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**Commission Meeting
1st Monthly Meeting Agenda
Wednesday, April 12, 2023, 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 Special Meeting & Regular Business Meeting Minutes from
March 22, 20232-5
 - B. Approval & Ratification of Warrants6-25
 - C. Scheall-Townshend Lease Assignment & Amendment No. 2.....26-55
 - D. U.S. Coast Guard Supplemental Lease Agreement No. 0003.....56-61
 - E. Jochems Property Management Lease Amendment No. 3.....62
- V. Second Reading
 - A. Updated Organizational Chart63-67
- VI. First Reading ~ none
- VII. Regular Business
 - A. February 2023 Year-to-Date Financials68-73
- VIII. Staff Comments
- IX. Commissioner Comments
- X. Next Meetings are

Wednesday and Thursday, April 19/20, 2023 from 9-3p.m., Wednesday, April 26, 2023 at
5:30 p.m.
- XI. Executive Session
- XII. Adjournment
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PORT COMMISSION SPECIAL BUSINESS MEETING – Wednesday, March 22, 2023

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

Present: Commissioners Hanke appearing virtually, with Petranek and Hasse in person
Director of Finance and Administration Abigail Berg
Port Recorder Sanders

I. CALL TO ORDER & PLEDGE OF ALLEGIANCE (Rec. 00:00:00)

Commissioner Petranek called the meeting to order at 4:33 p.m.

II. Executive Session (Rec. 00:00:58)

At 4:33 p.m., the Commission recessed into Executive Session until 5:15 p.m. for Purposes of Reviewing the Performance of a Public Employee pursuant to RCW 42.30.110(1)(g)) with no decision expected.

At 5:15 p.m., the Commission came back into open session.

III. ADJOURNMENT (Rec. 00:28:40)

The meeting adjourned at 5:15 p.m., there being no further business before the Commission.

ATTEST:

Peter W. Hanke, Secretary

Pamela A. Petranek, President

Carol L. Hasse, Vice President

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, March 22, 2023

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 Hanke (appearing virtually) with Petranek and Hasse in person
 Executive Director Eron Berg
 Director of Finance and Administration Abigail Berg
 Harbormaster Kristian Ferrero
 Operations Manager Chris Sparks
 Attorney Seth Woolsen
 Port Recorder Joanna Sanders

I. CALL TO ORDER & PLEDGE OF ALLEGIANCE (Rec. 00:00:00)

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

II. APPROVAL OF AGENDA (Rec. 00:00:58)

The agenda was approved by unanimous consent with the removal of the executive session.

III. PUBLIC COMMENTS – GENERAL (Rec. 00:01:32)

There were none presented in writing or in person.

IV. CONSENT AGENDA (Rec. 00:02:43)

A. Approval of Workshop & Business Meeting Minutes from March 8, 2023

B. Approval & Ratification of Warrants

Warrant #066511 in the amount of \$45,594.35

Warrant #066512 in the amount of \$28,911.50

Warrant 066513 through 066569 in the amount of \$134,355.05

Warrant #066570 through 066573 in the amount of \$6,680.28 and electronic payments in the total amount of \$113,419.07

Warrant #066574 in the amount of \$2,267.00

Wire Approval – Jefferson County Treasurer Orion Marine Contractor's Pay Estimate #05 in the amount of \$332,332.03

C. Interlocal Agreement (ILA) between the Port of Port Townsend & Jefferson County concerning early closure of the Moderate Risk Waste (MRW) Facility

D. Resolution 789-23 Designating the Executive Director to Administer the Port's Previously Promulgated Disadvantaged Business Enterprise (DBE) Program

E. Authorization for Execution of Grant Agreement for American Rescue Plan Act Funds for the Port's Port Townsend Water Walk

The Consent Agenda was approved as written by unanimous consent. Commissioners had questions about the Moderate Risk Waste facility and the Disadvantaged Business Program. Staff gave abbreviated updates on these items.

V. SECOND READING ~ none

VI. FIRST READING

A. Updated Organizational Chart. (Rec. 00:08:43)

Executive Director Eron Berg reported on the need to increase engineering staff to help manage capital projects. He explained the budgeted thirteen capital projects under way as listed in the memorandum and about the work necessary to administer the capital projects. The alternative to increased staffing would be to reduce the number of projects.

Capital Projects and Port Engineer Matt Klontz and Finance Director Abigail Berg spoke about IDD funding and the importance of adhering to the schedule for project deliverables and overseeing contracted work.

Commissioners: There was recognition of the efforts needed to manage projects. Some questions arose as to how this hire might impact rates, benefit the existing Port lessees, and/or necessitate additional maintenance and finance staffing. A minor change to the organizational chart was also noted in the reporting structure under the operations manager which staff noted would be reflected in the next packet. "Confessions of a recovering engineer" was a recommended book by Commissioner Petranek.

Executive Director Berg explained the mutual benefits for taxpayers and tenants to the planned projects. He does not foresee impacts to the rates because the additional engineer would be working on IDD funded projects.

VII. REGULAR BUSINESS (Rec. 00:31:39) - None

VIII. STAFF COMMENTS (Rec. 00:31:40)

Executive Director Eron Berg reported on the following: A Jefferson Transit seat is available to a Port representative. The boatyard is undergoing a shift in the long-term storage yard with some clean up, boat demolition, and maintenance work. The area would be available for 75-ton lift accessible boats. The former MRW area is now used to block boats. Staff further explained that the storage rate increase discouraged some boats from staying. Recycling and reclaiming material from demolished vessels were discussed briefly. Berg noted that an accessible rail line or large-scale events would likely be required to make recycling financially feasible.

Capital Projects and Port Engineer Matt Klontz reported the next West Boatyard Expansion Stakeholder Meeting is on Wednesday. Next week, the advertisement will be posted for bid proposals to construct the new taxiway with the bid opening in mid to late April.

IX. COMMISSIONER COMMENTS (Rec. 00:49:58)

Commissioner Hanke commented on improvements to the long term storage yard. In asking about the taxiway connector, Capital Projects/Port Engineer Klontz reported that staff is checking with the FAA to do stormwater improvements to the infield area. However, technically, that work would be outside the current project.

Commissioner Petranek commented on her attendance at the First Aid at Sea class yesterday. This Saturday is the Chambers Leadership Award. Pete and Kathy Langley have been nominated as business leaders of the year. She has scheduled an appointment for a stakeholder interview as part of the Jefferson Countywide strategic planning project.

Commissioner Hasse recognized Commissioner Petranek for the recent *Working Waterfront* episode on the large schooners. She attended a Chamber Event where Al Cairns presented on the topic of outgrowing our current County transfer facility and she is interested in what role the Port might play in reducing, reusing, and recycling.

X. NEXT PUBLIC WORKSHOP & REGULAR BUSINESS MEETING (Rec. 00:55:34)

Next Public Workshop and Regular Business Meeting: Wednesday, April 12, 2023 at Pavilion Building and via Zoom, with Public Workshop at 9:30 a.m. and Regular Business Meeting at 1:00 p.m.

XI. EXECUTIVE SESSION (Rec. 00:55:36) - none

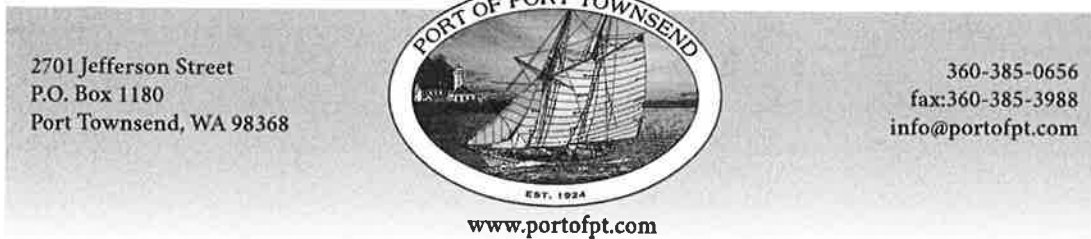
XII. ADJOURNMENT (Rec. 00:55:45): meeting adjourned at 6:25 p.m., there being no further business before the Commission.

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 Warrant No. **066560** in the amount of **\$49.25** is declared **void** on this on this **12th** day of **April, 2023**.

For: **Accounts Payable**

Commissioner Pam Petranek

Commissioner Carol Hasse

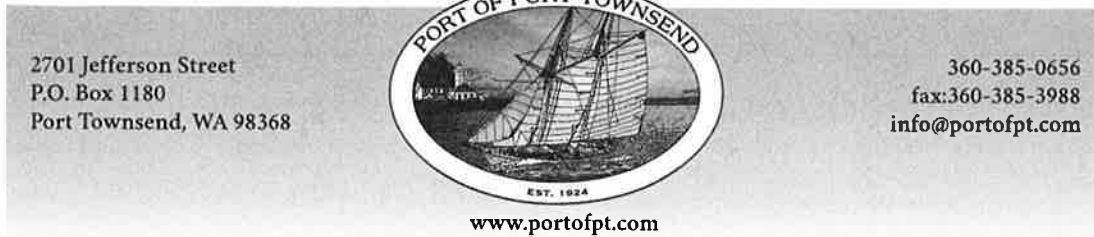
Commissioner Pete W. Hanke

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
0000066560	REV 3/22/2023	SUN010			
Sunrise Heating Inc.					49.25-
Check Comment: Wrong vendor					
CK000006656001					
	3/22/2023	49.25-	0.00		
G/L Account:	781-4125-28	OPERATING SUPPLIES: EXEC		49.25-	
Bank W Total:		49.25-	0.00	49.25-	49.25-
Report Total:		49.25-	0.00	49.25-	49.25-



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 **066575** generated on March 20th, 2023 in the amount of **\$328.30 is ratified.**

Signed and Authenticated on this **12th** day of **April**, 2023.

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 Code: W - WARRANTS PAYABLE			
Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
0000066575	3/20/2023	CIT001	City Of Port Townsend				
			018677-000 2/2023	3/20/2023	328.30	0.00	328.30
				Report Total:	328.30	0.00	328.30

Check Entry Number: 001

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WARRANT APPROVAL

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Signed and Authenticated on this 12th day of April, 2023.

For: Accounts Payable

Commissioner Pam Petranek

Commissioner Carol Hasse

Commissioner Pete W. Hanke

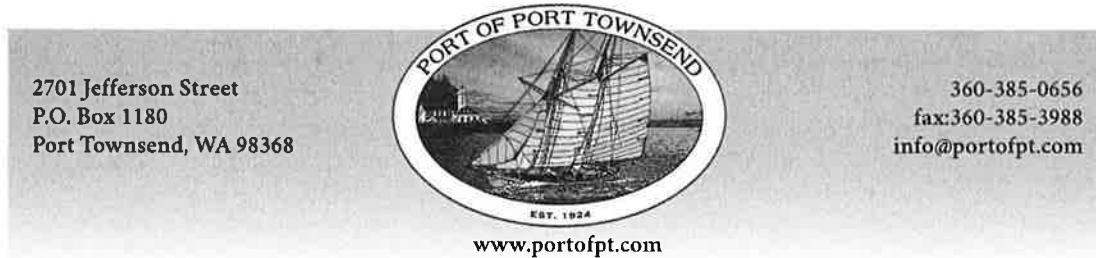
S. Abigail Berg, Director of Finance
And Administration

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
0000066576	3/23/2023	JC1002	Jefferson County Department of				
			INV-00001006	3/23/2023	748.39	0.00	748.39
Report Total:					748.39	0.00	748.39

Check Entry Number: 001



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 066577 through No. 066584 generated on March 31st, 2023 in the amount of \$35,297.21 and Electronic Payment in the amount of \$197,436.32, for a total amount of \$232,733.53 is **ratified.**

Signed and Authenticated on this 12th day of April, 2023.

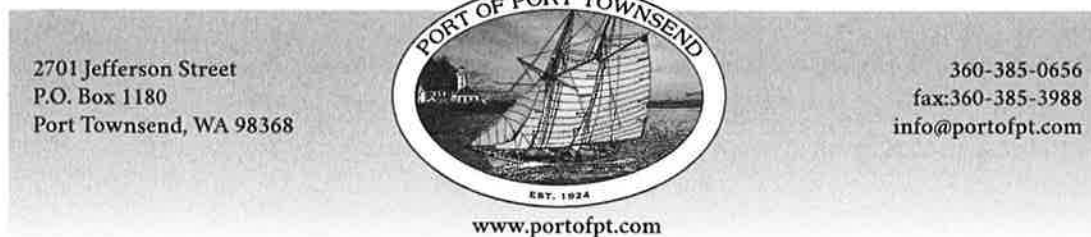
For: Payroll and Benefits

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 066585 generated on March 30th, 2023 in the amount of \$49,107.00 is ratified.

Signed and Authenticated on this 12th day of April, 2023.

For: **Accounts Payable**

Commissioner Pam Petranek

Commissioner Carol Hasse

Commissioner Pete W. Hanke

S. Abigail Berg, Director of Finance
And Administration

Check Register

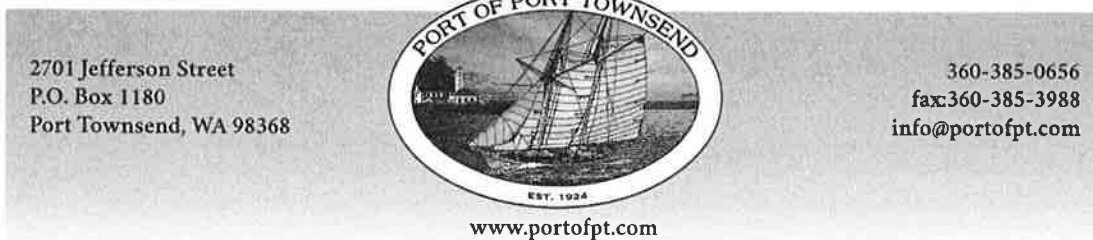
Journal Posting Date: 3/30/2023

Register Number: CD-000992

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
0000066585	3/30/2023	JEF055	Jefferson County				
		MRW ILA		3/30/2023	49,107.00	0.00	49,107.00
				Report Total:	49,107.00	0.00	49,107.00

Check Entry Number: 001



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 066586 through No. 066676, are approved for payment in the amount of \$233,492.14 on this 12th day of April, 2023.

