuations in contamination levels concerning the groundwater plume.

PPT will conduct the following activities off-property:

- Prepare a supplemental investigation sampling and analysis plan (SAP), including:
 - Quality Assurance Project Plan, and
 - Health and Safety Plan.
- Based on soil conditions, use direct push or hollow-stem auger technology to collect soil and groundwater samples to assess subsurface soil and groundwater.
 - Up to fifteen (15) borings will be advanced up to twenty-five (25) feet bgs, until groundwater is encountered or refusal.
 - Groundwater is expected to be encountered between eight (8) and twenty-five (25) feet bgs.
 - Up to ten (10) of the borings will be completed as monitoring wells.
 - Preliminary locations for monitoring wells will be identified in the SAP and may be modified based on field observations.
 - A minimum of two (2) discrete soil samples will be collected from each boring.
 - Up to fifteen (15) additional soil samples may be collected based on visual or field screening evidence of contamination.
 - Up to three (3) field duplicates will also be collected for a total of forty-eight (48) potential soil samples are estimated.

- A minimum of two (2) quarters of groundwater samples will be collected from up to ten (10) wells using low turbidity techniques.
 - Up to twenty (20) groundwater samples will be collected, and
 - Up to two (2) field duplicates will also be collected for a total of twenty-two (22) potential groundwater samples are estimated.
- All soil and groundwater samples will be submitted to a certified laboratory and analyzed for:
 - Total petroleum hydrocarbons (TPH), including Gasoline and Diesel-range,
 - Volatile organic compounds (VOCs),
 - Semi-volatile organics (SVOCs),
 - Lead (total and dissolved), and
 - Ethylene dibromide (EDB).
- Characterize and dispose of investigative derived waste (IDW) at an appropriately permitted off-site facility.
- Prepare a supplemental investigation report that includes:
 - A description of field activities,
 - A description of subsurface conditions encountered,
 - A summary of soil and groundwater analytical results compared to Ecology MTCA Method A cleanup levels for unrestricted land use, and
 - Conclusions and recommended next steps concerning the Site (as applicable).

PPT will conduct a supplemental investigation on the source property to evaluate potential seasonal contamination fluctuations by sampling groundwater from the existing wells on the source property as well as confirm groundwater flow direction noted in the 2017 limited Phase II ESA and 2019 PPA as described above.

PPT will conduct the following activities on the source property:

- Prepare a supplemental investigation sampling and analysis plan (SAP), including:
 - Quality Assurance Project Plan, and
 - Health and Safety Plan.
 - A minimum of two (2) quarters of groundwater samples will be collected from up to five (5) existing groundwater monitoring wells using low turbidity techniques.
 - Up to ten (10) groundwater samples will be collected, and
 - Up to two (2) field duplicates will also be collected for a total of twelve (12) potential groundwater samples are estimated.
 - All groundwater samples will be submitted to a certified laboratory and analyzed for:
 - Total petroleum hydrocarbons (TPH), including Gasoline and Diesel-range,
 - Volatile organic compounds (VOCs),
 - Semi-volatile organics (SVOCs),
 - Lead (total and dissolved), and
 - Ethylene dibromide (EDB).
- Characterize and dispose of investigative derived waste (IDW) at an appropriately permitted off-site facility.
- Prepare a supplemental investigation report that includes:
 - A description of field activities,
 - A description of subsurface conditions encountered,
 - A summary of soil and groundwater analytical results compared to Ecology MTCA Method A cleanup levels for unrestricted land use, and
 - Conclusions and recommended next steps concerning the Site (as applicable).

Task 1 Deliverables

1. PPT will prepare a draft SAP, including QAPP and HASP for Ecology review by January 31, 2023.
2. PPT will prepare a final SAP, including QAPP and HASP, including Ecology's comments on the draft version by February 28, 2023.
3. PPT will prepare a draft Supplemental Investigation Report for ECOLOGY review within thirty (30) days of receiving all validated analytical results.
4. PPT will prepare a final Supplemental Investigation Report, including ECOLOGY's comments on the draft version, within thirty (30) days of receiving ECOLOGY's comments.
5. PPT will submit all analytical results to ECOLOGY via email upon receipt.
6. PPT will upload all analytical results into Ecology's Environmental Information Management System (EIM) within ninety (90) days of receipt of EPA 2B data validations. All results will be submitted to EIM by June 30, 2023.

Task 2 – Cleanup Planning – Analysis of Brownfield Cleanup Alternatives

PPT will complete the following activities in support of future cleanup and redevelopment for community mixed use. PPT will prepare an analysis of brownfield cleanup alternatives (ABCA) report, in accordance with EPA guidelines. To summarize, the ABCA report will include:

- Evaluation of at least three (3) remedial alternatives considering cost,
- Site characteristics,
- Surrounding environment,
- Land use restrictions,
- Potential future uses, and
- Cleanup goals.

The ABCA report more specifically must include the following per EPA guidelines:

- Information about the site and contamination issues, such as:
 - Exposure pathways,
 - Identification of contaminant sources,
 - Applicable cleanup standards,
 - Applicable laws and regulations,
 - An analysis of reasonable alternatives, including the alternative of taking no action.
 - All alternatives should include:
 - Effectiveness of the cleanup method,
 - Ability to implement the cleanup method, and
 - Cost of the cleanup method.
 - The preferred cleanup method,
 - Evaluation of the resilience of the remedial options to address potential adverse impacts caused by the following:
 - Sea level rise,
 - Increased frequency and intensity of flooding and/or extreme weather events,
 - etc.,
- For cleanup of brownfield petroleum-only sites, an analysis of cleanup alternatives must include considering a range of proven cleanup methods including:
 - Identification of contaminant sources,
 - Exposure pathways, and
 - An evaluation of corrective measures.
 - The cleanup method chosen must be based on this analysis; and

- The recipient may consider the degree to which the alternatives reduce the following:
 - Greenhouse gas discharges,
 - Energy use or employ alternative energy sources,
 - Volume of wastewater generated/disposed,
 - Volume of materials taken to landfills, and
 - Recycle and re-use materials generated during the cleanup process to the maximum extent practicable.

Task 2 Deliverables

1. PPT will prepare a draft Analysis of Brownfield Cleanup Alternatives (ABCA) for ECOLOGY review and comment by May 15, 2023.
2. PPT will prepare a final ABCA, incorporating ECOLOGY comments, by June 30, 2023.

Budget

Task	Description	Amount
1	Supplemental Investigation Both on and Off-Property – Collection of Soil and Groundwater Samples	\$120,000.00
2	Cleanup Planning – Analysis of Brownfield Cleanup Alternatives	\$25,000.00
	Total project cost	\$145,000.00

Note: Task budgets may be moved between tasks without formal amendment.

APPENDIX B

SPECIAL TERMS AND CONDITIONS

1) Certification Regarding Suspension, Debarment, Ineligibility or Voluntary Exclusion

- a) CONTRACTOR, by signing this agreement, certifies that it is not suspended, debarred, proposed for debarment, declared ineligible or otherwise excluded from contracting with the federal government, or from receiving contracts paid for with federal funds. If the CONTRACTOR is unable to certify to the statements contained in the certification, they must provide an explanation as to why they cannot.
- b) CONTRACTOR shall provide immediate written notice to ECOLOGY if at any time the CONTRACTOR learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
- c) The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact ECOLOGY for assistance in obtaining a copy of those regulations.
- d) CONTRACTOR agrees it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under the applicable Code of Federal Regulations, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.
- e) CONTRACTOR further agrees by signing this agreement, that it will include this clause titled "CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION" without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- f) Pursuant to 2CFR180.330, the CONTRACTOR is responsible for ensuring that any lower tier covered transaction complies with certification of suspension and debarment requirements.
- g) CONTRACTOR acknowledges that failing to disclose the information required in the Code of Federal Regulations may result in the delay or negation of this funding agreement, or pursuance of legal remedies, including suspension and debarment.
- h) CONTRACTOR agrees to keep proof in its agreement file, that it, and all lower tier CONTRACTORS or subcontractors, are not suspended or debarred, and will make this proof available to ECOLOGY before requests for reimbursements will be approved for payment. CONTRACTOR must run a search in [The System for Award Management](#) and print a copy of completed searches to document proof of compliance.

2) Archaeological And Cultural Resources

CONTRACTOR shall take all reasonable action to avoid, minimize, or mitigate adverse effects to archeological and historic archeological sites, historic buildings/structures, traditional cultural places, sacred sites, or other cultural resources, hereby referred to as Cultural Resources.

CONTRACTOR must agree to hold ECOLOGY harmless in relation to any claim related to Cultural Resources discovered, disturbed, or damaged due to the CONTRACTOR's negligence, including any subcontractor's negligence.

CONTRACTOR shall:

- a) Contact ECOLOGY to discuss any Cultural Resources requirements for the work/project:
 - For state-funded construction, demolition, or land acquisitions, comply with Governor Executive Order 21-02, Archaeological and Cultural Resources.
 - For projects with any federal involvement, comply with the National Historic Preservation Act of 1966 (Section 106).
 - Cultural Resource Consultation and Review should be initiated early in the project planning process and must be completed prior to expenditure of Agreement funds, as required by applicable state and federal requirements.

- b) If required by ECOLOGY, submit an Inadvertent Discovery Plan (IDP) to ECOLOGY prior to implementing any work/project that involves field activities. ECOLOGY will provide the IDP form.

CONTRACTOR shall:

- Keep the IDP at the project site.
 - Make the IDP readily available to anyone working at the project site.
 - Discuss the IDP with staff, volunteers and contractors working at the project site.
 - Implement the IDP when Cultural Resources or human remains are found at the project site.
- c) If any Cultural Resources are found while conducting work under this Contract, follow the protocol outlined in the project IDP.
 - Immediately stop work and notify ECOLOGY, which will notify the Department of Archaeology and Historic Preservation at (360) 586-3065, any affected Tribe, and the local government.
 - d) If any human remains are found while conducting work under this Contract, follow the protocol outlined in the project IDP.
 - Immediately stop work and notify the local Law Enforcement Agency or Medical Examiner/Coroner's Office, the Department of Archaeology and Historic Preservation at (360) 790-1633, and then notify ECOLOGY.
 - e) Comply with RCW 27.53, RCW 27.44, and RCW 68.50.645, and all other applicable local, state, and federal laws protecting Cultural Resources and human remains.

3) Environmental Data Standards

- a) CONTRACTOR shall prepare a Quality Assurance Project Plan (QAPP) for a project that collects or uses environmental measurement data. CONTRACTOR is to contact ECOLOGY if unsure about whether a QAPP is required for their project. If a QAPP is required, the CONTRACTOR shall:
 - Contact the ECOLOGY Quality Assurance Officer or Designee (Program QAC) for project specific QAPP requirements.
 - Use ECOLOGY's QAPP Template/Checklist provided by ECOLOGY, unless ECOLOGY Quality Assurance (QA) officer or the Program QA coordinator instructs otherwise.
 - Follow ECOLOGY's *Guidelines for Preparing Quality Assurance Project Plans for Environmental Studies*, July 2004 ([Ecology Publication No. 04-03-030](#)).

- Submit the QAPP to ECOLOGY for review and approval before the start of the work.
 - b) CONTRACTOR shall submit environmental data that was collected on a project to ECOLOGY using the Environmental Information Management system (EIM), unless ECOLOGY instructs otherwise. The CONTRACTOR must confirm with ECOLOGY that complete and correct data was successfully loaded into EIM, find instructions at website: <http://www.ecy.wa.gov/eim>.
 - c) CONTRACTOR shall follow ECOLOGY's data standards when Geographic Information System (GIS) data is collected and processed. *Guidelines for Creating and Accessing GIS Data* are available at: <https://ecology.wa.gov/Research-Data/Data-resources/Geographic-Information-Systems-GIS/Standards>. CONTRACTOR, when requested by ECOLOGY, shall provide copies to ECOLOGY of all final GIS data layers, imagery, related tables, raw data collection files, map products, and all metadata and project documentation.
- 4) Accessibility Requirements for Covered Technology

CONTRACTOR must comply with the Washington State Office of the Chief Information Officer, OCIO Policy no. 188, Accessibility (<https://ocio.wa.gov/policy/accessibility>) as it relates to "covered technology." This requirement applies to all products supplied under this Contract, providing equal access to information technology by individuals with disabilities, including and not limited to web sites/pages, web-based applications, software systems, video and audio content, and electronic documents intended for publishing on ECOLOGY's public web site.

5) COVID-19 Contractor Vaccination Verification Plan

CONTRACTOR represents and warrants that CONTRACTOR has a current COVID-19 Contractor Vaccination Verification Plan to ensure that CONTRACTOR's personnel (including subcontractors) who perform this Contract on-site (review on-site outdoor exemption in Proclamation) at ECOLOGY's premises, unless properly excepted or exempted by the Proclamation, are fully vaccinated for COVID-19 as set forth in the Governor's Proclamation, [21-14.5 - COVID-19 Vaccination Requirement](#), (dated May 20, 2022).

CONTRACTOR further represents and warrants that CONTRACTOR:

- a. Has reviewed and understands CONTRACTOR's obligations as set forth in [21-14.5 - COVID-19 Vaccination Requirement](#), (dated May 20, 2022);
- b. Has developed a COVID-19 Vaccination Verification Plan for CONTRACTOR's personnel (including subcontractors) that complies with the above referenced Proclamation;
- c. Has obtained a copy or visually observed proof of full vaccination against COVID-19 for CONTRACTOR personnel (including subcontractors) who are subject to the vaccination requirement in the above-referenced Proclamation;
- d. Complies with the requirements for granting disability and religious accommodations for CONTRACTOR personnel (including subcontractors) who are subject to the vaccination requirement in the above-referenced Proclamation;
- e. Has operational procedures in place to ensure that any contract activities that occur on-site at ECOLOGY's premises (other than only for a short period of time during a given day and where any moments of close proximity to others on-site will be fleeting – e.g., a few minutes for deliveries) that are performed by CONTRACTOR personnel

(including subcontractors) will be performed by personnel who are fully vaccinated or properly excepted or exempted as required by the above-referenced Proclamation;

- f. Has operational procedures in place to enable CONTRACTOR personnel (including subcontractors) who perform contract activities on-site at ECOLOGY's premises to provide compliance documentation that such personnel are in compliance with the above-referenced Proclamation; and
 - g. Will provide to ECOLOGY, upon request, CONTRACTOR's COVID-19 Vaccination Verification Plan and related records, except as prohibited by law, and will cooperate with any investigation or inquiry pertaining to the same.
-

MEETING DATE	December 8, 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	IV. G. Resolution #783-22 Authorizing Executive Director to Execute All Documents Necessary to Complete the First Phase of Healthier Together Planning Process
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	<ol style="list-style-type: none"> 1. Resolution 783-22 2. Memorandum of Understanding 3. Interlocal Agreement

Previous City presentation materials and planning document can be found with the November 9 Commission Workshop Meeting materials.

Recommendation: Move to approve Resolution #783-22 Authorizing the Executive Director to Execute all Documents Necessary to Complete the First Phase of the Healthier Together Planning Process

RESOLUTION NO. 783-22

A Resolution of the Commission of the Port of Port Townsend

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE ALL DOCUMENTS NECESSARY TO COMPLETE THE FIRST PHASE OF THE HEALTHIER TOGETHER PLANNING PROCESS

WHEREAS, the City of Port Townsend, the Jefferson County Hospital District, Jefferson County, the Port Townsend School District, the Olympic Peninsula YMCA, the Jefferson Aquatic Association, and the Port of Port Townsend have agreed to a “Healthier Together” frame that will include research and preliminary planning for a community health and wellness center; and

WHEREAS, each of the partners have agreed to contribute staff time and money to the effort; and

WHEREAS, the City of Port Townsend is leading this effort and will act as the fiscal and contracting agent;

WHEREAS, the City budget includes \$30,000 in addition to staff time to complete the first phase of planning for the community health and wellness center;

NOW, THEREFORE BE IT HEREBY RESOLVED by the Port Commission of the Port of Port Townsend, that the Executive Director is authorized to execute all agreements necessary to complete the first phase of the Healthier Together planning process, including the seven partner Memorandum of Understanding and the five partner Interlocal Agreement and contribute up to \$5,000, and any other agreements or documents required to complete the first phase.

ADOPTED this 14th day of December 2022, by the Commission of the Port of Port Townsend and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.

