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**Commission Meeting
2nd Monthly Meeting Agenda
Wednesday, September 25, 2024, 5:30 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 Workshop & Business Meeting Minutes from September 11, 2024 .. 2-7
 - B. Approval & Ratification of Warrants 8-15
 - C. Best Coast Canvas, Inc. - Point Hudson Building Lease 16-39
 - D. Brion Toss Yacht Rigging, Inc. - Point Hudson Building Lease 40-71
 - E. Boat Haven Linear Dock Replacement Project – Authorization to Request
Cancellation of Grant Funding Agreement 72-74
 - V. Second Reading ~ none
 - VI. First Reading
 - VII. Regular Business
 - A. 1st Draft of 2025 Budget..... 75
 - B. 1st Draft of Proposed Rates and Fees..... 76-90
 - C. Five-Year 2025-2029 Capital Improvement Program (CIP)91-100
 - VIII. Staff Comments
 - IX. Commissioner Comments
 - X. Next Meetings:
 - Thursday, September 26, 2024 Boatyard Barbeque 4-9 p.m.
 - Wednesday, October 9, 2024 Commission Workshop at 9:30 a.m. & Commission Business Meeting at 1:00 p.m., via Zoom and in Person
 - Thursday, October 10, 2024 Special Intergovernmental Collaborative Group Meeting at 5 p.m.
 - XI. Executive Session
 - XII. Adjournment
- Informational Items
- Commission Meeting Schedule..... 101-102

PORT COMMISSION WORKSHOP MEETING – Wednesday, September 11, 2024

The Port of Port Townsend Commission met in workshop session at the Point Hudson Pavilion Building, 355 Hudson Street, Port Townsend, and also online via Zoom.

Present: Commissioners Petranek and Hasse with Commissioner Hanke via Zoom
 Executive Director Eron Berg
 Director of Finance and Administration Connie Anderson
 Director of Capital Projects and Port Engineer Matt Klontz via Zoom
 Harbormaster Kristian Ferrero
 Manager of Capital Projects Dave Nakagawara
 Capital Projects Administrator Natalie Toews
 Port Recorder Joanna Sanders

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

Commissioner Hanke called the meeting to order at 9:33 a.m.

II. 2025 BUDGET – Discuss Tax Levies with Jefferson County Assessor (Rec. 00:00:28)

Jeff Chapman and Lauralee Kiesel of the Jefferson County Assessor's Office reviewed Port levy and IDD levy amounts reviewing their handouts and detailing the estimates. Although they are not quite done with the calculations, new construction is expected to be roughly \$75 million. The City of Port Townsend will be revalued in 2025 and will include the Port of Port Townsend. Eron Berg noted the staff recommended budget would reflect 1% for property tax and 0% for the IDD, maintaining \$2.6 Million for 2025. A decrease of 2 cents for the IDD and .06 cent for the general property tax levy.

III. 2025 FIVE-YEAR CAPITAL IMPROVEMENT PROJECT REVIEW (Rec. 00:25:20)

Director of Capital Projects and Port Engineer Matt Klontz reviewed the Project Cost Summary detail by property and by project with distinctions between anticipated funding, secured funding, and unsecured funding. There was discussion about projects without secured funding and concern about funding capital maintenance. Executive Director Berg noted the concept strategy to address/repair every building every decade which would mean five buildings a year with acknowledgement that there is a fair amount of catching up to do. The next Port Report will focus on the IDD and how it has been used, including the last IDD collection year of 2027 after which a smaller capital program will occur.

Matt Klontz then reviewed the Boat Haven linear dock estimates. He and Eron Berg led a detailed discussion of optional dock systems, an alternate funding strategy to the RCO Big Tier II grant funding dollars received, and whether to advance the project to inform on the capital assets plan. That action would happen at a regular business meeting.

IV. PORT ELECTRIFICATION STRATEGY DISCUSSION (Rec. 1:20:30)

Executive Director Eron Berg referenced the Commission's receipt of the Port Electrification Handbook from Pacific Northwest, a reference to aid U.S. Port Energy Transitions. For various reasons, the Port did not apply for these programs through the Port Electrification Grant Program and he asked what projects the Commission envisions the Port might apply.

Commissioner discussion centered on ideas for producing electricity through wind and solar and reducing fossil fuel dependence. Concern was expressed about the need for planning and

exploration of effective strategies as well as what other Ports are doing before jumping into a project. Ideas were to provide upgraded electricity to the boats in the marina and in the yard, including a 75-ton electric lift, conversion of and increasing shore power to 100 amp on the docks and exploring solar panels, including possibly over Chimacum Creek.

V. PUBLIC COMMENT (Rec. 01:48:23):

VI. ADJOURNMENT (Rec. 01:48:50): The meeting adjourned at 11:21 a.m., there being no further business before the Commission.

ATTEST:

Pamela A. Petranek, Secretary

Peter W. Hanke, President

Carol L. Hasse, Vice President

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, September 11, 2024

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 Petranek and Commissioner Hanke with Hasse excused
Executive Director Eron Berg
Deputy Director Eric Toews
Director of Finance and Administration Connie Anderson
Harbormaster Kristian Ferrero
Director of Capital Projects and Port Engineer Matt Klontz
Lease and Contracts Administrator Sue Nelson
Port Recorder Joanna Sanders
Via Zoom: Attorney Seth Woollen

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

II. APPROVAL OF AGENDA (Rec. 00:00:37)
There were no changes.

III. PUBLIC COMMENTS – GENERAL (Rec. 00:01:06)

Tom Thiersch (written) regarding missed state funding opportunity on electrification projects.

Mitchell Rabenold (written) requesting a rule change to allow two controlled fireworks displays a year at Herb Beck Marina on July 4 and New Year’s Eve.

IV. CONSENT AGENDA (Rec. 00:02:36)

A. Approval of Regular Business Meeting Minutes of August 14, 2024

B. Approval & Ratification of Warrants

Warrant #068928 through #068974 in the amount of \$894,199.84

Warrant #068975 through #068977 and Electronic Payment in the total amount of \$145,007.11

Warrant #068978 through #069006 in the total amount of \$445,344.70

Warrant #069007 through #069052 in the amount of \$150,120.21

Warrant #069053 through #069056 and Electronic Payment in the total amount of \$265,077.93

Electronic Debit in the amount of \$19,899.57

Warrant #069057 through #069111 in the total amount of \$146,400.74

C. Hood Canal Aviation LLC/James Piper Lease Assignment & Assumption

D. Authorization of Amendment 2 to Mott MacDonald Boat Haven Breakwater Repair Professional Services Agreement

E. Resolution 824-24 Vessel Auction Raggedy Ann (Nathan McDaniel)

F. Resolution 825-24 Void Warrant

G. Ratify a Purchase and Sale Agreement for Approximately 3.42 Acres of Vacant Land South of JCIA and Authorize the Executive Director to Execute all Necessary Closing

Documents using Industrial Development District Levy Funds of \$250,000 plus Closing Costs

- H. Authorize the Port's Executive Director to Accept the Completion of the Point Hudson Breakwater Construction Project

Unanimous approval of the Consent Agenda as written.

V. SECOND READING - None

VI. FIRST READING - None

VII. REGULAR BUSINESS (Rec. 00:03:30)

A. July 2024 Year-to-Date Financials

Director of Finance and Administration Connie Anderson reviewed meeting handouts the highlights of which were described in the informational memorandum on the consolidated financials and detailed financial report. She noted increased salaries support the many capital projects.

B. Harbormaster Report (00:15:50)

Harbormaster Kristian Ferrero presented his report of 75-ton and 300-ton haulout activity, transient moorage nights, and parking. An additional 59 vessels are going into the yard in September so those numbers will be improving toward the desired 90-95% occupancy. Increases are also anticipated in transient moorage. There was some discussion and interest in changing the paid-for versus free parking areas and significant discussion about the trend of shorter days in the yard as well as whether to advance changes for increasing haulouts such as temporary or short-term discounts.

C. Ratification of Collective Bargaining Agreement with Teamsters Local 589 (Rec 00:33:50)

Executive Director Eron Berg provided an overview of the changes in the new agreement. Improvements were made to the bottom of the pay scale with the notation that there are zero job openings currently.

Unanimous approval of motion to ratify and authorize the Collective Bargaining Agreement with Teamsters Local 589.

D. Hangar Pad Site #6 Discussion (Rec 00:38:30)

Commissioner Hanke noted he has spoken with Dave Ward about his desire to lease pad 6. The only issue is whether to agree to a lease ahead of the Airport Master Plan update.

Executive Director Eron Berg reviewed that the plan could be modified, but the current plan is to have a hangar in the current location. This matter was last discussed by the Commission with some concern about the view corridor. As part of the planning process, the Port will want to consider vehicle traffic to Site 6. It was noted that a lease will be brought back to the Commission for Hangar Pad Site #6 to Northwest Custom Hangars.

- E. Resolution 823-24 PIF Grant Application for Acquisition and Development of Proposal for Access to JCIA Light Industrial Park (Rec 00:46:33)

Executive Director Eron Berg reviewed the cost share proposal with the Jefferson County PUD for a project to improve electrical infrastructure for the industrial park as well as a new main feed through the Port's property to Kala Point. The grant deadline is Friday. This is the first JCIA investment with IDD funds. It was noted that a revised resolution was distributed dated September 11.

Unanimous approval of motion to approve revised Resolution 823-24 PIF Grant Application for Acquisition and Development of Proposal for Access to JCIA Light Industrial Park.

VIII. STAFF COMMENTS (Rec. 00:56:55)

Executive Director Eron Berg reported that Kimberlie Webber will be joining him at the Brownfields Conference taking a break from the environmental monitoring at the Short's farm along Chimacum Creek. A new farm gate is in place to secure the property. The facilities crew, along with farm workers Jose and Santos, are busy with mowing and cleaning as well as clearing reed canary grass. The carpentry crew has also done a lot of work on the house and roughly 800 tires have been collected. Sea Marine is engaged in a discussion about Back Forty space for seasonal blocking of boats. The old moorage office at Point Hudson is open for lease. The Boatyard Barbeque is set for Thursday, September 26.

Deputy Director Eric Toews appreciated the advancement of the JCIA light industrial park project. He has been working with Washington Dept. of Fish and Wildlife on its license and use agreement for seasonal hunting as well as bird watching on the farm, involving volunteers accessing and securing the gate. He is looking forward to working on a lease for Hangar Site 6.

Director of Finance and Administration Connie Anderson noted the final audit reports were included in the packet making 15 years of clean audits at the Port. The audit is officially closed.

Harbormaster Kristian Ferrero announced the Wooden Boat Festival went well with staff doing a great job.

Lease and Contracts Administrator Sue Nelson noted excitement in being able to bring to the Commission Dave Ward's lease of Hangar Site 6. One Port-owned hangar unit is also available for lease. Maintenance staff completed the Port's obligations with Department of Enterprise Services for the Fish and Wildlife lease. Best Coast Canvas and Brion Toss Rigging tenants continue to review the draft leases.

Port Attorney Seth Woolsen confirmed that in checking the RCW, it reflects the Ports are on the odd-year elections.

IX. COMMISSIONER COMMENTS (Rec. 01:14:54)

Commissioner Hasse gave kudos on the new AV system especially for visual and hearing improvements. She reported on her cruise during the month of August on the GloryBe. Noteworthy were the positive comments about our Port, it was fun that lawn games were available at State parks as well as a fun directional signage post with arrows showing distances to other harbors. She was impressed with the cooperation and coordination during Wooden Boat Festival and is proud of the nice facilities such as the Pavilion used as the Adventure Stage. She met and would like to introduce Eron to Andrea of Anacortes Recreational Boaters

Assn. of Washington (ARBWA). She learned from Forrest Nichols, engineer of Washington State Ferries, their issues with ferry maintenance and asked about the potential for coordinating space for dry dock at Port Angeles. She witnessed and was proud of Puget Sound Express showing respect for its distancing in viewing Orcas. She'll attend the WPPA Environmental Seminar in Walla Walla September 19.

Commissioner Petranek announced that the current *Our Working Waterfront* featured 100-year old Latifa whose owners are having work done on her over the next nine months at The Shop Co-op. She was also proud of the condition of the Port at the Wooden Boat Festival, including the new jetties. She attended the lifetime achievement awards recognizing Margie Abraham, Jim Tolpin, and shipwright Dave Thompson and recognized the value of our Port allowing start-up businesses. She encouraged everyone to come celebrate and promote the Boatyard BBQ.

Commissioner Hanke expressed excitement for the efforts on the advancement of the light industrial park at the airport. The topic has been discussed as long as he has been on the Commission.

X. NEXT PUBLIC WORKSHOP & REGULAR BUSINESS MEETING (Rec. 01:28:00)

Thursday, September 19, 2024 Intergovernmental Collaborative Group Meeting at 5:00 p.m., via Zoom and in Person

Wednesday, September 25, 2024 Commission Business Meeting at 5:30 p.m. via Zoom and in Person

XI. EXECUTIVE SESSION – None

XII. ADJOURNMENT (Rec. 01:28:59)

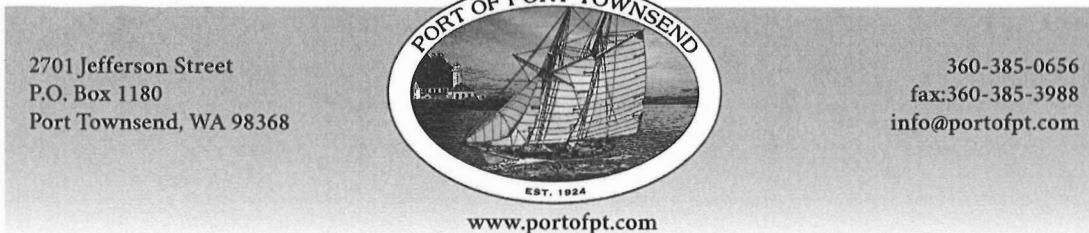
At 2:33 p.m., the meeting adjourned there being no further business before the Commission.