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 Code: W - WARRANTS PAYABLE						
Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied Payment Amount
0000066586 - 0000066678			****VOID****			
0000066679	4/12/2023	ADL050	Adler Tank Rentals			Check Entry Number: 001
			4649416	3/31/2023	2,334.32	2,334.32
0000066680	4/12/2023	AND005	Andersen Machine Shop Inc			Check Entry Number: 001
			152468	3/13/2023	425.49	425.49
			152474	3/17/2023	496.41	496.41
Check 0000066680 Total:					921.90	921.90
0000066681	4/12/2023	ARR010	Arrow Lumber Port Townsend			Check Entry Number: 001
			3/28/23 STATEMENT	3/28/2023	1,729.03	1,729.03
0000066682	4/12/2023	ASS010	Association of Marina Industries			Check Entry Number: 001
			3913	4/3/2023	275.00	275.00
0000066683	4/12/2023	BER010	William Berninger			Check Entry Number: 001
			3/2023 EXPENSE	3/31/2023	39.17	39.17
0000066684	4/12/2023	BER040	Abigail Berg			Check Entry Number: 001
			3/2023 EXPENSE	3/31/2023	31.34	31.34
0000066685	4/12/2023	BER045	Eron Berg			Check Entry Number: 001
			3/2023 EXPENSE	3/31/2023	185.34	185.34
0000066686	4/12/2023	CAP020	Captain Alaska Packers, LLC			Check Entry Number: 001
			101	3/17/2023	3,500.00	3,500.00
0000066687	4/12/2023	CAR001	Carl's Building Supply			Check Entry Number: 001
			3/31/23 STATEMENT	3/31/2023	32.03	32.03
0000066688	4/12/2023	CBR010	CBRE, Inc Valuation & Advisory Services			Check Entry Number: 001
			0039072-1-22	9/9/2022	2,343.75	2,343.75
0000066689	4/12/2023	CED005	CED			Check Entry Number: 001
			5948-1033840	3/15/2023	477.53	477.53
			5948-1033894	3/23/2023	126.60	126.60
			5948-1034284	3/15/2023	22.91	22.91
			5948-1034307	3/28/2023	2,858.42	2,858.42
			5948-1034996	3/30/2023	1,436.44	1,436.44
Check 0000066689 Total:					4,921.90	4,921.90
0000066690	4/12/2023	CEN035	CenturyLink			Check Entry Number: 001
			03/05/23 STATEMENT	3/5/2023	419.09	419.09
0000066691	4/12/2023	CHM030	CSD Attorneys at Law			Check Entry Number: 001
			2/2023	3/20/2023	5,632.00	5,632.00
0000066692	4/12/2023	CIN020	Cintas			Check Entry Number: 001
			5152531915	4/4/2023	69.69	69.69
0000066693	4/12/2023	CIT001	City Of Port Townsend			Check Entry Number: 001
			3/2023 STATEMENTS	3/31/2023	9,501.69	9,501.69
0000066694	4/12/2023	COA050	Mott MacDonald			Check Entry Number: 001
			107620-05	3/16/2023	7,764.16	7,764.16
0000066695	4/12/2023	COO050	Cooper Fuel			Check Entry Number: 001
			4/3/23 STATEMENT	4/3/2023	4,877.01	4,877.01
0000066696	4/12/2023	COO070	Coon Plumbing			Check Entry Number: 001
			31685D	3/22/2023	9,041.29	9,041.29
0000066697	4/12/2023	COW020	Cowling and Co. LLC			Check Entry Number: 001
			929	2/28/2023	600.00	600.00
			930	2/28/2023	2,044.80	2,044.80
			931	2/28/2023	2,085.70	2,085.70
Check 0000066697 Total:					4,730.50	4,730.50
0000066698	4/12/2023	DIR070	DirecTV			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	Payment Amount		
0000066699	4/12/2023	ECO002	075436554X230328	3/28/2023	436.25	0.00	436.25		
			EDC Team Jefferson					Check Entry Number: 001	
0000066700	4/12/2023	END040	2221	3/16/2023	2,275.00	0.00	2,275.00		
			enduris Washington				Check Entry Number: 001		
0000066701	4/12/2023	ERL050	R23-318-4	3/23/2023	52.00	0.00	52.00		
			Nancy Erley				Check Entry Number: 001		
0000066702	4/12/2023	ESP020	REFUND 3/30/23	3/30/2023	68.53	0.00	68.53		
			Charles Espey				Check Entry Number: 001		
0000066703	4/12/2023	EVE010	REFUND 3/31/23	3/31/2023	11.39	0.00	11.39		
			Brian Eversole				Check Entry Number: 001		
0000066704	4/12/2023	FAM001	3/23 UNIFORM EXP	3/31/2023	213.78	0.00	213.78		
			Ferguson Enterprises #3007				Check Entry Number: 001		
0000066705	4/12/2023	FER001	1395457	3/28/2023	458.31	0.00	458.31		
			Ferrellgas				Check Entry Number: 001		
0000066706	4/12/2023	FIS020	5007610829	2/26/2023	1,723.54	0.00	1,723.54		
			Fish N Hole				Check Entry Number: 001		
			5607483	3/23/2023	78.40	0.00	78.40		
			5607487	3/29/2023	34.20	0.00	34.20		
			Check 0000066706 Total:		112.60	0.00	112.60		
0000066707	4/12/2023	GOO002	Good Man Sanitation				Check Entry Number: 001		
			3/27/23 STATEMENT	3/27/2023	2,555.42	0.00	2,555.42		
0000066708	4/12/2023	GRA005	Grainger				Check Entry Number: 001		
			9633491528	3/8/2023	93.00	0.00	93.00		
0000066709	4/12/2023	GRE015	Greentree Communications Co				Check Entry Number: 001		
			10546	3/31/2023	392.76	0.00	392.76		
0000066710	4/12/2023	GUA080	Guardian Security Systems, Inc.				Check Entry Number: 001		
			1350441	4/1/2023	162.01	0.00	162.01		
			1350442	4/1/2023	114.56	0.00	114.56		
			1350443	4/1/2023	278.21	0.00	278.21		
			1350444	4/1/2023	545.50	0.00	545.50		
			1350445	4/1/2023	196.38	0.00	196.38		
			Check 0000066710 Total:		1,296.66	0.00	1,296.66		
0000066711	4/12/2023	HAD001	Hadlock Building Supply				Check Entry Number: 001		
			3/25/23 STATEMENT	3/25/2023	317.08	0.00	317.08		
0000066712	4/12/2023	HAG070	Patricia Hagen				Check Entry Number: 001		
			REFUND 3/22/23	3/22/2023	814.06	0.00	814.06		
0000066713	4/12/2023	HAS020	Carol Hasse				Check Entry Number: 001		
			3/2023 EXPENSE	3/31/2023	39.17	0.00	39.17		
0000066714	4/12/2023	HEN002	Henery Hardware				Check Entry Number: 001		
			748690	2/27/2023	18.30	0.00	18.30		
			748703	2/27/2023	3.79	0.00	3.79		
			748774	2/28/2023	19.58	0.00	19.58		
			748784	2/28/2023	142.23	0.00	142.23		
			748792	2/28/2023	54.53	0.00	54.53		
			748807	2/28/2023	28.36	0.00	28.36		
			748842	2/28/2023	5.00	0.00	5.00		
			748890	3/1/2023	55.62	0.00	55.62		
			748960	3/2/2023	62.13	0.00	62.13		
			748962	3/2/2023	47.44	0.00	47.44		
			749033	3/3/2023	30.53	0.00	30.53		

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
			749148	3/6/2023	17.07	0.00 17.07
			749183	3/6/2023	21.81	0.00 21.81
			749229	3/7/2023	70.43	0.00 70.43
			749340	3/8/2023	87.24	0.00 87.24
			749414	3/9/2023	22.40	0.00 22.40
			749422	3/9/2023	5.44	0.00 5.44
			749490	3/10/2023	38.93	0.00 38.93
			749491	3/10/2023	47.76	0.00 47.76
			749514	3/10/2023	48.16	0.00 48.16
			749583	3/13/2023	32.94	0.00 32.94
			749594	3/13/2023	10.46	0.00 10.46
			749669	3/14/2023	10.31	0.00 10.31
			749714	3/15/2023	12.63	0.00 12.63
			749728	3/15/2023	36.17	0.00 36.17
			749757	3/15/2023	4.12	0.00 4.12
			749828	3/16/2023	85.09	0.00 85.09
			749838	3/16/2023	83.97	0.00 83.97
			749847	3/16/2023	13.07	0.00 13.07
			749887	3/17/2023	14.83	0.00 14.83
			749986	3/20/2023	99.47	0.00 99.47
			750046	3/21/2023	13.72	0.00 13.72
			750052	3/21/2023	56.27	0.00 56.27
			750114	3/22/2023	85.09	0.00 85.09
			750159	3/22/2023	100.44	0.00 100.44
			750178	3/23/2023	32.01	0.00 32.01
			750285	3/24/2023	328.64	0.00 328.64
			750288	3/24/2023	89.39	0.00 89.39
Check 0000066714 Total:					1,935.37	0.00 1,935.37
0000066715	4/12/2023	HEN004	Port Townsend Garden Center			Check Entry Number: 001
			171504	3/31/2023	51.20	0.00 51.20
0000066716	4/12/2023	HEN006	Quilcene Henery's Hardware			Check Entry Number: 001
			3/25/23 STATEMENT	3/25/2023	34.53	0.00 34.53
0000066717	4/12/2023	HRA030	HRA VEBA Trust			Check Entry Number: 001
			YA20407 3/23 INS BB	3/31/2023	812.42	0.00 812.42
			YA20407 3/23 INS KF	3/31/2023	852.72	0.00 852.72
Check 0000066717 Total:					1,665.14	0.00 1,665.14
0000066718	4/12/2023	JAM040	Jamestown Networks			Check Entry Number: 001
			7548	4/1/2023	530.00	0.00 530.00
0000066719	4/12/2023	JC0003	Jefferson County - Public Work			Check Entry Number: 001
			3/2023 STATEMENT	4/3/2023	1,050.90	0.00 1,050.90
0000066720	4/12/2023	JEF045	Jefferson County Chamber			Check Entry Number: 001
			2023 MEMBERSHIP	3/31/2023	1,500.00	0.00 1,500.00
0000066721	4/12/2023	KAL020	Corrine Kaleese			Check Entry Number: 001
			REFUND3/21/23	3/21/2023	47.02	0.00 47.02
0000066722	4/12/2023	KEC030	KECO Pump and Equipment			Check Entry Number: 001
			48066	3/23/2023	45,526.29	0.00 45,526.29
0000066723	4/12/2023	KEN010	Kendrick Equipment			Check Entry Number: 001
			U51141	3/17/2023	497.54	0.00 497.54
0000066724	4/12/2023	LES050	Les Schwab			Check Entry Number: 001
			37900545139	4/4/2023	1,243.24	0.00 1,243.24

Check Register

Journal Posting Date: 4/12/2023

Register Number: CD-000993

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
0000066725	4/12/2023	MAR031	Marine Vacuum Service, Inc.				Check Entry Number: 001
			80041	3/27/2023	4,428.37	0.00	4,428.37
0000066726	4/12/2023	MAR096	Marian Roh				Check Entry Number: 001
			230329	3/29/2023	715.00	0.00	715.00
0000066727	4/12/2023	MUR002	Murrey's Disposal Co., Inc.				Check Entry Number: 001
			3/2023 STATEMENTS	4/1/2023	11,456.05	0.00	11,456.05
0000066728	4/12/2023	NEL001	Sue Nelson				Check Entry Number: 001
			3/2023 EXPENSE	3/31/2023	87.12	0.00	87.12
0000066729	4/12/2023	NEL020	Timothy Nelson				Check Entry Number: 001
			3/23 UNIFORM EXP	3/27/2023	58.96	0.00	58.96
0000066730	4/12/2023	O'RE030	O'Reilly Auto Parts				Check Entry Number: 001
			3939-156383	3/13/2023	34.90	0.00	34.90
0000066731	4/12/2023	OLY002	The Home Depot Pro Institutional				Check Entry Number: 001
			734281272	3/6/2023	25.92	0.00	25.92
			734281280	3/6/2023	59.87	0.00	59.87
			734743826	3/8/2023	795.01	0.00	795.01
Check 0000066731 Total:					880.80	0.00	880.80
0000066732	4/12/2023	OLY006	Olympic Crane LLC				Check Entry Number: 001
			2305	3/24/2023	225.00	0.00	225.00
0000066733	4/12/2023	ORI050	Orion Marine Construction, Inc				Check Entry Number: 001
			PH-01-010	4/4/2023	4,372.20	0.00	4,372.20
0000066734	4/12/2023	PAC004	Pacific Office Equipment Co				Check Entry Number: 001
			4/1/23 STATEMENT	4/1/2023	498.98	0.00	498.98
0000066735	4/12/2023	PEN004	Peninsula Floors				Check Entry Number: 001
			7991	3/28/2023	190.93	0.00	190.93
0000066736	4/12/2023	PEN060	Peninsula Pest Control, Inc				Check Entry Number: 001
			65523	3/15/2023	81.83	0.00	81.83
0000066737	4/12/2023	PET025	Petrick Lock & Safe				Check Entry Number: 001
			21311	3/16/2023	66.22	0.00	66.22
			21315	3/20/2023	452.08	0.00	452.08
			21325	3/27/2023	907.25	0.00	907.25
Check 0000066737 Total:					1,425.55	0.00	1,425.55
0000066738	4/12/2023	PET065	Pam Petranek				Check Entry Number: 001
			3/2023 EXPENSE	3/31/2023	108.73	0.00	108.73
0000066739	4/12/2023	PHI045	Martin Phipps				Check Entry Number: 001
			CDL PHYSICAL23	3/21/2023	175.00	0.00	175.00
0000066740	4/12/2023	PIN010	Pinnacle Investigations Corp				Check Entry Number: 001
			83686	3/16/2023	77.75	0.00	77.75
0000066741	4/12/2023	PLA040	PLATT				Check Entry Number: 001
			3U22962	3/21/2023	3,741.96	0.00	3,741.96
0000066742	4/12/2023	POR065	Port of Port Townsend				Check Entry Number: 001
			E BROWN - PH	3/27/2023	2,331.84	0.00	2,331.84
0000066743	4/12/2023	PRO050	The Production Alliance				Check Entry Number: 001
			1117	3/27/2023	5,000.00	0.00	5,000.00
0000066744	4/12/2023	PUD005	PUD #1 of Jefferson County				Check Entry Number: 001
			3/10/23 STATEMENT	3/10/2023	45.83	0.00	45.83
			3/10/23 STATEMENTS	3/10/2023	32,614.88	0.00	32,614.88
			3/17/23 STMNT	3/17/2023	45.83	0.00	45.83
			3/24/23 STMT	3/24/2023	560.00	0.00	560.00
Check 0000066744 Total:					33,266.54	0.00	33,266.54

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Journal Posting Date: 4/12/2023

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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
0000066745	4/12/2023	QUI001	Quill Corporation				Check Entry Number: 001
			31222938	3/20/2023	190.70	0.00	190.70
			31223272	3/6/2023	13.90	0.00	13.90
			31415485	3/16/2023	199.96	0.00	199.96
			61222938.2	3/6/2023	328.13	0.00	328.13
			Check 0000066745 Total:		351.29	0.00	351.29
0000066746	4/12/2023	REI002	Reid Middleton Co				Check Entry Number: 001
			2303067	3/13/2023	4,061.54	0.00	4,061.54
0000066747	4/12/2023	ROL010	Aubri Rollins				Check Entry Number: 001
			3/2023 EXPENSE	3/30/2023	35.37	0.00	35.37
0000066748	4/12/2023	RSI050	RSINet				Check Entry Number: 001
			7086	4/2/2023	180.00	0.00	180.00
0000066749	4/12/2023	SAF001	Safeway, Inc.				Check Entry Number: 001
			3/21/23 STATEMENT	3/21/2023	2,020.70	0.00	2,020.70
0000066750	4/12/2023	SHO010	Shold Excavating Inc				Check Entry Number: 001
			73383	3/15/2023	408.83	0.00	408.83
			73507	3/20/2023	347.48	0.00	347.48
			Check 0000066750 Total:		756.31	0.00	756.31
0000066751	4/12/2023	SNE020	S-Net Communications				Check Entry Number: 001
			165756	4/1/2023	572.68	0.00	572.68
0000066752	4/12/2023	SOU045	Sound Maintenance, Inc				Check Entry Number: 001
			1605	3/20/2023	2,727.50	0.00	2,727.50
			1607	3/24/2023	3,273.00	0.00	3,273.00
			Check 0000066752 Total:		6,000.50	0.00	6,000.50
0000066753	4/12/2023	SOU070	Sound Storage GC				Check Entry Number: 001
			20233 ANNUAL	3/14/2023	3,088.80	0.00	3,088.80
0000066754	4/12/2023	SUM040	Summit Law Group PLLC				Check Entry Number: 001
			144093	3/17/2023	429.00	0.00	429.00
0000066755	4/12/2023	SUN020	Sunrise Coffee				Check Entry Number: 001
			20230273.2	3/7/2023	49.25	0.00	49.25
0000066756	4/12/2023	SWI050	Swift Plumbing and Heating				Check Entry Number: 001
			53479	3/27/2023	837.34	0.00	837.34
			53519	3/28/2023	552.95	0.00	552.95
			Check 0000066756 Total:		1,390.29	0.00	1,390.29
0000066757	4/12/2023	TAC001	Tacoma Screw Products, Inc				Check Entry Number: 001
			100184659-00	3/21/2023	2,470.72	0.00	2,470.72
0000066758	4/12/2023	TAY040	Justin Taylor				Check Entry Number: 001
			3/23 UNIFORM EXP	3/20/2023	221.47	0.00	221.47
0000066759	4/12/2023	THE080	Olive Theodore				Check Entry Number: 001
			REFUND 3/20/23	3/20/2023	384.18	0.00	384.18
0000066760	4/12/2023	TMS050	TMS Metalizing Systems, Ltd				Check Entry Number: 001
			18466	3/21/2023	7,403.53	0.00	7,403.53
0000066761	4/12/2023	TWI001	Spectra Laboratories - Kitsap				Check Entry Number: 001
			23-02045	3/31/2023	1,452.00	0.00	1,452.00
0000066762	4/12/2023	ULI040	ULINE				Check Entry Number: 001
			160939737	3/9/2023	6,310.01	0.00	6,310.01
0000066763	4/12/2023	US0001	United States Postal Service				Check Entry Number: 001
			1ST QTR 2023	4/12/2023	1,500.00	0.00	1,500.00
0000066764	4/12/2023	UWF010	UW Friday Harbor Labs				Check Entry Number: 001