ATTEST:

Peter W. Hanke, Secretary

Pamela A. Petranek, President

Carol L. Hasse, Vice President

APPROVED AS TO FORM:

Port Attorney

Memorandum of Understanding
Healthier Together
Building Community Health and Wellness Together

This Memorandum of Understanding is entered into on the date last signed below by and among the City of Port Townsend ("City"), the Port Townsend School District No.50 ("District"), Jefferson County Public Hospital District No.2 ("Hospital"), Jefferson County ("County"), the Port of Port Townsend ("Port"), Jeffco Aquatic Coalition (JAC) and the Olympic Peninsula YMCA ("YMCA"), collectively the partners.

Recitals

- A. The partners agree to plan together to provide long-term infrastructure and opportunities for improving community health and wellness by building on previous collaborative efforts and meeting the evolving needs of our community.
- B. The City of Port Townsend ("City") renewed a lease with the District on June 24, 2014, for a period of 15 years, with an option to renew for an additional 15 years, for use of the Mountain View campus for municipal purposes. Section 6 of the Lease controls the use of Mountain View. Section 6(b) specifically allows for the City to "... partner with community non-profit agencies to provide for additional improvements and facilities at..." Mountain View.
- C. The City of Port Townsend seeks to leverage community resources and lead the effort to plan for a new facility.
- D. The YMCA currently operates programs at Mountain View. Since the fall of 2014, it has been exploring the possibility of expanding its programming at Mountain View in large part by constructing a new facility there.
- E. The Port Townsend School District conducts education activities both at its facilities and at Mountain View. They also use the facility for swim teams and lessons.
- F. The Hospital conducts education and wellness activities at its facilities.
- G. The Port of Port Townsend recognizes the importance of an aquatic and fitness facility in Port Townsend.
- H. The County provides a variety of community services that complement Mountain View Commons through its Community Center and understands the importance of an aquatics component and more facility amenities.
- I. Jeffco Aquatic Coalition is interested in assisting the planning efforts and providing community advocacy for a new facility.
- J. The City has proposed a planning framework, entitled "Healthier Together" that will be used for this effort. It is attached herein.
- K. In 2017, the Jefferson County Board of Health and Hospital Board adopted a Joint Resolution recommending the City, County, and Hospital support a Community Health Improvement Plan (CHIP) program to help address the community's most important health problems, which includes chronic disease prevention through promoting appropriate levels of physical activity and by meeting healthy weight standards.

Agreement

In consideration of the mutual benefits contained in this Agreement, the partners agree as follows:

1. To work collaboratively in 2022 and 2023 to complete the goals of the Healthier Together framework.
2. To participate in a community engagement plan to solicit ideas from the community.
3. That the City will lead this effort.
4. That each partner may contribute funds or staff resources to this project as approved by their governing bodies. The City will act as a fiscal agent for any cash contributions and lead this effort. Any partner may contribute its funds or resources in furtherance of this Agreement.
5. That the partners agree that this effort has the potential to impact the economic and social sustainability of our community, leading to the recruitment/retention of families and young people, greater social connections, opportunities for healthy activities, and employment opportunities for all ages.
6. General.
 - a. Term and Termination. This Agreement is effective on the date last signed. It shall be effective until December 31, 2023, or until terminated in writing by any partner. A partner wishing to terminate the Agreement shall notify the other partners in writing 30 days before the proposed termination date. Termination by one partner shall not terminate the Agreement for the remaining partners.
 - b. Dispute resolution. If there is a dispute regarding the terms of this Agreement, the Chief Executive Officers/ Chief Operating Officers, or their designees of each partner will meet to resolve the dispute. If the dispute is not resolved within 60 days of the first meeting, this Agreement will terminate as to its disputing partners. Each partner will bear its costs.
 - c. Records. The partners agree that the government entities are subject to Washington's Public Records Act, Chapter 42. 56 RCW. Any documentation used by government agencies, whether they physically possess them or not, is a public record and may be subject to disclosure. Each governmental agency will be responsible for its respective records and records requests.

The YMCA and JAC will mark any document that it considers to be proprietary in nature. If a government agency receives a public record request for these documents, it will notify the YMCA and JAC and allow 10 calendar days for the entities to obtain a court order preventing the release of the documents. The government agencies will not assert a trade secret exemption on behalf of the YMCA or JAC. The government agencies will cooperate with the YMCA and JAC in such an assertion. The YMCA and JAC will defend, indemnify, and hold the government agencies harmless from any fines, fees, or penalties associated with the assertion of an exemption to the Public Records Act related to documents provided by the YMCA and JAC.

 - d. Hold Harmless. Each partner to the Agreement shall defend, indemnify, and hold the other partners harmless from claims, actions, injuries, damages, losses, or suits including attorney's fees, arising or alleging to have arisen directly or indirectly out of or in consequence of the performance of this Agreement to the extent caused by the fault or negligence of the

Indemnitor, its elected officials, employees, officers, agents, assigns, volunteers, or representatives.

e. Applicable Law and Venue. This Agreement shall be construed and interpreted by the Laws of the State of Washington. In the event of a dispute, such dispute shall be litigated in the Superior Court of Jefferson County, Washington. The language of this Agreement shall not be interpreted in favor of or against any Partner as the drafter of this Agreement.

f. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute the same agreement.

g. This Agreement does not obligate any partner to take any action for which its governing body has not appropriated funds. It is not binding until ratified by the appropriate authority for each partner. h. The partners to this Agreement remain, at all times, independent entities. No partner may obligate any other partner nor control or direct the staff of any other partner. No new or separate legal or administrative entity is created to administer the provisions of this Agreement.

Jefferson County School District No. 50

City of Port Townsend

Dr. Linda Rosenbury

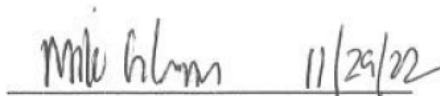
Date

John Mauro, City Manager

Date

Jefferson County Hospital District No.2

Olympic Peninsula YMCA


Mike Glenn, Chief Executive Officer **Date**
Date

Wendy Bart, Chief Executive Officer **Date**

Jefferson County

Port of Port Townsend

Mark McCauley, County Administrator **Date**

Eron Berg, Executive Director **Date**

Jeffco Aquatic Coalition

 **Date**

Rich Childers, Board Chair **Date**

INTERLOCAL FOR COMMUNITY HEALTH AND WELLNESS CENTER PLANNING

HEALTHIER TOGETHER

This Agreement is made between the City of Port Townsend (“City”), the Port Townsend School District No.50 (“District”), Jefferson County Public Hospital District No.2 (“Hospital”), Jefferson County (“County”), and the Port of Port Townsend (“Port”), collectively the governmental parties (referred to as party/parties for the remainder of the document).

WHEREAS, Chapter 39.34, RCW (Interlocal Cooperation Act) permits local government units to make the most efficient use of their powers by enabling them to cooperate with other government entities based on mutual advantage and thereby to provide services and facilities in a manner under forms of governmental organizations that will accord best with geographic, economic population, and other factors influencing the needs and development of local communities; and

WHEREAS, each named party desires and agrees to enter into joint action and to work together to develop a Community Health and Wellness Center in Port Townsend; and

WHEREAS, the parties agree that this effort has the potential to impact the economic and social sustainability of our community, leading to the recruitment/retention of families and young people, greater social connections, opportunities for healthy activities, and employment opportunities for all ages; and

WHEREAS, the parties, along with two local nonprofit organizations, the Olympic Peninsula YMCA and the Jefferson Aquatic Coalition entered into a Memorandum of Understanding; and

WHEREAS, the City of Port Townsend has created and plans to lead a community engagement framework for this effort and has agreed to be the fiscal sponsor of this effort; and

WHEREAS, the parties understand this initial planning effort will include a robust community engagement process, siting, financial planning, and construction plan; and

WHEREAS, each party has agreed to contribute financially to this effort; and

WHEREAS, this planning effort will also include two local nonprofits; and

WHEREAS, the City of Port Townsend will publish a request for qualifications for an architectural firm to assist with this planning and design effort; and

WHEREAS, the parties agree to meet regularly and help guide the design and community engagement process;

NOW, THEREFORE, the parties do agree as follows:

1. Purpose

The purpose of this agreement is to provide a cost-sharing arrangement between the parties to allow the initial planning, siting, community engagement, and financial and operational planning for the creation of a community health and wellness center in Port Townsend.

2. Contract Administrator

Per RCW 39.34.030(4)(a), the parties request that the City appoint the City's Director of Parks and Recreation Strategy as this Agreement's Contract Administrator.

3. Party Benefits, Responsibilities, and Cash Contributions:

- 3.1** The City of Port Townsend understands the importance of the community health and wellness center for all residents. It has initiated this effort. The City will continue to provide leadership, and the community engagement framework, convene the parties, hire an architectural firm to assist with the design, and contribute \$30,000 to this initial planning effort.
- 3.2** The Port Townsend School District will utilize a facility for education, swim lessons, and swim teams. The School District will allow consideration of the Mountain View Campus for siting such a community health and wellness center and contribute \$5000 to the planning effort.
- 3.3** Jefferson County Hospital District will use this facility for preventative medicine, education, and community wellness. Jefferson County Public Hospital District will allow consideration of land located near the Hospital for a possible community health and wellness center and will contribute \$50,000 to this planning effort.
- 3.4** Jefferson County, Washington understands and supports community health and wellness County-wide, and knows that a community health and wellness center will complement its current community center in Port Townsend. Jefferson County will contribute \$100,000 toward this planning effort.
- 3.5** The Port of Port Townsend understands the importance of a community health and wellness facility for their workforce and families of their workforce. They will contribute \$5000 toward this planning effort.
- 3.6** The City will invoice each of the government parties for 50% of their contribution before December 31, 2022, and the remaining 50% of their contribution in the first quarter of 2023. Each party will pay the invoices within thirty days of receipt. If the total cost of the project exceeds the total contributions of all the parties, including the City, the City will negotiate with the party for any additional contributions. The party may, but will not be required to, agree to contribute additional funds to the planning effort. If the total contributions exceed the cost of the project, the City will return a pro-rata share of the excess funds to each party after paying the final contractor's final invoice.

4. Approval of Final Design

4.1 Upon completion of the design and financial plan, any party may independently reexamine and confirm the project's scope of work. No further work is authorized under this Agreement. Each party will have the opportunity to approve the final design before any party proceeds with the implementation of the design (i.e. financing, construction, etc.). Further collaboration of the parties will be delineated in a subsequent Agreement. Upon completion, the City will own the design, but should the City not choose to implement the design, the City will cooperate with any party seeking to implement the design.

5. Duration and Termination

5.1 The term of this Agreement shall commence as of the date signed by all parties and shall end on December 31, 2023, unless this Agreement is terminated before such date by paragraph 5.2. This Agreement shall take effect upon filing a copy thereof with the County Auditor by RCW 39.34.040 or posting it on the City's website.

5.2 Termination of this Agreement may be accomplished by mutual agreement of the parties before final approval of the design and financial plan. A party seeking to terminate this Agreement shall give the other party advance written notice of not less than thirty (30) days.

5.3 If this Agreement is terminated by paragraph 5.1 or 5.2, the party shall share proportionally of their contribution in any expenditures previously incurred by the City. Any plans, engineering drawings, or other documents made in preparation for project design approval are deemed to be the property of the City.

5.4 Following the effective date of the termination of this Agreement under paragraph 5.2, the City may proceed with the remaining party to complete the final design and financial plan for the Community Health and Wellness Center.

6. Miscellaneous

6.1 The Contract Administrator shall supervise and manage the completion of the Community Health and Wellness Center schematic design on behalf of the parties. The City shall have no responsibility to supervise or manage the construction of the approved design plans under paragraph 4 of this Agreement.

6.2 Each party to the Agreement shall defend, indemnify, and hold the other parties harmless from claims, actions, injuries, damages, losses, or suites including attorney's fees, arising or alleging to have arisen directly or indirectly out of or in consequence of the performance of this Agreement to the extent caused by the fault or negligence of the Indemnitor, its elected officials, employees, officers, agents, assigns, volunteers, or representatives.

6.3 The City shall maintain all financial records necessary to carry out the purposes of this Agreement by generally accepted accounting principles. Such records shall be available during normal working hours for the review of the respective parties, their accounting representatives, or the State Auditor.

6.4 This Agreement and all questions concerning the capacity of the party, execution, validity (or invalidity), and performance of this Agreement, shall be interpreted, construed, and enforced in all respects by the laws of the State of Washington. The venue for any action will be Jefferson County Superior Court.

Jefferson County School District No.50

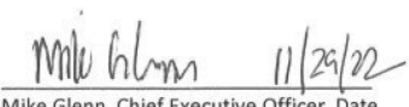
City of Port Townsend

Dr. Linda Rosenbury Date
Superintendent

John Mauro, City Manager Date

Jefferson County Hospital District No.2

Jefferson County


Mike Glenn, Chief Executive Officer Date
Date

Kate Dean, County Commissioner

Date

Port of Port Townsend

Eron Berg, Executive Director Date

MEETING DATE	December 14, 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. H. Resolution 782-22 Establishing a Multi-Governmental Process for Collaborating on Issues of Mutual Importance
STAFF LEAD	Eron Berg, Executive Director
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
ATTACHMENTS	<ol style="list-style-type: none"> 1. Memo 2. Resolution (tracked changes show revisions since reviewed by ICG)

DATE: 12/14/2022
TO: Commission
FROM: Eron Berg, Executive Director
SUBJECT: Resolution Keeping the ICG

ISSUES

1. Should the Commission adopt the attached resolution reenacting the Intergovernmental Collaborative Group (ICG)?

BACKGROUND

The Commission approved a joint resolution, along with Jefferson County, the City of Port Townsend and the Jefferson PUD #1 in 2020 that created the ICG for the purposes of developing a COVID-19 Recovery & Resiliency Plan. The ICG was renewed for 2021 and again in 2022 and continues to be a valuable forum for the elected officials to share information and collaborate.

DISCUSSION

The draft resolution would keep the ICG for 2023 with a similar scope of collaboration and includes quarterly meetings with additional meetings to hear from speakers. The hope is to continue to build upon the success of the current process and use the ICG as a forum for the four entities to work together on issues of shared importance.

FISCAL IMPACT

None identified herein.

ATTACHMENTS

1. Draft proposed resolution.

RECOMMENDATIONS

1. Motion to adopt the attached resolution reenacting the Intergovernmental Collaborative Group.



Jefferson County Resolution No. 64-22
 City of Port Townsend Resolution No. 22-046
 Port of Port Townsend Resolution No. 782-22
 Jefferson County Public Utility District Resolution No. -2022-042

**A JOINT RESOLUTION OF JEFFERSON COUNTY, THE CITY OF PORT TOWNSEND, THE
 PORT OF PORT TOWNSEND AND JEFFERSON COUNTY PUBLIC UTILITY DISTRICT #1,
 ESTABLISHING A MULTI-GOVERNMENTAL PROCESS FOR COLLABORATING ON
 ISSUES OF MUTUAL IMPORTANCE**

WHEREAS, the community of Jefferson County faces a myriad of issues that are interrelated and broadly involve community organizations, individuals, businesses, non-profits and governmental entities; and

WHEREAS, Jefferson County is a political subdivision of the State of Washington formed in 1852 to provide general purpose governmental services throughout Jefferson County; and

WHEREAS, the City of Port Townsend is a code city, incorporated in 1860, to provide general purpose governmental services within the city's limits; and

WHEREAS, the Port of Port Townsend is a countywide special purpose district formed in 1924 to own and operate facilities including maritime, aviation, commercial and industrial facilities and is specifically charged with a mission of broad economic development throughout Jefferson County; and

WHEREAS, Jefferson County Public Utility District Number 1 is a countywide special purpose district formed in 1939 to restore ownership of key public utilities to the people and currently owns and operates water, sewer, electric and fiber optic utilities; and

WHEREAS, the four entities have broad authority under state law to collaborate, including under RCW 39.34; and

WHEREAS, the four entities joined forces to work together with the community in 2020 to develop a COVID-19 Recovery & Resiliency Plan and continued that work through 2021 and 2022 with a focus on an economic development framework; and

WHEREAS, that experience was positive and demonstrated broad value in providing a regularly scheduled opportunity for the four entities' governing bodies to meet collectively for the purpose of collaborating; and

WHEREAS, the Intergovernmental Coordinating Collaborative Group, City of Port Townsend, Jefferson County, Port of Port Townsend and Jefferson County PUD No. 1 were recognized at the 2021 annual International City/County Management Association (ICMA) conference with the Strategic Leadership & Governance Award as well as the 2022 Association of Washington Cities (AWC) Municipal Excellence Award; and

WHEREAS, Jefferson County, the City of Port Townsend, the Port of Port Townsend and the Jefferson County PUD desire to maintain a formal process of intergovernmental collaboration to address significant issues of mutual interest;

NOW, THEREFORE, BE IT RESOLVED by the Jefferson County Board of Commissioners, City Council of the City of Port Townsend, the Port of Port Townsend and Jefferson County PUD as follows:

Section 1. Intergovernmental Collaborative Group (ICG). The collective governing bodies of Jefferson County, the City of Port Townsend, the Port of Port Townsend and Jefferson County PUD, when meeting jointly for the purposes outlined in this resolution shall form the ICG. The express purpose of the ICG is to provide the forum within which community leaders from the County, City, Port and PUD may collaborate on significant issues of mutual importance. Those topics may include, but are not limited to, housing, economic development, infrastructure, including broadband, climate change, behavioral health and food security. The ICG may express shared opinions and positions of the four bodies, and advocate for the same. The ICG may not expend any money, own any property, or obligate any of the four entities in any way.