ATTEST:

Peter W. Hanke, President

Pamela A. Petranek, Secretary

Carol L. Hasse, Vice President



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 **\$20,062.68 is ratified.**

Signed and Authenticated on this **25th** day of **September**, **2024**.

For: Washington State, Department of Revenue
Combined Excise Tax Return – for ***August, 2024*** in the amount of ***\$20,062.68***

Commissioner Pete W. Hanke

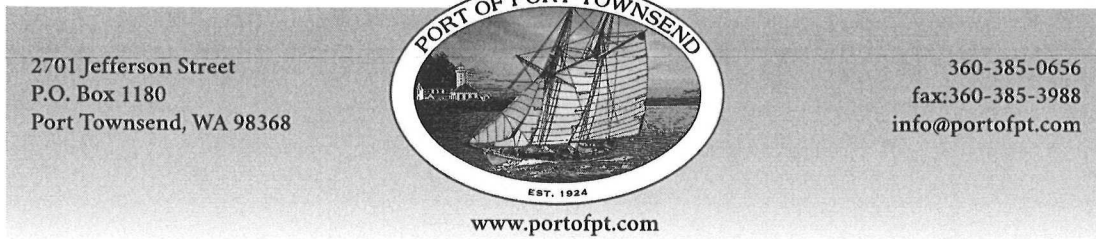
Commissioner Carol Hasse

Commissioner Pam Petranek

Connie Anderson, Director of
Finance and Administration

Bank: K KITSAP BANK

Check Number/ Invoice Number	Check Date Invoice Date	Vendor Number Invoice Amount	Discount	Distribution Amount	Check Amount
W000000975 CKW00000097501	9/12/2024	DEP070 Department of Revenue			20,062.68
	9/12/2024	20,062.68	0.00		
G/L Account:	589-3000-00	SALES/EXCISE TAX REMITTED		14,128.46	
G/L Account:	589-3002-00	HOTEL/MOTEL TAX REMITTED		1,675.02	
G/L Account:	721-9100-02	LEASEHOLD & EXCISE TAX: MOOR		1,150.65	
G/L Account:	721-9100-05	LEASEHOLD & EXCISE TAX: WORK YARD		853.76	
G/L Account:	761-9100-17	LEASEHOLD & EXCISE TAX: PROP RENT		12.10	
G/L Account:	761-9100-19	LEASEHOLD & EXCISE TAX: P. H. MARINA & RV		2,058.94	
G/L Account:	761-9100-20	LEASEHOLD & EXCISE TAX: QUIL		71.50	
G/L Account:	761-9100-21	LEASEHOLD & EXCISE TAX: RAMPS		107.17	
G/L Account:	711-9100-22	LEASEHOLD & EXCISE TAX: JCIA		5.08	
Check W000000975 Total:		<u>20,062.68</u>	<u>0.00</u>	<u>20,062.68</u>	<u>20,062.68</u>
Bank K Total:		<u>20,062.68</u>	<u>0.00</u>	<u>20,062.68</u>	<u>20,062.68</u>
Report Total:		<u>20,062.68</u>	<u>0.00</u>	<u>20,062.68</u>	<u>20,062.68</u>



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 these claims are a just and unpaid obligation of the Port of Port Townsend, and that these claims, in Warrant No. 069099 in the amount of \$131.20 is declared void on this on this 25th day of September, 2024.

For: **Accounts Payable**

Commissioner Pete W. Hanke

Commissioner Carol Hasse

Commissioner Pam Petranek

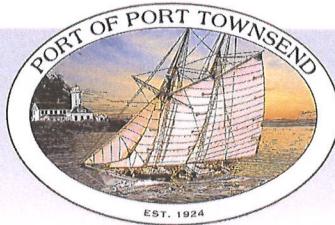
Connie Anderson, Director of
Finance And Administration

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
0000069099 CK000006909901	REV 9/5/2024	RIC020 Craig Richardson			131.20-
	9/5/2024	131.20-	0.00		
G/L Account: 621-1325-19		PT HUDSON - NIGHTLY MOORAGE		131.20-	
Bank W Total:		131.20-	0.00	131.20-	131.20-
Report Total:		131.20-	0.00	131.20-	131.20-

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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 this claim, in Warrants No 069112 – 069144 generated on September 13th, 2024 in the amount of \$74,231.30 is ratified.

Signed and Authenticated on this 25th day of September,
2024.

For: **Accounts Payable**

Commissioner Pete W. Hanke

Commissioner Carol Hasse

Commissioner Pam Petranek

Connie Anderson, Director of
Finance and Administration

Check Register
Journal Posting Date: 9/13/2024
Register Number: CD-001103

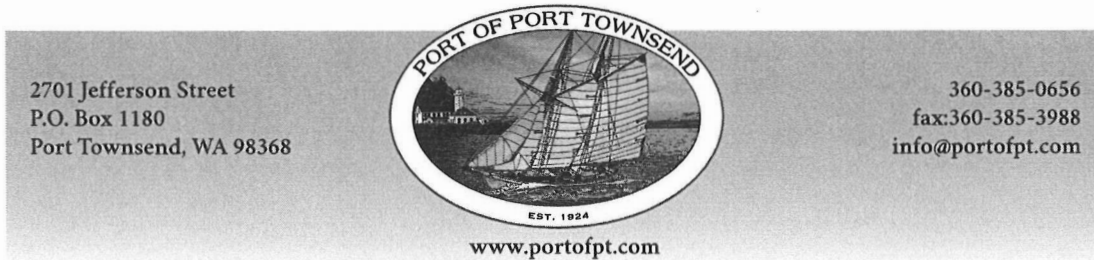
Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE							
Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
0000069112	9/13/2024	ADM002	Admiral Ship Supply Inc.				Check Entry Number: 001
			8/31/24 SSTATEMENT	8/31/2024	207.26	0.00	207.26
0000069113	9/13/2024	BIN040	Jerien Binney				Check Entry Number: 001
			REFUND 8/29/24	8/29/2024	32.00	0.00	32.00
0000069114	9/13/2024	CED005	CED				Check Entry Number: 001
			5948-105080	9/4/2024	2,217.25	0.00	2,217.25
			5948-1059081	9/4/2024	80.04	0.00	80.04
			Check 0000069114 Total:		2,297.29	0.00	2,297.29
0000069115	9/13/2024	CEN010	Central Welding Supply				Check Entry Number: 001
			0002166384	9/5/2024	674.24	0.00	674.24
			0002166398	9/5/2024	178.32	0.00	178.32
			Check 0000069115 Total:		852.56	0.00	852.56
0000069116	9/13/2024	CEN030	CenturyLink				Check Entry Number: 001
			9/1/24 STATEMENT	9/1/2024	200.00	0.00	200.00
0000069117	9/13/2024	CIT001	City Of Port Townsend				Check Entry Number: 001
			8/31/24 STATEMENTS	8/31/2024	16,542.33	0.00	16,542.33
0000069118	9/13/2024	COO050	Cooper Fuel				Check Entry Number: 001
			8/31/24 STATEMENT	8/31/2024	1,151.86	0.00	1,151.86
0000069119	9/13/2024	COW020	Cowling and Co LLC				Check Entry Number: 001
			1462	6/30/2024	1,461.10	0.00	1,461.10
			1464	6/30/2024	528.00	0.00	528.00
			1528	8/31/2024	3,974.00	0.00	3,974.00
			Check 0000069119 Total:		5,963.10	0.00	5,963.10
0000069120	9/13/2024	DIR070	DirecTV				Check Entry Number: 001
			075436554X240828	8/28/2024	432.50	0.00	432.50
0000069121	9/13/2024	DLL010	D L Logos				Check Entry Number: 001
			4716.2	8/9/2024	710.44	0.00	710.44
0000069122	9/13/2024	FER001	Ferrellgas				Check Entry Number: 001
			5008763571	8/26/2024	408.18	0.00	408.18
0000069123	9/13/2024	FIS020	Fish N Hole				Check Entry Number: 001
			5384144	8/9/2024	22.50	0.00	22.50
			5384155	9/6/2024	20.65	0.00	20.65
			5384167	8/30/2024	30.09	0.00	30.09
			5384168	8/31/2024	20.06	0.00	20.06
			5384170	8/30/2024	23.01	0.00	23.01
			5384204	9/8/2024	31.27	0.00	31.27
			5607790	5/29/2024	27.73	0.00	27.73
			Check 0000069123 Total:		175.31	0.00	175.31
0000069124	9/13/2024	GAR060	Robin Gardner				Check Entry Number: 001
			REFUND 8/28/24	8/28/2024	64.00	0.00	64.00
0000069125	9/13/2024	GOO002	Good Man Sanitation				Check Entry Number: 001
			9/9/24 STATEMENTS	9/9/2024	2,771.28	0.00	2,771.28
0000069126	9/13/2024	GRE015	Greentree Communications Co				Check Entry Number: 001
			10648	9/1/2024	392.76	0.00	392.76
0000069127	9/13/2024	HOO075	Ronnie Hoover				Check Entry Number: 001
			REFUND 8/27/24	8/27/2024	1,110.65	0.00	1,110.65
0000069128	9/13/2024	JC1008	Jefferson County Public Works				Check Entry Number: 001
			9/6/24 STATEMENT	9/6/2024	821.65	0.00	821.65
0000069129	9/13/2024	LAN001	Landau Associates				Check Entry Number: 001

Check Register
Journal Posting Date: 9/13/2024
Register Number: CD-001103

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
			0059575	9/11/2024	208.75	0.00	208.75
0000069130	9/13/2024	LEM040	Lemay Mobile Shredding				Check Entry Number: 001
			4854190S185	9/1/2024	17.11	0.00	17.11
0000069131	9/13/2024	LES050	Les Schwab				Check Entry Number: 001
			37900621723	9/9/2024	681.23	0.00	681.23
			37900621782	9/9/2024	50.00	0.00	50.00
			Check 0000069131 Total:		631.23	0.00	631.23
0000069132	9/13/2024	MAC070	MacLeod Reckord, PLLC				Check Entry Number: 001
			INV-9332	9/5/2024	22,447.10	0.00	22,447.10
0000069133	9/13/2024	MCM020	McMaster-Carr				Check Entry Number: 001
			29403343	6/28/2024	606.77	0.00	606.77
0000069134	9/13/2024	NAK020	Dave Nakagawara				Check Entry Number: 001
			9/2024 EXPENSE	9/12/2024	131.31	0.00	131.31
0000069135	9/13/2024	O'RE030	O'Reilly Auto Parts				Check Entry Number: 001
			3939-219051	8/16/2024	40.52	0.00	40.52
			3939-221271	9/3/2024	83.57	0.00	83.57
			3939-221355	9/4/2024	74.38	0.00	74.38
			Check 0000069135 Total:		117.43	0.00	117.43
0000069136	9/13/2024	OLY003	Olympic Springs, Inc.				Check Entry Number: 001
			8/31/2024 STMNT	8/31/2024	68.53	0.00	68.53
			8/31/24 STATEMENT	8/31/2024	129.48	0.00	129.48
			Check 0000069136 Total:		198.01	0.00	198.01
0000069137	9/13/2024	PAC004	Pacific Office Equipment Co				Check Entry Number: 001
			9/1/24 STATEMENT	9/1/2024	9,600.17	0.00	9,600.17
0000069138	9/13/2024	PEN003	Peninsula Daily News				Check Entry Number: 001
			2024 ANNUAL SUB	8/29/2024	150.80	0.00	150.80
0000069139	9/13/2024	PEN060	Peninsula Pest Control, Inc				Check Entry Number: 001
			70609	9/7/2024	547.00	0.00	547.00
0000069140	9/13/2024	PIN010	Pinnacle Investigations Corp				Check Entry Number: 001
			94904	9/8/2024	42.25	0.00	42.25
0000069141	9/13/2024	SEC010	Security Services				Check Entry Number: 001
			137793	9/1/2024	202.30	0.00	202.30
0000069142	9/13/2024	ULI040	ULINE				Check Entry Number: 001
			182187430	8/22/2024	1,932.40	0.00	1,932.40
0000069143	9/13/2024	VAN050	Van Ness Construction				Check Entry Number: 001
			24-0907	9/7/2024	3,201.50	0.00	3,201.50
0000069144	9/13/2024	WIL095	Susan Willis				Check Entry Number: 001
			REFUND 8/28/24	8/28/2024	64.00	0.00	64.00
			Report Total:		74,231.30	0.00	74,231.30



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 069145 through No. 069149 generated on September 17, 2024 in the amount of \$7,630.69 and Electronic Payment in the amount of \$129,000.70, for a total amount of \$136,631.39 is **ratified.**

Signed and Authenticated on this 25th day of September, 2024.

For: **Payroll and Benefits**

Commissioner Pete W Hanke

Commissioner Carol Hasse

Commissioner Pam Petranek

Connie Anderson, Director of
Finance And
Administration

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	September 25, 2024
AGENDA ITEM	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input type="checkbox"/> Regular Business <input type="checkbox"/> Informational
AGENDA TITLE	IV. C. Best Coast Canvas, Inc. - Point Hudson Building Lease
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
ATTACHMENTS	<ol style="list-style-type: none"> 1. Staff Info Memo 2. Term Sheet 3. Best Coast Canvas, Inc. – Point Hudson Building Lease, including Exhibit ‘A’

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 9/19/2024

TO: Port Commission

FROM: Eric Toews, Deputy Director, and Sue Nelson, Lease and Contracts Administrator

SUBJECT: Best Coast Canvas, Point Hudson Building Lease

ISSUE: Should the Commission authorize the Executive Director to execute a new Building Lease Agreement with Best Coast Canvas, Inc. (Ms. Leah Kefgen) for 1,000 square feet of partitioned space located on the ground floor of the Armory Building at Point Hudson?

BACKGROUND & DISCUSSION: Since June of 2019, Best Coast Canvas, Inc. (“BCC”) has leased 3,000 sf of space on the ground floor of the Armory Building at Point Hudson for the purpose of fabricating and retailing custom marine canvas products. At the end of July of this year, the current lease expired, and BCC has been in holdover status since that time while negotiating a new agreement with the Port.