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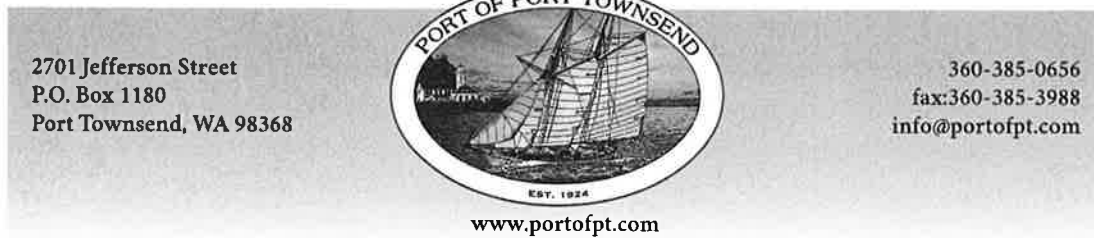
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Journal Posting Date: 4/12/2023

Register Number: CD-000993

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE						
Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied
			REFUND 3/23/23	3/23/2023	325.32	0.00
0000066765	4/12/2023	VER001	Verizon Wireless, Bellevue			
			9930212502	3/15/2023	598.89	0.00
0000066766	4/12/2023	WAV040	Wave Broadband			
			043328901-0010064	3/23/2023	157.52	0.00
0000066767	4/12/2023	WES006	Westbay Auto Parts, Inc.			
			3/25/23 STATEMENT	3/25/2023	668.91	0.00
0000066768	4/12/2023	WES060	West Marine Pro			
			003798	3/21/2023	86.70	0.00
			003923	3/24/2023	92.51	0.00
			004027	3/27/2023	92.41	0.00
			004131	3/29/2023	194.74	0.00
Check 0000066768 Total:					466.36	0.00
0000066769	4/12/2023	WIN003	Windridge Solutions			
			572	4/2/2023	150.00	0.00
Report Total:					233,492.14	0.00



ELECTRONIC DEBIT – Kitsap Bank

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation of the Port of Port Townsend, that we are authorized to authenticate and certify said claim, and that the Electronic Debit from the Port Checking Account held at Kitsap Bank is approved for payment in the amount of **\$5,529.46 is ratified.**

Signed and Authenticated on this **12th** day of **April**, **2023**.

For: Washington State, Department of Revenue
Combined Excise Tax Return – for **February, 2023** in the amount of
\$5,529.46.

Commissioner Pam Petranek

Commissioner Carol Hasse

Commissioner Pete W. Hanke

S. Abigail Berg, Director of Finance
and Administration

Washington State Department of Revenue

Your Return has been submitted and your confirmation number is **0-032-140-541**

Below is information from your Monthly Return for the period ending February 28, 2023

Filing Date	March 23, 2023
Account ID	161-000-044
Primary Name	BOAT HAVEN FUEL DOCK
Payment Method	Bank Account
Payment Effective	March 27, 2023
Total Tax	6,807.13
Total Credits	1,277.67
Total Due	5,529.46



Combined Excise Tax Return

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

Filing Period: February 28, 2023

Due Date: March 27, 2023

Filing Frequency: Monthly

Business & Occupation

Tax Classification	Gross Amount	Deductions	Taxable Amount	Tax Rate	Tax Due
Retailing	57,689.10	0.00	57,689.10	0.004710	271.72
Service and Other Activities (\$1 million or greater in prior year)	48,697.14	0.00	48,697.14	0.017500	852.20
Total Business & Occupation					1,123.92

State Sales and Use

Tax Classification	Gross Amount	Deductions	Taxable Amount	Tax Rate	Tax Due
Retail Sales	57,689.10	0.00	57,689.10	0.065000	3,749.79
Use Tax	326.69	0.00	326.69	0.065000	21.23
Total State Sales and Use					3,771.02

Public Utility Tax

Tax Classification	Gross Amount	Deductions	Taxable Amount	Tax Rate	Tax Due
Other Public Service Business	5,855.12	0.00	5,855.12	0.019260	112.77
Water Distribution	814.92	0.00	814.92	0.050290	40.98
Total Public Utility Tax					153.75

Deductions

Tax Classification	Deduction	Amount
Business & Occupation		
Retailing	Motor Vehicle Fuel Tax	0.00
State Sales and Use		
Retail Sales	Motor Vehicle Fuel Sales	0.00

Credits

	Amount
Main Street Credit	1,123.92
Main Street Credit	153.75
Total Credits	1,277.67

Local City and/or County Sales Tax

Location	Taxable Amount	Tax Rate	Tax Due
1601 - PORT TOWNSEND	57,689.10	0.026000	1,499.92
Total Local City and/or County Sales Tax			1,499.92

Local City and/or County Use Tax/Deferred Sales Tax

Location	Taxable Amount	Tax Rate	Tax Due
1601 - PORT TOWNSEND	326.69	0.026000	8.49
Total Local City and/or County Use Tax/Deferred Sales Tax			8.49

Transient Rental Income

Location	Income
1601 - PORT TOWNSEND	12,501.44
Total Transient Rental Income	12,501.44

Special Hotel/Motel

Location	Taxable Amount	Tax Rate	Tax Due
1601 - PORT TOWNSEND	12,501.44	0.020000	250.03
Total Special Hotel/Motel			250.03

Total Tax	6,807.13
Total Credits	1,277.67
Subtotal	5,529.46
Total Amount Owed	5,529.46

Prepared By: Donna Frary
E-Mail Address: donna@portofpt.com
Submitted Date: 3/23/2023
Confirmation #: 0-032-140-541

Payment Type: Bank Account
Amount: \$5,529.46
Effective Date: 3/27/2023

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	April 12, 2023		
AGENDA ITEM	<input checked="" type="checkbox"/> Consent Agenda		
AGENDA TITLE	IV. C. Scheall/Townshend Lease Assignment and Amendment No. 2		
STAFF LEAD	Eric Toews, Deputy Director		
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion		
ATTACHMENTS	A. Staff Memo B. Sheall/Townshend Lease Assignment and Amendment No. 2 C. Exhibit 'A' - Daniel Scheall March 1, 2006, Lease D. Exhibit 'B' Daniel Scheall July 11, 2014, Lease Amendment No. 1		

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 4/12/2023
TO: Port Commission
FROM: Eric Toews, Deputy Director and Sue Nelson, Lease & Contracts Administrator
SUBJECT: Daniel Scheall to Brendon Townshend Lease Assignment and Amendment No. 2

BACKGROUND & DISCUSSION: In the mid-2000s, seven portable T-hangars were situated on pad sites generally located to the north of runway 9/27 at JCIA. In 2006 the T-Hangar pads were relocated to the far northwestern perimeter of the developed hangar area. Five (5) of the seven (7) hangar pads are subject to month-to-month agreements, while two (2) are governed under longer term lease agreements, including that of Mr. Daniel Scheall.

Mr. Scheall's hangar pad lease agreement for T-Hangar Pad #402-O dates to 2006. The original lease term was ten (10) years. However, in July of 2014, the lease was amended to extend the term through February 28, 2026. Mr. Scheall moved to Oregon some years ago, and no longer has the need for a hangar at the JCIA. In March of this year, Mr. Scheall sold the T-Hangar upon the leased premises to Mr. Brendon Townshend. Mr. Scheall now wishes to formally assign his lease, as amended, to Mr. Townshend. The lease contains language requiring Port consent to any sublease or assignment, and states that the Port "*shall not unreasonably withhold consent to the assignment . . .*"

RECOMMENDATION: Authorize the Executive Director to execute the attached Lease Assignment and Amendment No. 2, from Daniel Scheall to Brendon Townshend.

MOTION: None required. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the attached Lease Assignment and Lease Amendment No. 2.

ATTACHMENTS

- Daniel Scheall to Brendon Townshend Lease Assignment and Amendment No. 2, and Townshend Exhibits A & B
- Daniel Scheall Land Lease, Exhibit 'A'
- Daniel Schell Lease Amendment No. 1, Exhibit 'B'

ASSIGNMENT & SECOND AMENDMENT OF LAND LEASE JEFFERSON COUNTY INTERNATIONAL AIRPORT

THIS ASSIGNMENT & SECOND AMENDMENT OF LAND LEASE is dated this ____ day of _____ 2023, by and between **DANIEL SCHEALL** ("Assignor"), and **BRENDON TOWNSHEND**, ("Assignee"), with a hangar pad location identified as T-Hangar Site Pad T-402, "O")" at the Jefferson County International Airport in Port Townsend, WA.

WHEREAS, The PORT OF PORT TOWNSEND ("Lessor" or "Port"), a Washington Municipal Corporation, and DANIEL SCHEALL entered into that certain LAND LEASE dated September 1, 2005, for certain premises (the "Premises") located at the Jefferson County International Airport, Port Townsend, Washington, which is attached hereto as Exhibit "A" and incorporated herein by this reference (the "Original Lease"); and

WHEREAS, The Original Lease was amended on July 11, 2014, which document is attached hereto as Exhibit "B" and incorporated herein by this reference ("Lease Amendment #1"); and

WHEREAS, Together, Exhibits "A" (the Original Lease), and "B" (the Second Amendment of Lease) comprise the "Lease"; and

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

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

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

- 1. Recitals Incorporated:** The foregoing recitals are hereby incorporated into and made a part of this Assignment, including all defined terms referenced therein, with the same force and effect as if the same were herein repeated fully and at length. Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to such terms in the Lease.
- 2. Assignment of Lease:** Assignor does hereby transfer, assign, convey and deliver to Assignee its entire right, title and interest in the Lease and the Premises.
- 3. Assumption of Obligations:** Assignee does hereby accept this assignment and, for the benefit of Assignor and Lessor, expressly assumes and agrees to hereafter perform all the terms, covenants, conditions, and obligations of Assignor under the Lease, which accrue from and after the date hereof. Assignee has been furnished with copies of the Lease (Exhibits "A"

and “B”), respectively, has reviewed the terms of the same, and understands all of the terms of the Lease.

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

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

5. Lessor Acknowledgement: By executing this Assignment and Amendment #2, Lessor expressly acknowledges the following:

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

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

7. Concurrent Amendment of Lease Paragraphs 4 and 29: Paragraph 4, “DEPOSIT”, and Paragraph 29, NOTICES of the Lease, are hereby deleted in their entirety and replaced with the following:

4. DEPOSIT: Lessee shall deposit with the Port security in the amount of **One Hundred Forty-Three Dollars and Thirty-Eight Cents (\$143.38).**¹ Annually throughout the lease term the amount deposited with the Port shall be adjusted to ensure that an amount equivalent to two (2) months’ then current rent plus applicable taxes maintained as security. 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.

¹ Security deposit calculated as follows: \$63.53 per month rent x 2 = \$127.06; \$127.06 x 12.84% LHT = \$16.32; \$127.06 + \$16.32 = \$143.38.

29. 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
P.O. Box 1180
Port Townsend, WA 98368

To Lessee:

BRENDON TOWNSHEND
3222 S. Edmunds Street
Seattle, WA 98118
(509) 481-1367

All other terms and conditions of the Lease shall remain unchanged and in effect.

This Assignment & Second Amendment of Land Lease is authorized by the Port of Port Townsend Port Commission on the 12th day of April 2023, executed by the parties this ____ day of April 2023, and effective upon the receipt of a deposit and liability insurance documentation from the Assignee.

ASSIGNOR – DANIEL SCHEALL:

by Daniel Scheall

ASSIGNEE – BRENDON TOWNSHEND

Brendon Townshend

LESSOR – PORT OF PORT TOWNSEND:

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

Eron Berg, Executive Director

APPROVED AS TO FORM:

Eric Toews, Port Attorney

**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

I certify that I know or have satisfactory evidence that Daniel Scheall signed this instrument and that he/she is authorized to execute the instrument and acknowledged it to be his/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 Brendon Townshend signed this instrument and that he/she is authorized to execute the instrument and acknowledged it to be his/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/she is authorized to execute the instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____

Signature of
Notary Public: _____

My Appointment Expires: _____

Exhibit 'A'
JCIA T-Hangar Pad Site #402-O
Townshend Lease

[illegible]

Jefferson County, WA

Date: 3/21/2023

1:2,257

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

Portable Hangar "O" T-Hangar Pad Site #402-O

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EXHIBIT "B"

HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT

RIDER TO LEASE AGREEMENT DATED: MARCH 1, 2006, BETWEEN THE PORT OF PORT TOWNSEND and **DANIEL SCHEALL**, AND LEASE ASSIGNMENT DATED _____, 2023 BETWEEN THE PORT OF PORT TOWNSEND AND BRENDON TOWNSHEND.

IT IS HEREBY AGREED THAT THE LEASE AGREEMENT IDENTIFIED ABOVE SHALL BE SUPPLEMENTED AND MODIFIED AS FOLLOWS:

1. **HAZARDOUS SUBSTANCES ON PREMISES.** Without the express written permission of Lessor, Lessee shall not store, use or have present on or adjacent to the premises any hazardous or toxic substances, including those substances defined as "hazardous" or "extremely hazardous" under federal or Washington State environmental statutes or regulation (including but not limited to 42 USC 9601 et seq., 40 CFR Part 302, RCW Chapter 70.105D.020 and WAC 173-340-200, and any successor statutes and regulation), except as follows: _____

2. **STORAGE AND USE OF HAZARDOUS SUBSTANCES.** Lessee agrees at all times to restrict its storage and use of substances identified in Paragraph 1 to the inside of the permanent building(s) at the premises, and specifically to those locations within such buildings(s) having concrete flooring or such other impermeable flooring as Lessor may in its sole discretion approve in writing upon request by Lessee.
3. **HANDLING AND DISPOSAL.** The Lessee agrees to use said substances identified in paragraph 2 only on areas which have impermeable surfaces and or other means for preventing accidental contact by such substances with the soils upon the leasehold or its surrounding area.
4. **RELEASES OF HAZARDOUS SUBSTANCES PROHIBITED.** Lessee shall not release, dispose of, or permit a release of, any of the substances described or identified in paragraph 1 onto the premises or into the environment surrounding the premises.
5. **REGULATORY COMPLIANCE.** Lessee warrants and agrees that, during the term of this lease and any extensions thereof, it will take all steps necessary to comply with all applicable federal, state and local requirements for the containment, storage, use and disposal of any and all hazardous or toxic substances at the premises, including but not limited to obtaining and maintaining all necessary federal, state and local permits or licenses, and obtaining any required federal or state hazardous waste generator or transporter identification numbers. Lessee shall provide to Lessor a copy of each such

existing permit, license, and identification number before occupancy, and shall provide a copy of any such permit, license, and identification number which Lessee may obtain in the future within seven days of receipt by Lessee.

6. **DISPOSAL OF HAZARDOUS WASTES.** In the event Lessee has occasion or need to dispose of hazardous or toxic substances or wastes, and unless otherwise agreed in writing, Lessee shall retain an independent hazardous waste disposal firm to dispose of any and all such substances at an off-site facility which has been properly approved, licensed and authorized to accept such substances. Lessee shall ensure that the disposal firm is properly licensed and in good standing with the applicable regulatory authorities for such work, and that it has all required transporter identification numbers.