Section 2. Process. All meetings of the ICG will be subject to the Open Public Meetings Act, final actions will be taken by consensus, which is a majority of each of the governing bodies, a quorum is a majority of each of the four entities' elected officials, meeting procedures will be established by the group, and the duty of chairing the meeting will rotate among the entities' presiding officers, in order of formation.

Section 3. Meetings. The ICG Regular Meetings will be held on the 3rd Thursday of February, May, September and November of every year at 5:00 p.m. Regular meetings will be hybrid and be held at the Port of Port Townsend Pavilion located at 355 Hudson St. Port Townsend, WA 98368.

In addition to the regular meetings, it is the desire of the parties to establish a schedule of "Community Conversations series" special meetings that include invited guests to provide relevant information to the ICG for the purpose of invigorating the discussion among the community and its elected leaders.

Special meetings may be called in accordance with RCW 42.30.080 by agreement of the ICG at a properly noticed meeting, or by joint agreement of the presiding officers of the four entities.

The principal location and website for ICG notices is that of Jefferson County. Jefferson County maintains primary records to facilitate the management of the same records by the four agencies. The main website reflecting workplan and related documents is at www.jeffcotogether.net which is managed by PUD staff.

Section 4. Unless extended by the Parties through a new authorization, the last meeting of the ICG shall be completed no later than December 31, 2023. The intent of the group in making this an annual discussion and decision is to ensure that the ICG remains deliberate and relevant. The chairperson of that final meeting is authorized to approve the minutes from that meeting.

~~The last meeting of the ICG shall be completed no later than December 31, 2023. The chairperson of that final meeting is authorized to approve the minutes from that meeting.~~

[APPROVAL SIGNATURES OF EACH JURISDICTION ARE ON FOLLOWING PAGES]

Jefferson County Resolution No.

JEFFERSON COUNTY, WASHINGTON

APPROVED AND SIGNED this ____ day of December, 2022.

SEAL:

JEFFERSON COUNTY
BOARD OF COMMISSIONERS

Greg Brotherton, Chair

ATTEST:

Kate Dean, Member

Carolyn Gallaway
Clerk of the Board

Heidi Eisenhour, Member

City of Port Townsend Resolution No.

CITY OF PORT TOWNSEND, WASHINGTON

ADOPTED by the City Council of Port Townsend, Washington, at a special meeting thereof, held this _____ day of December, 2022.

David Faber
Mayor

Attest:

Approved as to form:

Alyssa Rodrigues
City Clerk

Heidi Greenwood
City Attorney

Port of Port Townsend Resolution No.

PORT OF PORT TOWNSEND

ATTEST:

Pam Petranek, District 1 Commissioner

Carol Hasse, District 2 Commissioner

Pete Hanke, District 3 Commissioner

APPROVED AS TO FORM:

Port Attorney

Jefferson County Public Utility District Resolution No.

**PUBLIC UTILITY DISTRICT NO. 1
OF
JEFFERSON COUNTY**

Kenneth Collins, President

Jeff Randall, Vice President

ATTEST:

Dan Toepper, Secretary

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	December 14, 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	VII. A. September 2022 Financial Report
STAFF LEAD	Abigail Berg, Director of Finance and Administration
REQUESTED	<input checked="" type="checkbox"/> Information <input type="checkbox"/> Motion/Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	Informational Memorandum Notes

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 12/14/2022
TO: Commission, Executive Staff
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: September 2022 Financial Report

Attached is the September 2022 financial report of Port activities. This is a consolidated report that shows the variance between the current period as compared to the prior year and the variance to budget year-to-date. The following is additional information not included in the attached financial report, but key in fully understanding the Port's financial status:

2022 YTD Project Expenses	Budget	Year-to-date
PH Replacement of North & South Jetties	\$ 6,000,000	\$ 210,146
Dock Renovations & Piling Replacement	200,000	0
BH Main Breakwater Repairs	350,000	633
PH Pavilion Bldg. Remodel ^(a)	148,434	167,968
FEMA – Yard Stormwater Materials Replacement ^(b)	0	2,537
FEMA – City Dock ^(b)	0	24
FEMA – JCIA Hangar Repair	80,000	6,268
Reconstruct Old Coast Guard Building	191,250	210,655
AWOS – Replace Present Weather Sensor	30,000	26,884
FEMA - BH Marina Pavement Repair ^(b)	0	93,373
NORTH Yard Expansion (Sims Way)	450,000	56,415
WEST Yard Expansion (by Shipyard)	100,000	3,684
BH Stormwater Treatment	2,650,000	3,420
Gardiner Boat Ramp Renovation	0	54,832
Sperry Bldg. #4 – ACI (was Dave's Mobile Welding) ^(c)	50,000	15,061
Sperry Bldg. #6 – Pete's Marine ^(c)	50,000	15,657
JCIA – 2 nd Connector Taxiway Design	90,000	9,962
Clean Vessel Build – WA State Parks & Recreation	0	35,000
Total Capital Expenses YTD	\$ 10,389,684	\$ 912,519

Non-Capital use of funds

DNR – Vessel Destruction \$ 43,067

2022 Capital Purchases or Contracted Capital Services

Equipment/Vehicle replacement (total \$818,000)		
Kendrick Equipment, Inc. (final on 75-Ton lift)	\$ 398,000	\$ 403,338
Northsound Auto Group, LLC (3 RAM trucks)	90,000	86,704
Auxiliary Vehicles (2 Gators for the Yard)	30,000	26,573
Hydraulic Lift Trailer (transporter)	300,000	0
XPERT Jet – Sign Machine	0	18,089
Pape – Forklift for Yard ^(a)	0	83,331
Small Capital Projects	50,000	
BH Enviro Center Fob system ^(b)		21,535
PH Enviro Center Fob system ^(b)		13,356

PH RV Park 3 Phase Power ^(b)		19,626
PH Offices – Heat Pump installation	0	16,500
Land Acquisition – for WEST Yard Expansion (by Shipyard) ^(d)	0	147,914
Total Capital Purchases or Contracted Capital Services YTD	<u>\$ 868,000</u>	<u>\$ 836,966</u>

Notes:

- (a) Project budgeted for 2021 and carried over into 2022 due to supply chain back logs.
- (b) FEMA - Not in the 2022 budget since the event or idea either hadn't occurred, or the certainty of the grant hadn't been determined. Small Capital Projects – unidentified at the time of budget adoption November 2021.
- (c) Two (2) Sperry buildings per year were budgeted for several years and the estimated total cost was \$100,000 annually. The true cost allocated per building is subject to each particular building's capital improvement needs.
- (d) Not in the 2022 "capital" budget since it is not a capital project; Vessel Destruction is a non-operating project, and WEST Yard Expansion Land Acquisition was expected to close by 12/31/21 but was delayed.

Ending Cash Balances as of September 30	2022	2021
Reserved Cash & Investments – Other*	\$ 3,260,744	\$ 2,224,462
Reserved Cash & Investments – IDD	3,509,263	\$ 1,542,291
Unreserved Cash & Investments	739,438	\$ 1,799,764
Total Cash & Investments	<u>\$ 7,509,445</u>	<u>\$ 5,566,517</u>

<u>*Other Reserves detail:</u>	<u>Current balance</u>	<u>Target balance</u>
Unemployment Reserve	\$ 10,000	na
Operating Reserve (a)	1,181,716	\$ 1,470,609
Boat Haven Renovation Reserve (b)	442,397	na
Emergency Reserve	500,000	\$500,000
Port-Wide Capital Reserve (c)	<u>1,126,631</u>	na
Total Other Reserves	<u>\$ 3,260,744</u>	

- (a) The target for the Operating Reserve is 25%, or three (3) months, of operating expenses, per current budget. See resolution 692-19 for more detail.
- (b) The plan for this reserve is to use it on Boat Haven Moorage projects until it is extinguished. It was replaced by the Port-Wide Capital Reserve in resolution 693-19.
- (c) Resolution 693-19 did not set a target for this reserve.

Debt Service for the Year

2010 LTGO Bond – (83% paid A/B Dock Reconstruction, 17% paid 75 Ton Lift Pier)

June 1 – interest only	\$ 80,744	PAID
December 1 – principal and interest	400,744	

2015 LTGO Refunding Bond- (paid for Point Hudson Marina Reconstruction – 2005 LTGO Bonds refunded in 2015)

July 1 – principal and interest	520,600	PAID
December 31 – interest only	<u>23,250</u>	

Total Debt Service for the year	<u>\$ 1,025,338</u>	
<u>Remaining Debt for years 2023-2029</u>		
2010 LTGO Bond – principal and interest	\$ 3,329,550	payoff December 2029
2015 LTGO Bond – principal and interest	<u>1,620,800</u>	payoff July 2025
Total	<u>\$ 4,950,350*</u>	

**Port staff hopes to extinguish all debt obligations two years early in 2027.*

DISCUSSION

As requested by Commission.

FISCAL IMPACT

NA

RECOMMENDATIONS

For discussion only.

Port of Port Townsend
2022 Summary of Fund Resources & Uses with Comparison to Prior Year and Budget

	YTD Sept. 2021	YTD Sept. 2022	Variance to prior year	notes	YTD Budget 2022	Variance to Budget YTD
OPERATING REVENUES						
Boat Haven Moorage	1,486,843	1,512,582	25,739		1,568,171	(55,589)
Yard Operations	1,816,159	2,017,892	201,733		1,696,471	321,421
Boat Haven Properties	607,021	679,580	72,559		633,142	46,438
Pt. Hudson Marina, RV & Prop	1,340,314	1,304,496	(35,818)		1,169,186	135,310
Quilcene	135,979	135,708	(271)		129,213	6,495
Ramps	49,822	42,379	(7,443)		53,682	(11,303)
JCIA	125,151	135,630	10,478		123,400	12,230
(Incr.)/Decr. In Accounts Receivable	35,059	116,742	81,683		-	116,742
Total Operating Revenues	5,596,348	5,945,008	348,660	a	5,373,265	571,743
OPERATING EXPENDITURES						
Salaries & Wages	1,768,130	2,001,323	233,193		2,011,235	(9,912)
Payroll Taxes	179,778	211,427	31,649		216,186	(4,759)
Employee Benefits	615,196	623,237	8,041		680,967	(57,730)
Uniform Expense	4,081	13,020	8,939		7,477	5,543
Contract Services	189,942	185,463	(4,479)		233,732	(48,269)
Legal & Auditing	59,290	46,924	(12,366)		39,580	7,344
Insurance	365,552	451,482	85,930		410,000	41,482
Facilities & Operations	508,331	765,378	257,047		438,310	327,068
Utilities	399,303	460,076	60,773		424,438	35,638
Marketing	41,544	44,276	2,732		52,985	(8,709)
Economic Development	15,000	22,500	7,500		22,500	-
Travel & Training	4,016	16,124	12,107		17,094	(970)
Community Relations	3,997	647	(3,351)		3,069	(2,422)
Total Operating Expenditures	4,154,160	4,841,876	687,715	b	4,557,573	284,302
Net Operating Income (Expense)	1,442,187	1,103,132	(339,055)		815,692	287,441
Other Increases in Fund Resources						
Deposits & Retainage Collected	75,845	30,823	(45,023)		61,712	(30,889)
Taxes Collected	511,102	541,685	30,583		499,598	42,087
Capital Contributions/Grants	105,849	99,512	(6,338)		404,500	(304,988)
Interest	35,411	68,749	33,338		33,899	34,850
Property & other taxes	1,693,350	2,385,653	692,303		2,307,367	78,286
Misc Other Incr. in Fund Resources	50,982	89,678	38,696		14,838	74,840
Total Other Incr. in Fund Resources	2,472,540	3,216,099	743,560	c	3,321,914	(105,815)
Other Decr. In Fund Resources						
Deposits & Retainage Paid	20,818	86,451	65,633		26,561	59,890
Taxes Remitted	509,298	540,078	30,781		489,811	50,267
Debt Principal & Interest	852,009	601,344	(250,665)		601,344	-
Debt Mgmt, Issuance & Misc Exp	60,246	41,981	(18,265)		1,110	40,871
Election Expense	-	17,561	17,561		2,000	15,561
Total Other Decr. In Fund Resources	1,442,371	1,287,415	(154,956)	d	1,120,826	166,589
Net Incr./(Decr.) in Fund Resources	1,030,169	1,928,685	898,515		2,201,088	(272,404)
Net Income (Expense)	2,472,357	3,031,817	559,460	e	3,016,780	15,037

The accompanying notes and info. memo are an integral part of this statement.

Summary of Fund Resources Uses, September 2022

Port of Port Townsend
Notes to 2022 Summary of Fund Resources & Uses report
As of September 30, 2022

- (a) Overall, Operating Revenues increased by 6.2%, or \$348,660 when compared to 2021. When compared to budget, Operating Revenues are up by 10.6%, or \$571,743. In both instances, the bulk of this increase is related to activity in the Yard (11% increase, or \$201,733, when compared to 2021, and 19% increase, or \$321,421 when compared to budget), as well as the paydown of accounts receivable which is a \$81,683 increase when compared to 2021.
- (b) Overall, Operating Expenses increased by 16.6%, or \$687,715, when compared to 2021. However, when measuring performance against budget, Operating Expenses YTD are more by only 6.2%, or \$284,302, which is less than ½ the year-to-year variance. Most line items are under budget, except for Facilities & Operations, Insurance, and Utilities. Detail on the Facilities and Operations category can be seen on the detailed report in the Informational Items section of the Commission packet. There one can see that Repair/Maintenance is the highest number over budget (\$183,852), followed by a close tie between Bank Charges (\$36,798), and Equipment Rental/Purchase (\$36,143), and then a close tie between Operating Supplies (\$22,456), and Fuel & Lubricants (\$21,680). Insurance is over budget by \$41,482, and Utilities are over budget by \$35,638. For Utilities, there is a large increase in Electricity for the small Yard when compared to last year and a large increase in Boat Haven, and Point Hudson Garbage. The expectation was that the new locking systems with cameras on the Environmental Centers would be done early in the year, inhibiting non-customer use. They were put into place in April 2022; however, there were issues with getting them online until mid-summer, and the usage has continued in both locations.
- (c) Total Other Increases in Fund Resources increased by 30%, or \$743,560, when compared to 2021. This is largely due to IDD levy collections which are 89% of that increase. When comparing the current year to date to budget, we are behind on budget by 3.2%, or \$105,815, which is largely due to expected grant reimbursements not yet received.
- (d) Other Decreases in Fund Resources are less when compared to 2021 by 10.7%, or \$154,956. This is largely due to the final pay-off of the 2020 Line of Credit (LOC) in January 2021 in the amount of \$251,565. When comparing to YTD budget, this area is more by \$166,589, or 15%. These increases are largely increases in refunded deposits, "debt mgmt., issuance, & misc. expense", and in taxes remitted. The "debt mgmt., issuance, & misc. expense" increase is largely due to the cost of crushing vessels for which the Port has received funding from DNR to cover (YTD \$85,887).
- (e) Overall, the difference in 2022 Net Income (Expense) when compared to 2021 is a \$559,460, or 23%, increase. This variance is primarily due to the pay-off of the 2020 Line of Credit in January 2021 for \$251,565, and the increase in other fund resources in 2022 of \$743,560, most of which is IDD. When comparing the Net Income (Expense) year to date to the budget, the variance is significantly smaller at 0.5%, or \$15,037. It is unusual to be so close to the original target on budget, though we still have one quarter left of the year.