The parties have now arrived at mutually agreeable lease terms. The agreement presented to the Commission for authorization specifies an initial lease term of five (5) years with one (1) five (5) year option, with rent at inception calculated at \$0.75 psf. The premises would comprise 1,000 sf of space previously partitioned and improved by BCC in the southwest corner of the ground floor of the Armory Building.

The proposed lease agreement is consistent with, and helps to implement, the Commission’s adopted lease policy. However, this lease also incorporates a few unique provisions intended to address specific concerns raised by BCC, as follows:

- Paragraph #3, “Common Areas” has been incorporated which references Exhibit “A” and identifies areas that will be maintained free of obstructions to ensure safe ingress and egress in the event of fire, as well as unobstructed access to the restrooms;
- Paragraph #4, “Option to Lease Additional Contiguous Space” has been added, which would provide BCC the ability to lease immediately contiguous space to meet its potential future business expansion needs, should such space become available;
- Paragraph #11, “Utilities” incorporates a novel formula for the Lessee to assess electricity charges to other building tenants (e.g., Toss Rigging), acknowledging and addressing the fact that electric submetering has not been affected in this building and a means to fairly apportion charges among tenants is required;
- Paragraph #12, “Acceptance of Premises” acknowledges an exception: a roof leak which the Port is committing to attempt to repair within a defined timeframe (1/31/25); and
- Paragraph #28, “Termination for Convenience” which would permit the Lessee to terminate the agreement for any reason upon sixty (60) days’ notice.

Ms. Kefgen’s business, which focuses on custom marine canvas products and clothing manufacture and retailing, is well-suited to Point Hudson’s “Maritime Heritage Corridor”, and aligned with the Port’s efforts to ensure that this facility remains a vibrant center of maritime activity.

MOTION: None required. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the Point Hudson Building Lease Agreement with Best Coast Canvas, Inc.

ATTACHMENTS:

- Summary of Key Lease Terms, consisting of two (2) pages; and
- Best Coast Canvas Point Hudson Building Lease, including Exhibit “A” (Legal Description & Graphic Depiction of Leased Premises), altogether consisting of nineteen (19) pages.

PORT OF PORT TOWNSEND:

**Point Hudson Armory Building Lease – Summary of Key Terms
(September 19, 2024)**

1. **LESSEE:** Best Coast Canvas, Inc. (Leah Kefgen, President/Owner)
2. **PREMISES:** Approximately 1,000 square feet of walled shop space situated in the southwest quadrant of the ground floor of the Armory Building at Point Hudson, located at 311 Jackson Street, Port Townsend, WA 98368.
3. **OPTION TO LEASE ADDITIONAL CONTIGUOUS SPACE:** Throughout the term of the Lease, Lessee shall have the option to lease additional contiguous space as it becomes available, PROVIDED that such space is needed for Lessee's business expansion. As a condition and contractual consideration for the option, Lessee agrees to construct alterations and improvements to enclose the expanded Premises.
4. **TERM:** Five (5) years, beginning on October 1, 2024, and ending at midnight on September 30, 2029, along with one (1) five (5) year option to extend the Lease.
5. **RENT:** \$750.00 per month (calculated at 0.75¢ psf) plus LET (i.e., $\$750 \times 12.84\% = \96.30 ; $\$750.00 + \$96.30 = \$846.30$). Rent adjusted per CPI-U beginning year two (2); base rent adjusted beginning in year three (3) and every three (3) years thereafter throughout the lease term.
6. **SECURITY DEPOSIT:** Three (3) months' security + LET, or \$2,538.90.
7. **USE OF PREMISES:** On-site fabrication and retailing of custom marine canvas products.
8. **UTILITIES:** All utilities are the responsibility of the Lessee. Because separate electrical meters serve the premises, one of which serves multiple lessees, special provisions for apportioning the electrical utility bill to other building tenants have been incorporated.
9. **ACCEPTANCE OF PREMISES:** Lessee accepts the premises in their present condition, except for roof leaks affecting approximately 400 sf of the leasehold, which the Port has agreed to repair at its own expense. Initial investigations will be undertaken by no later than November 1, 2024, with a repair effort undertaken by no later than January 31, 2025.

10. **MAINTENANCE & REPAIR:** Maintenance and repair of the premises and improvements are the sole responsibility of Lessee, except for the roof, building foundations and exterior walls, and unexposed electrical and plumbing.
11. **INSURANCE:** Per Port policy. Commercial General Liability of \$1,000,000 combined single limit; Workers Compensation Insurance of not less than \$1,000,000 per occurrence; insurance certificates naming the Port as an additional insured; proof of insurance must be provided prior to occupancy.
12. **ASSIGNMENT/SUBLEASE:** Permitted only by prior written consent of the Port.
13. **DEFAULTS/TERMINATION:** Time is of the essence. Failure to pay rent, or to abide by the covenants/agreements contained in the lease, may serve as a basis for termination. Lessee will be provided with fifteen (15) days' written notice to cure defaults. Port may also terminate upon one-hundred and eight (180) days' written notice, at its sole discretion, for public or private use in connection with the operation of the business of the Port. Once the lease is in holdover status, it may be terminated upon twenty (20) days' written notice.
14. **HOLDING OVER:** In the event Lessee allows the lease to expire without negotiating a new agreement with the Port, the tenancy will roll over into a month-to month basis, with all other provisions of the lease agreement remaining in effect, except that the rent will increase to 125% of the rent due in the month preceding the holdover (e.g., $\$750 \times 125\% = \937.50 ; $\$937.50 \times 12.84\% = \120.38 LHT; $\$937.50 + \$120.38 = \$1,057.88$ total rent plus LHT).

PORT OF PORT TOWNSEND

POINT HUDSON BUILDING LEASE

THIS LEASE AGREEMENT made this ____ day of September 2024, 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 BEST COAST CANVAS, INC., a Washington corporation, hereinafter referred to as "Lessee,"

WITNESSETH:

That the parties hereto do mutually agree as follows:

1. **TERMINATION OF EXISTING AGREEMENT:** The Port and Lessee acknowledge and agree that they are parties to that certain unrecorded Point Hudson Building Lease dated July 24, 2019 (the "Existing Agreement"). The parties hereto acknowledge and agree that, notwithstanding any provisions set forth in the Existing Agreement, that the aforesaid Existing Agreement is currently in full force and effect, has continued in full force and effect without interruption since the date Lessee initially took occupancy of the premises described in the Existing Agreement, and that Lessee currently occupies the premises described in the Existing Agreement pursuant to the terms thereof. In addition, notwithstanding any provision to the contrary in the Existing Agreement, effective as of 11:59 p.m. (Pacific Time) on the date immediately preceding the commencement date of this Point Hudson Building Lease (the "Existing Agreement Termination Date") the Existing Agreement shall be terminated and of no further force or effect and the Port and Lessee's rights and obligations with respect to the premises arising or accruing thereafter shall be as set forth in this Point Hudson Building Lease Agreement; PROVIDED, HOWEVER, that the Port and Lessee shall remain liable under the terms of the Existing Agreement with respect to:
 - a. Any obligations which specifically survive the term of the Existing Agreement; and
 - b. All obligations under the Existing Agreement accruing prior to the Existing Agreement Termination Date related to Lessee's use, occupancy, or control of the premises during the term of the Existing Agreement, including, without limitation:
 - i. Any liability arising from hazardous materials brought onto or about the premises or permitted or suffered to be brought onto or about the premises by Lessee or anyone for whom Lessee may be liable; and
 - ii. Lessee's obligation to pay the Port any amounts due under the Existing Agreement.
2. **LEASED PREMISES:** The Port hereby leases to Lessee, and Lessee hereby hires and leases from the Port, the following described premises situated in the City of Port Townsend, Jefferson County, State of Washington:

Approximately 1,000 square feet of walled shop space situated in the southwest quadrant of the ground floor of the Armory Building at Point Hudson, located at 311 Jackson Street, Port Townsend WA, 98368

hereinafter referred to as "the Premises." All grounds and parking areas surrounding the Armory Building are excluded from the leased Premises. The premises are depicted upon Exhibit "A", which is attached hereto and incorporated herein by this reference.

- 3. COMMON AREAS:** The Port hereby grants to Lessee a non-exclusive license to use in common with other tenants, those portions of the Armory Building which are provided, from time to time, for use in common by the Port and other tenants of the building. Common areas shall mean the portions of the building reasonably designated as such by the Port. The manner in which common areas are maintained and operated shall be at the reasonable discretion of the Port, and subject to building rules and regulations as the Port may make from time to time. The Port reserves the right to temporarily close, make alterations or additions to, or change the location of elements of the common areas, provided that, in connection therewith, the Port shall perform such closures, alterations and additions or changes in a commercially reasonable manner and, in connection therewith, shall use commercially reasonable efforts to minimize any material interference with Lessee's use of, and access to, the Premises. Armory Building common areas are generally depicted upon Exhibit "A", which is attached hereto and incorporated herein by this reference.
- 4. OPTION TO LEASE ADDITIONAL CONTIGUOUS SPACE:**
- a. Grant of Option. Lessee shall have the option to lease additional space contiguous to the Premises as it becomes vacant and available, PROVIDED that the additional space is necessary to accommodate Lessee's business expansion plans, and PROVIDED FURTHER, that the Lease is in good standing at the time the option to lease is exercised and Lessee is not in default under the terms of this Lease or any other agreement with the Port. Upon the Port's notice to Lessee that said additional contiguous space is available, Lessee shall have thirty (30) days to exercise its option to lease the additional contiguous space upon the terms set forth hereinbelow. If Lessee fails to exercise its option within the thirty (30) day period, Lessee will be deemed to have waived said option, and the Port will be free to offer the space to other parties.
 - b. Terms and Conditions – Lease Amendment. In the event Lessee exercises its option to lease additional contiguous space, this Lease shall be amended as soon as practicable to reflect the modified Premises and amended monthly rent and security deposit. All other terms and conditions of this Lease shall remain unchanged. The per square foot rental rate applied to the expanded Premises shall be the same as the then current per square foot rental rate being charged for the original Premises.
 - c. Consideration – Construction of Alterations and Improvements. Lessee acknowledges that it is an express condition and part of the consideration for this grant of option to lease additional contiguous space that Lessee will construct alterations and improvements to enclose the expanded Premises in accordance with the schedule contemplated by this paragraph, and, in the Port's sole discretion, that said alterations and improvements to the Premises shall revert to and become the property of the Port, or be removed at Lessee's sole cost and expense upon the expiration or earlier termination of this Lease.
 - d. Construction of Alterations and Improvements – Schedule. Not later than ninety (90) days following Lessee's exercise of option, final plans for alterations and

improvements to the expansion area shall be submitted to the Port for approval. Lessee's alterations and improvements shall be designed and constructed in accordance with all applicable building codes, using good workmanship and quality materials.

- e. Permits – Commencement of Construction. No construction activities shall be undertaken until all applicable permits have been obtained. Lessee shall apply for permits for construction within fifteen (15) days after the Port's approval of the plans and specifications and shall commence construction within sixty (60) days after the issuance of all permits.
 - f. Completion of Construction. Construction of Port-approved alterations and improvements shall be completed not later than twelve (12) months following Lessee's exercise of option.
5. **TERM:** The term of this Lease is five (5) years, beginning October 1, 2024, and ending at midnight, September 30, 2029, unless extended or sooner terminated as provided in this Lease. The Lessee shall also have the option to extend the Lease term by one (1) additional five (5) year term. Notification to extend the Lease will be done in writing at least ninety (90) days prior to end of the initial lease term. Lessee shall not be entitled to renew this Lease unless the Lease is in good standing at the time of renewal and the Lessee is not in default under the terms of this Lease or any other agreement with the Port. The terms and conditions of any renewal shall be the same as set forth in this Lease, except that rent shall be recalculated as provided in Paragraph #6, below, and the terms of this Lease shall be updated to be consistent with the terms and conditions then existing in the Port's standard form Commercial Lease.
6. **RENT:**
- a. Lessee agrees to pay as rental for the leased Premises the sum of **Seven Hundred Fifty Dollars and Zero Cents (\$750.00)** plus all applicable taxes.¹
 - b. The rent for each month shall be paid to the Port in advance on or before the first day of each month of the lease term and shall be payable at such place as the Port may hereinafter designate.
 - c. Beginning in year three (3) and every three (3) years thereafter, the rental rate may be adjusted to the fair market rental rate then prevailing for comparable commercial and/or industrial property in the Western Washington area, bearing in mind all allowable uses of the property and all services and amenities available to the property by virtue of its location.
 - d. Except in years when a fair market rate adjustment is made as set forth in subparagraph (c) of this Paragraph 6, the rental rate beginning in year two (2) 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 for all urban consumers (CPI-U) for Seattle-Tacoma-Bellevue, which is compiled by the Department of Labor, Bureau of Statistics.
 - e. In no event shall any rent adjustment result in a reduction in rent from the rate paid in the prior year.

¹ Calculated as follows: \$0.75 psf x 1,000 s.f. = \$750.00 rent; LHT @ 12.84% x \$750.00 = \$96.30; total = \$846.30.