7. **LESSEE'S WARRANTY OF NO CONTAMINATION.** Except as may be disclosed in Attachment No. 1 hereto, Lessee warrants and represents (1) that it has not released any toxic or hazardous substances onto the premises or into the environment in connection with its activities at the premises, (2) that it has inspected the premises and is not aware of any indication that a release of any hazardous substances has ever occurred at the premises, including prior to Lessee's occupancy, (3) that it has never been formally accused or cited, at the premises or elsewhere, for any violation of environmental laws, regulations or any hazardous waste-related governmental permit, and (4) that no claims or litigation have ever been pending against it by any person or governmental agency involving any use, storage, release or disposal of hazardous or toxic waste. If any such releases, formal accusations, citations, claims or litigation against Lessee arise during the term of this lease or any extension thereof, then Lessee shall notify Lessor in writing within seven (7) days of such event, and shall provide Lessor with a copy of each document reflecting such event.

8. **INDEMNIFICATION AND HOLD HARMLESS.** Lessee shall indemnify and hold Lessor harmless with respect to any and all direct or indirect expenses, losses of damages, including all consequential damages, Attorney's fees, and litigation-related expenses and costs, incurred by Lessor which result from (1) Lessee's breach of provision of this Rider, (2) claims, actions, suites, proceedings, judgments, fines or remedial orders (including orders to clean up contamination at the premises) which arise because of Lessee's breach of this Rider, (3) Lessee's violation of environment laws or regulations, or (4) Lessee's release of a toxic or hazardous substance onto the premises or into the surrounding environment. This provision shall apply regardless of whether Lessee has been negligent or at fault for such breach, violation, or release. This obligation by the Lessee shall survive the expiration or termination of the lease agreement and the sale of the property. If Lessor so requests, Lessee shall accept the tender of defense of, and shall retain counsel of Lessor's selection and at Lessee's expense to defend, any third-party claim asserted against Lessor in connection with alleged conduct by Lessee which, if true, would be in breach of the provision of this Rider.

9. **NOTIFICATION TO LESSOR OF CHANGES IN OPERATION.** Lessee agrees to notify Lessor in writing at least seven (7) days in advance of any previously undisclosed action which the Lessee plans to take which poses a material risk of a release of hazardous substance into the environment, including but not limited to material changes in Lessee's methods of hazardous waste disposal, material increases in the volume of Lessee's hazardous waste disposal, or material changes in the nature of any hazardous wastes which Lessee anticipates it will generate.
10. **COPIES OF ENVIRONMENTAL CORRESPONDENCE.** Lessee agrees to provide Lessor with copies of all past and future correspondence to or from the Washington Department of Ecology, the U.S. Environmental Protection Agency, and any other government agency which has had or may have contact with Lessee regarding environmental concerns pertaining to the premises.
11. **NOTIFICATION OF SPILLS OR RELEASES.** Lessee shall comply with all notification requirements under the applicable federal, state, and local environmental statutes and regulations, including but not limited to the timely notification of the appropriate government authorities of any spills or releases of toxic or hazardous substances into the environment or onto the premises. Lessee shall notify Lessor within 24 hours of discovery of any such spills or releases and shall provide copies of all correspondence and documents related to such spills or releases to Lessor with seven days after receipt or creation, as the case may be.
12. **LESSOR'S REMEDY FOR BREACH OR VIOLATION.** In the event Lessee permits a release of a hazardous substance to occur at or near the premises, or breaches any provision of this Rider, Lessor shall be entitled (1) to terminate the lease agreement immediately, (2) to require Lessee to cease all operation which pose a risk of releasing a hazardous substance into the environment, and (3) to require Lessee to begin an immediate cleanup of any and all contamination at the premises to the extent necessary to achieve full compliance with the applicable environmental laws and regulations. Lessor shall be entitled to obtain immediate injunctive relief from a court of competent jurisdiction to enforce this provision. These remedies shall be in addition to, and not in substitution for, any other remedies available to Lessor under applicable law.
13. **ANNUAL DECLARATION OF COMPLIANCE.** Within ten (10) days of receipt of a written request by Lessor, Lessee shall provide to lessor a declaration of Lessee's compliance or non-compliance with the applicable environmental laws and regulations and with the provisions of this Rider, in the form set forth in Attachment No. 2. Lessor anticipates that it will request such a declaration annually, approximately on the anniversary date of this Rider.

14. **INSPECTION OF PREMISES.** Lessee agrees to permit and cooperate with any on-site inspections and testing requested by Lessor, including inspections and testing conducted by consultants or engineers hired by Lessor to evaluate Lessee's compliance with the applicable environmental requirements and the provisions of this Rider. Lessor shall provide Lessee within 24 hours advance notice of Lessor's intent to conduct such inspection or testing.
15. **DESIGNATED REPRESENTATIVE RESPONSIBLE FOR COMPLIANCE.** _____, whose cell phone number is _____ shall be the Lessee's designated representative who shall be primarily responsible (1) for Lessee's compliance with the provision of this Rider, (2) for handling contact with Lessor pertaining to environmental compliance, and (3) for signing on behalf of Lessee the annual declaration of compliance pursuant to Paragraph 12 above. Lessee shall promptly notify Lessor of any changes in the identity or telephone numbers of the designated representative.
16. **ADDITIONAL PROVISIONS.**

LESSOR:

LESSEE:

 Eron Berg, Executive Director
 Port of Port Townsend

 Brendon Townshend

Date: _____

Date: _____

(Attachment No. 1 to Hazardous Substances Rider)**DISCLOSURE BY LESSEE**

The Lessee makes the following disclosure pursuant to Paragraph 6 of the Hazardous Substances Warranty and Agreement (Attach Additional page(s) if necessary):

1. Release(s) of Hazardous Substances by Lessee:
(If none, initial here: _____)
2. Indication(s) of Contamination at Premises:
(If none, initial here: _____)
3. Lessee Violation(s) of Environmental Regulations:
(If none, initial here: _____)
4. Environmental Claims or Litigation Against Lessee:
(If none, initial here: _____)

Lessee: **BRENDON TOWNSHEND**

Signature: _____

Date: _____

(Attachment No. 2 to Hazardous Substances Rider)**DECLARATION OF COMPLIANCE**

_____, as the designated representative of Lessee primarily responsible for environmental compliance pursuant to Paragraph 12 of the Hazardous Substances Warranty and Agreement dated: _____, 2023, hereby declare and represent as follows on behalf of Lessee:

1. I have read, and am familiar with, Lessee's obligations and representations as set forth in the Hazardous Substances Warranty and Agreement applicable to Lessee.
2. I am not aware of, and do not believe there have been any violations by Lessee of any of the provisions in the Hazardous Substances Warranty and Agreement, or of any requirements imposed on Lessee by federal, state or local environment laws and regulations.
3. I have no reason to believe, and do not believe, that any of the representations in Paragraph 6 of the Hazardous Substances Warranty and Agreement are inaccurate as of the date indicated below.
4. Lessee has not stored, used or had present on or adjacent to the premises any hazardous or toxic substances except those that have been disclosed in writing to Lessor.
5. Lessee has not released, disposed of, or permitted the release of any hazardous or toxic substances onto the premises or into the environment surrounding the premises, except as has been disclosed in writing to Lessor.

Lessee: company

By: _____
BRENDON TOWNSHEND

Date: _____

PORT OF PORT TOWNSEND
LAND LEASE
JEFFERSON COUNTY INTERNATIONAL AIRPORT

ORIGINAL

THIS LEASE AGREEMENT made this 1st day of September 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 **DANIEL SCHEALL SR.**, hereinafter referred to as "Lessee,"

WITNESSETH:

That the parties hereto do mutually agree as follows:

1. LEASED PREMISES: A pad of approximately 1,000 sq. feet to locate individual hangars being relocated from the parking area (see attached drawing)

hereinafter called "the premises."

2. TERM OF LEASE: Term of the lease shall be for a period of 10 years beginning March 1, 2006 and ending February 28, 2016

3. RENT: Rent for the above mentioned lease will commence the first day of the month following the start of land excavation. Lessee agrees to pay as rental for the leased premises the sum of \$40 Forty Dollars and 00/100 **per month plus all applicable taxes.** The rent for each month shall be paid to the Port in advance on or before the first day of each and every month of the lease term, and shall be payable at such place as the Port may hereinafter designate. The rental rate shall be adjusted every three years to the to the prevailing 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 the event that the parties are unable to reach agreement on the fair market rate adjustment, the rate shall be determined by arbitration before a single arbitrator who shall be jointly selected by the parties or by the Jefferson County Superior Court. The rental rate beginning in year two and annually throughout the term of the lease will be adjusted by an amount equal to the accumulative amount found on the Consumer Price Index (CPI) for Seattle and Tacoma, which is compiled by the Department of Labor, Bureau of Statistics. In no event shall any rent adjustment result in a reduction in rent from the rate paid in the prior year.

4. DEPOSIT: Lessee shall, upon the execution of this lease and agreement, deposit with the Port one month rent in the amount of \$40 **plus all applicable taxes.** The lease is not effective until full deposit is made with the Port.

5. USE OF PREMISES: Lessee shall use the premises for aircraft storage

A. The Lessee shall pay all costs and expenses associated and in connection with the use of the Premises and the rights and privileges therein granted, including, but not limited to, leasehold and other taxes, permit fees, license fees, and assessments lawfully levied or assessed upon the Premises or property at any time situated therein and thereof. The Lessee may, however, at its sole expense and cost, contest any tax, fee, or assessment, but shall in no event allow the same to become a lien thereof.

B. The Lessee shall observe and obey all laws, regulations, and rules of the Airport and the federal, state, and local government, which may be applicable to its operation at the Airport. This shall include the Jefferson County International Airport (JCIA) Rules and Regulations and the Statutes and Resolutions now in effect or as may be promulgated or revised in the future

from time to time. The Lessee specifically acknowledges that it shall abide by and be subject to all rules and regulations which are now, or may from time to time, be formulated by the Lessor.

C. The Lessee agrees to and shall keep the leased Premises clean and in good order, condition, and repair. The Lessee shall, at its sole cost and expense, maintain the grounds of the Premises in good order and repair and in good and safe condition and shall repair all damages caused by its occupants or invitees. The Lessor shall be the sole judge of the quality of maintenance of the grounds, and upon written notice by the Lessor to the Lessee; the Lessee shall be required to perform whatever maintenance the Lessor deems reasonably required. If the maintenance is not undertaken within ten (10) days after receipt of written notice, the Lessor shall have the right to enter upon the Premises and perform such maintenance, the cost of which shall be charged to and be borne by the Lessee and paid by the Lessee as an additional fee on the next rental due date after receipt of notice as to the amount thereof.

D. The Lessee shall be entitled, in common with others so authorized, to the use of all facilities and improvements of a public nature which now are or may hereafter be connected with or appurtenant to the Airport, including the use of landing areas, runways, taxies, navigational aids, terminal facilities, and aircraft parking areas designated by the Lessor, all upon such rules and regulations as may be established by the Lessor from time to time hereafter.

E. The Lessee shall have the reasonable right of ingress and egress to and from the Premises and to the public areas of the Airport in the carrying on of their activities as herein provided for; subject, however, to such rules and regulations pertaining to the use and operation of the Airport as may be established by the Lessor from time to time hereafter, which right shall extend to the Lessee's guests and invitees.

F. The Lessee may not use Premises for any purpose other than those which are specifically authorized by this Lease and which are in accordance with the Airport Master and Layout Plan, except as approved in writing by the Lessor prior to any implementation.

G. The Lessee hereby acknowledged for themselves, their heirs, administrators, executors, successors, and assigns that the Lessee hereby grants and conveys for the use and benefit of the public a right of way over the Premises for the unobstructed passage of all aircraft ("aircraft" being defined for the purpose of this instrument as any contrivance now known or hereafter invented, used or designated for navigation of or flight in the air), by whomsoever owned and operated, in all air space above the surface of the Premises, to an infinite height above the Premises.

In addition, this easement grants the right to cause in all airspace above the Premises such noise, vibrations, fumes, dust, fuel particles, and all other effects that may be caused by the current or future operation of aircraft landings at, or taking off from, or operating at or on JCIA. The Lease does hereby fully waive, remise, and release any right or cause of action which they may now have or which they may have in the future against the Lessor, its successors and assigns, due to such noise, vibrations, fumes, dust, fuel particles, and all other effects that may be caused by the operation of aircraft landings at, or taking off from or operating at or on said JCIA.

In addition, this easement includes the continuing right in the Lessor to prevent the erection of or growth upon the Premises of any building, structure, tree, or other object extending into the airspace, which would constitute Air Regulation Part 77, which is on file in the Lessor office. The Lessee for themselves, their heirs, administrators, executors, successors, and assigns, do hereby agree that for and during the life of this Lease they will not hereafter erect, permit the erection of, or permit or suffer to remain upon the Premises any building, structure, tree or other object extending into aforesaid airspace, and that they shall not hereafter use or permit or suffer the use of the Premises in such a manner as to create electrical interference with radio communications between

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any installation upon JCIA and aircraft, or to make difficult for flyers to distinguish between airport lights and others, or as to impair visibility in the vicinity of the airport or as otherwise to endanger the landing, taking off or maneuvering of aircraft.

The Lessee will maintain the hangars in safe and good repair throughout the term of the lease. The Lessor shall maintain and repair the ramp areas to the hangars once they have been installed by the Lessee. If for any reason, the hangars are not utilized for aeronautical purposes, the Lessee must notify the Lessor in writing as to the nature of non-aeronautical use. Such uses must be compatible with Port Policy and are subject to the express written approval by the Port Manager.

The Lessee shall not use them for any other purpose without the written consent of the Port.

6. UTILITIES: Lessee shall be liable for, and shall pay throughout the term of this lease, all charges for all utility services furnished to the premises, including, but not limited to, light, heat, electricity.

7. ACCEPTANCE OF PREMISES: Lessee has examined the leased land and accepts it in their present condition.

8. MAINTENANCE AND REPAIR OF FACILITIES: Maintenance of the Premises and all improvements thereon is the responsibility of the lessee. Lessee shall, at its own expense, at all times keep the premises, and the adjoining roadways and sidewalks, neat, clean and in a safe and sanitary condition, keep the glass of all windows and doors thereof clean and presentable, and shall maintain and keep the leased premises in a good state of repair, and shall commit no waste of any kind, and, without limiting the generalities thereof, shall replace all cracked or broken glass in the premises, and keep the electrical system and the sprinkler system and all pipes and drains clean and in a good state of repair, and shall protect all pipes and drains so that they will not freeze or become clogged.

9a. CONDITION OF PROPERTY: The Port has not stored or used toxic substances on the leased premises and has no knowledge of any other person's use or storage of toxic substances on these premises. Lessee is not relying on any representations of Lessor as to condition or usability, except Lessor's right to grant a lease of the Premises. The utility service, taxiway and access ramps shall be constructed in a manner and location acceptable to Lessor.

9b. PERMITTED IMPROVEMENTS BY LESSEE: Lessee may make and install, at Lessee's own expense, such improvements as are normal and customary in connection with the activity described in paragraph 5. Lessee agrees to submit plans to and obtain written approval from Lessor before commencing any major improvements, which are for purposes hereof defined to be the improvements having a cost of \$10,000 or which involve the erection or placement of any structure or any excavation or alteration of any terrain.

9b.1 Completion Schedule for Major Improvements by Lessee: Lessee agrees to proceed with the hangar re-location on or before September 30, 2005

9b.2 Disposition of Improvements at end of Lease: Lessee shall have the right to remove all equipment, personal property and trade fixtures, which may have been placed upon the Premises by Lessee during the period of this Lease, providing that the same are removed within thirty (30) days following the termination of the Lease and that the Lease is in good standing. Title to any trade fixtures not removed from the Premises within the foregoing period of time shall, at Lessor's option, pass to Lessor without additional consideration. If the Lessor requests removal, the Lessee shall complete the same within sixty (60) days after the termination of this Lease. If the Lessee fails to so remove said improvements within the

specified time, they may be removed by the Lessor and the Lessee agrees to pay the Lessor the cost thereof upon demand.

10. INSPECTION : The Port reserves the right to inspect the leased premises at any and all reasonable times throughout the term of this lease with 24 hours notice: 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.