MEETING DATE	December 14, 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	VII. B. Delegation of Authority & Meeting Procedure Updates
STAFF LEAD	Eron Berg, Executive Director
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
ATTACHMENTS	<ol style="list-style-type: none"> 1. Memo 2. Delegation of Authority Resolution 762-22 3. Meeting Procedures, Appendix A to Resolution 770-22

DATE: 12/14/2022
TO: Commission
FROM: Eron Berg, Executive Director
SUBJECT: Delegation of Authority & Meeting Procedure Updates

ISSUE

What changes, if any, would the Commission like to see to the Delegation of Authority & Meeting Procedure resolutions?

BACKGROUND

These items are reviewed annually (and more often, if needed), generally at the first meeting of the Commission each year. In preparing for the January 11, 2023 meeting, staff thought it would be helpful to hear from the Commission on any changes desired to either resolution by the Commission.

DISCUSSION

Attached are both current resolutions. Staff have some changes to propose to the Delegation of Authority and no changes to propose for the Meeting Procedures.

FISCAL IMPACT

N/A

ATTACHMENTS

1. Delegation of Authority Resolution 762-22
2. Meeting Procedures, Appendix A to Resolution 770-22

RECOMMENDATIONS

Please provide direction to staff for any Commission desires changes to either resolution.

RESOLUTION NO. 762-22

A Resolution of the Commission of the Port of Port Townsend

**DELEGATING ADMINISTRATIVE POWERS AND DUTIES TO THE EXECUTIVE DIRECTOR AND DESIGNEES,
REPEALING ALL PRIOR RESOLUTIONS DEALING WITH THE SAME SUBJECT MATTER.
(SUPERSEDING RESOLUTION NO. 746-21)**

WHEREAS RCW 53.12.270 authorizes the Commission to delegate administrative powers and duties to the Executive Director, and

WHEREAS the Commission of the Port of Port Townsend has in the past adopted policy directives delegating administrative powers and duties to the Executive Director and designees for the purpose of expeditious administration of the Port, and

WHEREAS the Commission has from time to time found it necessary to amend and revise such directives due to changes in law and/or operations of the Port, and

WHEREAS the Commission now wishes to provide an updated master policy directive on the delegated administrative powers and duties of the Executive Director and designees and to repeal all prior resolutions dealing with the same subject matter;

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

Section 1. The master policy directive of the Commission of the Port of Port Townsend as set forth herein, is adopted for the purpose of establishing the delegated administrative powers and duties of the Executive Director and designees. This policy directive will remain in effect until January 31, 2023, unless it is extended prior to that date.

Section 2. All portions of resolutions heretofore approved by the Commission pertaining to the subject matters contained in this resolution are hereby repealed.

Section 3. The Revised Code of Washington 53.08.090 authorizes the Commission to delegate by resolution to the Executive Director the authority to sell and convey Port personal property.

Section 4. The Port Commission hereby delegates to the Executive Director the authority to undertake the management operations of the Port.

Section 5. The following policy directive on the delegated administrative powers and duties of the Executive Director is hereby adopted.

I. PREAMBLE

A. The following policy is adopted by the Commission of the Port of Port Townsend for the purpose of establishing the administrative powers and duties of the Executive Director who is responsible for Port operations. The Executive Director may delegate to Port personnel such administrative authority or reporting requirements herein established as is necessary and advisable in the efficient exercise of the Executive Director's powers and duties.

B. This policy sets forth specific delegations of power and duties from the Commission to the Executive Director. This policy shall not be interpreted to limit the duties or responsibilities of the Executive Director as those duties are determined from time-to-time by the Commission. In case of absence, the Executive Director may designate one or more senior Port staff to act in the place of the Executive Director with regard to the powers and duties herein. Subject to the limits within this delegation, the responsibility for all administration and Port operations of the Port rests with the Executive Director.

C. To implement delegations of authority to Port personnel, the Executive Director shall promulgate policy and procedural manuals, rules and procedures, monetary and budgetary directives and other such documents as personnel position descriptions, affirmative action plans, safety manuals, etc. which shall provide a clear span of authority and responsibility to the designees of the Executive Director.

D. Any Commission directives or initiatives shall be made through the Executive Director and shall be made only by the Commission acting as a body of the whole. Those directives include, but are not limited to, the separately adopted rate schedules, financial guidelines, promotional hosting policy, and standard lease policy.

E. The phrase “administration and Port operations”, as used herein, means the regular day-to-day business of the Port, including but not limited to, operating, maintaining, and administering all of its properties, leasehold properties, facilities services and programs; including the implementation of construction work, alterations, repairs, maintenance, and improvements of the Port’s real estate and physical facilities; and, the necessary planning incidental thereto; the conduct of financial accounting and legal matters as they relate to the Port’s operation; the administration of all other operations which include personnel administration (i.e., hiring, firing, salary and benefits, training, grievance procedures, task and project assignments, employee training and incentive programs, etc.); the execution and administration of contracts; publishing legal notices; moorage agreements, and, all other pertinent functions.

F. The Executive Director shall inform the Commission regarding significant information, incidents, and business transactions by methods agreeable to the Commission. The Executive Director shall report to the Commission those actions as within this delegation. The Executive Director is the managing official of the Port, appointed by the Commission, and holds office as their representative. Nothing herein should be construed in any way as abrogating the duties and responsibilities of the Commission.

II. POLICY GOVERNING REAL PROPERTY

A. Lease Arrangements: All real property when available for lease shall, except as otherwise provided herein below, be leased only under an appropriately written lease instrument, approved by the Commission, and accompanied by a lease bond or other form of security in accordance with the law and the Port’s Lease Policy. However, the Executive Director may execute short-term leases (terms of one year or less) subject to all of the following conditions:

1. The appropriate lease surety must be in place consistent with statutory requirements and the Port’s standard form of lease, with the exception of State and Federal leases that require the use of the tenant’s lease form as long as the content of the lease form does not materially change the Port’s intent in its standard lease form.
2. The arrangements for short-term occupancy shall be evidenced by the Port’s standard form of lease (except that any clearly inapplicable provision or provisions inconsistent with the policy herein set out shall be deleted from the standard form).
3. The amount of the rental shall be in accordance with the rental revenue standards adopted by the Commission for similar Port property of the same or similar class and type and devoted to similar uses.
4. The use to which the property may be put by the tenant shall be expressly stated and shall be in accordance with the standards of use adopted by the Commission for the same or similar Port property or properties.
5. The lease may not be renewed or otherwise extended beyond three years without Commission approval.

B. Sublease Procedures: Leases, licenses, operating agreements, and related contracts between the Port and its tenants, licensees, and other parties shall include restrictions on the subleasing and require at a minimum the prior written consent of the Port to such subleases. Subject to the provisions of the lease or agreement, the Executive Director is authorized to grant consents to subleases, which for the purposes hereof shall include sub-operating agreements and sub-licensee agreements.

C. Other Lease Documents: The Executive Director is authorized to execute the following property instruments, subject to the terms specified herein:

1. Temporary and permanent easements for purposes of utility installation and maintenance, access, rights of entry and signage only.
2. Business Licenses and Licenses to Operate.
3. Aquatic land leases with the Washington State Department of Natural Resources to accommodate leasehold property leases consistent with the Port Management Agreement.
4. Binding site plans and short plats consistent with Port master plans in order to activate leasehold interests.

5. Changes in name of responsible party to the lease if all other conditions, including primary ownership, remain the same.
6. Lease assignments for purposes of collateral, including Waiver of Landlord Lien Agreements.
7. Lease assignments for purposes of a single condominium unit conveyance (change of ownership) where there is an established condominium association as the Lessee.
8. Response to estoppels and attornments.
9. Estoppel and attornment agreements.
10. Use Permits.
11. Rental and Storage Agreements.
12. Minor amendments intended to correct errors or oversights that are consistent with the intent of the Commission approved lease.

D. Lease Enforcement and Lease Terminations: The Executive Director is authorized to enforce all terms and conditions of Port leases. The Executive Director is authorized to issue all appropriate notices of default and/or notices of termination with regard to Port leases. The Executive Director is authorized to terminate any lease under the terms and conditions therein. Upon termination, the Executive Director is authorized to take all steps necessary to retake possession of the leasehold and recover for the Port all sums due the Port pursuant to the lease and the law. The Executive Director shall keep the Commission informed with respect to lessees that are issued default notices or termination notices.

III. POLICY GOVERNING CONTRACTS FOR PERFORMANCE OF PUBLIC WORK

A. Public Work Contract Awards: The Executive Director shall have the responsibility for following all required statutory procedures in connection with all public work contracts. The Executive Director is authorized to carry out all procedures required by applicable statutes preliminary to the acts required to be performed by the Commission at an open meeting. The Executive Director may, without prior Commission approval, execute on behalf of the Port public work contracts for \$300,000 or less, so long as the expenditure is within the limits of overall budgetary authority. In addition, the Executive Director may, without prior Commission approval, execute on behalf of the Port, public work contracts for public work identified in a specific budgetary line item and where the contract price and all other charges do not exceed the amount authorized in that specific budgetary line item.

B. Emergency Public Work Contracts: When any emergency shall require the immediate execution of a public work contract, the Executive Director, pursuant to the procedures of RCW 39.04.020 (and as amended), is authorized to make a finding of the existence of such emergency and execute any public work contract necessary to respond to the existing emergency, provided that the Executive Director shall, at the first Commission meeting following the Executive Director's 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 this authority. From the inception of any such emergency, the Executive Director shall continuously advise the Commission of the status of the emergency situation and the progress of any such public work contracts executed to remedy the emergency. Emergency public work contracts executed pursuant to the authority herein shall contain a clause which states that the contract is subject to ratification by the Commission and that if ratification does not follow, the contract shall terminate, and the Contractor shall be compensated for his work and materials used to the time of termination.

C. Change Orders: In the instances where public work contracts have been awarded and under which the work is in progress and individual changes in plans and/or specifications are necessitated in order to properly accomplish the work, the Executive Director is authorized, without prior Commission approval, to execute individual change orders to the contract if the following conditions are met:

1. The estimated cost of the aggregate changes in plans and/or specifications and all other charges will not exceed the specific budgetary line item, or, in cases requiring Commission approval for public works contracts, the authorized amount.
2. The contract provides for issuance of change orders.

IV. POLICY GOVERNING CONTRACTS FOR ACQUISITION OF MATERIALS, EQUIPMENT, SUPPLIES and SERVICES

A. Items Acquired for Normal Maintenance and Operation in the Open Market: The Executive Director shall have the responsibility for following all required statutory procedures,

where applicable, in connection with all contracts for the acquisition of utilities, materials, equipment, supplies, and services provided; however, where utilities, materials, equipment, supplies, and services are acquired on the open market or pursuant to published tariffs and used or are necessary in normal maintenance and operations of the Port, no prior approval shall be required but shall, where appropriate, be approved or ratified as a part of the normal warrant process, and further, provided that in all cases where a statutory requirement exists for award of contracts following competitive bidding.

B. Budgeted Acquisitions or Acquisitions of \$100,000, or less: The Executive Director may, without prior Commission approval, execute on behalf of the Port, contracts for materials, equipment, and supplies (where the acquisition does not meet the criteria of Section A above) for \$100,000 or less so long as the expenditure is within the limits of overall budgetary constraints. In addition, the Executive Director may, without prior Commission approval, execute on behalf of the Port contracts for materials, equipment, supplies, and services identified in a specific budgetary line item and where the contract price does not exceed the amount authorized in that specific budgetary line item by ten percent (10%).

1. Budgeted Acquisitions of \$25,000 or less: The Executive Director may delegate Director-level Staff the authority to execute on behalf of the Port, contracts for acquisitions identified in a specific budgetary line item where the contract price and all other charges do not exceed \$25,000.

C. Emergency Contracts for Acquisition of Materials, Equipment, Supplies, and Services: When an emergency requires the immediate acquisition of materials, equipment, supplies, and services, the Executive Director is authorized to make a finding of the existence of such emergency and execute any contract for acquisition of materials, equipment, supplies, and services (subject to the Port of Port Townsend's Purchasing Procedures) necessary to respond to the existing emergency, provided that the Executive Director shall, at the first Commission meeting following the Executive Director's 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 this authority. From the inception of any such emergency, the Executive Director shall continuously advise the Commission of the status of the emergency situation and the progress of any contracts executed to remedy the emergency. Emergency acquisition contracts executed pursuant to the authority herein shall contain a clause which states that the contract is subject to ratification by the Commission and that if ratification does not follow, the contract shall terminate, and the Contractor shall be compensated for his work and materials used to the time of termination.

V. POLICY GOVERNING ADJUSTMENT AND SETTLEMENT OF CLAIMS AND PENALTIES EXCEPTING THOSE COVERED BY PARAGRAPH XIV BELOW:

A. Procedure for Settling Claims: The Executive Director shall be responsible for the implementation of necessary procedures for the settlement of all claims, either against or on behalf of the Port. Procedures in the handling of such claims shall, at a minimum, include the following:

1. For purpose of this Paragraph V, "claim" shall mean the assertion of any position, penalty, right or responsibility by or against the Port, its Commissioners or employees, but not including uncollectible accounts only to the extent as covered in Paragraph X herein.
2. No claims against the Port shall be considered unless and until proper written notice has been provided to the Port.
3. All claims for or against the Port may be processed in all respects (except for their final approval and payment) by the Executive Director or Legal Counsel.
4. Except as provided under Section B below, no claims shall be finally approved for settlement except by the Commission and no claim shall be paid except as authorized by the Commission.

B. Executive Director's Authority to Settle Claims: The Executive Director may settle claims against the Port or claims asserted by the Port arising from operations for an amount not exceeding \$5,000. All claims when settled shall be reported to the Commission.

VI. POLICY GOVERNING ARRANGEMENTS FOR PROFESSIONAL AND CONSULTANT SERVICES

A. Procedure: The Executive Director shall be responsible for the Port's compliance with RCW 53.19 and the initiation of appropriate procedures to obtain professional services specified RCW 39.80 (i.e., architectural, engineering, landscape architects and land surveyors) where deemed necessary in carrying out Port operations.

B. Executive Director's Authority: When necessary, in the conduct of Port operations, the Executive Director may, without prior Commission approval, execute on behalf of the Port contracts for professional and consultant services for \$50,000 or less so long as the expenditure is within the limits of overall budgetary constraints and in compliance with state law.

VII. POLICY GOVERNING TRAVEL OF EMPLOYEES AND OTHER AUTHORIZED REPRESENTATIVES OF THE PORT

A. Executive Director's Authority: The Executive Director is authorized to approve travel by employees and/or other authorized representatives of the Port in order to effectuate necessary Port operations, provided that the travel expenses are within the annual budget approved by the Commission.

VIII. POLICY GOVERNING STAFF AND EMPLOYEE ADMINISTRATION

A. Executive Director's Authority: The Executive Director shall have the authority to manage all personnel matters for Port employees and staff which includes hiring, firing, training, grievance procedures, managing collective bargaining agreements, including letters of agreement, employee salaries and benefits. The Executive Director shall carry out these responsibilities according to guidelines and policies to be established by the Executive Director and within overall budgetary constraints. The Commission shall approve any collective bargaining agreements and amendments thereto.

IX. POLICY GOVERNING EXECUTIVE DIRECTOR'S AUTHORITY FOR PROPERTY ACQUISITIONS AND SALES

A. Authority of the Executive Director for Acquisitions Authorized by the Commission: When the Port Commission authorizes the acquisition of real property by purchase or condemnation, the Executive Director shall take all necessary steps, including the securing of appraisals, to secure title of such property for the Port. Acquisition price of individual properties (or ownerships) shall in no case exceed the Port's appraisal by 10% (ten percent), nor shall the total price paid for all properties exceed the estimates of the Port Commission's authorization without further specific Commission authorization.

B. Execution of Documents of Sale: The sale of real property is reserved to specific Commission authorization. When the Commission authorizes the sale of real property, the Executive Director shall take all necessary steps to complete the transaction, including but not limited to, accepting deposits, opening escrow and signing all necessary documents.