7. **LATE CHARGE:** In the event that any installment of rent remains unpaid more than twenty (20) days after it is due, then Lessee shall also be obliged to pay a “late charge” as per the Port of Port Townsend Rate Schedule then in effect.
8. **SECURITY DEPOSIT:** Upon the execution of this Lease, Lessee shall deposit with the Port security in the amount of **Two Thousand Five Hundred and Thirty-Eight Dollars and Ninety Cents (\$2,538.90)**.² The deposit shall be held by the Port as security for Lessee’s faithful performance of all its obligations under this Lease. Any interest earned on amounts deposited shall be retained by the Port. The deposit shall be returned to Lessee upon termination of this Lease, less any charges owing to the Port, or expenses incurred by the Port in repairing damage caused by Lessee or restoring the leased Premises to the condition required upon termination of this Lease. Beginning in year three (3) and every three (3) years thereafter, the amount of such security deposit shall be increased in the same proportion as the annual rental is increased above the basic rent charged during the first (1st) year of the Lease term.
9. **USE OF PREMISES:** Lessee shall use the premises for the purposes of fabrication and on-site retailing of custom marine canvas products (including garments), sailmaking, rigging and teaching classes, and shall not use them for any other purposes without the prior written consent of the Port. Lessee shall use the entire premises for the conduct of said business in a first-class manner continuously during the entire term of this Lease, except for temporary closures for such periods as may reasonably be necessary for repairs or redecorating or for reasons beyond Lessee’s reasonable control. Except for ordinary and routine noises and vibrations associated with the manufacture of canvas products (e.g., pounding, sewing machine vibrations, etc.), Lessee agrees that it will not disturb the Port or any other tenant of the Port’s by making or permitting any disturbance or any unusual noise, vibration or other condition on or in the premises.
10. **CONDUCT COVENANTS AND WARRANTIES:** In addition to all other covenants and warranties set forth herein, Lessee specifically represents to the Port as follows:
- a. Quiet Conduct. The conduct of Lessee and such others for whom Lessee is responsible shall not, in any manner, disturb the quiet enjoyment of other Tenants, invitees, or visitors, in or near where the Premises are located, including common areas.
 - b. Damage. The conduct of Lessee and such others for whom Lessee is responsible shall not result in or cause destruction or damage to the Premises, or any part thereof including, but not limited to all common areas, or the property of other Tenants, their invitees, and visitors.
11. **UTILITIES:** Lessee shall be liable for, and shall pay throughout the term of this Lease, all utility services furnished to the premises, including, but not limited to, light, heat, electricity, gas, water, sewerage, garbage disposal. It is understood and agreed that the meter for the electrical utilities serving the leased Premises also serves a portion of the Armory Building which is leased to Brion Toss Yacht Rigging, Inc. (hereinafter “Toss”), under a separate agreement with the Port. Accordingly, Lessee will assess a monthly share of its electrical bill to Toss or the successor

² Required security for all Port leases is three (3) months’ rent + LET, calculated as follows: \$750.00 per month x 3 = \$2,250.00; \$2,250.00 x 12.84% = \$288.90; \$2,250.00 + \$288.90 = \$2,538.90.

occupant of said space, based on the following formula: one-half of the average total electrical bill for the months of June, July and August. Toss or the successor occupant of said space shall pay this amount to Lessee in advance on or before the first day of each month. In the event any installment of Toss' share of the electrical utility bill remains unpaid more than five (5) days after it is due, then Lessee may assess a "late charge" of \$10.00 per day.

12. ACCEPTANCE OF PREMISES:

- a. Lessee has examined the leased Premises and accepts them in their present condition, except for the roof leak affecting an approximately 400 sf portion of the leased Premises, which the Port agrees to address at its own expense. Except for the foregoing roof repair, Lessee accepts the leased Premises "as is" and without further maintenance liability on the part of the Port. The Port makes no representations or warranties with respect to the condition, suitability, zoning restrictions, or usability, except the Port's right to grant a lease of the Premises. Lessee acknowledges that Lessee has fully inspected the Premises and is not relying on any statement or representation made by the Port or the Port's agents with respect to the condition of the Premises, and Lessee assumes the responsibility and risks of the same, including any defects or conditions that cannot be observed by casual inspection.
- b. Investigation of the scope and extent of the roof leak will be initiated by no later than November 1, 2024, with repairs attempted by no later than January 31, 2025. Lessee acknowledges that because the Armory Building is a nearly century-old wood frame temporary military structure built in a manner substantially different than modern construction, that repairing the roof may require multiple attempts. The Port will expeditiously undertake efforts to repair the roof following the timeline outlined above but cannot guarantee initial success. In the event Lessee is dissatisfied with the rate of progress or substantive outcomes of the repair effort, Lessee agrees that it shall not be entitled to abate rent or for any damages or compensation for business interruption or loss of revenue, PROVIDED the Port has moved expeditiously to undertake repairs.

13. MAINTENANCE AND REPAIR: Maintenance and repair of the premises shall be the sole responsibility of Lessee. Accordingly, at the expiration or sooner termination of this Agreement, Lessee shall return the premises to the Port in the same condition in which received (or, if altered by Lessee with the Port's consent, then the premises shall be returned in such altered condition), reasonable wear and tear and damage by fire or unavoidable casualty excepted. Lessee's obligation to make repairs shall not extend to any structural parts of the building, including the foundations, bearing and exterior walls, subflooring and roofs, the unexposed electrical, plumbing and sewerage systems (including those portions of the systems lying outside the premises), exterior siding, exterior doors, window frames, gutters, downspouts, and the heating, and the ventilation system serving the premises, unless such repairs are necessitated by Lessee's negligence or failure to maintain the interior. Lessee shall, at its' own expense, and at all times:

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

- 14. ALTERATIONS AND IMPROVEMENTS:** Lessee shall make no alterations or improvements to or upon the premises or install any fixtures (other than trade fixtures which can be removed without injury to the premises) without first obtaining written approval from the Executive Director of the Port. When seeking the Port's approval, Lessee shall submit full plans and specifications for any proposed alterations and shall furnish proof of compliance with all applicable building codes and other regulations and shall apply for and obtain all necessary permits for such work. If the proposed improvements are estimated to cost more than \$25,000, the Port may require the posting of a completion bond as security for the completion of the improvements. Upon conclusion of the alterations, Lessee shall furnish "as-built" drawings of all improvements and alterations.
- 15. DISPOSITION OF IMPROVEMENTS AT END OF LEASE:** At the expiration or earlier termination of this Lease, the Port shall have the option, in its sole and absolute discretion, to direct either: a) that the alterations and other improvements on the Premises be surrendered to the Port; or b) that the Lessee remove the alterations and other improvements from the Premises. If the Port directs surrender of the alterations and other improvements, all mechanical, electrical and HVAC systems on the Premises shall also remain and be surrendered to the Port, but Lessee shall have the right to remove all personal property and trade fixtures, which may have been placed upon the Premises by Lessee during the period of this Lease, provided that the same are not necessary to the operation of the altered or improved Premises and provided further that they are removed prior to the termination of this Lease. Title to any trade fixtures not removed from the Premises within the foregoing period shall, at the Port's option, pass to the Port without additional consideration. If the Port does not direct Lessee to remove the alterations and improvements, they shall become the property of the Port upon termination of this Lease. The Premises will be surrendered by Lessee in a good state of repair, normal wear excepted. In the event the Port directs removal of the alterations and improvements from the Premises, then title to all said improvements shall remain in and with the Lessee and Lessee shall complete the removal of the same within sixty (60) days after the expiration or sooner termination of this Lease. If the Lessee fails to remove said improvements within the specified time, they may be removed by the Port and the Lessee agrees to pay the Port for the cost thereof upon demand.
- 16. INSPECTION - "FOR RENT" SIGNS:** The Port reserves the right to inspect the leased Premises at any and all reasonable times throughout the term of this Lease, PROVIDED, that it shall not interfere unduly with Lessee's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the premises and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the premises for thirty (30) days prior to the expiration or sooner termination of this Lease.
- 17. DAMAGE OR DESTRUCTION:**
- a. Should the premises or the buildings or structures of which the premises are a part be damaged by fire or other casualty, and if the damage is repairable within four (4) weeks from the date of the occurrence (with the repair work and the preparations therefore to be done during regular working hours on regular work days), the premises shall be repaired with due diligence by the Port, and in the meantime the monthly minimum rental shall be abated in

the same proportion that the untenable portion of the premises bears to the whole thereof, for the period from the occurrence of the damage to the completion of the repairs.

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

- 18. INDEMNIFICATION AND HOLD HARMLESS:** The Port, its employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property, regardless of how such injury or damage be caused, sustained, or alleged to have been sustained by the Lessee or by others as a result of any condition (including existing or future defects in the premises) or occurrence whatsoever related in any way to the premises and the areas adjacent thereto or related in any way to Lessee's use or occupancy of the premises and of the areas adjacent thereto except to the extent attributable to the negligence or other wrongdoing of the Port or its employees, contractors or agents. 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.
- 19. LIMITED WAIVER OF IMMUNITY UNDER WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW AND OTHER SIMILAR INDUSTRIAL INSURANCE SCHEMES:** For purposes of the indemnification provision set forth in Paragraph 18, above, and only to the extent of claims against Lessee by the Port under such indemnification provision, Lessee specifically waives any immunity it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW, The United States Longshore and Harbor Workers Compensation Act, 33 USC §901-950, or any other similar workers' compensation schemes. The indemnification obligation under this Lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefit acts, or other employee benefit acts. The foregoing provision was specifically negotiated and agreed upon by the parties hereto.
- 20. INSURANCE:** Lessee agrees to maintain during the Lease term liability insurance as set forth below, at Lessee's sole expense. All such insurance shall name the Port of Port Townsend as an additional insured and shall be with insurance companies acceptable to the Port.

- a. Comprehensive General Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of \$1,000,000.00 combined single limit for each occurrence. Such insurance shall include but not be limited to bodily injury liability, personal injury liability, property damage liability, broad form property damage liability, contractual liability, and products/completed operations liability.
- b. Workers Compensation Insurance as will protect tenant's employees from claims under Washington Workers Compensation Act as well as all Federal Acts applicable to the tenant's operations at the site such as but not limited to U.S. Longshore and Harbor Workers' Compensation Act, Jones Act, and Federal Employers Liability section of the Washington Workers Compensation Policy and all Federal Acts Insurance shall not be less than \$1,000,000.00 for each occurrence.

The Lessee agrees to supply the Port with appropriate evidence to establish that its insurance obligations have been met, and that the insurance policy or policies are not subject to cancellation without at least thirty (30) days advance written notice to the Port. The conditions set forth in subparagraphs (a) and (b) of this Paragraph 20 shall be met prior to occupancy.

21. **WAIVER OF SUBROGATION:** The Port and Lessee hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance contracts, including any extended coverage endorsements thereto, PROVIDED, that this paragraph shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of the Port or Lessee.
22. **INCREASE IN COST OF INSURANCE:** Lessee shall not use the demised premises in such a manner as to increase the existing rates of insurance applicable to the buildings or structures of which the premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the buildings or structures of which the leased Premises are a part, and to the extent allocable to the term of this Lease, may be added to the amount of rental hereinabove specified and shall be paid by Lessee to the Port upon the monthly rental day next thereafter occurring.
23. **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.
24. **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 public. Lessee also agrees to comply with all applicable federal, state, and municipal laws, ordinances, and regulations. Lessee further agrees that all buildings, structures, or other improvements, approved by the Port, will be properly permitted by Jefferson County. Any fees for any inspection of the Premises during or for the lease term by any federal, state, or municipal officer and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.

- 25. ASSIGNMENT OR SUBLEASE:** Lessee shall not assign or transfer this Lease or any interest therein nor sublet the whole or any part of the premises, nor shall this Lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, otherwise, without the written consent of the Port first had and obtained. If Lessee is a corporation, Lessee further agrees that if at any time during the term of this Lease more than one-half (1/2) of the outstanding shares of any class of stock of Lessee corporation shall belong to any stockholders other than those who own more than one-half (1/2) of the outstanding shares of that class of stock at the time of the execution of this Lease or to members of their immediate families, such change in the ownership of the stock of the Lessee shall be deemed an assignment of this Lease within the meaning of this paragraph. If the Port shall give its consent to any assignment or sublease, this paragraph shall nevertheless continue in full force and effect and no further assignment or sublease shall be made without the Port's consent.
- 26. DEFAULTS:** Time is of the essence of this Lease Agreement, and in the event of the failure of Lessee to pay the rentals or other charges at the time and in the manner herein specified, or to keep any of the covenants or agreements herein set forth to be kept and performed, the Port may elect to terminate this Lease and reenter and take possession of the premises with or without process of law, PROVIDED, however, that Lessee shall be given fifteen (15) days' notice in writing stating the nature of the default in order to permit such default to be remedied by Lessee within said fifteen (15) day period. If upon such reentry there remains any personal property of Lessee or of any other person upon the leased Premises, the Port may, but without the obligation so to do, remove said personal property and hold it for the owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Lessee shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Lessee, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Lessee to the Port, and the balance, if any, shall be paid to Lessee. Notwithstanding any such reentry, the liability of Lessee for the full rental provided for herein shall not be extinguished for the balance of the term of this Lease, and Lessee shall make good to the Port any deficiency arising from a re-letting of the leased Premises at a lesser rental than that hereinbefore agreed upon. Lessee shall pay such deficiency each month as the amount thereof is ascertained by the Port. Any failure by the owners, officers, or principals of Lessee to pay rentals, storage fees, moorage or any other charges owed to the Port under separate contract shall constitute default under provisions of this Lease Agreement.
- 27. TERMINATION BY PORT:**
- a. Nothing in this Lease shall be deemed to be a waiver of the Port's power of eminent domain. In the event that the Port, at its sole discretion, shall require the use of the premises for any purpose for public or private use in connection with the operation of the business of the Port, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee one hundred and eighty (180) or more days before the termination date specified in the notice. In the event of such a termination the Port shall be obligated to compensate the Lessee for the termination of Lessee's leasehold interest in the same manner as in the case of an exercise of the Port's eminent domain power.

- b. In the event the term of this Lease or any extended term expires, and an indefinite month-to-month tenancy results, then the resulting tenancy may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee twenty (20) or more days before termination date specified in the notice. In the event of a holdover, month-to-month tenancy, no compensation shall be owed to Lessee for loss of use, cost of relocation, and/or cost of improvement.
- 28. TERMINATION FOR CONVENIENCE BY LESSEE:** Lessee may terminate this Lease at any time for any reason by giving the Port at least sixty (60) days' written notice.
- 29. TERMINATION FOR GOVERNMENT USE:** In the event that the United States Government or any agency or instrumentality thereof shall, by condemnation or otherwise, take title, possession or the right to possession of the premises or any part thereof, the Port may, at its option, terminate this Lease as of the date of such taking, and, if Lessee is not in default under any of the provisions of this Lease on said date, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.
- 30. TERMINATION BECAUSE OF COURT DECREE:** In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its obligations under this Lease, then either party hereto may terminate this Lease by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Lessee is not in default under any of the provisions of this Lease on the effective date of such termination, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.
- 31. SIGNS:** No signs or other advertising matter, symbols, canopies, or awnings shall be attached to or painted or within the leased Premises, including the windows and doors thereof, without the approval of the Executive Director of the Port first had and obtained. At the termination or sooner expiration of this Lease, all such signs, advertising matter, symbols, canopies, or awnings attached to or painted by Lessee shall be removed by Lessee at its own expense, and Lessee shall repair any damage or injury to the premises, and correct any unsightly condition, caused by the maintenance and removal of said signs, etc.
- 32. 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.
- 33. 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 26 hereof.