11. INDEMNIFICATION: 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.

12. INSURANCE: Tenant agrees to maintain during the lease term liability insurance as follows, at Tenant'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 \$1,000,000 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.

The Lessee agrees to supply the Port with appropriate evidence to establish (1) that its insurance obligations as herein provided have been met, and (2) that the insurance policy or policies as herein required are not subject to cancellation without at least thirty (30) days advance written notice to the Port.

13. WAIVER OF SUBROGATION: Lessor 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 13 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 Lessor or Lessee.

14. TAXES: Lessee shall be liable for, and shall pay throughout the term of this lease, all license and excise fees and occupation taxes covering the business conducted on the premises, and all taxes on property of Lessee on the leased premises and any taxes on the leased premises or leasehold interest created by this lease agreement.

15. 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, county, and municipal laws, ordinances, and regulations.** 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.

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15A. HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT: Lessee has examined the Hazardous Substance Warranty and Agreement pages 1 through 4 annexed thereto and which by this reference is incorporated herein as fully set forth herein acknowledges full understanding of its obligations under the Hazardous Substances Warranty and Agreement. Such Hazardous Substances Warranty and Agreement is incorporated herein and made a part hereof.

16. 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. Lessor shall not unreasonably withhold consent to the assignment or sublease of the whole or any part of the premises. 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.

17. DEFAULTS: Time is of the essence of this 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 three (3) days' notice in writing, for failure to pay rent, and fifteen days notice in writing for any other default under the term of this lease. 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 reletting of the leased premises at a lesser rental than that hereinbefore agreed upon. Lessee shall pay such deficiency each month as the amount thereof is ascertained by the Port. Any failure by the owners, officers, or principals of Lessee to pay rentals, storage fees, moorage or any other charges owed to the Port under separate contract shall constitute default under provisions of this agreement.

18. TERMINATION BY PORT: In the event that the Port, shall require the use of the premises to meet its public purpose, purpose, then this lease may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee 120 or more days before the termination date specified in the notice. Lessee shall be fully compensated for all reasonable costs and financial losses resulting from said early termination.

19. 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, Lessee shall retain all rights to compensation under the law of condemnation.

20. 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

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performance by the Port of any of its obligations under this lease, then either party hereto may terminate this lease by written notice, The Port and lessee shall retain all their respective legal rights to all reasonable costs and compensation for economic loss.

21. SIGNS: No signs or other advertising matter, symbols, canopies or awnings shall be attached to or painted on within the leased premises, including the windows and doors thereof, without the approval of the General Manager 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.

22. 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

23. 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 20 hereof.

24. 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.

25. SURRENDER OF PREMISES - ATTORNEYS' FEES: At the expiration or sooner termination of this lease, Lessee shall promptly surrender possession of the premises to the Port, and shall deliver to the Port all keys that it may have to any and all parts of the premises. In the event that either party shall be required to bring any action to enforce any of the provisions of this lease, or shall be required to defend any action brought by either party with respect to this lease, the prevailing party shall be entitled to an award of all actual costs in connection with such action, including such sums as the court or courts may adjudge reasonable as attorney's fees in the trial court and in any appellate courts.

26. HOLDING OVER: If lessee shall, with the consent of the Port, hold over after the expiration or sooner termination of the term of this lease, the resulting tenancy shall, unless otherwise mutually agreed, be for an indefinite period of time on a month-to-month basis. During such month-to-month tenancy, Lessee shall pay to the Port the same rate of rental as set forth herein, unless a different rate shall be agreed upon, and shall be bound by all of the additional provisions of this lease agreement in so far as they may be pertinent.

27. 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.

28. 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

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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.

29. 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

P. O. Box 1180

Port Townsend, Washington 98368

To Lessee:

Daniel Scheall Sr.

60-2 Upper Bluffs Dr.

Port Townsend, WA 98368

360-385-6582

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.

30. JOINT AND SEVERAL LIABILITY: Each and every party who signs this lease, other than in a representative capacity, as Lessee, shall be jointly and severally liable hereunder.

31. "LESSEE" INCLUDES LESSEES, ETC: It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this lease, regardless of the number, gender or fact of incorporation of the party who is, or of the parties who are, the actual lessee or lessees under this agreement.

32. CAPTIONS: The captions in this lease are for convenience only and do not in any way limit or amplify the provisions of this lease.

33. INVALIDITY OF PARTICULAR PROVISIONS: 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.

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

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

35. 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

Individual T hangar

August 2005

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granted a continuous easement within the leased premises of the Lessee, without any additional cost to the Port. For the purposes described above except the Port shall not deprive the Lessee of its utilities and services without 72 hours advance notice and shall not interrupt Lessee's business operation for more than 24 hours.

In the event that the Port does 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 modifying its premises for the temporary period that the Lessee is inconvenienced by such Port entry.

36. FEDERAL AVIATION REQUIREMENTS: Lessee agrees that its use of the Premises will be accomplished in accordance with all FAA Requirements.

Lease dated the 1st day of March 2006, is hereby approved by the Port of Port Townsend, on this 8th day of March 2006, effective upon the receipt of deposit and liability insurance documentation from the Lessee.


LESSEE


By Daniel Scheall Sr.

PORT OF PORT TOWNSEND


Larry Crockett
Executive Director

APPROVED AS TO FORM


Malcolm Harris
Port Attorney

Individual T hangar

August 2005

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STATE OF WASHINGTON
COUNTY OF JEFFERSON

I certify that I know or have satisfactory evidence that Daniel Scheall signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.



Dated April 5 2006

Signature of Susan M. Nelson

Notary Public: Susan M. Nelson

My Appointment Expires: Nov 5 2008

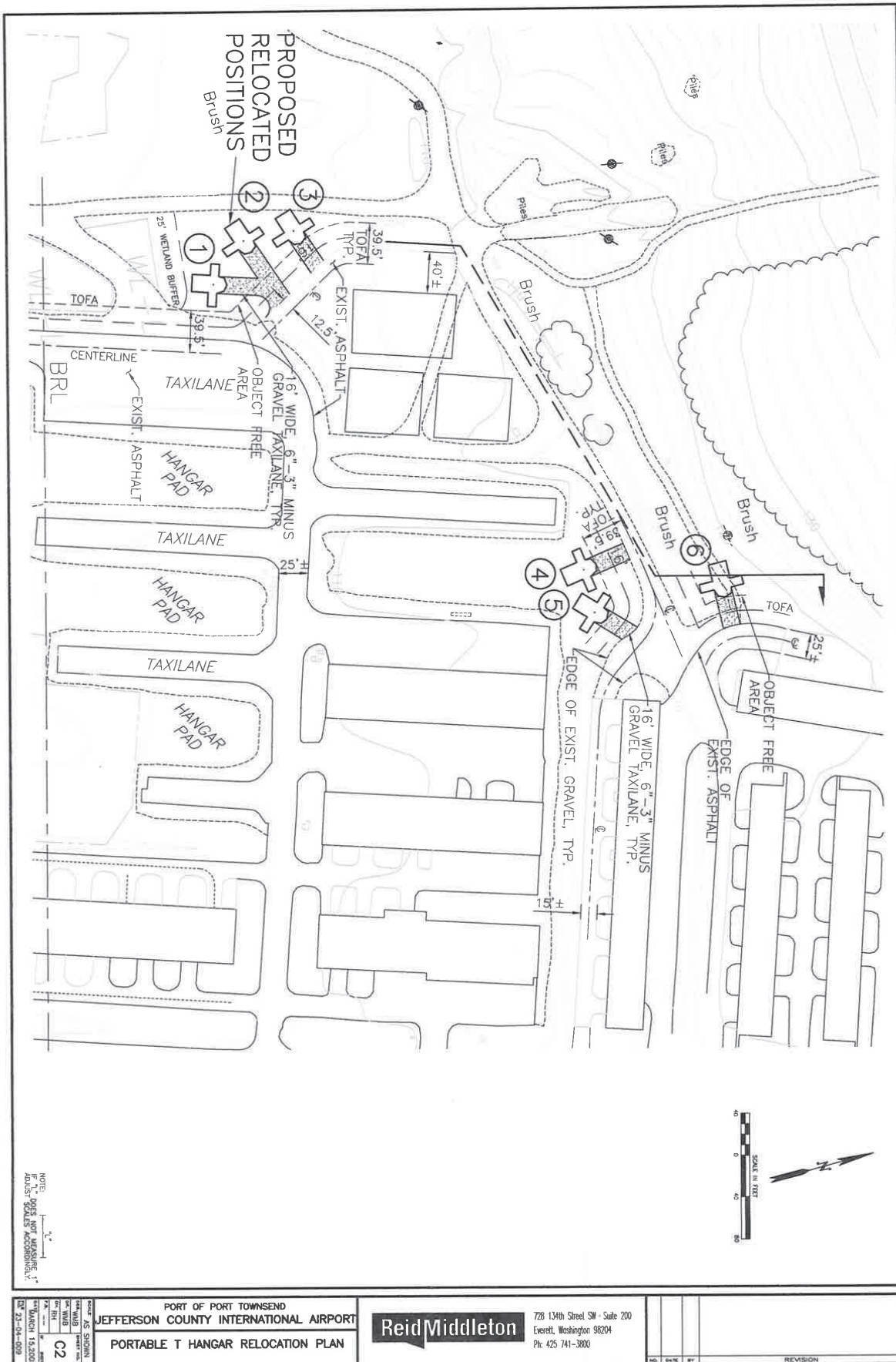
STATE OF WASHINGTON
COUNTY OF JEFFERSON

I certify that I know or have satisfactory evidence that Larry Crockett, signed this instrument and that he is authorized to execute the instrument as the 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 JEFFERSON COUNTY INTERNATIONAL AIRPORT		Reid Middleton	726 134th Street SW - Suite 200 Everett, Washington 98204 Ph: 425 741-3800				
PORTABLE T HANGAR RELOCATION PLAN							
PROJECT NO. 23-04-009	DATE 15,2009	C2		NO.	DATE	BY	REVISION

LEASE AMENDMENT #1

THIS LEASE AGREEMENT made this 11th day of July 2014, 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 DANIEL SCHEALL SR., hereinafter referred to as "Lessee."

WITNESSETH:

1. On March 8th, 2006, the parties entered into a Land Lease Agreement concerning a "pad" of property approximately 1,000 square feet in size located at the Jefferson County International Airport (JCIA), upon which Lessee constructed improvements now commonly referred to as "Hangar 'T'". The March 8th, 2006 Land Lease Agreement is hereinafter referred to as the "Original Lease".
2. Paragraph #2 of the Original Lease speaks to the term of the Lease, and establishes a 10-year term running from March 1, 2006 to February 28, 2016.
3. The parties are agreed that the above-referenced paragraph of the Original Lease should be amended to extend the lease term an additional 10-years terminating on February 28, 2026.

NOW, THEREFORE:

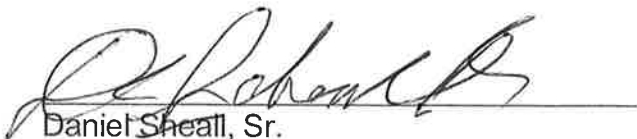
Effective July 11, 2014, paragraph #2 of the Original Land Lease Agreement approved on the 8th March, 2006, shall be amended to read as follows (note: deleted text shown in ~~strikeouts~~; new/amended language shown with double-underlining):

2. **TERM OF LEASE:** Term of the lease shall be for a period of ~~40~~ 20 years beginning March 1, 2006 and ending February 28, ~~2016~~ 2026.

All other terms and conditions of the Lease Agreement dated March 8th, 2006 shall remain in effect.

APPROVED this 11th day of June, 2014, by the Commission of the Port of Port Townsend and duly authenticated in open session by the signature of the Executive Director.

LESSEE


 Daniel Scheall, Sr.
Scheall

ATTEST:

PORT OF PORT TOWNSEND


Larry Crockett, Executive Director

APPROVED AS TO FORM


Port Attorney

**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

I certify that I know or have satisfactory evidence that Daniel Scheall, Sr. signed this instrument and that he is authorized to execute the instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Dated: July 9, 2014

Susan M. Nelson
Signature of Notary Public in and for
the State of Washington, residing at

Jefferson County, Washington

My Appointment Expires:

11-05-16



**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

I certify that I know or have satisfactory evidence that Larry Crockett signed this instrument and that he is authorized to execute the instrument as 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.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Dated: July 8, 2014

Susan M. Nelson

Signature of Notary Public in and for
the State of Washington, residing at

Jefferson County, Washington

My Appointment Expires:

11-05-16



PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	April 12, 2023
AGENDA ITEM	<input checked="" type="checkbox"/> Consent Agenda
AGENDA TITLE	IV. D. United States Coast Guard, Supplemental Lease Agreement No. 0003
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Staff Memo B. US Coast Guard Supplemental Lease Agreement No. 0003

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 4/12/2023
TO: Port Commission
FROM: Eric Toews, Deputy Director and Sue Nelson, Lease & Contracts Administrator
SUBJECT: United States Coast Guard Supplemental Lease Agreement No. 0003 and Standstill Agreement

BACKGROUND: On October 1, 2016, the United States Coast Guard (USCG) entered into a lease agreement for the land located on the spit at the end of Benedict Street. The lease expires on September 30, 2023.

DISCUSSION: Port staff has been communicating with USCG Property Specialist, Mr. Loren Mollner regarding a new lease. While negotiations proceed concerning that new lease, the USCG has requested a ten (10) month extension to its current lease to align it with the federal budget calendar. Mr. Mollner plans to present a proposed new long-term lease to the Port in the Fall of 2023, which, if authorized, would commence on August 1, 2024. The USCG anticipates occupying the site for the foreseeable future, continuing to make beneficial use of the million-dollar building improvements recently undertaken.

RECOMMENDATION: Authorize the Executive Director to execute the attached Supplemental Lease Agreement No. 003 and Standstill Agreement with the US Coast Guard, extending the lease ten months to July 31, 2024.

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

ATTACHMENTS

- United States Coast Guard Supplemental Lease Agreement No. 003
- United States Coast Guard Standstill Agreement

SUPPLEMENTAL LEASE AGREEMENT**SUPPLEMENTAL AGREEMENT****DATE****NO: 0003**

March 22, 2023

To Lease No: HSCG89-16-1-0107

PREMISES:

Port Townsend Mooring and Support Facility, Port Townsend, WA

THIS AGREEMENT, made and entered into this date by and between

-

Port of Port Townsend

P.O. Box 1180

Whose address is Port Townsend, WA 09368

Hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

The Parties desire to amend the above referenced lease for the consideration hereinafter mentioned, covenant and agree that said lease is amended effective upon full execution of this document (SLA 0003).

This agreement grants the Government a lease extension of 10 months, that commences October 1, 2023 and expires on July 30, 2024. The rental amount during for the 10 month extension term shall be \$56,539.30 payable at \$5,653.93 per month.

All payments are subject to annual appropriation being provided by Congress.

All other terms and conditions of the lease dated 1 October 2016, including SLA 's 0001 and 0002, shall remain in force and effect.

IN WHITNESS WHEREOF, the parties subscribed their names as of the above date.

LESSOR:

BY _____
(Signature) (Official Title)

Approved by: _____
(Signature) (Title) (Date)

IN PRESENCE OF

(Signature) (Title)

UNITED STATES OF AMERICA

BY _____
(Signature) (Official Title)

Loren David Mollner
Contracting Officer, US Coast Guard

STANDSTILL AGREEMENT

This Standstill Agreement (hereinafter "Agreement") is made by and between Port of Port Townsend (hereinafter "Lessor"), whose address is P.O. Box 1180, Port Townsend, WA 98368, and the United States of America (hereinafter "Government"), acting by and through the U.S. Coast Guard.