X. POLICY GOVERNING DISPOSITION OF UNCOLLECTIBLE ACCOUNTS

A. Definition of "Write-off": The term "write-off" means the adjustment of the accounting records of the Port to reflect the fact that the account is uncollectible in the normal course of operations. The Executive Director may authorize Legal Counsel to initiate or continue with legal action to collect an account without regard to whether the account has been written off the accounting records of the Port.

B. Procedures: The Executive Director is authorized to establish procedures for and to write off any uncollectible account in the amount of .05% of annual operating revenues of the last complete fiscal year or less subject to the following general guidelines:

1. Prior to writing off any account receivable or uncollectible, the Executive Director shall be satisfied that every reasonable effort has been made by the Port to accomplish the collection of the account.
2. Any account in excess of .05% of annual operating revenues of the last complete fiscal year which is deemed to be uncollectible shall be referred to the Port Commission for final write-off.

XI. POLICY GOVERNING LEASE SURETY, SURETY BONDS, RENTAL DEPOSITS, AND INSURANCE POLICIES

A. Authority of the Executive Director: The Executive Director or his designee is authorized to take all necessary actions on behalf of the Commission in connection with lease surety, lease surety bonds, assignments of accounts, rental deposits, or insurance coverage required pursuant to any leases of the Port, including any of the following actions:

1. Where the lease is not in default, to release any surety, surety bond, or rental deposit where an adequate substitute surety or rental deposit has been provided.

2. To approve any surety, surety bond, rental deposit, certificate of insurance, or insurance policies submitted in fulfillment of the requirements of any lease, including substitute or replacement coverage for any terminated bond, surety, or rental insurance.
3. To approve any substitute or modification of surety or insurance coverage, and to release any surety or insurance company when substitute or replacement insurance coverage has been provided in connection with any outstanding lease of the Port.

XII. POLICY GOVERNING SALE OF PERSONAL PROPERTY

A. Sale of Property Pursuant to RCW 53.08.090: The Executive Director or his designee is authorized, pursuant to RCW 53.08.090, to sell and convey surplus personal property of the Port subject to the following conditions:

1. that the market value of such personal property does not exceed \$10,000; and
2. that prior to any such sale or conveyance, the Executive Director shall itemize and list the property to be sold and make written certification to the Commission that the listed property is no longer needed for Port purposes; and
3. that offers for purchase are solicited from at least three (3) parties whenever possible; and
4. that any large block of such property having a value in excess of \$10,000 shall not be divided into components of a lesser value and sold unless done so by public competitive bid; and
5. that no property which is part of the comprehensive plan of improvement or modification thereof shall be disposed of until the comprehensive plan has been modified pursuant to RCW 53.20.010 and until such property is found to be surplus to Port needs; and
6. that in no case shall surplus personal property be sold to any Port official or employee or members of their families without the specific approval of the Commission.

XIII. LITIGATION

A. Management and Supervision of Litigation: The Executive Director and the Port's Legal Counsel (appointed by the Commission) shall be responsible for the procedures necessary for management and supervision of all litigation in which the Port has an interest, direct or indirect. For purposes of this section, "litigation" shall mean the assertion or potential assertion of any position, right or responsibility by or against the Port, including actions which have been filed in any court or any quasi-judicial or administrative forum.

B. Special Legal Services: The Executive Director, on consultation with the Port's Legal Counsel, is authorized to retain other such special counsel at fees as may be negotiated to assist in the handling of any claims, litigation, or other matters necessary to attend to the legal affairs of the Port, within overall budgetary constraints.

C. Engagement of Experts: The Executive Director may engage or cause to be engaged through Legal Counsel, such experts as may be necessary for the orderly support of claims or litigation in which the Port has a direct or indirect interest. Such engagement shall be upon authorization given by Legal Counsel after having been satisfied that such expenditure is necessary to the adequate preparation and representation of the Port's position in such litigation or claim and shall, wherever practicable, include evaluation of the litigation or claim and an estimate of the probable cost of such experts.

D. Consultation with Commission: The Executive Director will, in conjunction with the Port's Legal Counsel, consult with the Commission regarding strategy and the economic impact of litigation.

XIV. POLICY GOVERNING INTERLOCAL AGREEMENTS FOR USE OF PORT PROPERTY FOR TRAINING PURPOSES, EVENT SITE USE AGREEMENTS FOR EVENTS AND RATES WITHIN ESTABLISHED RANGES

A. Executive Director's Authority: The Executive Director is authorized to execute agreements with other public agencies for purposes of conducting training exercises related to police, fire and public health and safety issues.

B. Executive Director's Authority: The Executive Director is authorized to execute event and site use agreements with organizations for events conducted by the organizations on Port property.

C. Executive Director's Authority: The Executive Director is authorized to establish rates for particular dates or seasons (i.e., low season or midweek discounted rates and peak season rates) when the Commission has established rate ranges on approved rate cards.

XV. POLICY GOVERNING APPLICATION AND ACCEPTANCE OF GRANTS

A. Authority of the Executive Director: The Executive Director or his designee is authorized to take all necessary actions on behalf of the Commission to prepare and submit applications for grants and State or Federal Legislative appropriations. The Executive Director shall notify the Commission of the amount and purpose of all grant applications and upon request shall provide copies of such applications.

B. Acceptance of Grants: The Executive Director shall consult with the Commission prior to accepting or appropriating any grant awarded to the Port and shall obtain Commission approval to accept and appropriate any grant funding or expenditure which was not specifically identified in the approved annual budget.

XVI. POLICY GOVERNING PERMIT APPLICATIONS AND NOTICES OF INTENT

A. Executive Director's Authority: The Executive Director is authorized to take all necessary actions to prepare and submit applications and notices of intent for coverage under state, local and federal regulatory permits including but not limited to, National Pollution Discharge Elimination System (NPDES) permits, Joint Aquatic Resources Permit Application (JARPA), and Hydraulic Project Approval (HPA) permits.

XVII. POLICY GOVERNING PROMULGATION OF ADMINISTRATIVE RULES AND REGULATIONS

A. Authority of the Executive Director: The Executive Director is authorized to adopt administrative rules, regulations and procedures necessary (hereinafter "rules and regulations") for the efficient operation of the Port so long as such rules and regulations are reported to the Commission and are consistent with Commission policy. All amendments to the rules and regulations established therein may hereafter be made by the Executive Director, so long as such amendments do not exceed the authority of the Executive Director, as granted elsewhere herein, and are reported to the Commission in a timely manner.

XVIII. POLICY GOVERNING AUTHORITY TO ENTER INTO NON- DISCLOSURE AGREEMENTS

A. Authority of the Executive Director: The Executive Director is authorized to enter into non-disclosure agreements on behalf of the Port of Port Townsend, provided that the non-disclosure agreement is first reviewed by legal counsel to ensure compliance with applicable law, including laws relating to public records and open public meetings.

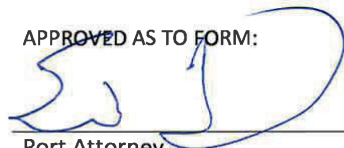
ADOPTED by the Board of Commissioners of the Port of Port Townsend this ____ day of January, 2022 and duly authenticated in open session by signatures of the Commissioners voting in favor thereof and the seal of the Commission duly affixed.

ATTEST:


Secretary


President


Vice President

APPROVED AS TO FORM:

Port Attorney



RESOLUTION NO. 770-22

A Resolution of the Commission of the Port of Port Townsend
READOPTING COMMISSION MEETING PROCEDURES

WHEREAS, The Port of Port Townsend did establish and approve, in public session, "Commission Meeting Procedures" by Resolution No. 42-87 dated November 18, 1987, and;

WHEREAS, The Port of Port Townsend did rescind Resolution No.42-87, and adopted new Commission Meeting Procedures which were more efficient and beneficial for both the Commission and participating public, by Resolution No. 326-00 on July 26, 2000, and which was subsequently amended by Resolution No. 344-01 on March 14, 2001; by Resolution No. 363-02 on February 27, 2002; by Resolution No. 367-02 on March 27, 2002; by Resolution No. 390-03 on January 22, 2003; Resolution No. 392-03 on April 9, 2003; by Resolution No. 471-06 on July 26, 2006; by Resolution No. 487-07 on April 25, 2007; by Resolution No. 532-10 on January 27, 2010; by Resolution No. 553-11 on January 12, 2011; by Resolution No. 558-11 on March 23, 2011; by Resolution No. 561-11 on June 8, 2011; by Resolution No. 594-13 on May 8, 2013; Resolution No. 604-14 on January 22, 2014; by Resolution 624-15 on January 14, 2015; Resolution No. 639-16 on January 27, 2016; by Resolution No. 654-17 on January 11, 2017; Resolution No. 674-18 on January 24, 2018; by Resolution No. 675-18 on February 28, 2018; by Resolution No. 695-19 on January 24, 2019; by Resolution No. 714-20 on January 22, 2020; by Resolution 742-21 on January 13, 2021; and by Resolution 752-21 on September 8, 2021; and by Resolution 763-22 on January 12, 2022

WHEREAS, the Port Commission wishes to modify the meeting procedures as noted in Appendix A, established on January 12, 2022, via Resolution No. 763-22.

NOW, THEREFORE BE IT HEREBY RESOLVED by the Port Commission of the Port of Port Townsend, that Resolution No. 763-22 shall be rescinded, and the Commission Meeting Procedures, as shown in the attached "Appendix A," shall be adopted in their place.

ADOPTED this 8th day of June 2022, by the Commission of the Port of Port Townsend and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.

ATTEST:


 Peter W. Hanke, Secretary


 Pamela A. Petranek, President


 Carol L. Hasse, Vice President



APPROVED AS TO FORM:


 Port Attorney

APPENDIX A to Resolution 770-22
Port of Port Townsend Commission Meeting Procedures

The Commission Meeting Procedures have been adopted by Resolution 714-20, amending Resolutions 326-00, 344-01, 363-02, 367-02, 390-03, 392-03, 471-06, 487-07, 532-10, 553-11, 558-11, 561-11, 594-13, 604-14, 624-15, 639-16, 654-17, 674-18, 675-18, 694-19, 714-20, 742-21, 752-21 and 763-22. Any changes or deletions will require an amendment to the Resolution.

COMMISSION MEETINGS

TIME AND LOCATION OF MEETINGS

1. Effective June 9, 2022, with the exceptions outlined in paragraph 2 immediately below, regular business meetings of the Port of Port Townsend will occur twice a month - on the second Wednesday of each month at 1:00 p.m. and on the fourth Wednesday of each month at 5:30 p.m. in the Port's Pavilion Building, 355 Hudson Street, Port Townsend, Washington, unless otherwise indicated. Public Workshops will occur on the second Wednesday of each month at 9:30 a.m. Meeting and workshop schedules and locations are subject to change with a minimum 24-hour notice to the local newspaper and the Port's website.
2. Any meeting that falls on a holiday will be held the following regular business day. To accommodate Thanksgiving, the second meeting in November shall be held on Tuesday, November 22, 2022 at 1:00 P.M. There is no regular meeting scheduled for the second meeting (fourth Wednesday) in July, August or December.

MEETING FORMAT

1. **Regular Meetings: Are held in-person with a virtual option for commissioners, staff and public participation.**
2. **Special Meetings: Are held in-person and may not include a virtual option depending on location, internet availability and practicality of hosting a virtual option.**

RULES OF TRANSACTION OF BUSINESS

1. Order of Business shall be as follows:
 - I. Call to Order
 - II. Approval of Agenda
 - III. Public Comments Related to/not related to the agenda (limited to total of thirty (30) minutes; three (3) minutes per person)
 - IV. Consent Agenda
 - V. Special Guests & Presentations
 - VI. Second Reading (Action Items)
 - VII. First Reading (Discussion Only)
 - VIII. Regular Business
 - IX. Staff Comments
 - X. Commissioner Comments
 - XI. Next Meeting
 - XII. Executive Session (if any)
 - XIII. Adjournment
 - XIV. Informational Items
2. All matters which, in the judgment of the Commission, are of a legislative character shall be embodied in the form of Resolutions. Resolutions shall be numbered consecutively, and the original copy shall be signed by the President and Vice President and attested by the Secretary. Resolutions shall be filed by the Executive Assistant and shall be recorded in a book or books kept for such purpose, which shall be public records.
3. Organization of Workshops:
 - a. Shall have an agenda;
 - b. Will have minutes recording topics discussed either in written and/or audio format;
 - c. Will be used for discussion, with no formal action (i.e., an actual vote of the Commission on a motion, proposal, resolution, or order); and

- v. Each member shall have the opportunity to speak before any member speaks twice.
 - vi. Every member has the right to know the meaning of the question before the Commission and what its effect will be.
 - vii. All meetings must be characterized by fairness and by good faith.
- d. Routine and ordinary business may be approved and/or rejected by the Commission by placing it on either the Consent Agenda, or as an item of "Regular Business". Examples of items typically placed on the consent agenda are approval of warrants, meeting minutes, lease amendments, contracts and items that have already come before the Commission.
- Examples of items considered as "Regular Business" include monthly financial reports, lease agreements, significant contracts, and grant agreements. Matters of routine and ordinary business may be voted on at the same meeting at which they are introduced.
- e. To facilitate sufficient time for reflective consideration of proposals by Commissioners and members of the public and staff, all proposals for policies* which impact Port customers or members of the public shall be voted on no sooner than the immediate next regular business meeting following introduction of the proposal. The introduction of a proposal at a Commission meeting is the "first reading" and any subsequent meeting where the proposal is considered is the "second reading". This requirement may be waived by a unanimous vote of the Commission.
- *Examples of policy actions include adoption of the budget, adoption of strategic and/or comprehensive plans.
- f. Motions do not require a second.
 - g. The presiding officer of the Commission meeting shall have the right to participate fully in the discussion and shall cast a vote on all motions.
 - h. The standard priorities and requirements for main, subsidiary, and privileged motions shall be used.
6. The draft agenda may be available by Friday of the week previous.
7. The Executive Director or his designee would be responsible for keeping track of each issue.
8. Port staff and/or general counsel may serve as parliamentarian in the event the presiding officer, commissioner or commission desire procedural assistance.

All public comments and questions should be directed to the Commissioners. If the Commissioners so desire, they may refer the question to the Executive Director, Port Attorney, and/or other Port Staff in attendance.

MINUTES

1. Additions and or corrections to the Minutes will be recorded and become a part of the revised and approved consent agenda. Minutes are to be available to the Commissioners prior to the meetings.
2. Minutes are recorded according to RCW 42.30.035.

VOUCHER APPROVAL

Voucher approval is incorporated under "Consent Agenda". See also Resolution 737-20 for details on the issuance and approval of checks and warrants.

COMMISSIONER'S COMPENSATION

Each Commissioner shall be reimbursed or compensated for actual attendance at official meetings of the district and for other official services or duties on behalf of the district up to the maximum rate allowed in accordance with RCW 53.12.260.

MEETING DATE	December 14, 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	VII. C. Personal Services Agreement for Government Relations Consulting (State/Federal Policy Priorities & Funding)
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
ATTACHMENTS	<ul style="list-style-type: none"> • Informational Memo • Personal Services Agreement

DATE: 12/14/2022
TO: Port Commission
FROM: Eron Berg, Executive Director & Eric Toews, Deputy Director
SUBJECT: Personal Services Agreement for Government Relations Consulting (State/Federal Policy Priorities & Funding)

ISSUE: Should the Commission authorize the Executive Director to execute a personal services agreement with Insight Strategic Partners, LLC, for strategic advocacy and government relations for 2023?

BACKGROUND & DISCUSSION: In recognition of the Port's need to retain professional government relations consulting support, the Port contracted with Insight Strategic Partners, LLC ("Insight") in September of 2020. The original contract established a compensation limit of \$25,000 and was to run through May 31, 2021. The contract was later amended to increase the upset compensation limit to \$50,000 (the maximum permitted under delegated authority) and to extend the contract term through December 31, 2021.

In January of this year, a new contract was executed with Insight for a scope of work identical to the original agreement with a compensation limit established at \$39,000. This agreement was amended in June to expand the scope of work to include relationship-building with Washington State's US Congressional delegation and advocacy of federal funding for key Port capital projects and legislative priorities.