- 34. PRIOR AGREEMENTS:** This Lease contains all the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement, letter of intent or understanding pertaining to any such matter will be effective for any purpose. No provisions of this Lease may be amended or added to, except by an agreement in writing signed by the parties or their respective successors in interest.
- 35. ATTORNEYS' FEES AND COSTS:** In the event either party requires the services of an attorney in connection with enforcing or interpreting the terms of this Lease, or in the event suit is brought for the recovery of any sums due under this Lease or for the breach of any covenant or condition of this Lease, or for the restitution of the Premises to the Port or eviction of the Lessee during the lease term or after the expiration thereof, the substantially prevailing party is entitled to reasonable attorneys' fees and all costs incurred in connection therewith, including, without limitation, the fees of accountants, appraisers and other professionals, whether at trial, on appeal or without resort to suit. Any action brought under the terms of this Lease shall be maintained in Jefferson County, Washington.
- 36. 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.
- 37. VACATION OF PREMISES – HOLDING OVER:** In the event that no new lease has been negotiated and executed by the parties (or their successors) prior to the termination of this Lease, and upon written notice from the Port given at any time prior to the expiration of the term, Lessee shall promptly vacate the Premises on or before the last day of the term, leaving the Premises in the condition described in Paragraph 38, below. If Lessee holds over after the expiration or earlier termination of this Lease without the express written consent of the Port, Lessee will be a tenant at sufferance only and otherwise subject to the terms, covenants and conditions herein specified, insofar as applicable, except that the monthly rent will be one hundred twenty-five percent (125%) of the rent applicable during the last rental period under this Lease. Tenant shall also pay its share of then current additional rent, prorated daily. Acceptance by the Port of rent after the expiration or earlier termination of this Lease will not result in a renewal of this Lease. The forgoing provisions of this section are in addition to and do not affect the Port's right of re-entry or any other rights of the Port hereunder or otherwise provided by law. Lessee hereby indemnifies and agrees to hold the Port harmless from all loss, injury or liability arising from Lessee's failure to surrender the Premises upon the expiration or earlier termination of this Lease.
- 38. SURRENDER OF PREMISES:** The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, will not work a merger, and will, at the option of the Port, operate as an assignment to it of any or all subleases or subtenancies. Upon the expiration or earlier termination of this Lease, Lessee shall peaceably surrender the Premises and all alterations and

additions thereto, leave the Premises clean, in as good order, repair and condition as was provided to Lessee on the commencement date, reasonable wear and tear excepted. The delivery of keys to any employee of the Port or to the Port's agent or any employee thereof shall not be sufficient to constitute a termination of this Lease or a surrender of the Premises.

- 39. 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.
- 40. LIENS AND ENCUMBRANCES:** Lessee shall keep the leased Premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the said premises by Lessee. At the Port's request, Lessee shall furnish the Port with written proof of payment of any item that would or might constitute the basis for such a lien on the leased Premises if not paid.
- 41. 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:

BEST COAST CANVAS, INC.
c/o Leah Kefgen, President
PO Box 398
Port Townsend, Washington 98368

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.

- 42. 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.
- 43. "LESSEE" INCLUDES LESSEE, ETC.:** It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease, regardless of the number, gender, or fact of incorporation of the party who is, or of the parties who are, the actual Lessee or Lessee under this Lease Agreement.
- 44. CAPTIONS:** The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.

45. **SEVERABILITY:** If any term or provision of this Lease Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.
46. **NON-DISCRIMINATION - SERVICES:** The Lessee agrees that it will not discriminate by segregation or otherwise against any person or persons because of race, creed, color, sex, sexual orientation, or national origin in furnishing, or by refusing to furnish, to such person, or persons, the use of the facility herein provided, including 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.

47. **NON-DISCRIMINATION - EMPLOYMENT:** The Lessee covenants and agrees that in all matters pertaining to the performance of this Lease, Lessee shall at all times conduct its business in a manner which assures fair, equal and non-discriminatory treatment of all persons without respect to race, creed or national origin and, in particular:
- a. Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities, and
 - b. Lessee will comply strictly with all requirements of applicable federal, state or local laws or regulations issued pursuant thereto relating to the establishment of non-discriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination as to any person's race, creed, color, sex, sexual orientation, or national origin.
48. **EASEMENTS:**
- a. The parties recognize that the Port's facilities are continuously being modified to improve the utilities and services used and provided by the Port. The Port, or its agents, shall have the right to enter the demised Premises of the Lessee, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair, and operate the sewer, water, and drainage lines, and the electrical service, and all other services required by the Port for its use. The Port is hereby granted a continuous easement or easements that the Port believes is necessary within the Premises leased by the Lessee, without any additional cost to the Port for the purposes expressed hereinabove, PROVIDED, HOWEVER, that the Port by virtue of such use, does not significantly impact or deprive the Lessee from its beneficial use or occupancy of the leased Premises.
 - b. In the event the Port significantly impacts Lessee's beneficial use or occupancy of the leased Premises, then there will be an equitable adjustment in rent. In the event the Port permanently deprives Lessee from such beneficial use or occupancy, then 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 such entry by the Port is temporary in nature, the Port shall reimburse

the Lessee for the cost required to modify its Premises for the temporary period that Lessee is inconvenienced by such Port entry.

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

Lease Agreement dated this _____th day of September 2024 is hereby approved by the Port of Port Townsend, on this _____th day of September 2024 and effective upon the receipt of a deposit and liability insurance documentation from the Lessee.

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

LESSEE: BEST COAST CANVAS, INC.

By: _____
Leah Kefgen, President

ATTEST:

PORT OF PORT TOWNSEND

APPROVED AS TO FORM

Eron Berg, Executive Director

Port Attorney

**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

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

Dated: _____

Signature of
Notary Public: _____

My Appointment Expires: _____

**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

I certify that I know or have satisfactory evidence that ERON BERG signed this instrument and that he is authorized to execute the instrument as 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: _____

BEST COAST CANVAS, INC., EXHIBIT 'A'

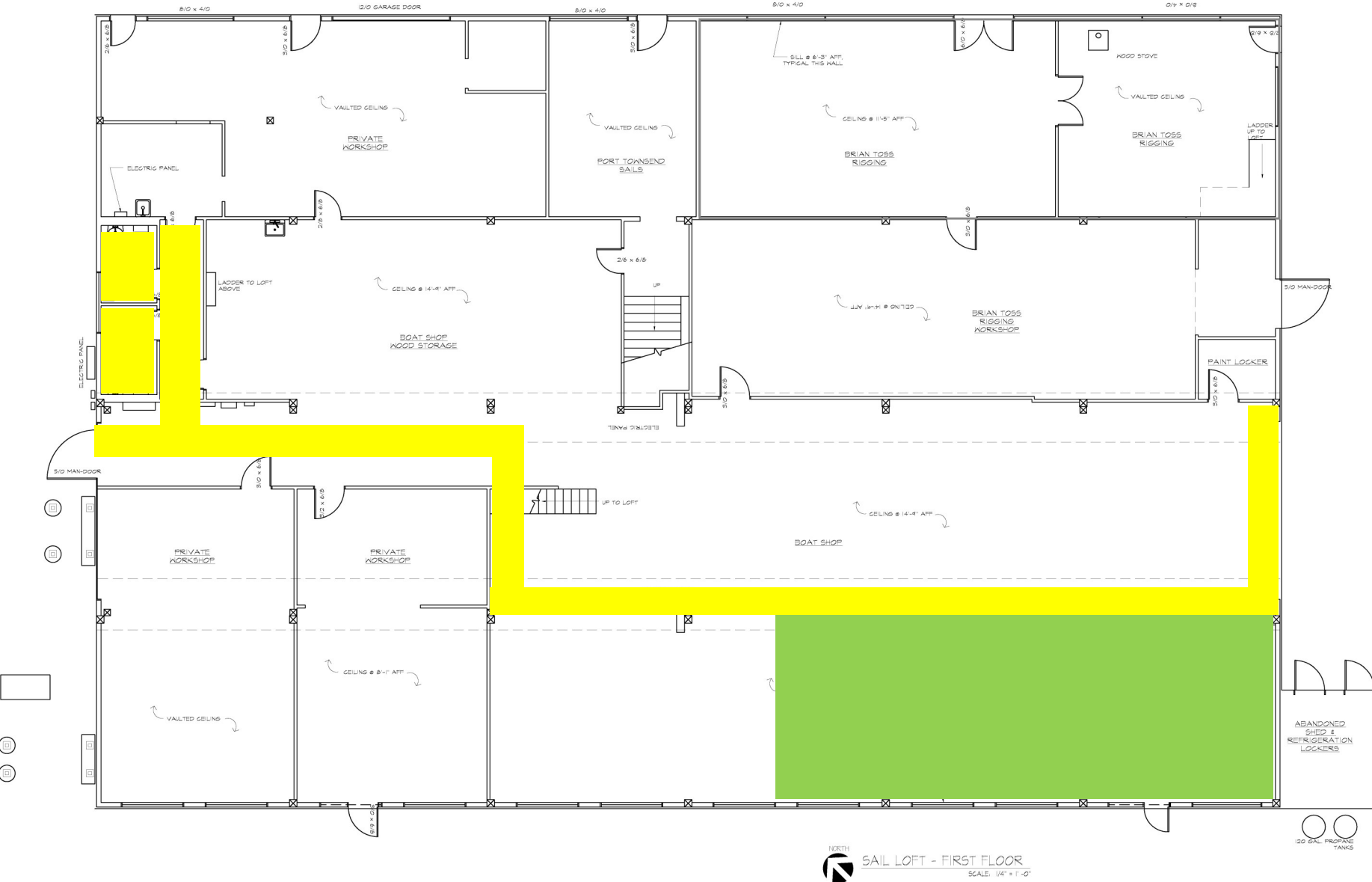


EXHIBIT A

**LEGAL DESCRIPTION
BEST COAST CANVAS, INC.
BUILDING LEASE**

The premises identified in Paragraph #1 of this Building Lease Agreement are located in the Armory Building at the Port's Point Hudson facility, 311 Jackson Street, Port Townsend, on Block 45, Lots 2 and 4 and Block 52, Lots 1 and 3 of the Original Townsite of Port Townsend, together with portions of vacated Washington Street fronting the aforesaid blocks, situated in Section 1, Township 30 North, Range 1 West, Willamette Meridian, as per Volume 1, Page 1, records of Jefferson County, Washington.

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	September 25, 2024
AGENDA ITEM	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input type="checkbox"/> Regular Business <input type="checkbox"/> Informational
AGENDA TITLE	IV. D. Brion Toss Yacht Rigging, Inc. - Point Hudson Building Lease
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
ATTACHMENTS	<ol style="list-style-type: none"> 1. Staff Info Memo 2. Term Sheet 3. Brion Toss Yacht Rigging, Inc. – Point Hudson Building Lease, including Exhibits “A” and “B”

If adopted as part of the consent agenda, no further action is needed.

Alternative action: Remove from consent for discussion. Move to authorize the Executive Director

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 9/19/2024
TO: Port Commission
FROM: Eric Toews, Deputy Director, and Sue Nelson, Lease and Contracts Administrator
SUBJECT: Brion Toss Yacht Rigging, Inc., Point Hudson Building Lease

ISSUE: Should the Commission authorize the Executive Director to execute a new Building Lease Agreement with Brion Toss Rigging, Inc. (Christian Gruye/Ian Weedman) for 2,443 square feet of marina-facing and non-contiguous interior shop space located on the ground floor of the Armory Building at Point Hudson?

BACKGROUND & DISCUSSION: Brion Toss Yacht Rigging, Inc. (“Toss”), has been a fixture at Point Hudson and in the maritime community since the late 1970s. The Port has entered into a series of successful lease agreements with Toss since 2002. Since 2019, Toss has been leasing 1,332 sf of space on the ground floor of the Armory Building at Point Hudson to manufacture and sell yacht rigging components and supplies and to conduct educational programs and seminars. Toss has also been subletting space from Best Coast Canvas in the “Spar Room” under a now expired separate lease agreement between the Port and Best Coast Canvas.

At the end of August of this year, the current lease expired, and Toss has been in holdover status since that time while negotiating a new agreement with the Port. The parties have now arrived at mutually agreeable lease terms. The agreement presented to the Commission for authorization specifies an initial lease term of five (5) years with one (1) five (5) year option, with a blended rent rate of \$0.77 psf (i.e., \$0.85 psf for 1,154 sf of marina-facing shop space; \$0.70 psf for 1,289 sf of non-contiguous interior shop space). In total, the premises comprise some 2,443 sf of space on the ground floor of the Armory Building.

The proposed lease agreement is consistent with, and helps to implement, the Commission’s adopted lease policy. Nevertheless, this lease also incorporates a few unique provisions intended to address specific concerns raised by Toss, as follows:

- Paragraph #11, “Utilities” incorporates a novel formula for the Lessee to ensure that Best Coast Canvas is reimbursed for electricity serving the non-contiguous interior shop space; this provision recognizes and addresses the fact that electric submetering has not been affected in this building;
- Paragraph #12, “Acceptance of Premises” contains a notable exception: leaking and weather tightness issues involving the south wall of the Armory Building, which the Port is committing to repair within a defined timeframe (i.e., temporary repairs by 12/1/24; more comprehensive repairs undertaken by the summer of 2025); and
- Paragraph #14 has been added, which would permit the Port and Toss to negotiate a scope of tenant leasehold improvements that would be reimbursed by the Port, up to an agreed-upon limit (this will likely involve repairing or replacing the wooden floor in

the Spar Room). The Port would reimburse the Lessee for improvements that increase the value of the premises to the Port and public, not solely the Lessee.