RECITALS

1. The Lessor owns certain improved real property located at 205 Benedict Street Spit (hereinafter "Premises"). The Government currently occupies approximately: .26_ acres (11,500 SF) of land on the Premises and both North and South Sides of adjacent Finger Pier (approximately 111.1 square yards) including access to use Coast Guard Owned buildings on the leased premises. Pursuant to Lease No. HSCG89-16-1-0107 (hereinafter "Lease"), as amended. The Lease expires on 09/30/2023. The Government has not obtained alternative space for its tenants presently occupying the Premises and the Lessor and the Government (hereinafter collectively the "Parties" and each individually a "Party") have not consummated a lease extension agreement to date.
2. The Parties do not want an unnecessary condemnation lawsuit and the Government does not want its operations, services, or tenancy interrupted or disturbed. Neither Party wants a lease holdover and the Parties prefer their negotiations to end with a lease extension at a monthly rental rate to be retroactively effective from 10/01/2023.
3. By this Agreement the Parties seek to preserve the status quo pending the completion of a leasehold acquisition procedure that could result in a mutually acceptable lease extension, and by the terms of which the Government could continue to lease the Premises from the Lessor.
4. The Parties believe this Agreement will facilitate settlement negotiations. As evidenced by their signatures to this Agreement, the Parties agree that no right, action, or claim either Party may otherwise have against the other Party will be prejudiced or waived by this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual covenants set forth herein, the adequacy of which is hereby acknowledged by the undersigned, the Parties agree as follows:

During the term of this Agreement:

1. The Parties agree to negotiate, actively and in good faith, a lease extension for the Premises.
2. The Government will not condemn the Premises by the power of eminent domain and will not file a Declaration of Taking with respect to the Premises.
3. The Lessor will not initiate an "inverse condemnation" or breach of lease action in any United States Court or tribunal with respect to the Premises.
4. The Lessor will not:
 - a. Undertake to evict the Government from the Premises.
 - b. Interfere with the use or occupancy of the Premises by the Government.

- c. Interrupt the operations, building services, or utilities of the Government from what they were while the lease was in effect.
 - d. Market the space to potential tenants if the Government is planning to remain in the premises; or
 - e. Threaten to do any of the acts referenced in A, B, C, or D above.
5. Each Party agrees not to take any action to alter its position to the detriment of the other Party in any condemnation type action arising out of these facts.

At all times after this Agreement becomes effective:

- 6. The Government will receive full credit for money paid to Lessor during the term of this Agreement in accordance with Lease No. HSCG89-16-1-0107 whether there is a lease extension, other legal action, or settlement.
- 7. Neither Party will seek or accept severance damages or attorney's fees from the other Party for the period this Agreement is in effect.
- 8. In the event that a lease extension, with respect to the Premises, is not executed by the Parties during the course of this Agreement, or that this Agreement is otherwise terminated, then any legal proceeding arising therefrom is stipulated by the Parties to be deemed to have commenced on 07/30/2024
- 9. Termination of Agreement: The Parties agree that all terms and conditions of the Lease will remain in full force and effect during the term of this Agreement. This Agreement will terminate on the earlier of 07/30/2024 or on the date a lease extension agreement is signed by the Parties. This termination provision may be amended to extend the termination date of this Agreement by the mutual written consent of the Parties.
- 10. Successors in Interest: All of the terms, covenants, and provisions herein contained will bind and inure to the benefit of the Parties, their heirs, executors, administrators, personal representatives, successors, trustees, receivers, and assigns as applicable, except as otherwise provided herein.
- 11. Merger Clause: All prior understandings and agreements with respect to the subject matter of this Agreement, written or oral, are merged into this Agreement. This Agreement represents the final agreement between the Parties with respect to such subject matter, and may not be superseded, except by a separate written agreement signed and agreed to by the Parties.
- 12. Amendments: Neither this Agreement, nor any terms hereof, may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the Party against whom the enforcement of a change, waiver, discharge, or termination is sought.
- 13. Construction: Any provision contained in this Agreement that is prohibited or unenforceable will be ineffective to the extent of such prohibition or enforceability without invalidating the remaining provisions hereof. A waiver by a Party of any right, covenant, condition, or remedy in any instance hereunder will not operate as a waiver of such right, covenant, condition, or remedy in any other instance, and waiver by a Party of any breach of the terms hereof will not be a waiver of any additional or subsequent breach. This Agreement will be governed by, and construed in accordance with, the laws of the United States of America.

14. Counterparts: This Agreement may be executed in photocopied counterparts that, when taken together, will constitute a single agreement.
15. Effective Date: This Agreement is effective and enforceable only after having been first signed by the Lessor, and second, accepted and signed by the Government.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of _____.

Lessor:

Signature: _____

Printed Name: _____

Title: _____

Date: _____

U.S. Coast Guard authorized representative:

Signature: _____

Printed Name: Loren David Mollner

Title: Real Property Specialist

Date: 3/22/2023

Jochems Property Management Lease Amendment No. 3
Placeholder

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	April 5, 2023
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	V. A. Updated Organizational Chart
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. Information Memo2. Organizational Chart

PORT OF PORT TOWNSEND

AGENDA MEMO

DATE: 4/12/2023
TO: Commission
FROM: Eron Berg, Executive Director
SUBJECT: 2nd Reading: Updated Organizational Chart

ISSUES

1. Should the Commission approve the requested updated organizational chart?

BACKGROUND

Under Resolution 786-23 and port practices, the Commission approves the organizational chart and the executive director administers day-to-day operations including personnel.

DISCUSSION

As discussed at various meetings and in the 2023 budget process, staff are requesting an update to the organizational chart that adds one additional FTE, a manager of capital projects position. This position would be a professional engineer, licensed in the State of Washington, who would work under Matt's leadership to manage a number of the Port's capital projects.

In order to rebuild Port infrastructure and effect the community's goals for the IDD levy, we need more hands on deck. The Port's adopted 5 year CIP is a \$47,621,000 program and that does not include all of the projects we are working on such as the Boat Haven Main Breakwater Replacement (\$7.7M) and the Climate Change Resilience, Flood Protection & Waterwalk Project (\$30M). Both are about to begin design phase work and have possible pathways to construction phase funding.

For comparison here are the last five years' capital budgets along with the port's professional engineering staffing:

	<u>5 YEAR TOTAL</u>	<u>ENGINEERS ON STAFF</u>
2019-2023	\$12,496,364	0
2020-2024	\$13,006,000	.6 (starting 11/2020))
2021-2025	\$23,590,361	1.0 (starting 11/2021)
2022-2026	\$40,730,114	1.0
2023-2027	\$47,621,000	1.0 (proposed to increase to 2.0)

The number of projects that Matt is managing directly today is more than one person can effectively oversee. While the Port hires and will continue to hire outside consultant assistance, someone must oversee the consultants and keep the projects moving forward, as well as influence the project from the owner's perspective. Consultants alone will not produce optimal projects for the Port -- the owner must be involved.

The projects that Matt is currently actively managing include (2023 phase noted):

JCIA

- (1) Airport terminal (design, permit and construction phase)
- (2) Fuel system design (JCIA) (design phase)
- (3) Taxiway A3 construction (permitting and bidding phase)

BOAT HAVEN

- (4) Boat Haven Main Breakwater Replacement (design phase)
- (5) Moorage/yard office (permitting and construction phase)
- (6) Boat yard stormwater (design phase)
- (7) Boat yard expansion (north) (design and permitting phase)
- (8) Boat yard expansion (west) (pre-design and feasibility)
- (9) Boat Haven linear dock (need to start design)

POINT HUDSON

- (10) South breakwater (construction)
- (11) Buildings (design, permitting and construction)

HERB BECK

- (12) Ramp, bathroom, parking & ADA (design this fall)

GARDINER

- (13) New ramp (permitting and construction)

This is not an exhaustive list, but a list of the more significant and key projects with 2023 phases.

Value for this addition will come in three key areas: (1) Allow the Port to accept opportunities where timing and readiness are critical (i.e., grant dollars); (2) Keeping funded projects efficiently on track; and (3) Directly performing work that would otherwise be billed much more expensively through consultant agreements (e.g., about 50% of the cost per hour).

The goal of this addition is to increase capacity to manage capital projects, particularly those funded with the IDD Levy. Staff's proposal in adding this new position is to fund it primarily through the IDD Levy (note: time will be tracked so non-IDD eligible projects would be funded differently). Some of this person's time would be reimbursable from grants as well. Our 5 year CIP, current list of funded projects and workload demonstrate a need for this position at least through 2027-2028 and investing in professional capacity to rebuild the Port is a good and efficient use of IDD levy dollars and other Port resources.

Staff would like to have someone hired in May.

FISCAL IMPACT

2023: \$122,000

2024: \$182,000

ATTACHMENTS

1. Revised organizational chart

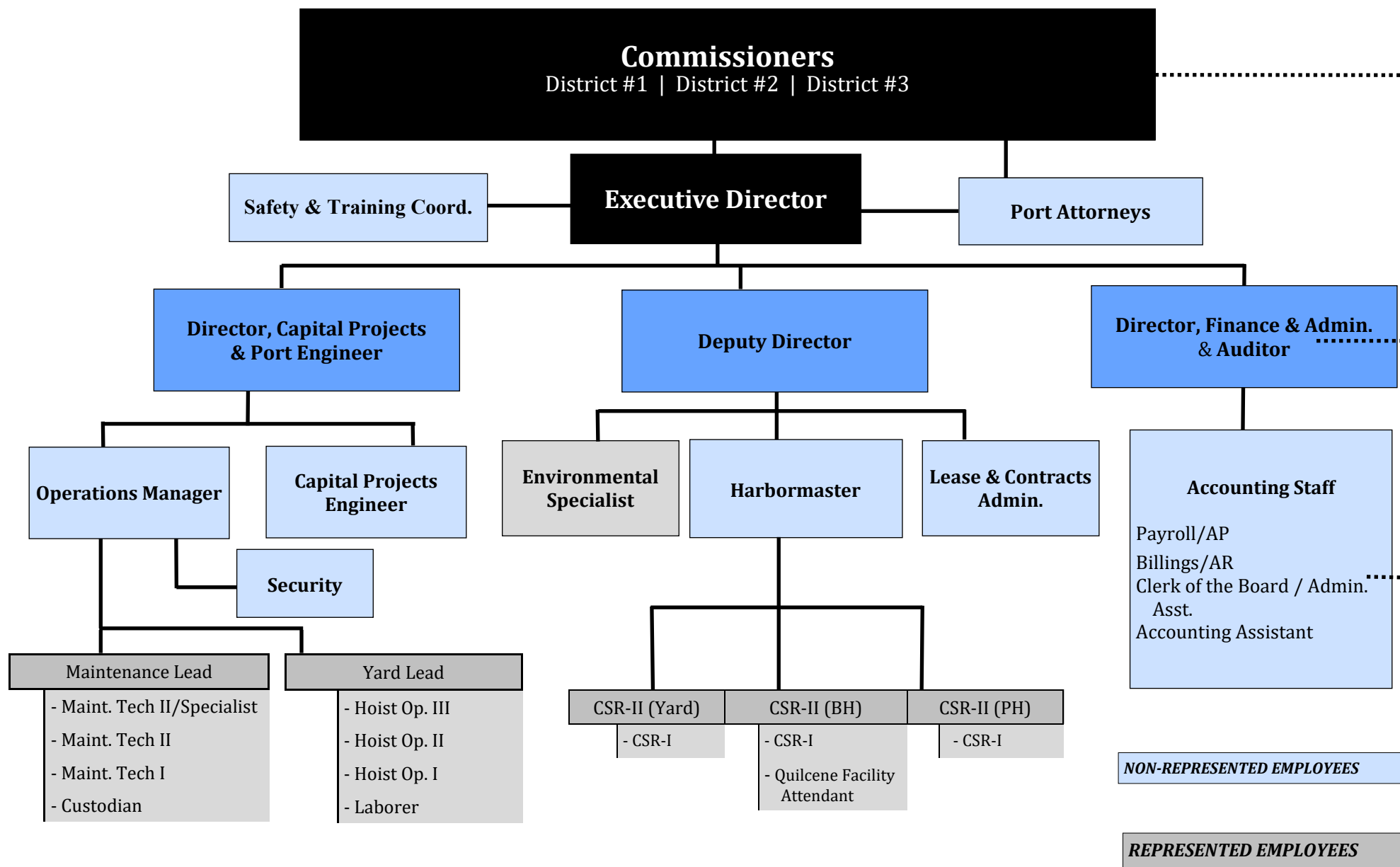
RECOMMENDATIONS

Motion to approve the requested updated organizational chart

PORT OF PORT TOWNSEND

Organizational Chart

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Not Yet Adopted 4/3/2023

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	April 7, 2023
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. February 2023 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	<ol style="list-style-type: none">1. Informational Memorandum2. Financial Report3. Notes

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 4/7/2023
TO: Commission, Executive Staff
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: February 2023 Financial Report

Attached is the YTD February 2023 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 YTD. The following is additional information not included in the attached financial report, but key in fully understanding the Port's financial status:

2023 YTD Project Expenses	Budget	Year-to-date
PH Replacement of North & South Jetties	\$ 6,000,000	\$ 1,768,660
PH – Pavilion Building	0	756
JCIA – Runway Rehabilitation ^(a)	0	15,166
JCIA – 2 nd Connector Taxiway (A2) - design	90,000	0
JCIA – 2 nd Connector Taxiway (A2) - construction	556,000	0
BH Main Breakwater Repairs	400,000	0
FEMA – PH Emergency Repairs	0	27,399
FEMA – BH Marina Pavement Repair	0	620
Reconstruct Old Coast Guard Building	150,000	22,994
NORTH Yard Expansion (Sims Way)	200,000	308
WEST Yard Expansion (by Shipyard)	80,000	310
BH Stormwater Treatment	450,000	6,618
Gardiner Launch Ramp w/Seasonal Float	110,000	412
Herb Beck Dredge	20,000	614
Clean Vessel Build – WA State Parks & Recreation	0	0
Total Capital Expenses YTD	<u>\$ 8,146,000</u>	<u>\$ 1,843,857</u>

Non-Capital use of funds

DNR – Vessel Destruction	<u>\$ 15,687</u>
--------------------------	------------------

2023 Capital Purchases or Contracted Capital Services

Equipment/Vehicle replacement (total \$175,000)		
(2) ½ Ton pick-up trucks	\$ 70,000	\$ 84,107
1 Ton pick-up truck	65,000	52,652
Dump trailer	25,000	0
Gator (PH)	15,000	0
Total Capital Purchases or Contracted Capital Services YTD	<u>\$ 175,000</u>	<u>\$ 0</u>

Notes to Capital Expenditures

- (a) We are currently in the process of the three (3) grant close-outs with the FAA for this project. This expenditure is the final payment to Reid Middleton for that work which should be completed within the month.

Ending Cash Balances as of February 28	2023	2022
Reserved Cash & Investments – Other*	\$ 3,259,864	\$ 2,649,994
Reserved Cash & Investments – IDD	4,471,932	2,228,749
Unreserved Cash & Investments	1,618,836	1,491,390
Total Cash & Investments	<u>\$ 9,350,632</u>	<u>\$ 6,370,133</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	\$ 1,623,095
Boat Haven Renovation Reserve (b)	441,517	na
Emergency Reserve	500,000	\$500,000
Port-Wide Capital Reserve (c)	<u>1,126,631</u>	na
Total Other Reserves	<u>\$ 3,259,864</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	\$ 73,544
December 1 – principal and interest	408,544

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

July 1 – principal and interest	523,250
December 31 – interest only	<u>15,750</u>
Total Debt Service for the year	<u>\$ 1,021,088</u>

Remaining Debt for years 2024-2029

2010 LTGO Bond – principal and interest	\$ 2,847,463	payoff December 2029
2015 LTGO Bond – principal and interest	<u>1,081,800</u>	payoff July 2025
Total	<u>\$ 3,929,363*</u>	

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

2021 LTGO Line of Credit (LOC)

November 2022	1 st draw to pay Orion Construction	\$2,633,967
December 2022	2 nd draw to pay Orion Construction	<u>1,189,677</u>
	Total 2022 Draws	\$3,823,644

There have been no additional draws since December. Dept. of Commerce grant reimbursements were used to pay the January Orion Construction bill in the amount of \$1,346,260.82, and the February bill for \$332,332.03.