The Port continues to aggressively pursue state and federal funding support for its capital rehabilitation program as well as new initiatives (e.g., West Boat Yard Expansion). Consequently, there is an ongoing need for government relations support and assistance. In November, Port staff conducted a qualifications-based selection process for consulting services as a first step in obtaining the continuing assistance required. The Port used the MRSC roster to select and review the qualifications of five consulting firms that focus on government relations and advocacy. The qualifications of the following consultants were reviewed: Hechtman Consulting, LLC; Johnston Group, LLC; Triangle Group, Inc.; Upper Left, Inc.; and Insight Strategic Partners, LLC. Based on this review, staff concluded that Insight Strategic Partners is the most qualified firm to serve the Port's needs in the coming year.

Insight's advocacy work on behalf of the Port over the past two years has achieved several notable successes, including: assistance in obtaining additional funding for the Point Hudson Breakwater Replacement Project (a \$2.5M state legislative appropriation); and facilitating an amendment to the Port Management Agreement with DNR that was needed to secure EDA funding for the Point Hudson Breakwater. Insight's efforts also helped to bring about a state legislative appropriation for the Boat Haven Stormwater Improvement Project (\$2.0M), and

recently proved successful in ensuring that the Boat Haven Breakwater (original section) is included in the draft Water Resources Development Act (WRDA) for 2023. Together, these successes demonstrate a proven track record of effective advocacy.

Port staff negotiated a scope of work and contract price within the last few weeks which is presented in the attached Personal Services Agreement. The anticipated work for 2023 will include:

- Continued engagement and relationship-building with Washington State's US Congressional delegation (advocating for federal funding of key Port infrastructure projects and legislative priorities).
- Providing government relations counsel and strategic support to advocate for funding and policies beneficial for the Port, including facilitating engagement and relationship-building with members of the Washington State Legislature, Governor's Office, and appropriate state agencies.
- Supporting the preparation of relevant advocacy materials and other outreach documents.
- Tracking legislation of interest to the Port and find opportunities to engage in policy conversations that advance the Port's agenda.
- Partnering with the City of Port Townsend, Jefferson County, Jamestown S'Klallam Tribe, and all other stakeholders in the furtherance of the Port's legislative priorities.
- Coordinating with the Washington Public Ports Association on issues of interest to the Port.
- Providing written and oral updates on progress to the Port Commission and Administration.

FISCAL IMPACT: The compensation limit established for this agreement is \$75,000 for the period January 1, 2023 through December 31, 2023 (i.e., \$6,250 per month). This increased compensation limit (compared with prior agreements) reflects the expanded effort at the federal level.

RECOMMENDATION: Adopt a motion authorizing the Executive Director to execute a Personal Services Agreement with Insight Strategic Partners, LLC, substantially in the form presented.

ATTACHMENT: Personal Services Agreement with Insight Strategic Partners (consisting of 9 pages, including Scope of Services and Fee Schedule).

PORT OF PORT TOWNSEND STANDARD AGREEMENT FOR PERSONAL SERVICES

This Standard Agreement for Personal Services (the “Agreement”) is made and entered into on December __, 2022, and effective January 1, 2023, 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: Eric Toews, Deputy Director
Telephone: 360-385-0656 (main); 360-385-0680 (direct)
Email: eric@portofpt.com

Consultant Insight Strategic Partners, LLC
911 Pine Street, Suite 304
Seattle, WA 98101
UBI No. 604-004-361

Consultant Contact: Martin C. Loesch, Partner
Telephone: 360-202-6366
Email: marty@insightstrategicpartners.com

Project: Government relations counsel and strategic support for funding and policies beneficial to the Port

1. Scope of Work. The Consultant is retained and appointed to implement the services outlined in **Exhibit “A”**, which is attached hereto and incorporated herein by this reference. Consultant shall use Consultant’s best efforts to perform the described services such that the results are satisfactory to the Port.
2. Compensation. The Consultant shall be compensated for services provided and for expenses on the basis of the attached “Fee Schedule” attached hereto as **Exhibit “B”**. The total expenditure by the Port for this Agreement shall not exceed \$75,000.
3. Term of the Agreement. The term of this Agreement shall take effect January 1, 2023, and will terminate on December 31, 2023 unless extended by mutual agreement of the parties.
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

INSIGHT STRATEGIC PARTNERS, LLC

Eric Toews, Deputy Director

Martin C. Loesch, Partner

GENERAL PROVISIONS

1. Selection. The Consultant was chosen in accordance with chapter 53.19 RCW and the Port's applicable policies and procedures.

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 is 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) 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 or written reports 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. 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.

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. 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.

18. 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.

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

20. 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.

21. 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.

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

23. 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.

24. 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.

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

26. 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.

27. 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.

28. 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.

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

30. 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 work objective is to provide counsel and support to the Port in obtaining capital project funding support and state legislative outcomes beneficial to the Port’s interests. The Insight Strategic Partners team committed to serving the Port includes Marty Loesch, Matt Steuerwalt, Caron Benedetti Cargill, and Chelsea Hager.

Tasks to be provided by the Consultant include the following:

- Facilitate engagement and relationship-building with Washington State’s US Congressional delegation, including advocating for federal funding of key Port infrastructure projects and legislative priorities.
- Provide government relations counsel and strategic support to advocate for funding and policies beneficial for the Port, including facilitating engagement and relationship-building with members of the Washington State Legislature, Governor's Office, and appropriate state agencies.
- Support the preparation of relevant advocacy materials and other outreach documents.
- Track legislation of interest to the Port and find opportunities to engage in policy conversations that advance the Port’s agenda.
- Partner with the City of Port Townsend, Jefferson County, Jamestown S’Klallam Tribe, and all other stakeholders in the furtherance of the Port’s legislative priorities.
- Coordinate with the Washington Public Ports Association on issues of interest to the Port.
- Provide written and oral updates in a manner desired by the Port’s leadership.

EXHIBIT “B”: FEE SCHEDULE

FEES

- The total expenditure by the Port for this Agreement shall not exceed \$75,000.
- Insight Strategic Partners will perform the services described in Exhibit “A” for a fixed fee of \$6,250 per month.

EXPENSES

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

POTENTIAL ADDITIONAL COSTS

Consultant’s fees for services do not include additional costs that may be deemed necessary by the Port, such as creating and printing materials, conducting public opinion research (e.g., polling), or providing additional strategic and/or support services requests by the Port. Such costs may only be incurred by way of a written amendment to the scope of services and budget for this agreement executed by both parties.

MEETING DATE	December 14, 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	VII. D. IDD Levy Financial Report, YTD Quarter 3 Report
STAFF LEAD	Abigail Berg, Director of Finance and Administration
REQUESTED	<input checked="" type="checkbox"/> Information <input type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
ATTACHMENTS	Informational Memorandum IDD Levy Quarter-to-date Report

DATE: 11/28/2022
TO: Port Commission
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: IDD Levy Financial Report, YTD Qtr. 3, 2022

ISSUE

Provide a report to the Commission.

BACKGROUND/DISCUSSION

Per RCW 53.25, port districts are authorized to adopt an Industrial Development District (IDD) levy for the redevelopment of lands in an IDD designated area. The IDD Levy was adopted by the Commission via resolution 698-19 after a vote of the people approved it in the November 2019 election and includes all three districts of Jefferson County.

The purpose of this report is to keep the Commission apprised of the Industrial Development District (IDD) receipts and authorized capital expenditures activity during the term of the levy. It includes the annual budgeted tax receipts and capital project expenses as well as the actual year-to-date tax receipts and capital project expenses since the inception of the levy. In addition, we have included the running total of the estimated remaining levy amount that may be taxed, the annual millage rate, and the reserve fund balance as of the date of the reported quarter's reconciliation transfer.

Monthly IDD-funded capital expenses are paid from the Port's general fund, but the general fund is not reimbursed from the IDD reserve until the quarterly reconciliations are prepared and executed. When the quarter-end reconciliation is created and the transfer (reimbursement) is made to the general fund, those figures are entered into this report and reported to the Commission.

FISCAL IMPACT

The report shows the income, expenditures, and current balance of the IDD Reserve fund. The largest project planned for this year is the Point Hudson Jetty replacement, a 2-year phased project, that is approximately 2/3 of this year's capital budget and partially funded by the IDD; however, with the grant funding we may not have to access IDD funds until next year. The Sperry buildings capital maintenance work is completed for the year, and the Reconstruction of the Old Coast Guard building project is coming along, but waiting for a permit to finish with the new relocation's foundation, utilities, and subsequent movement of the building in 2023. The North Yard Expansion project will have approximately \$72,000 expended for the year in the Qtr. 4 reconciliation, in addition to a small amount of capital expenditures for the BH Stormwater Compliance Upgrade project. However, we don't expect the 4th quarter IDD funded capital project expenditures to bring the annual total up to what was originally budgeted.

RECOMMENDATION

NA

IDD Tax Levy Activity
as of end of Quarter 3, 2022

Details: This report provides the current quarter-to-date IDD capital expenses authorized to be funded by the IDD levy. It also includes the IDD levy receipts, quarter-to-date, and fund transfers made one month subsequent to quarter end, to reconcile capital work.

Approved by voters November 5, 2019

First year of collection 2020

Base Year AV 2019

Annual maximum millage rate per \$1,000

total estimated IDD Levy (updated Jan. 2022)

\$ 5,988,145,402
\$ 0.45
\$ 16,878,967

Annual millage rate

\$ 0.13

\$ 0.26

\$ 0.26

Total Received since start of levy (a)

\$ 797,610

\$ 2,439,350

\$ 4,149,632

Estimated remaining balance to tax

\$ 16,069,613

\$ 14,435,324

\$ 11,801,035

	2020 (b)		2021		2022	
	annual budget	total for year	annual budget	total for year	annual budget	ytd actual
Revenues						
Total IDD Revenue (a)	809,354	868,941	1,634,289	1,674,283	2,634,289	1,710,282
Capital Expenses						
PH Replacement of North & South Jetties (c)	590,000	194,646	300,000	191,369	2,030,000	66,542
Boat Haven Linear Dock Electrical (55%)	30,050	22,899	-	-	-	-
Main Stormwater Pump Station Repairs	-	-	100,000	53,497	-	-
Dock Renovations & Piling Replacement (c)	80,272	-	-	8,622	-	-
Sperry Bldgs. Capital Maintenance	-	-	70,000	30,117	100,000	30,718
Work & Boat Yard Electrical Design/Construction (c)	-	-	75,000	-	-	-
Quilcene Dredging Design	25,000	-	-	-	-	-
Reconstruct Old Coast Guard Bldg. (Moorage/Yard office)	-	-	15,000	4,396	191,250	201,854
NORTHwest Yard Expansion (25-feet)	-	-	-	-	250,000	176
JCIA Underground Fuel Tank Replacement	-	-	-	-	100,000	-
BH Dock Renovation & Piling Replacement	-	-	-	-	133,191	-
70/75 Ton & 300 Ton Yard Electrical Design	-	-	-	-	30,000	-
70/75 Ton & 300 Ton Yard Electrical Infrastructure	-	-	-	-	75,000	-
BH Stormwater Treatment Compliance Upgrade	-	-	-	-	661,500	2,861
Quilcene Restoration Program	-	-	-	-	100,000	-
Point Hudson Preservation (incl. roofs)	-	-	-	-	40,000	-
total IDD Capital Expenses	725,322	217,545	560,000	288,001	3,710,941	302,151
Unused Current Year Remaining Levy	84,032	651,396	1,074,289	1,386,282	(1,076,652)	1,408,131
Ending IDD Reserve Account Balance		651,396		\$ 2,037,679		\$ 3,445,809

Notes:

(a) "Total Received since start of levy" reports only IDD levy receipts. When compared to the "Total IDD Revenue" line in the Actual column, the actual is higher because it includes other taxes receipted as the result of the adopted levy, i.e. State Timber Tax, etc.

(b) A budget for IDD Levy funding use was not developed in the original 2020 budget since the election results were not certified until after budget adoption. The voters did pass the IDD Levy referendum and on April 22, 2020, Port staff presented the Commission with a proposed budget for the 2020 IDD Levy capital expenditures. This was later revised several times during 2020.

(c) At the June 23, 2021 Commission meeting, an updated CIP budget for 2021 was approved. The Point Hudson Jetty project expense was increased from \$226,700 to \$300,000 due to permitting costs. The Dock Renovation & Piling Replacement project was removed from the 2021 budget, though expenses had already been incurred. The Work & Boat Yard Electrical Design project was increased from \$30,000 to \$75,000 to include Construction.

MEETING DATE	December 14, 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">• Lease Briefing• September 2022 YTD Financial Detail

DATE: 12/7/2022
TO: Commission
FROM: Sue Nelson, Lease & Contracts Administrator
SUBJECT: December 14, 2022, Lease Briefing

ISSUE

The purpose of this memo is to keep the Commission informed about existing, planned, and potential leases.

BACKGROUND

As of the beginning of this month the Port has **43** land leases, **41** building leases, **33** rentals. Vacant properties include Point Hudson north duplex

DISCUSSION

Leases expiring in 2023:

- Key City Fish, 10th St. location, exp 8/31/23
- US Coast Guard, exp 9/30/23 (property staff has contacted me-they will enter into a new agreement)
- Aurora Aircraft (fuel concession), exp 12/31/23

New Agreements:

- LEASE: Port Townsend Sailing Association, Nomura Building space (assuming approval at 12/14/22 commission meeting)
- RENTAL AGREEMENT: Impact Naval Architects, upstairs office, northern half of Point Hudson Duplex

Lease Amendments:

- Northwest School of Wooden Boatbuilding, adding non-exclusive use of kitchen to lease (assuming approval at 12/14/22 commission meeting)

Exercising Options:

Assignments/Assumptions:

Terminated/Expired Agreements:

- **TERMINATED:** Port Townsend Sailing Association Rental Agreement for use of land for storage container
- **TERMINATED:** Rubicon Yachts lease expired 11/30/22. Marine Surveys & Associates will relocate here

License & Use Agreements:

- **EARLY TERMINATED:** Port Townsend Sailing Association License for use of land for sailing club-related events.

November Rent Increases:

- **CPI Increase (4.6%):** A Hangar; Building C Hangar; Jeffco Hangar Assoc.
- **Market Rate Increase:** Key City (Haines Pl); The Artful Sailor (main shop Armory Bldg)
- **Step Increase:** Pete Stein & Compass Woodwork

Miscellaneous:

- The new lease agreement for Marine Surveys and Assessments for the building formerly occupied by Rubicon, is planned for presentation at the Jan 11, 2023 meeting.
- Met with Port Townsend Shipwrights Co-op, lease discussions
- Met with Bob Frank, Admiral Marine, about a relocation possibility

ATTACHMENTS

1. 2022 Lease List

RECOMMENDATIONS

For information only.