Over the past 40 and more years, Point Hudson has become internationally known, both as the setting for the annual Wooden Boat Festival as well as the home of small-scale, high quality marine trades artisans. Businesses like Brion Toss Yacht Rigging, Inc., have made Point Hudson a truly unique place, and remain critical to maintaining the character and integrity of the “Maritime Heritage Corridor” at the facility. Port staff are pleased to have the opportunity to recommend this lease to the Commission for authorization, perpetuating Point Hudson’s position in our region as a vibrant center of maritime activity.

MOTION: None required. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the Point Hudson Building Lease Agreement with Brion Toss Yacht Rigging, Inc.

ATTACHMENTS:

- Summary of Key Lease Terms, consisting of two (2) pages; and
- Brion Toss Yacht Rigging Lease, including Exhibits “A” (Legal Description & Graphic Depiction of Leased Premises), and “B” (Hazardous Substances Warranty & Agreement), altogether consisting of twenty-seven (27) pages.

**PORT OF PORT TOWNSEND:
Summary of Key Terms - Point Hudson Armory Building Lease
(September 20, 2024)**

1. **TENANT:** Brion Toss Rigging, Inc. (Christian Gruyere, CEO)
2. **PREMISES:** Approximately 1,154 sf of marina-facing shop space together with approximately 1,246 sf of non-contiguous interior shop space and a 43 sf paint locker situated on the ground floor of the Armory Building at Point Hudson, located at 313 Jackson Street, Port Townsend, WA 98368.
3. **TERM:** Five (5) years, beginning on October 1, 2024, and ending at midnight on September 30, 2029, along with one (1) five (5) year option to extend the lease.
4. **RENT:** \$1,883.20 per month plus LET (i.e., $\$1,883.20 \times 12.84\% = \241.80 ; $\$1,883.20 + \$241.80 = \$2,125.00$).¹ Rent adjusted per CPI-U beginning year two (2); base rent adjusted beginning in year three (3) and every three (3) years thereafter throughout the lease term.
5. **SECURITY DEPOSIT:** Three (3) months' security + LET, or \$6,375.01.
6. **USE OF PREMISES:** Manufacturing and sales of yacht rigging components and supplies, related office space, and classroom educational programs and seminars.
7. **UTILITIES:** All utilities are the responsibility of the Lessee. Because separate electrical meters serve the premises, one of which serves multiple lessees, special provisions for allocating a portion of the electrical utility bill apply to the 1,246 sf of non-contiguous interior shop space and paint locker.
8. **ACCEPTANCE OF PREMISES:** Lessee accepts the premises in their present condition, except for leaks on south wall of the Armory Building affecting the interior shop space and paint locker, which the Port agrees to repair at its own expense. Temporary repairs will be undertaken by no later than December 1, 2024, with a more comprehensive repair effort advanced during the summer of 2025.
9. **MAINTENANCE & REPAIR:** Maintenance and repair of the premises and improvements are the sole responsibility of Lessee, except for the roof, building foundations and exterior walls, and unexposed electrical and plumbing.

¹ Rent calculated as follows: 1,154 sf of ground floor/marina facing retail and shop space @ \$0.85 psf = \$980.90; 1,246 sf of dis-contiguous ground floor/interior shop space and 43 sf adjoining paint storage locker (1,289 sf total) @ \$0.70 psf = \$902.30 rent; \$980.90 + 902.30 = \$1,883.20 total rent.

10. **TENANT IMPROVEMENTS – ALLOWANCE:** The parties will negotiate a scope of tenant improvements for which the Port will reimburse Lessee up to an agreed upon amount. Among other improvements, this will likely involve repairing or replacing all or a portion of the wood flooring in the interior shop space portion of the leasehold. Note: The Port may only reimburse Lessee for tenant improvements that will have lasting value to the Port and public (not merely to the Lessee) following the end of the lease term.
11. **INSURANCE:** Per Port policy. Commercial General Liability of \$1,000,000 combined single limit; Workers Compensation Insurance of not less than \$1,000,000 per occurrence; insurance certificates naming the Port as an additional insured; proof of insurance must be provided prior to occupancy.
12. **ASSIGNMENT/SUBLEASE:** Permitted only by prior written consent of the Port.
13. **DEFAULTS/TERMINATION:** Time is of the essence. Failure to pay rent, or to abide by the covenants/agreements contained in the lease, may serve as a basis for termination. Lessee will be provided with fifteen (15) days' written notice to cure defaults. Port may also terminate upon one-hundred and eight (180) days' written notice, at its sole discretion, for public or private use in connection with the operation of the business of the Port. Once the lease is in holdover status, it may be terminated upon twenty (20) days' written notice.
14. **HOLDING OVER:** In the event Lessee allows the lease to expire without negotiating a new agreement with the Port, the tenancy will roll over into a month-to month basis, with all other provisions of the lease agreement remaining in effect, except that the rent will increase to 125% of the rent due in the month preceding the holdover (e.g., \$1,883.20 x 125% = \$2,354.00; \$2,354.00 x 12.84% = \$302.25 LET; \$2,354.00 + \$302.25 = \$2,656.25 total rent plus LET).

PORT OF PORT TOWNSEND

POINT HUDSON BUILDING LEASE

THIS LEASE AGREEMENT made this _____ day of September 2024, 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 BRION TOSS YACHT RIGGING, INC., a Washington corporation, hereinafter referred to as "Lessee,"

WITNESSETH:

That the parties hereto do mutually agree as follows:

1. **TERMINATION OF EXISTING AGREEMENT:** The Port and Lessee acknowledge and agree that they are parties to that certain unrecorded Point Hudson Building Lease dated August 21, 2019 (the "Existing Agreement"). The parties hereto acknowledge and agree that, notwithstanding any provisions set forth in the Existing Agreement, that the aforesaid Existing Agreement is currently in full force and effect, has continued in full force and effect without interruption since the date Lessee initially took occupancy of the premises described in the Existing Agreement, and that Lessee currently occupies the premises described in the Existing Agreement pursuant to the terms thereof. In addition, notwithstanding any provision to the contrary in the Existing Agreement, effective as of 11:59 p.m. (Pacific Time) on the date immediately preceding the commencement date of this Point Hudson Building Lease (the "Existing Agreement Termination Date") the Existing Agreement shall be terminated and of no further force or effect and the Port and Lessee's rights and obligations with respect to the premises arising or accruing thereafter shall be as set forth in this Point Hudson Building Lease Agreement; PROVIDED, HOWEVER, that the Port and Lessee shall remain liable under the terms of the Existing Agreement with respect to:
 - a. Any obligations which specifically survive the term of the Existing Agreement; and
 - b. All obligations under the Existing Agreement accruing prior to the Existing Agreement Termination Date related to Lessee's use, occupancy, or control of the premises during the term of the Existing Agreement, including, without limitation:
 - i. Any liability arising from hazardous materials brought onto or about the premises or permitted or suffered to be brought onto or about the premises by Lessee or anyone for whom Lessee may be liable; and
 - ii. Lessee's obligation to pay the Port any amounts due under the Existing Agreement.

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

Approximately 1,154 square feet of marina-facing shop space together with approximately 1,246 square feet of non-contiguous interior shop space and a 43 square foot paint locker (2,443 total square feet +/-) situated on the ground floor of the Armory Building at Point Hudson, 313 Jackson Street, Port Townsend WA 98368

hereinafter referred to as "the premises." All grounds and parking areas surrounding the Armory Building are excluded from the leased premises. The premises (as well as non-exclusive use common areas) are depicted upon Exhibit "A", which is attached hereto and incorporated herein by this reference.

3. **COMMON AREAS:** The Port hereby grants to Lessee a non-exclusive license to use in common with other tenants, those portions of the Armory Building which are provided, from time to time, for use in common by the Port and other tenants of the building. Common areas shall mean the portions of the building reasonably designated as such by the Port. The manner in which common areas are maintained and operated shall be at the reasonable discretion of the Port, and subject to building rules and regulations as the Port may make from time to time. The Port reserves the right to temporarily close, make alterations or additions to, or change the location of elements of the common areas, provided that, in connection therewith, the Port shall perform such closures, alterations and additions or changes in a commercially reasonable manner and, in connection therewith, shall use commercially reasonable efforts to minimize any material interference with Lessee's use of, and access to, the Premises. Armory Building common areas are generally depicted upon Exhibit "A", which is attached hereto and incorporated herein by this reference.
4. **TERM:** The term of this Lease is five (5) years, beginning October 1, 2024, and ending at midnight, September 30, 2029, unless extended or sooner terminated as provided in this Lease. The Lessee shall also have the option to extend the lease term by one (1) additional five (5) year term. Notification to extend the Lease will be done in writing at least ninety (90) days prior to end of the initial lease term. Lessee shall not be entitled to renew this Lease unless the Lease is in good standing at the time of renewal and the Lessee is not in default under the terms of this Lease or any other lease or agreement with the Port. The terms and conditions of any renewal shall be the same as set forth in this Lease, except that rent shall be recalculated as provided in Paragraph 5, below, and the terms of this Lease shall be updated to be consistent with the terms and conditions then existing in the Port's standard form Commercial Lease.

5. RENT:

- a. Lessee agrees to pay as rental for the leased premises the sum of **One Thousand Eight Hundred Eighty-Three Dollars and Twenty Cents (\$1,883.20)** plus all applicable taxes.¹
- b. The rent for each month shall be paid to the Port in advance on or before the first day of each month of the lease term and shall be payable at such place as the Port may hereinafter designate.
- c. Beginning in year three (3) and every three (3) years thereafter, the rental rate may be adjusted to the fair market rental rate then prevailing for comparable commercial and/or industrial property in the Western Washington area, bearing in mind all allowable uses of the property and all services and amenities available to the property by virtue of its location.
- d. Except in years when a fair market rate adjustment is made as set forth in subparagraph (c) of this Paragraph 5, the rental rate beginning in year two (2) 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 for all urban consumers (CPI-U) for Seattle-Tacoma-Bellevue, which is compiled by the Department of Labor, Bureau of Statistics.
- e. In no event shall any rent adjustment result in a reduction in rent from the rate paid in the prior year.

6. LATE CHARGE: In the event that any installment of rent remains unpaid more than twenty (20) days after it is due, then Lessee shall also be obliged to pay a “late charge” as per the Port of Port Townsend Rate Schedule then in effect.

7. SECURITY DEPOSIT: Upon the execution of this Lease, Lessee shall deposit with the Port security in the amount of **Six Thousand Three Hundred Seventy-Five Dollars and One Cent (\$6,375.01)**.² Lessee has an existing deposit of **Two Thousand Six Hundred and Thirty-Seven Dollars and Eight-Two Cents (\$2,637.82)** currently on file with the Port under the Existing Agreement terminated under Paragraph 1, above. Accordingly, Lessee shall deposit and additional **Three Thousand Seven Hundred Thirty-Seven Dollars and Nineteen cents (\$3,737.19)** to satisfy the requirements of this paragraph. 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

¹ Calculated as follows: 1,154 sf +/- of ground floor/marina facing retail and shop space @ \$0.85 psf = \$980.90; 1,246 sf +/- of non-contiguous ground floor/interior shop space and 43 sf +/- of adjoining paint storage locker (1,289 sf total) @ \$0.70 psf = \$902.30; \$980.90 + 902.30 = \$1,883.20 total rent.

² Required security for all Port leases is three (3) months’ rent + LHT, calculated as follows: \$1,883.20 per month x 3 = \$5,649.60; \$5,649.60 x 12.84% = \$725.41; \$5,649.60 + \$725.41 = \$6,375.01.

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. Beginning in year three (3) and every three (3) years thereafter, the amount of such security deposit shall be increased in the same proportion as the annual rental is increased above the basic rent charged during the first (1st) year of the lease term.

- 8. USE OF PREMISES:** Lessee shall use the premises for the purposes of manufacturing and sales of yacht rigging components and supplies, related office space, and classroom educational programs and seminars and shall not use them for any other purposes without the prior written consent of the Port. Lessee shall use the entire premises for the conduct of said business in a first-class manner continuously during the entire term of this Lease, except for temporary closures for such periods as may reasonably be necessary for repairs or redecorating or for reasons beyond Lessee's reasonable control. Except for ordinary and routine noises and vibrations associated with the manufacture of canvas products (e.g., pounding, sewing machine vibrations, etc.), Lessee agrees that it will not disturb the Port or any other tenant of the Port's by making or permitting any disturbance or any unusual noise, vibration or other condition on or in the premises.
- 9. CONDUCT COVENANTS AND WARRANTIES:** In addition to all other covenants and warranties set forth herein, Lessee specifically represents to the Port as follows:
- a. Quiet Conduct. The conduct of Lessee and such others for whom Lessee is responsible shall not, in any manner, disturb the quiet enjoyment of other Tenants, invitees, or visitors, in or near where the premises are located, including common areas.
 - b. Damage. The conduct of Lessee and such others for whom Lessee is responsible shall not result in or cause destruction or damage to the premises, or any part thereof including, but not limited to all common areas, or the property of other Tenants, their invitees, and visitors.
- 10. UTILITIES:** Lessee shall be liable for, and shall pay throughout the term of this Lease, all utility services furnished to the premises, including, but not limited to, light, heat, electricity, gas, water, sewerage, garbage disposal. It is understood and agreed that separate electrical meters serve the leased Premises: one meter serves the approximately 1,154 sf of retail and shop space facing the marina; a second meter serves the 1,246 sf of non-contiguous interior shop space and paint locker, as well as a portion of the Armory Building leased to Best Coast Canvas, Inc. (hereinafter "BCC"), under a separate agreement with the Port. Accordingly, in addition to paying for the entirety of the electrical utility bill for 1,154 sf of retail and shop space, Lessee agrees to pay a monthly share of BCC's electrical bill for the for the 1,246 sf of non-contiguous interior shop space and paint locker based on the following formula: one-half of the average total electrical bill for the months of June, July and August. Lessee shall pay

this amount directly to BCC in advance on or before the first day of each month. In the event any installment of Lessee's share of BCC's electrical utility bill remains unpaid more than five (5) days after it is due, then Lessee will be assessed a "late charge" of \$10.00 per day by BCC.