The 2021 LTGO LOC's required debt redemptions are due in March, and September each year until the end of the bond term, March 1, 2027. This debt instrument serves as a bridge between project expenditure payments, grant reimbursements, and reconciliations with the IDD. As of 12/31/2022, a debt service amortization schedule was prepared by the County Treasurer, though the Port plans to re-pay prior to the schedule outlined in the bond issuance. There are no penalties for pre-payment. The interest rate on the LOC is 1.55% through March 1, 2025, and goes to 1.65% thereafter through the end of bond term.

Current balance of 2021 Line of Credit \$3,823,644

DISCUSSION

As requested by Commission.

FISCAL IMPACT

NA

RECOMMENDATIONS

For discussion only.

Port of Port Townsend
2023 Summary of Fund Resources & Uses with Comparison to Prior Year and Budget

	YTD Feb. 2022	YTD Feb. 2023	Variance to prior year	notes	YTD Budget 2023	Variance to Budget YTD
OPERATING REVENUES						
Boat Haven Moorage	301,590	326,017	24,426		325,525	492
Yard Operations	373,849	437,367	63,518		431,335	6,032
Boat Haven Properties	140,847	151,564	10,717		152,220	(656)
Pt. Hudson Marina, RV & Prop	214,426	143,155	(71,271)		142,363	792
Quilcene	19,437	28,284	8,846		26,381	1,903
Ramps	3,175	2,050	(1,125)		2,810	(760)
JCIA	29,125	32,215	3,090		29,684	2,531
(Incr.)/Decr. In Accounts Receivable	215,038	148,561	(66,477)		-	148,561
Total Operating Revenues	1,297,488	1,269,211	(28,276)	a	1,110,318	158,893
OPERATING EXPENDITURES						
Salaries & Wages	421,993	430,344	8,351		446,689	(16,345)
Payroll Taxes	43,031	47,686	4,656		46,363	1,323
Employee Benefits	128,325	137,715	9,390		132,266	5,449
Uniform Expense	1,797	2,627	830		2,697	(70)
Contract Services	40,032	65,663	25,631		52,715	12,948
Legal & Auditing	7,816	1,060	(6,756)		3,732	(2,672)
Insurance	1,545	-	(1,545)		-	-
Facilities & Operations	116,482	113,187	(3,295)		93,117	20,071
Utilities	66,229	77,257	11,027		84,629	(7,372)
Marketing	11,198	17,089	5,891		12,521	4,568
Economic Development	7,500	7,725	225		7,725	-
Travel & Training	3,547	817	(2,730)		1,533	(716)
Community Relations	-	5,149	5,149		5,000	149
Total Operating Expenditures	849,495	906,319	56,824	b	888,987	17,333
Net Operating Income (Expense)	447,993	362,892	(85,101)		221,331	141,561
Other Increases in Fund Resources						
Deposits & Retainage Collected	15,680	23,895	8,215		23,350	545
Taxes Collected	114,523	117,067	2,544		110,976	6,091
Capital Contributions/Grants	-	2,465,306	2,465,306		27,000	2,438,306
Debt Proceeds - Line of Credit	-	-	-		-	-
Interest	870	57,182	56,312		422	56,760
Property & other taxes	273,402	329,413	56,010		233,059	96,354
Misc Other Incr. in Fund Resources	5,860	13,260	7,401		4,690	8,570
Total Other Incr. in Fund Resources	410,335	3,006,123	2,595,788	c	399,497	2,606,626
Other Decr. In Fund Resources						
Deposits & Retainage Paid	177	17,355	17,178		-	17,355
Taxes Remitted	151,060	161,715	10,655		154,110	7,605
Debt Principal & Interest	-	-	-		-	-
Debt Mgmt, Issuance & Misc Exp	43	370	327		80	290
Election Expense	-	-	-		-	-
Total Other Decr. In Fund Resources	151,281	179,441	28,160	d	154,190	25,251
Net Incr./(Decr.) in Fund Resources	259,054	2,826,683	2,567,629		245,307	2,581,376
Net Income (Expense)	707,047	3,189,575	2,482,528	e	466,638	2,722,936

The accompanying information memo is an integral part of this statement.

Summary of Fund Resources Uses, February 2023

Port of Port Townsend
Notes to 2023 Summary of Fund Resources & Uses report
As of February 28, 2023

- (a) Overall, Operating Revenues are less than YTD February 2022 by \$28,276. This variance is partly due to the change in Accounts Receivable balances, and partly due to the dip in Point Hudson revenues as a result of the Jetty project. The variance to budget is largely due to the change in Accounts Receivable balances, which is not budgeted. When removing the change in Accounts Receivable balances, the variance to budget is about \$10,332, or 14%. The Yard starts the new year as the leader in revenues, primarily due to the removal of the discounted rate in the 75T Yard, and Boat Haven Moorage is the next highest when compared to 2022 with an increase of \$24,426. This is likely due to the Point Hudson permanent moorage customers docking at Boat Haven during the Jetty construction. Point Hudson is performing the worst, when compared to 2022, due to Jetty construction, and is almost exactly on budget because this dip was expected.
- (b) Overall, Operating Expenses increased by 7%, or \$56,824, when compared to 2022. When measuring performance against budget, Operating Expenses YTD are more by 2%, or \$17,333.
- (c) Total Other Increases in Fund Resources increased by a whopping 633%, or \$2,595,789, when compared to 2022. 94% of this increase is due to the two (2) Dept. of Commerce grant reimbursements that were received in January, when they were expected in December, for the Jetty, that totaled \$2,435,000. Another variance of note, though not as significant, is the increase in Interest income. The interest rates were slowing increasing last year during budget and should have been budgeted at higher amounts. As such, we'll continue to see large variances year to year, and when compared to budget for this line item.
- (d) Other Decreases in Fund Resources are more when compared to 2022 by 19%, or \$28,160 and more than budget by 16%, or \$25,251.
- (e) Overall, the difference in 2023 Net Income (Expense) when compared to 2022 is a \$2,482,528, or a whopping 351%, increase. As previously mentioned in item (c), this variance is due to the two (2) Dept. of Commerce grant reimbursements received in January but were expected in December in the amount of \$2,435,000. If we remove this timing difference in 2023 for those two (2) Dept. of Commerce grant reimbursements, this is the result:

	YTD Feb. 2022	YTD Feb. 2023	variance	YTD Budget 2023	variance
Net Income (Expense)	707,047	3,189,575	2,482,528	466,638	2,722,936
Less: Commerce Grants (2)	-	(2,435,000)	(2,435,000)	-	(2,435,000)
Net Income (Expense)	\$ 707,047	\$ 754,575	\$ 47,528	\$ 466,638	\$ 287,936

This shows the actual year-to-year variance is an increase in Net Income (Expense) of \$47,528, and a more significant increase of \$287,936, when compared to YTD budget.

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	April 12, 2023
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"> • February 2023 Detailed Financials • Contract Update/Lease Brief • Production Alliance Agreement

Port of Port Townsend
2023 Summary of Fund Resources & Uses with Comparison to Prior Year and Budget

	YTD Feb. 2022	YTD Feb. 2023	Variance to prior year	notes	YTD Budget 2023	Variance to Budget YTD
OPERATING REVENUES						
PTBH - Permanent Moorage	219,926	236,542	16,615		233,000	3,542
PTBH - Liveaboard Fee	3,000	4,725	1,725		3,300	1,425
PTBH - Liveaboard Background Check	-	126	126		-	126
PTBH - Work Float/Lift Pier Usage	798	809	11		835	(26)
PTBH - Monthly Guest	37,069	32,887	(4,182)		34,783	(1,896)
PTBH - Nightly Guest	19,906	22,525	2,619		24,396	(1,871)
PTBH - Electric	18,118	24,396	6,277		26,500	(2,104)
PTBH - Miscellaneous Revenue	643	1,250	607		683	567
PTBH - Showers	1,112	971	(141)		968	3
PTBH - Restroom Key Fobs	50	53	3		80	(28)
PTBH - Laundry	823	691	(132)		940	(250)
PTBH - Promotional Sales	-	43	43		40	3
PTBH - Port Labor	145	-	(145)		-	-
PTBH - Kayak Racks	-	1,000	1,000		-	1,000
Boat Haven Moorage	301,590	326,017	24,426		325,525	492
Yard - 70/75 Ton Hoist Revenue	32,318	41,177	8,859		35,722	5,455
Yard - 70/75 Ton Yard Revenue	144,241	219,889	75,648		207,004	12,885
Yard - 70/75 Ton Yard Enviro Fee	10,480	11,283	803		11,248	35
Yard - 70/75 Ton Yard Electric	7,723	7,437	(287)		7,992	(555)
Yard - 70/75 Ton Yard Port Labor	290	932	642		100	832
Yard - 300 Ton Hoist Revenue	30,817	39,163	8,346		32,371	6,792
Yard - 300 Ton Yard Revenue	94,868	82,492	(12,375)		87,659	(5,167)
Yard - 300 Ton Yard Enviro Fee	3,344	4,009	665		3,650	359
Yard - 300 Ton Yard Electric	10,441	9,004	(1,437)		11,218	(2,214)
Yard - 300 Ton Yard Port Labor	978	1,440	462		963	477
Yard - L/T Storage	17,327	-	(17,327)		14,100	(14,100)
Yard - Blocking Rent	8,673	6,716	(1,956)		6,873	(157)
Yard - Off Port Property Tarp Fee	-	642	642		100	542
Yard - Washdown Revenue	10,045	12,256	2,211		10,300	1,956
Yard - Bilge Water Revenue	1,905	902	(1,003)		1,601	(699)
Yard - Liveaboard Fee	400	-	(400)		366	(366)
Yard - Enviro Violations & Clean up	-	-	-		68	(68)
Yard - Miscellaneous Revenue	-	25	25		-	25
Yard Operations	373,849	437,367	63,518		431,335	6,032
PTBH Prop - Lease Revenue	130,014	138,468	8,454		139,876	(1,408)
PTBH Prop - Fuel Dock Lease	2,465	875	(1,590)		2,085	(1,210)
PTBH Prop - Garbage	603	635	31		1,700	(1,065)
PTBH Prop - Water	4,045	7,294	3,248		4,696	2,598
PTBH Prop - Stormwater	1,618	1,571	(47)		1,623	(52)
PTBH Prop - Electric	113	(291)	(404)		270	(561)
PTBH Prop - Storage Unit Revenue	1,988	2,224	236		1,970	254
PTBH Prop - Miscellaneous	-	789	789		-	789
Boat Haven Properties	140,847	151,564	10,717		152,220	(656)
Pt Hudson - Permanent Moorage	25,659	5,609	(20,050)		5,334	275
Pt Hudson - Monthly Guest	38,987	945	(38,042)		-	945

The accompanying information memo is an integral part of this statement.

Summary of Fund Resources Uses, February 2023

	YTD Feb. 2022	YTD Feb. 2023	Variance to prior year	notes	YTD Budget 2023	Variance to Budget YTD
Pt Hudson - Nightly Guest	3,679	1,901	(1,778)		1,780	121
City Pier & Union Wharf Usage	-	20	20		-	20
Pt Hudson - Monthly R.V.	26,673	20,903	(5,770)		22,950	(2,047)
Pt Hudson - Nightly R.V.	24,323	19,328	(4,995)		23,260	(3,932)
Pt Hudson - Kayak Racks	3,368	997	(2,372)		-	997
Pt Hudson - Electric	6,102	1,252	(4,851)		1,325	(73)
Pt Hudson - Reservation Fee	3,245	4,521	1,276		3,928	593
Pt Hudson - Liveaboard Fee	2,781	105	(2,676)		-	105
Pt Hudson - Liveaboard Backgrnd Ck	540	306	(234)		-	306
Pt Hudson - Showers	558	573	16		304	269
Pt Hudson - Laundry	1,186	1,117	(69)		1,120	(3)
Pt Hudson - Miscellaneous	270	(257)	(527)		-	(257)
Pt Hudson - Promotional Sales	16	96	80		-	96
Pt Hudson - Building Leases	69,336	78,396	9,060		73,932	4,464
Pt Hudson - Property Utilities	7,704	5,977	(1,728)		7,730	(1,753)
Pt Hudson - Event Facility Rev	-	1,300	1,300		-	1,300
Pt Hudson - Parking	-	15	15		700	(685)
Pt Hudson - Keys, & Key Fobs	-	53	53		-	53
Pt. Hudson Marina, RV & Prop	214,426	143,155	(71,271)		142,363	792
Quilcene - Permanent Moorage	4,365	11,562	7,197		10,330	1,232
Quilcene - Monthly Moorage	-	-	-		-	-
Quilcene - Nightly Moorage	(26)	1,508	1,534		-	1,508
Quilcene - Showers	340	280	(60)		303	(23)
Quilcene - Electric	562	420	(142)		492	(72)
Quilcene - Kayak Rack Storage	55	-	(55)		-	-
Quilcene - Reservations	-	-	-		11	(11)
Quilcene - Recreational Ramp Fees	55	415	360		1,000	(585)
Quilcene - Miscellaneous Revenue	431	-	(431)		-	-
Quilcene - Lease Revenue	11,668	12,494	827		12,032	462
Quilcene - Water	1,987	1,447	(540)		2,138	(691)
Quilcene - Empty Trailer Strg	-	158	158		75	83
Quilcene	19,437	28,284	8,846		26,381	1,903
Ramp Fees	2,575	2,050	(525)		2,810	(760)
PTBH Ramp - Commercial Use Fees	600	-	(600)		-	-
Ramps	3,175	2,050	(1,125)		2,810	(760)
JCIA - Lease Revenue	21,486	23,794	2,308		22,594	1,200
JCIA - Hangar Revenue	7,000	7,890	890		6,574	1,316
JCIA - Aircraft Parking	124	390	266		110	280
JCIA - Fuel Lease Revenue	149	141	(9)		167	(26)
JCIA - Electric	365	-	(365)		239	(239)
JCIA	29,125	32,215	3,090		29,684	2,531
(Incr.)/Decr. In Accounts Receivable	215,038	148,561	(66,477)		-	148,561
Total Operating Revenues	1,297,488	1,269,211	(28,276)	a	1,110,318	158,893
OPERATING EXPENDITURES						
Salaries & Wages	421,993	430,344	8,351		446,689	(16,345)
Payroll Taxes	43,031	47,686	4,656		46,363	1,323
Employee Benefits	128,325	137,715	9,390		132,266	5,449
Uniform Expense	1,797	2,627	830		2,697	(70)
Contract Services	40,032	65,663	25,631		52,715	12,948

The accompanying information memo is an integral part of this statement.