Boat Haven - PROPERTY	DECEMBER 2022			
LEASE NAME	Lease Amount	Lease Expiration	NEXT CPI/ STEP Incr.	REMARKS
Admiral Ship Supply	1,860.13	1/31/2025*	2/1/2023	*One 5-yr option available.
Andersen Machine Shop	281.44	9/30/2027	10/1/2023	Land lease.
Andersen Machine Shop	59.62	Mo/Mo	6/1/2023	228 sf additional land for storage adjacent shop. 30 day notice for rate increases.
Armstrong Consolidated LLC (Washington)	9,041.51	Mo/Mo	30-day notice	30-day notice for rate increases.
Armstrong Consolidated LLC (Washington)	445.83	Mo/Mo	30-day notice	Additional space upstairs.
Armstrong Consolidated LLC (10th St)	3,140.29	8/31/2023*	9/1/2023	*One 1-yr option remains. Assignment of Dave's Mobile Welding Lease.
Armstrong Consolidated LLC (10th St land)	730.08	Mo/Mo	30-day notice	Land rental-ground in front of building.
Blue Moose Café	725.56	10/31/2026*	11/1/2023	*5-yr option available. 24-mo step to market. Step increase.
Cashin, Andrew	201.78	4/30/2023	N/A	6-mo lease- office2D, Nomura Bldg. Sail PT renting seasonally, 5/1/23-10/31/23
Crown Castle (cell tower)	17,928.21/yr	6/30/2025*	6/1/2023	*One 5-yr option remains. Pay one mo in arrears..
Crown Castle - AT&T Sub-Lease	939.12		9/1/2022	Annual lease renewal. 6.5% annual increase 9/2019-9/2022. Pay one mo in arrears.
Eagle Harbor Marine	274.59	Mo/Mo	9/1/2022	Land rental. 30-day notice for rent increases.
EDC Team Jefferson	836.03	Mo/Mo	7/1/2023	2nd floor Nomura Bldg (767 sf). 30--day notice for rent increases.
Ernst R. Baird (Haven Boatworks)	900.88	2/28/2029	3/1/2023	Land lease. Includes 6' x 50' Lumber rack.
Fine Yacht Interiors	1,368.84	5/31/2025*	6/1/2023	*One 3-yr option remains. Exercised 2nd option 6/1/22-5/31/25.
Flye, Todd dba On The Flye	375.47	1/31/2025	2/1/2023	Land lease-temporary structure. No options remain.
Goolden, Leo (Sampson Boat Co)	1,039.36	Mo/Mo	6/1/2023	30-day notice for increases. (M/V Tally Ho project-up to 2 yrs.) MR applied.
Haven Boatworks	1,269.22	Mo/Mo	1/1/2023	Former J&S Bldg., Haines St. 30-day notice for rent increases.
Jefferson County (Commission Bldg)	1,846.38	9/30/2026	10/1/2023	5-yr. 180 day termination notice-either party.
Jeremy Johnson Photography	171.13	Mo/Mo	30-day notice	2nd floor office #2F, Nomura Building.
Jochems Property Mgmt.	326.47	10/31/2026	1/1/2024	Land lease. CPI every two years, next 1/1/2024.
Johnson Fabrication	1,912.54	Mo/Mo	9/1/2023	New mo-mo rental.
Jumping Mouse	100.00 Lic fee	License	11/19/2022	Annual 1-day Turkey Trot/Start/Finish by westend restrooms.
Katz, Alan	906.66	Mo/Mo	30-day notice	Land lease, business w/temporary shelters. Formerly Dave Thompson's space.
Key City Fish Co. (10th Street-seafood mrkt)	1,927.51	8/31/2023	9/1/2023	Seafood market.
Key City Fish Co. (Haines PL-refrigeration)	852.58	11/30/2024*	12/1/2023	*Two 5-yr options available.
Kimmel's Crab Shack	2,267.91	4/30/2049	5/1/2023	Land lease. MR.
NW Maritime Center (Marine Thrift)	614.34	1/31/2024*	2/1/2023	*One-1-yr option remains.
NW School of Wooden BoatBuilding	533.58	6/30/2026*	7/1/2023	*One 5-yr option available. 25% of prevailing rate. Amend 1 adds non-exclusive kitchen use.
Octopus Gardens Diving	1,011.20	6/30/2026	1/1/2023	24 mo. stepped rent to achieve market rate.
Olympic Boat Transport LLC	51.68	Mo/Mo	2/1/2023	Relocated crane next to Pete's Marine w/new mo-mo agreement, smaller footprint.
Pete Stein & Compass Woodwork	6,075.58	5/31/2026*	6/1/2023	*One 5-yr option available. Amended lease includes Bldg 2 & 3. 18-mo step rent. Paying Bldg 3 dep in full, continuing with stepped dep for Bldg 2.
Pete Stein & Compass Woodwork	98.32	Mo/Mo	30-day notice	40'x8' land & 7'x8' land for equipment.
Pete's Marine Metals	1,565.40	7/31/2023*	8/1/2023	*Two 1-yr options available.
Port Townsend Fuel Dock LLC	650.00	6/30/2024*	N/A	*One 5-yr term remains. 2% flowage fee pays rent. MR applies.
PT Furniture Clinic	616.99	1/31/2024*	2/1/2023	*One 1-yr option remains.
PT Sailing Association	642.39	11/30/2027*	12/1/2023	*5-year, 2 week +5-year option building lease, Annual CPI; MR beg. year 3 and every 3 years.
PT Sailing Assoc.—License	431.79/yr	8/31/2023*	N/A	*Zero options remain. Use of land near Octopus Dive for sailing activities. CPI.
PT Sailing Assoc.	119.95	Mo/Mo	9/1/2023	Use of land near Octopus Dive for storage container.
Port Townsend Shipwrights, Inc.	6,307.54	7/31/2050	8/1/2023	Land lease. Market rate incr 8/1/30-every 10 yrs.
PT Rigging	511.33	3/31/2030	4/1/2023	Land lease. 4.6% CPI applied.
Pt Townsend Yacht Club	295.44	2/28/2026	3/1/2027	Land lease.
Revision Marine	2,020.22	12/31/2024	1/1/2023	Bldg/Land lease
Rubicon Yachts, LLC	1,515.00	11/30/2022	N/A	New 1-yr lease, effective December 1, 2021.
Sands, Guy & Kim (PT Brewing Co.)	3,436.78	5/31/2026*	6/1/2023	*Two 5-yr options remain. Bldg & Land.
Sands, Guy & Kim (PT Brewing Co)	162.00	Mo/Mo	10/1/2023	600 sf outdoor dining area.
Scow Bay Boats	521.34	9/30/2023*	10/1/2023	*One 3-yr option. Land lease-temporary structure.
Sea J's Café (Estate of Florence Jevne)	1,119.94	Mo/Mo	6/1/2023	Mo/Mo Building & Land agreement.
Sitewise Design PLLC	160.23	Mo/Mo	6/1/2023	Mo/Mo building agreement for small office 2-H in Nomura Bldg..
Skookum Corporation	915.01	3/31/2026*	4/1/2023	Annual step increases/*one 5-yr option/renting 3,036 sf lower floor, Nomura Bldg.
Sunrise Coffee	1,905.19	9/30/2031*	10/1/2023	*Two 5-yr options available. Deposit balance-6 installments.
Takaki, Jennifer (Marina Café)	576.00	12/31/2026	1/1/2023	5-year lease, stepped rent to achieve MR in 18 mos. Deposit in full.
Takaki, Jennifer (Marina Café)	106.92	Mo/Mo	10/1/2023	396 sf outdoor dining ara. CPI applies.
Tree Ring, LLC	130.68	Mo/Mo	3/1/2023	New month/month agreement-small office (2-G) upstairs, Nomura Bldg.
University of WA - Sea Grant	224.64	Mo/Mo	4/1/2023	Office 2-E, Nomura Bldg. Tenancy begins 3/15/22-pro-rated rent.
U. S. Coast Guard	5,570.38	9/30/2023	10/1/2023	Annual lease renewal & step increases.

Point Hudson - PROPERTY		DECEMBER 2022		
LEASE NAME	Lease Amount	Lease Expiration	NEXT CPI/STEP Incr.	REMARKS
Best Coast Canvas	1,976.94	7/31/2023*	8/1/2023	Armory Bldg. *Exercised 2nd of 3 1-yr options (8/1/22-7/31/23)
Brion Toss Yacht Rigging	887.76	8/31/2024	9/1/2023	Armory Bldg. 5-yr lease, no options.
Brooks, Cindy	37.80	Mo/Mo	N/A	54 sf floor in Armory Bldg thru June to work on wherry for 70/48 race
Commanders Beach House	2,277.52	4/30/2025	5/1/2023	Assignment to D & N Dionne. CPI applied.
Doc's Marina Grill / TNT Restaurants LLC	3,074.53	4/30/2027	5/1/2023	Exercised last 5-yr option 5/1/22-4/30-27. Wants a new 10-yr lease.MR
Fortune Teller Art	374.88	Mo/Mo	8/1/2023	Office #2, Main Bldg., Point Hudson. 30 day notice for increases
GatheringPlace	N/A	7/31/2004	N/A	Southern half of duplex. Leasehold exempt - Non-profit
Hagen Designs	600.77	Mo/Mo	4/1/2023	Archive rm, Main Bldg. Short term. MR applied.
Hanson of Port Townsend Inc.	361.69	5/31/2023*	6/1/2023	Armory Bldg. *Two 1-yr options remain: 6/22 , 6/23, 6/24.
Hudson Point Café	1,584.53	6/30/2025*	7/1/2023	Main Bldg. *One 5-yr option available.
Hudson Point Café Office #10, Main Bldg.	276.14	Mo/Mo	7/1/2023	Main Bldg. Restaurant view office.
Hudson Point Café Office #8	248.53	Mo/Mo	7/1/2023	Main Bldg. Restaurant storage, non-view office.
Hudson Point Café	117.73			Main Bldg - common area fee-restroom cleaning/stocking
Impact Naval Architects, LLC	279.50	Mo/Mo	12/1/2023	Upstairs office, N. half PH Duplex.
Marine Resources Consultants Inc.	514.44	9/30/2024*	10/1/2023	Armory Bldg. *Used last option.
Marine Surveys & Assessments	1,548.94	3/31/2024	4/1/2023	Cupola House. Scheduled step increases.
Mark Kielty Design	276.14	Mo/Mo	8/1/2023	Main Bldg., small view office.
Mark Kielty Design	7.77			PH Main Bldg - common area fee-restroom cleaning/stocking
Northwest Maritime Center	1,399.03	6/30/2051	7/1/2023	Former Landfall site-plan to build 3000 sf classroom.
Northwest Maritime Center (Swan Hotel)	516.00/yr	auto renew	6/1/2024	License-encroachment. MR every 3-yrs. Port may term w/180-day notice
Puget Sound Express	1,106.50	12/31/2025	1/1/2023	No options remain.
Schooner Martha Foundation	756.29	12/31/2024*	1/1/2023	*One 5-yr option available.
SEA Green Partners d/b/a SEA Marine	2,301.15	4/30/2027*	5/1/2023	*One 5-yr option. Armory Bldg-Upstairs sail loft space.
Shanghai Restaurant	2,585.72	10/31/2026	11/1/2023	No options remain.
Shanghai Restaurant	174.90			PH Main Bldg - common area fee-restroom cleaning/stocking
Shannon Partners LLC (SEA Marine)	2,345.28	6/30/2027	7/1/2023	Ground lease for SEA Marine facility.
The Artful Sailor	554.40	11/30/2023*	12/1/2023	Armory Bldg. *One 1-yr options remain.
The Artful Sailor	429.80	Mo/Mo	2/1/2023	Armory Bldg. Expanding shop to include small shop north. of current sho
U.S. Customs	3,034.75	12/20/2027	GSA determines	Hospital Bldg. Accepted 5-yr option 12/2022 - 12/2027
Washington Dept. of Fish & Wildlife	8,430.97	3/21/2024*	N/A	Hospital Bldg. *One 5-yr option.
Washington Dept. of Fish & Wildlife	1,512.90	Mo/Mo	11/1/2023	Cupola Annex-storage.To be rolled in 3/31/24 with main lease at opt da
Whittiker, LLC	\$ 275.88	Mo/Mo	8/1/2023	Office #1, Main Bldg., Point Hudson. 30 day notice for increases

JCIA - PROPERTY	DECEMBER 2022			
LEASE NAME	Lease Amount	Lease Expiration	NEXT CPI/ Step Incr.	REMARKS
A Hangar Condo Association	1,159.05	11/20/2045	12/1/2023	Land lease. Hangars 'E' & 'F'.
Aurora Aircraft Maint & Restoration	547.57	10/31/2026*	11/1/2023	*One 5-yr option remains.
Aurora Aircraft Maint & Restoration		12/31/2023	N/A	Fuel Concession. If Erickson replaces tank, one more 5-yr option available. Port is paid 2%/fuel sales for lease.
Broderson, Dennis	58.28	2/28/2016	3/1/2023	T-hangar pad LEASE T-403(Q) '22 adopted rate appld (7c/sf)
Browning, Scott & Lori	100.00/yr	ann. auto renew	8/1/2023	Periodic tree & shrub removal.
Dow Jeffery & Jorja	362.16	12/31/2028	8/1/2023	Land lease. Hangar 'D'.
Eber, Lorenz	60.00	Mo/Mo	1/1/2023	T-hangar pad, #T-404(P)
Erickson, Warren & Karen	173.65	7/26/2057	3/1/2023	Land lease. Hangar '4-B'.
G Hangar Condo Assoc.	560.44	6/9/2047	7/1/2023	Land lease.
Grandy, Richard	174.16	7/26/2057	3/1/2023	Land lease. Hangar '4-A'.
H-Hangar Corp., Inc.	520.95	6/22/2049	7/1/2023	Land lease.
Hangar C Group LLC	542.64	4/30/2053	12/1/2023	Settled 2/25/21: Amend #6: Ext. term.
Hood Canal Aviation LLC/Jim Piper	173.65	7/26/2057	3/1/2023	Land lease. Hangar '4-C'.
JEFFCO Hangar Assoc., Inc.	713.52	11/30/2041	12/1/2023	11,369 sf, hangar site 'I'.
Jeff. Co. Airport Condo Owners Assoc.	1,778.99	7/26/2057	3/1/2023	Assignment of NW Hangar's Lease for sites #7 & 8.
K-Hangar Assoc. @ JCIA	530.59	4/25/2049	5/1/2023	Land lease. CPI applied.
L Hangar Condo Assoc @JCIA	612.27	10/31/2048	10/1/2023	Land lease.
LBG Development, LLC	500.00 fee	4/15/2024*	N/A	Site 1-Exer. option by 4/15/24-then rent begins/50-yr lease.
LBG Development, LLC	500.00 fee	4/15/2024*	N/A	Site 3-Exer. option by 4/15/24-then rent begins/50-yr lease.
Lemanski, Tom & Linda	70.00	Mo/Mo	3/1/2023	T-hangar pad, T-405. 2022 adopted rate applied (7c/sf)
Morrison, Neil/Lark Leasing	174.17	4/30/2053	5/1/2023	Land lease. Hangar 'N-North'. CPI applied.
Morrison, Neil	174.17	4/30/2053	5/1/2023	Land lease. Hangar 'N-South'. CPI applied.
Northrup, Mildred/Hopkins	70.00	Mo/Mo	3/1/2023	T-hangar pad, T-406(M). 2022 adopted rate applied (7c/sf)
Northwest Custom Hangars, LLC(Ward)	500.00 fee	4/15/2024*	N/A	Site 2-Exer option by 4/15/24-then rent begins/50-yr lease
Port Townsend Aero Museum	395.39	7/31/2052*	5/1/2023	*One 25-yr option. Museum bldg- land lease .
Port Townsend Aero Museum	338.90	7/31/2052*	5/1/2023	*One 25-yr opt. Museum bldg- land lease (expn.). CPI appl.
Port Townsend Aero Museum	582.92	7/31/2052*	5/1/2023	*One-25 yr option. Maintenance bldg- land lease . CPI appl.
Port Townsend Aero Museum	231.78	4/30/2053	5/1/2023	M' Hangar. Separate land lease. CPI applied.
Port Townsend Aero Museum	70.00	Mo/Mo	5/1/2023	T-hangar pad, T-400(S). MR applied.
Port Townsend Aircraft Services	293.09	6/30/2035*	7/1/2023	*Two 10-yr options.
Pratt Sr., David	70.00	Mo/Mo	3/1/2023	T-hangar pad, T-401(N). 2022 adopted rate applied (7c/sf)
Puget Sound Express-J Hangar Lease	255.81	10/1/2050	10/1/2023	Assignment-Land lease to Puget Sound Express.
Scheall, Daniel	58.28	2/28/2026	3/1/2023	T-hangar pad LEASE T-402(O)'22 adopted rate appld (7c/sf)
Spruce Goose	228.63	9/30/2029*	10/1/2023	*Two 5-yr options. CPI/MR apply.
Station Prairie	525.00	4/30/2072	5/1/2023	Hangar site pad #5.
Wexman, Scott & Diana Levin	252.48	3/31/2053	4/1/2023	Land lease. Hangar 'O'. 4.6% CPI applied.

QUILCENE - PROPERTY		DECEMBER 2022		
LEASE NAME	Lease Amount	Lease Expiration	NEXT CPI/ Step Incr.	REMARKS
Canterbury, Ray	<i>fluctuates</i>	N/A		<i>Water rights.</i>
Coast Seafoods	\$5,494.92	12/31/2039	1/1/2023	Land lease.
Coast Seafoods	<i>fluctuates</i>			<i>Water.</i>
Quilcene Harbor Yacht Club	\$ 515.00	10/31/2027*	11/1/2023	*One 5-yr option. Rent + 106/hrs in-kind labor. Non-exclusive use of deck.
Quilcene Harbor Yacht Club	<i>fluctuates</i>			<i>Water.</i>
Quilcene Village Store	\$ 120.07	Mo/Mo	9/1/2023	Rental of kayak rack & ground it sits on. Mo-to-mo agrmnt.