11. ACCEPTANCE OF PREMISES:

- a. Lessee has examined the leased Premises and accepts them in their present condition, except for leaks on the south wall of the Armory Building periodically affecting the non-contiguous interior shop space and paint locker portions of the leased Premises, which the Port agrees to repair at its own expense. Except for the foregoing repairs to the south wall of the Armory Building, Lessee accepts the leased Premises "as is" and without further maintenance liability on the part of the Port. The Port makes no representations or warranties with respect to the condition, suitability, zoning restrictions, or usability, except the Port's right to grant a lease of the Premises. Lessee acknowledges that Lessee has fully inspected the Premises and is not relying on any statement or representation made by the Port or the Port's agents with respect to the condition of the Premises, and Lessee assumes the responsibility and risks of the same, including any defects or conditions that cannot be observed by casual inspection.
- b. Investigation of the scope and extent of the leaks affecting the south wall of the Armory Building will be initiated by no later than November 1, 2024, with a temporary repair undertaken by no later than December 1, 2024, and comprehensive south wall repairs advanced during the summer of 2025. Lessee acknowledges that because the Armory Building is a nearly century-old wood frame temporary military structure built in a manner substantially different than modern construction, that repairing the structure to ensure that it is wind and weather tight may require multiple attempts. The Port will expeditiously undertake efforts to repair the structure following the timeline outlined above but cannot guarantee initial success. In the event Lessee is dissatisfied with the rate of progress or substantive outcomes of the repair effort, Lessee agrees that it shall not be entitled to abate rent or for any damages or compensation for business interruption or loss of revenue, PROVIDED the Port has moved expeditiously to undertake repairs.

- 12. MAINTENANCE AND REPAIR:** Maintenance and repair of the premises shall be the sole responsibility of Lessee. Accordingly, at the expiration or sooner termination of this Agreement, Lessee shall return the premises to the Port in the same condition in which received (or, if altered by Lessee with the Port's consent, then the premises shall be returned in such altered condition), reasonable wear and tear and damage by fire or unavoidable casualty excepted. Lessee's obligation to make repairs shall not extend to any structural parts of the building, including the foundations, bearing and exterior walls, subflooring and roofs, the unexposed electrical, plumbing and sewerage systems (including those portions of the systems lying outside the premises), exterior siding,

exterior doors, window frames, gutters, downspouts, and the heating, and the ventilation system serving the premises, unless such repairs are necessitated by Lessee's negligence or failure to maintain the interior. Lessee shall, at its' own expense, and at all times:

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

- 13. ALTERATIONS AND IMPROVEMENTS:** Lessee shall make no alterations or improvements to or upon the premises or install any fixtures (other than trade fixtures which can be removed without injury to the premises) without first obtaining written approval from the Executive Director of the Port. When seeking the Port's approval, Lessee shall submit full plans and specifications for any proposed alterations and shall furnish proof of compliance with all applicable building codes and other regulations and shall apply for and obtain all necessary permits for such work. If the proposed improvements are estimated to cost more than \$25,000, the Port may require the posting of a completion bond as security for the completion of the improvements. Upon conclusion of the alterations, Lessee shall furnish "as-built" drawings of all improvements and alterations.
- 14. TENANT IMPROVEMENTS - ALLOWANCE:** The Port agrees to reimburse Lessee for documented costs incurred by Lessee in making Tenant Alterations and Improvements to the Premises as negotiated and mutually agreed upon in writing by the parties ("Tenant Improvement Allowance"). Payment shall be made within thirty (30) days after Lessee delivers to the Port copies of invoices and receipts for work done and all sums paid for agreed upon Tenant Improvements. In lieu of direct reimbursement by the Port, Lessee's monthly rent may be abated until the mutually agreed upon and documented cost of the improvements is exhausted.
- 15. DISPOSITION OF IMPROVEMENTS AT END OF LEASE:** At the expiration or earlier termination of this Lease, the Port shall have the option, in its sole and absolute discretion, to direct either: a) that the alterations and other improvements on the premises be surrendered to the Port; or b) that the Lessee remove the alterations and other improvements from the premises. If the Port directs surrender of the alterations and other improvements, all mechanical, electrical and HVAC systems on the premises shall also remain and be surrendered to the Port, but Lessee shall have the right to remove all personal property and trade fixtures, which may have been placed upon the premises by Lessee during the period of this Lease, provided that the same are not necessary to the operation of the altered or improved premises and provided further that they are removed prior to the termination of this Lease. Title to any trade fixtures not removed from the premises within the foregoing period shall, at the Port's option, pass to the Port without additional consideration. If the Port does not direct Lessee to

remove the alterations and improvements, they shall become the property of the Port upon termination of this Lease. The premises will be surrendered by Lessee in a good state of repair, normal wear excepted. In the event the Port directs removal of the alterations and improvements from the premises, then title to all said improvements shall remain in and with the Lessee and Lessee shall complete the removal of the same within sixty (60) days after the expiration or sooner termination of this Lease. If the Lessee fails to remove said improvements within the specified time, they may be removed by the Port and the Lessee agrees to pay the Port for the cost thereof upon demand.

- 16. INSPECTION - "FOR RENT" SIGNS:** The Port reserves the right to inspect the leased premises at any and all reasonable times throughout the term of this Lease, PROVIDED, that it shall not interfere unduly with Lessee's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the premises and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the premises for thirty (30) days prior to the expiration or sooner termination of this Lease.
- 17. DAMAGE OR DESTRUCTION:**
- a. Should the premises or the buildings or structures of which the premises are a part be damaged by fire or other casualty, and if the damage is repairable within four (4) weeks from the date of the occurrence (with the repair work and the preparations therefore to be done during regular working hours on regular work days), the premises shall be repaired with due diligence by the Port, and in the meantime the monthly minimum rental shall be abated in the same proportion that the untenable portion of the premises bears to the whole thereof, for the period from the occurrence of the damage to the completion of the repairs.
 - b. Should the premises or any buildings or structures of which the premises are a part be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot be repaired within four (4) weeks of the occurrence, the Port shall have the option to terminate this Lease on thirty (30) days' notice, effective as of any date not more than sixty (60) days' after the occurrence. If this paragraph shall become applicable, the Port shall advise Lessee within thirty (30) days after the happening of any such damage whether the Port has elected to continue the lease in effect or to terminate it. If the Port shall elect to continue this Lease in effect, it shall commence and prosecute with due diligence any work necessary to restore or repair the premises. If the Port shall fail to notify Lessee of its election within said thirty (30) day period, the Port shall be deemed to have elected to terminate this Lease, and the lease shall automatically terminate sixty (60) days after the occurrence of the damage. For the period from the occurrence of any damage to the premises to the date of completion of the

repairs to the premises (or to the date of termination of the lease if the Port shall elect not to restore the premises), the monthly minimum rental shall be abated in the same proportion as the untenable portion of the premises bears to the whole thereof.

- 18. INDEMNIFICATION AND HOLD HARMLESS:** The Port, its employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property, regardless of how such injury or damage be caused, sustained, or alleged to have been sustained by the Lessee or by others as a result of any condition (including existing or future defects in the premises) or occurrence whatsoever related in any way to the premises and the areas adjacent thereto or related in any way to Lessee's use or occupancy of the premises and of the areas adjacent thereto except to the extent attributable to the negligence or other wrongdoing of the Port or its employees, contractors or agents. 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.
- 19. LIMITED WAIVER OF IMMUNITY UNDER WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW AND OTHER SIMILAR INDUSTRIAL INSURANCE SCHEMES:** For purposes of the indemnification provision set forth in Paragraph 18, above, and only to the extent of claims against Lessee by the Port under such indemnification provision, Lessee specifically waives any immunity it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW, The United States Longshore and Harbor Workers Compensation Act, 33 USC §901-950, or any other similar workers' compensation schemes. The indemnification obligation under this lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefit acts, or other employee benefit acts. The foregoing provision was specifically negotiated and agreed upon by the parties hereto.
- 20. INSURANCE:** Lessee agrees to maintain during the lease term liability insurance as set forth below, at Lessee's sole expense. All such insurance shall name the Port of Port Townsend as an additional insured and shall be with insurance companies acceptable to the Port.
- a. Comprehensive General Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of \$1,000,000.00 combined single limit for each occurrence. Such insurance shall include but not be limited to bodily injury liability, personal injury liability, property damage liability, broad form property damage liability, contractual liability, and products/completed operations liability.
 - b. Workers Compensation Insurance as will protect tenant's employees from claims under Washington Workers Compensation Act as well as all Federal Acts

applicable to the tenant's operations at the site such as but not limited to U.S. Longshore and Harbor Workers' Compensation Act, Jones Act, and Federal Employers Liability section of the Washington Workers Compensation Policy and all Federal Acts Insurance shall not be less than \$1,000,000.00 for each occurrence.

The Lessee agrees to supply the Port with appropriate evidence to establish that its insurance obligations have been met, and that the insurance policy or policies are not subject to cancellation without at least thirty (30) days advance written notice to the Port. The conditions set forth in subparagraphs (a) and (b) of this Paragraph 20 shall be met prior to occupancy.

21. **WAIVER OF SUBROGATION:** The Port and Lessee hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance contracts, including any extended coverage endorsements thereto, PROVIDED, that this paragraph shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of the Port or Lessee.
22. **INCREASE IN COST OF INSURANCE:** Lessee shall not use the demised premises in such a manner as to increase the existing rates of insurance applicable to the buildings or structures of which the premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the buildings or structures of which the leased premises are a part, and to the extent allocable to the term of this Lease, may be added to the amount of rental hereinabove specified and shall be paid by Lessee to the Port upon the monthly rental day next thereafter occurring.
23. **HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT:** Lessee has examined the Hazardous Substance Warranty and Agreement, consisting of six (6) pages, which is attached as Exhibit "B" hereto and which by this reference is incorporated herein as fully set forth herein, and acknowledges full understanding of its obligations under said Hazardous Substances Warranty and Agreement.
24. **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.
25. **COMPLIANCE WITH PORT REGULATIONS AND WITH ALL LAWS:** Lessee agrees to comply with all applicable rules and regulations of the Port pertaining to the building or other realty of which the premises are a part now in existence or hereafter promulgated for the general safety and convenience of the Port, its various tenants, invitees, licensees, and

the general public. Lessee also agrees to comply with all applicable federal, state, and municipal laws, ordinances, and regulations. Lessee further agrees that all alterations or improvements, approved by the Port, will be properly permitted by the City of Port Townsend. 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.

- 26. ASSIGNMENT OR SUBLEASE:** Lessee shall not assign or transfer this Lease or any interest therein nor sublet the whole or any part of the premises, nor shall this Lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, otherwise, without the written consent of the Port first had and obtained. If Lessee is a corporation, Lessee further agrees that if at any time during the term of this Lease more than one-half (1/2) of the outstanding shares of any class of stock of Lessee corporation shall belong to any stockholders other than those who own more than one-half (1/2) of the outstanding shares of that class of stock at the time of the execution of this Lease or to members of their immediate families, such change in the ownership of the stock of the Lessee shall be deemed an assignment of this Lease within the meaning of this paragraph. If the Port shall give its consent to any assignment or sublease, this paragraph shall nevertheless continue in full force and effect and no further assignment or sublease shall be made without the Port's consent. The Port's consent will not unreasonably be withheld.
- 27. DEFAULTS:** Time is of the essence of this Lease Agreement, and in the event of the failure of Lessee to pay the rentals or other charges at the time and in the manner herein specified, or to keep any of the covenants or agreements herein set forth to be kept and performed, the Port may elect to terminate this Lease and reenter and take possession of the premises with or without process of law, PROVIDED, however, that Lessee shall be given fifteen (15) days' notice in writing stating the nature of the default in order to permit such default to be remedied by Lessee within said fifteen (15) day period. If upon such reentry there remains any personal property of Lessee or of any other person upon the leased premises, the Port may, but without the obligation so to do, remove said personal property and hold it for the owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Lessee shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Lessee, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Lessee to the Port, and the balance, if any, shall be paid to Lessee. Notwithstanding any such reentry, the liability of Lessee for the full rental provided for herein shall not be extinguished for the balance of the term of this Lease, and Lessee shall make good to the Port any deficiency arising from a re-letting of the leased premises at a lesser rental than

that hereinbefore agreed upon. Lessee shall pay such deficiency each month as the amount thereof is ascertained by the Port. Any failure by the owners, officers, or principals of Lessee to pay rentals, storage fees, moorage or any other charges owed to the Port under separate contract shall constitute default under provisions of this Lease Agreement.

28. TERMINATION BY PORT:

- a. Nothing in this Lease shall be deemed to be a waiver of the Port's power of eminent domain. In the event that the Port, at its sole discretion, shall require the use of the premises for any purpose for public or private use in connection with the operation of the business of the Port, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee one hundred and eighty (180) or more days before the termination date specified in the notice. In the event of such a termination the Port shall be obligated to compensate the Lessee for the termination of Lessee's leasehold interest in the same manner as in the case of an exercise of the Port's eminent domain power.
- b. In the event the term of this Lease or any extended term expires, and an indefinite month-to-month tenancy results, then the resulting tenancy may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee twenty (20) or more days before termination date specified in the notice. In the event of a holdover, month-to-month tenancy, no compensation shall be owed to Lessee for loss of use, cost of relocation, and/or cost of improvement.