Summary of Fund Resources Uses, February 2023

	YTD Feb. 2022	YTD Feb. 2023	Variance to prior year	notes	YTD Budget 2023	Variance to Budget YTD
Legal & Auditing	7,816	1,060	(6,756)		3,732	(2,672)
Insurance	1,545	-	(1,545)		-	-
Office/Computer Supplies	5,524	2,200	(3,324)		300	1,900
Operating Supplies	24,639	19,594	(5,045)		13,536	6,058
Enviro Materials/Supplies	5,323	108	(5,215)		1,669	(1,561)
Tarp Pool Expense	7,305	7,376	72		7,000	376
Empl Recog/Relations	2,026	2,682	656		50	2,632
Postage	35	-	(35)		110	(110)
Janitorial Supplies	1,736	4,788	3,052		3,214	1,574
Fuel & Lubricants	3,398	2,292	(1,106)		2,300	(8)
Permits & Licenses	503	6,041	5,538		1,050	4,991
Equipment Rental	2,334	11,332	8,998		5,686	5,646
Claims & Damages	536	-	(536)		-	-
Membership & Dues	13,245	14,846	1,601		14,000	846
Bank Charges	18,845	12,084	(6,760)		14,225	(2,141)
Excise Tax	1,152	1,310	158		1,663	(353)
Miscellaneous Expense	884	956	72		360	596
Repair & Maintenance Supplies	28,998	27,579	(1,419)		27,954	(375)
Facilities & Operations	116,482	113,187	(3,295)		93,117	20,071
Utilities	66,229	77,257	11,027		84,629	(7,372)
Advertising (Legal 2018)	3,067	2,956	(112)		1,450	1,506
Marketing	7,534	9,595	2,061		8,796	799
Promotion	597	4,539	3,942		2,275	2,264
Marketing	11,198	17,089	5,891		12,521	4,568
Economic Development	7,500	7,725	225		7,725	-
Travel & Training	3,547	817	(2,730)		1,533	(716)
Community Relations	-	5,149	5,149		5,000	149
Total Operating Expenditures	849,495	906,319	56,824	b	888,987	17,333
Net Operating Income (Expense)	447,993	362,892	(85,101)		221,331	141,561
Other Increases in Fund Resources						
Yard Deposits Collected	-	8,134	8,134		-	8,134
PTBH Prop Lease Deposits Collected	1,119	1,371	252		12,550	(11,179)
PH Prop Lease Deposits Collected	673	-	(673)		-	-
JCIA Prop Lease Deposits Collected	2,309	379	(1,930)		-	379
PH Marina/RV Deposits Collected	11,578	14,012	2,433		10,800	3,212
Deposits & Retainage Collected	15,680	23,895	8,215		23,350	545
Sales Tax Collected	8,013	9,509	1,496		10,782	(1,273)
Leasehold Tax Collected	106,025	107,174	1,150		99,794	7,380
Hotel/Motel Tax Collected	486	384	(101)		400	(16)
Taxes Collected	114,523	117,067	2,544		110,976	6,091
Grants - Federal Indirect - Dept. of Interior	-	18,487	18,487		15,000	3,487
Grants - WA State	-	2,446,819	2,446,819		12,000	2,434,819
Capital Contributions/Grants	-	2,465,306	2,465,306		27,000	2,438,306
Debt Proceeds - Line of Credit	-	-	-		-	-
Investment Interest	870	57,182	56,312		422	56,760
Interest	870	57,182	56,312		422	56,760
Operating Tax Levy	65,636	73,074	7,439		36,802	36,272
IDD Tax Levy	190,761	230,453	39,693		188,642	41,811

The accompanying information memo is an integral part of this statement.

Summary of Fund Resources Uses, February 2023

	YTD Feb. 2022	YTD Feb. 2023	Variance to prior year	notes	YTD Budget 2023	Variance to Budget YTD
State Forest Revenues	4,275	6,410	2,134		1,000	5,410
State Timber Excise Tax	9,897	16,410	6,513		5,000	11,410
Leasehold Excise Tax	2,833	3,065	232		1,615	1,450
Property & other taxes	273,402	329,413	56,010		233,059	96,354
Finance Charges	2,651	10,366	7,715		4,540	5,826
Other Non-Operating Revenues	3,208	2,894	(315)		150	2,744
Misc Other Incr. in Fund Resources	5,860	13,260	7,401		4,690	8,570
Total Other Incr. in Fund Resources	410,335	3,006,123	2,595,788	c	399,497	2,606,626
Other Decr. In Fund Resources						
PTBH Prop Lease Deposits Returned	177	17,355	17,178		-	17,355
Deposits & Retainage Paid	177	17,355	17,178		-	17,355
Sales Tax Remitted	3,330	4,259	929		4,542	(283)
Leasehold Tax Remitted	147,585	157,322	9,737		149,450	7,872
Hotel/Motel Tax Remitted	145	134	(11)		118	16
Taxes Remitted	151,060	161,715	10,655		154,110	7,605
Debt Principal & Interest	-	-	-		-	-
Bond Management Fees	-	170	170		-	170
Investment Fees	43	200	157		80	120
Debt Mgmt, Issuance & Misc Exp	43	370	327		80	290
Election Expense	-	-	-		-	-
Total Other Decr. In Fund Resources	151,281	179,441	28,160	d	154,190	25,251
Net Incr./ (Decr.) in Fund Resources	259,054	2,826,683	2,567,629		245,307	2,581,376
Net Income (Expense)	707,047	3,189,575	2,482,528	e	466,638	2,722,936

PORT OF PORT TOWNSEND INFORMATIONAL MEMO

DATE: April 05, 2023

TO: Commissioners

FROM: Sue Nelson, Lease & Contracts Administrator

CC: Eron Berg, Executive Director

SUBJECT: **April 12, 2023, Commission Meeting** – Commission Update: New/Amended Contracts of \$100,000 or less, Approved by Executive Director Eron Berg, per Delegation of Authority Resolution No. 786-23

Name	Dates	Description	Amount Not to Exceed:
Evergreen Financial Services	2/16/2023 -	Account collections agency	
The Production Alliance	3/14/2023 – 9/28/2023	Boatyard BBQ 9/28/23	\$14,500.00
EDC Team Jefferson	1/1/2023 – 12/31/2027	Economic Development	\$40,000 annually



DRAFT Service Agreement

This Agreement is entered into and made effective as of March 1, 2023, by and between the following parties:

The Port of Port Townsend
2701 Jefferson St, Port Townsend, WA 98368
<https://portofpt.com/> | 360-385-0656
UBI # 91-6001024

The Production Alliance
870 Martin Road, Port Townsend, WA 98368
www.theproductionalliance.org | (360) 385-0519
EIN: 81-2518239

Port of Port Townsend ("PORT") seeks to contract The Production Alliance ("TPA") for planning and production services in support of the Boatyard BBQ scheduled for September 28, 2023.

SCOPE OF SERVICES

- **Planning & Concept Development**

PORT and TPA will collaboratively develop a vision for the Boatyard BBQ including target audience(s), outcomes and impacts. TPA will lead event design - event scope, timeline and budget - with final approval from PORT.

- **Marketing**

TPA will solicit an artist to create an original visual

- Collateral Materials i.e. Graphic Design, Printing, Distribution
- Merchandise Design and Production
 - *Includes \$1000 of merchandise provided to the PORT*
- Social media - TPA and the PORT will co-host and manage Facebook event page

- **Operations & Logistics**

- Entertainment Scouting, Booking & Management
- Event Tech i.e. Sound, Lights, Stage
- Vendor Coordination
- Special event permitting (if applicable)

- **Day of Event Support**

- Team(s) Recruitment and Management
- Venue Layout, Setup & Breakdown
- Event Headquarters i.e. Welcome/Ticket Booth, Merchandise Sales, Information
- Master of Ceremonies (if desired)
- Waste Management, Recycling, Composting

- **Equipment & Amenities**

From TPA's inventory the following items will be made available:

- Cedar Perimeter Fencing
- 12' x 20' Performance Stage
- 30' x 40' Celebration Frame Tent (Inclement weather)
- 4 tents @ 10'x10' for Food Service
- 4 Trash and Recycling Stations
- Entry Arch

- **Food**

TPA will develop and manage primary food service for event attendees and staff

- *The PORT will be provided with 250 food tokens to distribute to Sponsors and Partners.*
- *TPA will sell additional food plates to the general public*

DRAFT Budget

\$3000 - TPA Event design and coordination

\$2000 - Equipment rentals; stage, fencing, arch, misc. supplies, tables, chairs

\$500 - Sound engineer

\$500 - Lighting engineer

\$2000 - Music / entertainment

\$2000 - Day of event staff; set up, breakdown and management

\$1000 - Original art for poster and event merchandise

\$1000 - Merchandise for PORT to distribute to employees/partners

\$2500 - 250 meal tokens - PORT to distribute to employees/partners; sold to the "general public"

\$14500 - Total

Payment


The PORT agrees to pay TPA a fee of \$14,500 for the services outlined above (Note: \$4,500 may be paid directly from additional sponsors to TPA).

A deposit of \$5000 will be provided upon the signing of this agreement, by check or direct deposit.
Remaining payment will be paid in full no later than October 12, 2023, by check or direct deposit.

Indemnity

Each Party shall indemnify and hold the other, its officers, employees, agents and volunteers harmless from and against any and all claims, demands, orders, decrees or judgments for injuries, death or damage to any person or property arising or resulting from any act or omission on the part of said Party or its agents, employees or volunteers in the performance of this Agreement.

Signature:  Date: 3/14/2023
Danny Milholland, Director of Operations

Signature:  Date: 3/14/23
Eron Berg, Executive Director, Port of Port Townsend

PORT OF PORT TOWNSEND

AGENDA MEMO

DATE: 4/5/2023
TO: Commission
FROM: Sue Nelson, Lease & Contracts Administrator
SUBJECT: April 12, 2023, Lease Update

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 **42** land leases, **40** building leases, **35** rentals. Vacant properties include Point Hudson north duplex rooms.

DISCUSSION

Leases expiring in 2023:

- Key City Fish, 10th St. location, exp 8/31/23 (in process of negotiating new lease)
- Aurora Aircraft (fuel concession), exp 12/31/23

New Agreements:

Lease Amendments:

- US Coast Guard, extending lease 10 months. (For approval at this commission meeting.)

Exercising Options:

Assignments/Assumptions:

- Scheall/Townshend Lease Assignment, T-hangar pad site at JCIA. (For approval at this commission meeting.)

Terminated/Expired Agreements:

- Hagen Designs (Point Hudson, Main Building)

License & Use Agreements:

March Rent Increases:

- **CPI Increase (9%):** Kulin/Vizzini-PT Rigging; UW – Sea Grant
- **Market Rate Increase:** David Pratt; Tom Lemanski; Northup/Hopkins; Scott Wexman
- **Step Increase:** Skookum

Miscellaneous:

- SEA Marine negotiations continue for lease expansion.

ATTACHMENTS

1. 2023 Lease List

RECOMMENDATIONS

For information only.

Boat Haven - PROPERTY	APRIL 2023			
LEASE NAME	Lease Amount	Lease Expiration	NEXT CPI/ STEP Incr.	REMARKS
Admiral Ship Supply	2,027.54	1/31/2025*	2/1/2024	*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)A6	10,079.68	Mo/Mo	30-day notice	30-day notice for rate increases.
Armstrong Consolidated LLC (Washington)	495.39	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*	6/1/2024	*One 5-yr option remains. Pay one mo in arrears..
Crown Castle - AT&T Sub-Lease	939.12		9/1/2023	Annual lease renewal. 6.5% annual increase 9/2019-9/2022. Pay one mo in arrears.
Eagle Harbor Marine	274.59	Mo/Mo	9/1/2023	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.
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	397.08	1/31/2025	2/1/2024	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.)
Haven Boatworks	1,421.81	Mo/Mo	1/1/2024	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.
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	2,368.00	4/30/2049	5/1/2023	Land lease.
Marine Surveys & Assessments Cooperative	1,601.70	1/31/2028*	2/1/2024	* One 5-yr option. Annual CPI/MR beg year 3 and every 3 years after.
NW Maritime Center (Marine Thrift)	665.31	1/31/2024*	2/1/2024	*One 1-yr option remains.
NW School of Wooden BoatBuilding	556.16	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	1,126.40	6/30/2026	7/1/2023	24 mo. stepped rent to achieve market rate.
Olympic Boat Transport LLC	54.72	Mo/Mo	2/1/2024	Relocated crane next to Pete's Marine.
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.
PT Furniture Clinic	668.19	1/31/2024*	2/1/2024	*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.
Port Townsend Shipwrights, Inc.	8,299.11	7/31/2050	8/1/2024	MR incr 8/1/30-every 10 yrs/ann CPI. Amend 2: Adds land from Baird bldgs purchase
PT Rigging (Kulin & Vizzini)	557.35	3/31/2030	4/1/2024	Land lease. CPI applied 4/1/23
Pt Townsend Yacht Club	295.44	2/28/2026	3/1/2027	Land lease.
Revision Marine	2,238.81	12/31/2024	1/1/2024	Bldg/Land lease.
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	937.89	3/31/2026*	4/1/2024	Annual step increases /*one 5-yr option/renting 3,036 sf lower floor, Nomura Bldg.
Stephens Marine	56.16	Mo/Mo	2/1/2024	Temp storage of equipment. Will move to Jochems building soon.
Sunrise Coffee	1,905.19	9/30/2031*	10/1/2023	*Two 5-yr options available. Deposit balance-6 installments.
Takaki, Jennifer (Marina Café)	620.80	12/31/2026	7/1/2023	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.
The Shop Cooperative	5,384.24	5/31/2026*	6/1/2023	*One 5-yr option. Assigned from Pete Stein & Compass Woodwork.
Tree Ring, LLC	142.44	Mo/Mo	3/1/2024	New month/month agreement-small office (2-G) upstairs, Nomura Bldg.
University of WA - Sea Grant	244.86	Mo/Mo	4/1/2024	Office 2-E, Nomura Bldg. Tenancy begins 3/15/22-pro-rated rent. CPI applied 4/1/23
U. S. Coast Guard	5,570.38	9/30/2023	10/1/2023	Annual lease renewal & step increases.

Point Hudson - PROPERTY		APRIL 2023		
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
Hanson of Port Townsend Inc.	361.69	5/31/2024*	6/1/2023	Armory Bldg. *One 1-yr option remains: 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.
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	1,157.40	12/31/2025	1/1/2024	No options remain.
Schooner Martha Foundation	838.11	12/31/2024*	1/1/2024	*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	468.48	Mo/Mo	3/1/2024	Armory Bldg-NW end of bldg.
U.S. Customs	3,236.16	12/20/2027	12/20/2024	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	APRIL 2023			
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	63.53	2/28/2016	3/1/2024	T-hangar pad LEASE
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	80.00	Mo/Mo	1/1/2024	T-hangar pad, #T-404(P)
Erickson, Warren & Karen	189.28	7/26/2057	3/1/2024	Land lease. Hangar '4-B'.
G Hangar Condo Assoc.	560.44	6/9/2047	7/1/2023	Land lease.
Grandy, Richard	189.84	7/26/2057	3/1/2024	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	189.28	7/26/2057	3/1/2024	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.	1,939.10	7/26/2057	3/1/2024	Assignment of NW Hangar's Lease for sites #7 & 8.
K-Hangar Assoc. @ JCIA	530.59	4/25/2049	5/1/2023	Land lease.
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	80.00	Mo/Mo	3/1/2024	T-hangar pad, T-405. 2023 adopted rate applied (8¢/sf)
Morrison, Neil/Lark Leasing	174.17	4/30/2053	5/1/2023	Land lease. Hangar 'N-North'.
Morrison, Neil	174.17	4/30/2053	5/1/2023	Land lease. Hangar 'N-South'.
Northrup, Mildred/Hopkins	80.00	Mo/Mo	3/1/2024	T-hangar pad, T-406(M). 2023 adopted rate applied (8¢/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.).
Port Townsend Aero Museum	582.92	7/31/2052*	5/1/2023	*One-25 yr option. Maintenance bldg-land lease.
Port Townsend Aero Museum	231.78	4/30/2053	5/1/2023	M' Hangar. Separate land lease.
Port Townsend Aero Museum	70.00	Mo/Mo	5/1/2023	T-hangar pad, T-400(S).
Port Townsend Aircraft Services	293.09	6/30/2035*	7/1/2023	*Two 10-yr options.
Pratt Sr., David	80.00	Mo/Mo	3/1/2024	T-hangar pad, T-401(N). 2023 adopted rate applied (8¢/sf)
Puget Sound Express-J Hangar Lease	255.81	10/1/2050	10/1/2023	Assignment-Land lease to Puget Sound Express.
Scheall, Daniel	63.53	2/28/2026	3/1/2024	T-hangar pad LEASE T-402(O)
Spruce Goose	228.63	9/30/2029*	10/1/2023	*Two 5-yr options. CPI/MR apply.
Station Prairie	560.00	4/30/2072	5/1/2023	Hangar site pad #5. Amendment No. 1 increased premises.
Station Prairie	336.00	Mo/Mo	30-day	Temporary staging area for hangar construction, site #5.
Wexman, Scott & Diana Levin	275.20	3/31/2053	4/1/2024	Land lease. Hangar 'O'. CPI applied 4/1/23

QUILCENE - PROPERTY		APRIL 2023		
LEASE NAME	Lease Amount	Lease Expiration	NEXT CPI/ Step Incr.	REMARKS
Canterbury, Ray	<i>fluctuates</i>	N/A		<i>Water rights.</i>
Coast Seafoods	\$5,747.69	12/31/2039	1/1/2024	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.