Port of Port Townsend
2022 Summary of Fund Resources & Uses with Comparison to Prior Year and Budget

	YTD Sept. 2021	YTD Sept. 2022	Variance to prior year	notes	YTD Budget 2022	Variance to Budget YTD
OPERATING REVENUES						
PTBH - Permanent Moorage	908,789	941,195	32,406		938,648	2,547
PTBH - Liveaboard Fee	17,080	14,819	(2,261)		17,513	(2,694)
PTBH - Liveaboard Background Check	60	360	300		-	360
PTBH - Work Float/Lift Pier Usage	11,426	5,510	(5,915)		3,890	1,620
PTBH - Monthly Guest	183,290	213,004	29,714		237,632	(24,628)
PTBH - Nightly Guest	255,593	248,292	(7,301)		256,861	(8,569)
PTBH - Electric	76,371	70,102	(6,269)		82,085	(11,983)
PTBH - Miscellaneous Revenue	19,055	4,588	(14,467)		13,475	(8,887)
PTBH - Showers	7,378	7,634	256		8,078	(444)
PTBH - Restroom Key Fobs	175	380	205		3,781	(3,401)
PTBH - Laundry	6,020	5,944	(76)		5,750	194
PTBH - Promotional Sales	242	192	(50)		261	(69)
PTBH - Kayak Racks	54	624	570		-	624
PTBH - Port Labor	1,310	(63)	(1,373)		197	(260)
Boat Haven Moorage	1,486,843	1,512,582	25,739		1,568,171	(55,589)
Yard - 70/75 Ton Hoist Revenue	280,181	297,333	17,152		267,737	29,596
Yard - 70/75 Ton Yard Revenue	735,682	857,529	121,846		619,057	238,472
Yard - 70/75 Ton Yard Enviro Fee	57,767	59,403	1,636		52,408	6,995
Yard - 70/75 Ton Yard Electric	31,924	35,915	3,991		33,025	2,890
Yard - 70/75 Ton Yard Port Labor	4,983	9,897	4,915		3,209	6,688
Yard - 300 Ton Hoist Revenue	164,131	178,173	14,042		168,636	9,537
Yard - 300 Ton Yard Revenue	331,738	345,854	14,117		334,101	11,753
Yard - 300 Ton Yard Enviro Fee	9,974	14,514	4,540		9,400	5,114
Yard - 300 Ton Yard Electric	35,327	34,683	(644)		37,604	(2,921)
Yard - 300 Ton Yard Port Labor	2,107	6,303	4,197		2,890	3,413
Yard - L/T Storage	56,839	54,602	(2,237)		60,750	(6,148)
Yard - Blocking Rent	33,154	40,906	7,752		34,014	6,892
Yard - Off Port Property Tarp Fee	925	38	(887)		900	(862)
Yard - Washdown Revenue	66,791	78,559	11,768		64,235	14,324
Yard - Bilge Water Revenue	1,010	3,403	2,393		3,767	(364)
Yard - Liveaboard Fee	2,326	600	(1,726)		2,704	(2,104)
Yard - Enviro Violations & Clean up	1,300	(24)	(1,324)		752	(776)
Yard - Miscellaneous Revenue	-	203	203		1,282	(1,079)
Yard Operations	1,816,159	2,017,892	201,733		1,696,471	321,421
PTBH Prop - Lease Revenue	552,659	618,535	65,876		577,586	40,949
PTBH Prop - Fuel Dock Lease	15,213	15,631	418		15,486	145
PTBH Prop - Garbage	19,902	2,936	(16,966)		19,293	(16,357)
PTBH Prop - Water	-	25,633	25,633		-	25,633
PTBH Prop - Stormwater	7,276	7,163	(113)		8,239	(1,076)
PTBH Prop - Electric	3,066	(50)	(3,116)		3,954	(4,004)
PTBH Prop - Storage Unit Revenue	8,293	9,082	789		8,584	498
PTBH Prop - Miscellaneous	613	575	(38)		-	575
PTBH Prop - Restroom Key Fobs	-	75	75		-	75
Boat Haven Properties	607,021	679,580	72,559		633,142	46,438
Pt Hudson - Permanent Moorage	119,046	103,952	(15,093)		109,892	(5,940)

The accompanying notes and info. memo are an integral part of this statement.

Summary of Fund Resources Uses, September 2022

Port of Port Townsend
2022 Summary of Fund Resources & Uses with Comparison to Prior Year and Budget

	YTD Sept. 2021	YTD Sept. 2022	Variance to prior year	notes	YTD Budget 2022	Variance to Budget YTD
Pt Hudson - Monthly Guest	75,717	93,229	17,513		71,033	22,196
Pt Hudson - Nightly Guest	235,340	198,984	(36,356)		172,727	26,257
City Pier & Union Wharf Usage	10,742	11,740	998		7,006	4,734
Pt Hudson - Monthly R.V.	48,593	61,958	13,365		47,506	14,452
Pt Hudson - Nightly R.V.	374,027	344,213	(29,814)		291,418	52,795
Pt Hudson - Kayak Racks	14,247	15,388	1,141		11,801	3,587
Pt Hudson - Electric	23,808	17,320	(6,488)		21,230	(3,910)
Pt Hudson - Reservation Fee	40,522	38,063	(2,459)		34,980	3,083
Pt Hudson - Liveaboard Fee	5,343	5,381	38		5,343	38
Pt Hudson - Liveaboard Backgrnd Ck	180	1,260	1,080		120	1,140
Pt Hudson - Showers	5,516	5,332	(184)		5,204	128
Pt Hudson - Laundry	8,634	7,180	(1,454)		7,165	15
Pt Hudson - Passenger Fee	14,438	16,878	2,441		12,856	4,022
Pt Hudson - Miscellaneous	2,612	5,196	2,584		900	4,296
Pt Hudson - Promotional Sales	506	1,240	734		580	660
Pt Hudson - Building Leases	316,719	326,865	10,146		321,615	5,250
Pt Hudson - Property Utilities	24,553	33,612	9,059		27,305	6,307
Pt Hudson - Event Facility Rev	949	1,200	251		3,000	(1,800)
Pt Hudson - Parking	18,824	15,505	(3,319)		17,505	(2,000)
Pt. Hudson Marina, RV & Prop	1,340,314	1,304,496	(35,818)		1,169,186	135,310
Quilcene - Permanent Moorage	52,350	50,866	(1,484)		45,194	5,672
Quilcene - Liveaboard Fee	2,429	-	(2,429)		-	-
Quilcene - Nightly Moorage	1,843	1,863	20		2,678	(815)
Quilcene - Showers	2,121	1,822	(299)		2,506	(684)
Quilcene - Electric	3,273	2,118	(1,155)		3,214	(1,096)
Quilcene - Key Fobs	-	325	325		-	325
Quilcene - Kayak Rack Storage	108	254	146		-	254
Quilcene - Reservations	297	198	(99)		462	(264)
Quilcene - Recreational Ramp Fees	10,870	10,942	72		10,238	704
Quilcene - Commercial Use Fees	2,200	5,030	2,830		2,200	2,830
Quilcene - Miscellaneous Revenue	72	609	537		77	532
Quilcene - Lease Revenue	49,227	52,504	3,277		52,051	453
Quilcene - Water	9,993	8,715	(1,278)		9,621	(906)
Quilcene - Empty Trailer Parking	1,196	462	(734)		972	(510)
Quilcene	135,979	135,708	(271)		129,213	6,495
Ramp Fees	40,486	36,371	(4,115)		47,335	(10,964)
PTBH Ramp - Commercial Use Fees	8,482	4,915	(3,567)		5,300	(385)
PTBH Ramp - Dinghy Float Revenue	854	1,093	239		1,047	46
Ramps	49,822	42,379	(7,443)		53,682	(11,303)
JCIA - Lease Revenue	88,890	101,354	12,464		92,196	9,158
JCIA - Hangar Revenue	25,776	29,063	3,286		26,501	2,562
JCIA - Vehicle Parking Revenue	354	800	446		339	461
JCIA - Aircraft Parking	1,225	1,098	(127)		820	278
JCIA - Fuel Lease Revenue	1,743	1,595	(148)		1,412	183
JCIA - Electric	1,029	1,220	191		1,132	88
JCIA - Miscellaneous Revenue	6,133	500	(5,633)		1,000	(500)

The accompanying notes and info. memo are an integral part of this statement.

Summary of Fund Resources Uses, September 2022

Port of Port Townsend
2022 Summary of Fund Resources & Uses with Comparison to Prior Year and Budget

	YTD Sept. 2021	YTD Sept. 2022	Variance to prior year	notes	YTD Budget 2022	Variance to Budget YTD
JCIA	125,151	135,630	10,478		123,400	12,230
(Incr.)/Decr. In Accounts Receivable	35,059	116,742	81,683		-	116,742
Total Operating Revenues	5,596,348	5,945,008	348,660	a	5,373,265	571,743
OPERATING EXPENDITURES						
Salaries & Wages	1,768,130	2,001,323	233,193		2,011,235	(9,912)
Payroll Taxes	179,778	211,427	31,649		216,186	(4,759)
Employee Benefits	615,196	623,237	8,041		680,967	(57,730)
Uniform Expense	4,081	13,020	8,939		7,477	5,543
Contract Services	189,942	185,463	(4,479)		233,732	(48,269)
Legal & Auditing	59,290	46,924	(12,366)		39,580	7,344
Insurance	365,552	451,482	85,930		410,000	41,482
Computer Supplies	14,992	22,604	7,612		9,100	13,504
Operating Supplies	58,937	91,325	32,388		68,869	22,456
Enviro Materials/Supplies	36,907	15,419	(21,489)		12,109	3,310
Tarp Pool Expense	18,956	35,824	16,869		21,000	14,824
Empl Recog/Relations	1,907	6,960	5,053		2,150	4,810
Postage	5,041	4,965	(75)		3,990	975
Janitorial Supplies	17,709	15,497	(2,212)		21,910	(6,413)
Fuel & Lubricants	27,466	45,159	17,694		23,479	21,680
Permits & Licenses	4,965	5,621	656		5,400	221
Equipment Rental & Purchase	15,873	58,148	42,274		22,005	36,143
Claims & Damages	-	8,334	8,334		1,257	7,077
Membership & Dues	17,917	17,206	(711)		34,066	(16,860)
Bank Charges	90,010	137,172	47,163		100,374	36,798
Excise Tax	23,315	20,939	(2,377)		15,271	5,668
Miscellaneous Expense	3,122	1,021	(2,102)		1,998	(978)
Repair & Maintenance Supplies	171,214	279,184	107,970		95,332	183,852
Facilities & Operations	508,331	765,378	257,047		438,310	327,068
Utilities	399,303	460,076	60,773		424,438	35,638
Advertising (Legal 2018)	3,613	9,446	5,833		3,971	5,475
Marketing	35,294	29,595	(5,699)		38,914	(9,319)
Promotion	2,637	5,235	2,598		10,100	(4,865)
Marketing	41,544	44,276	2,732		52,985	(8,709)
Economic Development	15,000	22,500	7,500		22,500	-
Travel & Training	4,016	16,124	12,107		17,094	(970)
Community Relations	3,997	647	(3,351)		3,069	(2,422)
Total Operating Expenditures	4,154,160	4,841,876	687,715	b	4,557,573	284,302
Net Operating Income (Expense)	1,442,187	1,103,132	(339,055)		815,692	287,441
Other Increases in Fund Resources						
Retainage Collected	-	3,472	3,472		-	3,472
Yard Deposits Collected	23,781	2,000	(21,781)		18,110	(16,110)
PTBH Prop Lease Deposits Collected	17,666	14,449	(3,217)		12,999	1,450
PH Prop Lease Deposits Collected	13,195	8,857	(4,337)		6,003	2,854
JCIA Prop Lease Deposits Collected	3,345	4,086	742		-	4,086

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Summary of Fund Resources Uses, September 2022

Port of Port Townsend
2022 Summary of Fund Resources & Uses with Comparison to Prior Year and Budget

	YTD Sept. 2021	YTD Sept. 2022	Variance to prior year	notes	YTD Budget 2022	Variance to Budget YTD
Quilcene Lease Deposits Collected	125	10	(115)		-	10
PH Marina/RV Deposits Collected	17,734	(2,052)	(19,786)		24,600	(26,652)
Deposits & Retainage Collected	75,845	30,823	(45,023)		61,712	(30,889)
Sales Tax Collected	78,338	79,027	690		59,519	19,508
Leasehold Tax Collected	424,852	456,913	32,062		433,449	23,464
Hotel/Motel Tax Collected	7,913	5,744	(2,169)		6,630	(886)
Taxes Collected	511,102	541,685	30,583		499,598	42,087
Grants - FAA	37,546	-	(37,546)		-	-
Grants - Fed. Indirect - RCO	-	13,625	13,625		-	13,625
Grants - WSDOT - JCIA	105	-	(105)		4,500	(4,500)
Grants - WA State & Jeff Co	68,198	85,887	17,689		400,000	(314,113)
Capital Contributions/Grants	105,849	99,512	(6,338)		404,500	(304,988)
Debt Proceeds - Line of Credit	-	-	-		-	-
ARRA Bond Interest Subsidy	32,951	16,476	(16,476)		32,000	(15,524)
Investment Interest	2,460	52,274	49,814		1,899	50,375
Interest	35,411	68,749	33,338		33,899	34,850
Operating Tax Levy	639,161	651,093	11,932		654,972	(3,879)
IDD Tax Levy	1,022,866	1,685,855	662,988		1,620,053	65,802
State Forest Revenues	2,817	14,559	11,742		8,000	6,559
State Timber Excise Tax	20,592	25,586	4,994		18,000	7,586
Leasehold Excise Tax	7,914	8,560	646		6,342	2,218
Property & other taxes	1,693,350	2,385,653	692,303		2,307,367	78,286
Finance Charges	15,680	63,602	47,922		14,053	49,549
Other Non-Operating Revenues	35,302	26,077	(9,225)		785	25,292
Misc Other Incr. in Fund Resources	50,982	89,678	38,696		14,838	74,840
Total Other Incr. in Fund Resources	2,472,540	3,216,099	743,560	c	3,321,914	(105,815)
Other Decr. In Fund Resources						
Retainage Paid	3,906	1,970	(1,937)		1,000	970
Yard Deposits Refunded	3,080	61,922	58,842		16,000	45,922
PTBH Prop Lease Deposits Returned	10,945	20,994	10,048		7,500	13,494
PH Prop Lease Deposits Returned	2,886	1,566	(1,320)		2,061	(495)
Deposits & Retainage Paid	20,818	86,451	65,633		26,561	59,890
Sales Tax Remitted	70,520	71,532	1,012		52,136	19,396
Leasehold Tax Remitted	432,146	462,289	30,143		431,555	30,734
Hotel/Motel Tax Remitted	6,632	6,258	(374)		6,120	138
Taxes Remitted	509,298	540,078	30,781		489,811	50,267
Interest Pmt - 2010 LTGO Bond	87,719	80,744	(6,975)		80,744	-
Principal Pmt - 2015 LTGO Rfdg Bond	475,000	490,000	15,000		490,000	-
Interest Exp - 2015 LTGO Rfdg Bond	37,725	30,600	(7,125)		30,600	-
Principal Pmt - 2020 Line of Credit	250,000	-	(250,000)		-	-
Interest Exp - 2020 Line of Credit	1,565	-	(1,565)		-	-
Debt Principal & Interest	852,009	601,344	(250,665)		601,344	-
Bond Management Fees	1,014	241	(772)		750	(509)
Bond Issue Costs	9,300	-	(9,300)		-	-
Investment Fees	133	686	554		360	326
Other Non-Oper Exp	49,800	41,054	(8,746)		-	41,054

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Summary of Fund Resources Uses, September 2022

Port of Port Townsend

2022 Summary of Fund Resources & Uses with Comparison to Prior Year and Budget

	YTD Sept. 2021	YTD Sept. 2022	Variance to prior year	notes	YTD Budget 2022	Variance to Budget YTD
Debt Mgmt, Issuance & Misc Exp	60,246	41,981	(18,265)		1,110	40,871
Election Expense	-	17,561	17,561		2,000	15,561
Total Other Decr. In Fund Resources	1,442,371	1,287,415	(154,956)	d	1,120,826	166,589
Net Incr./(Decr.) in Fund Resources	1,030,169	1,928,685	898,515		2,201,088	(272,404)
Net Income (Expense)	2,472,357	3,031,817	559,460	e	3,016,780	15,037