29. TERMINATION FOR GOVERNMENT USE: In the event that the United States Government or any agency or instrumentality thereof shall, by condemnation or otherwise, take title, possession or the right to possession of the premises or any part thereof, the Port may, at its option, terminate this Lease as of the date of such taking, and, if Lessee is not in default under any of the provisions of this Lease on said date, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

30. TERMINATION BECAUSE OF COURT DECREE: In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its obligations under this Lease, then either party hereto may terminate this Lease by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Lessee is not in default under any of the provisions of this Lease on the effective date of such termination, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

- 31. SIGNS:** No signs or other advertising matter, symbols, canopies, or awnings shall be attached to or painted or within the leased premises, including the windows and doors thereof, without the approval of the Executive Director of the Port first had and obtained. At the termination or sooner expiration of this Lease, all such signs, advertising matter, symbols, canopies, or awnings attached to or painted by Lessee shall be removed by Lessee at its own expense, and Lessee shall repair any damage or injury to the premises, and correct any unsightly condition, caused by the maintenance and removal of said signs, etc.
- 32. 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.
- 33. 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 27 hereof.
- 34. PRIOR AGREEMENTS:** This Lease contains all the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement, letter of intent or understanding pertaining to any such matter will be effective for any purpose. No provisions of this Lease may be amended or added to, except by an agreement in writing signed by the parties or their respective successors in interest.
- 35. ATTORNEYS' FEES AND COSTS:** In the event either party requires the services of an attorney in connection with enforcing or interpreting the terms of this Lease, or in the event suit is brought for the recovery of any sums due under this Lease or for the breach of any covenant or condition of this Lease, or for the restitution of the premises to the Port or eviction of the Lessee during the lease term or after the expiration thereof, the substantially prevailing party is entitled to reasonable attorneys' fees and all costs incurred in connection therewith, including, without limitation, the fees of accountants, appraisers and other professionals, whether at trial, on appeal or without resort to suit. Any action brought under the terms of this Lease shall be maintained in Jefferson County, Washington.

- 36. 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.
- 37. VACATION OF PREMISES – HOLDING OVER:** In the event that no new lease has been negotiated and executed by the parties (or their successors) prior to the termination of this Lease, and upon written notice from the Port given at any time prior to the expiration of the term, Lessee shall promptly vacate the premises on or before the last day of the term, leaving the premises in the condition described in Paragraph 38, below. If Lessee holds over after the expiration or earlier termination of this Lease without the express written consent of the Port, Lessee will be a tenant at sufferance only and otherwise subject to the terms, covenants and conditions herein specified, insofar as applicable, except that the monthly rent will be one hundred twenty-five percent (125%) of the rent applicable during the last rental period under this Lease. Tenant shall also pay its share of then current additional rent, prorated daily. Acceptance by the Port of rent after the expiration or earlier termination of this Lease will not result in a renewal of this Lease. The forgoing provisions of this section are in addition to and do not affect the Port's right of re-entry or any other rights of the Port hereunder or otherwise provided by law. Lessee hereby indemnifies and agrees to hold the Port harmless from all loss, injury or liability arising from Lessee's failure to surrender the premises upon the expiration or earlier termination of this Lease.
- 38. SURRENDER OF PREMISES:** The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, will not work a merger, and will, at the option of the Port, operate as an assignment to it of any or all subleases or subtenancies. Upon the expiration or earlier termination of this Lease, Lessee shall peaceably surrender the premises and all alterations and additions thereto, leave the premises clean, in as good order, repair and condition as was provided to Lessee on the commencement date, reasonable wear and tear excepted, and Lessee shall comply with the provisions of Paragraph 12, above. The delivery of keys to any employee of the Port or to the Port's agent or any employee thereof shall not be sufficient to constitute a termination of this Lease or a surrender of the premises.
- 39. 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.

- 40. LIENS AND ENCUMBRANCES:** Lessee shall keep the leased premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the said premises by Lessee. At the Port's request, Lessee shall furnish the Port with written proof of payment of any item that would or might constitute the basis for such a lien on the leased premises if not paid.
- 41. 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:

BRION TOSS YACHT RIGGING, INC.
c/o Christian Gruye, CEO
313 Jackson Street
Port Townsend, Washington 98368

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.

- 42. 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.
- 43. "LESSEE" INCLUDES LESSEE, ETC.:** It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease, regardless of the number, gender, or fact of incorporation of the party who is, or of the parties who are, the actual Lessee or Lessee under this Lease Agreement.
- 44. CAPTIONS:** The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.
- 45. SEVERABILITY:** If any term or provision of this Lease Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

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

- 47. NON-DISCRIMINATION - EMPLOYMENT:** The Lessee covenants and agrees that in all matters pertaining to the performance of this Lease, Lessee shall at all times conduct its business in a manner which assures fair, equal and non-discriminatory treatment of all persons without respect to race, creed or national origin and, in particular:
- a. Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities, and
 - b. Lessee will comply strictly with all requirements of applicable federal, state or local laws or regulations issued pursuant thereto relating to the establishment of non-discriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination as to any person's race, creed, color, sex, sexual orientation, or national origin.

- 48. EASEMENTS:**
- a. The parties recognize that the Port's facilities are continuously being modified to improve the utilities and services used and provided by the Port. The Port, or its agents, shall have the right to enter the demised premises of the Lessee, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair, and operate the sewer, water, and drainage lines, and the electrical service, and all other services required by the Port for its use. The Port is hereby granted a continuous easement or easements that the Port believes is necessary within the premises leased by the Lessee, without any additional cost to the Port for the purposes expressed hereinabove, PROVIDED, HOWEVER, that the Port by virtue of such use, does not significantly impact or deprive the Lessee from its beneficial use or occupancy of the leased premises.
 - b. In the event the Port significantly impacts Lessee's beneficial use or occupancy of the leased premises, then there will be an equitable adjustment in rent. In the event the Port permanently deprives Lessee from such beneficial use or occupancy, then 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 such

entry by the Port is temporary in nature, the Port shall reimburse the Lessee for the cost required to modify its premises for the temporary period that Lessee is inconvenienced by such Port entry.

49. LESSEE’S ACKNOWLEDGEMENT OF PRESENCE OF CERTAIN SUBSTANCES: Lessee acknowledges that because the buildings at Point Hudson were constructed many years ago, that they may contain asbestos, creosote, lead paint and other substances that would not be allowed in modern construction. The Port will comply with the directives of any lawful authority that may require the removal or remediation of such substances and will not use any such substances during the renovation or remodeling of the Point Hudson facility, but Lessee agrees not to demand the removal of any such substances which do not impose a hazard to the health of Lessee and its employees, guests and invitees. In the event that any such substances need to be removed from the leased premises, Lessee agrees to cooperate with the Port and allow the removal of such materials, including the temporary cessation of Lessee’s business activities, Lessee’s rent shall be abated during any such period of disruption, but Lessee shall not be entitled to any damages or compensation for business interruption or loss of revenue, PROVIDED the Port moves expeditiously to complete such activities.

50. ENTIRE AGREEMENT: This Lease Agreement contains all the understandings between the parties. Each party represents that no promises, representations, or commitments have been made by the other as a basis for this Lease which have not been reduced to writing herein. No oral promises or representations shall be binding upon either party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Lease executed with all necessary legal formalities by the Commission of the Port of Port Townsend.

Lease Agreement dated this ____ day of September 2024 is hereby approved by the Port of Port Townsend, on this ____ day of September 2024 and effective upon the receipt of a deposit and liability insurance documentation from the Lessee.

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

LESSEE: BRION TOSS RIGGING, INC.

By: _____
Christian Gruyere, CEO

ATTEST:

PORT OF PORT TOWNSEND

APPROVED AS TO FORM

Eron Berg, Executive Director

Port Attorney

**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

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

Dated: _____

Signature of
Notary Public: _____

My Appointment Expires: _____

**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

I certify that I know or have satisfactory evidence that ERON BERG signed this instrument and that he is authorized to execute the instrument as 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: _____

BRIAN TOSS YACHT RIGGING, EXHIBIT 'A'



Premises

Common Area

EXHIBIT A

**LEGAL DESCRIPTION
BRION TOSS RIGGING, INC.
BUILDING LEASE**

The premises identified in Paragraph #1 of this Building Lease Agreement are located in the Armory Building at the Port's Point Hudson facility, 313 Jackson Street, Port Townsend, on Block 45, Lots 2 and 4 and Block 52, Lots 1 and 3 of the Original Townsite of Port Townsend, together with portions of vacated Washington Street fronting the aforesaid blocks, situated in Section 1, Township 30 North, Range 1 West, Willamette Meridian, as per Volume 1, Page 1, records of Jefferson County, Washington.

EXHIBIT "B"
HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT

RIDER TO LEASE AGREEMENT DATED: September ___ 2024, BETWEEN THE PORT OF PORT TOWNSEND and BRION TOSS YACHT RIGGING, INC., a Washington corporation.

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

Christian Gruye, CEO
Brion Toss Yacht Rigging, Inc.

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: BRION TOSS YACHT RIGGING

By: _____
Christian Gruye, CEO

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: September ___, 2024, 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: BRION TOSS YACHT RIGGING, INC.

By: _____
Christian Gruye, CEO

Date: _____

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	September 25, 2024
AGENDA ITEM	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input checked="" type="checkbox"/> Regular Business <input type="checkbox"/> Informational
AGENDA TITLE	IV. E. Boat Haven Linear Dock Replacement Project – Authorization to Request Cancellation of Grant Funding Agreement with RCO
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
ATTACHMENTS	Staff Info Memo

Approval of this item on the Consent Agenda authorizes the Executive Director or designee to request and obtain a rescission of the above-referenced grant funding agreement with RCO.

Alternative action: Remove from consent for discussion. Move to authorize the Executive Director or designee to request and obtain a rescission of the above-referenced grant funding agreement with RCO.

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 9/19/2024

TO: Port Townsend Port Commission

FROM: Eric Toews, Deputy Director

SUBJECT: Boat Haven Linear Dock Replacement Project – Authorization to Request Cancellation of Grant Funding Agreement

ISSUE: Should the Executive Director or designee be authorized to seek cancellation of the grant funding agreement with the Washington State Recreation and Conservation Office (RCO) for the Boat Haven Linear Dock Replacement Project (RCO Project Number 21-1261D)?

BACKGROUND: In June of 2021, the Port Commission authorized the Executive Director to apply to RCO for Boating Infrastructure Grant (BIG) program funding to support replacement of the Linear Dock at Boat Haven. The Port was successful in securing the grant award, and an agreement for RCO Project Number 21-1261D was executed on July 1, 2022.

The cost estimate for the project in June of 2021 was \$2,679,625. Of this total, 44% or \$1,179,036 was “grant eligible” with BIG funding 76% (\$873,487) of the eligible portion of the project costs, and the Port providing a 26% match (\$306,549). However, because most of the project was not BIG Program eligible, the Port expected to be responsible for funding 77% (\$1,795,348) of the overall dock replacement project.

The original project cost estimate imagined replacing the present east-west section of dock and associated pilings using modern materials (e.g., “sunlight” decking, creosote-treated pilings to be replaced with galvanized steel pilings). The updated 2024 cost estimate for this project now ranges from \$3,524,000 to \$3,917,000 depending upon design details (i.e., a 31% to 46% increase), reflecting the rapidly increasing costs of in-water work and environmental mitigation.¹

With a capital renewal program burgeoning with other complex high priority projects over the past three years (e.g., Point Hudson Jetty, Boat Haven Stormwater Enhancement, etc.), substantive work on this project has not yet been commenced. Hence, no direct project costs have been incurred to date, and no requests for reimbursement have submitted to RCO.

DISCUSSION: BIG Tier 2 grants are intended to benefit a very specific class of watercraft: transient, non-trailer-able vessels of 26’ or greater in length. This is why only 44% of the overall project costs were determined to be eligible for funding, as this reflected the total length of dock (approximately 911 linear feet) that would be reserved and managed for this class of vessel. Acceptance and use of these BIG Tier 2 monies requires the Port to assure RCO that this portion of the dock will be reserved and managed solely for eligible class vessels throughout the anticipated useful service life of the structure, substantially restricting flexible use of this portion of the dock for the next 25-30 years.

¹ Note: This estimated cost of \$3,917,000 is for full replacement of the existing 1,070 linear feet of the dock using concrete floats, a dock type with a useful service life nearly twice as long as full replacement using a FRP grated dock with aluminum framing and plastic floats, which represents the low range of the updated cost estimate, or \$3,524,000.

Since the Port sought BIG Tier 2 funding for this project, potential alternative funding sources have been identified (e.g., the Port Electrification Grant Program) which could help to achieve multiple objectives, including dock replacement, providing for the electric powered vessels of the future, and in turn, helping to reduce carbon emissions. However, there is no guarantee of continued funding for these grant programs, nor any guarantee of Port success in securing such funding if available. Hence, there is at least a possibility that this project would be indefinitely put “on hold” pending funding, with a renewed near-term focus on repair and maintenance of the existing facility.

In sum, given the sharp increase in estimated project costs since 2021, BIG program restrictions on the Port’s ability to manage the dock to accommodate other uses (e.g., monthly moorage), and the potential to access less restrictive funding sources that can accomplish multiple objectives, staff have concluded that proceeding with this project with BIG Tier 2 funding as originally envisioned is ill-advised. This project, and potential alternative pathways to advancing it, was discussed at length during the Commission Workshop of September 11, 2024.

FISCAL IMPACT: As noted above, the updated cost estimate for this project could require up to \$3,917,000 in overall funding. As of the time of this writing, only \$873,487 has been secured. The request before the Commission would seek to cancel the grant agreement with RCO, return these monies, while aggressively seeking alternative funding sources for a reimagined project. Hence, this project would be shown as “unfunded” in our 2025-2029 Capital Improvement Program.

RECOMMENDATION: Authorize the Executive Director or designee to request cancellation of the grant funding agreement with the Washington State Recreation and Conservation Office (RCO) for the Boat Haven Linear Dock Replacement Project (RCO Project Number 21-1261D).

MOTION: None required. Approval of this item on the Consent Agenda authorizes the Executive Director or designee to request and obtain a rescission of the above-referenced grant funding agreement with RCO.

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	September 25, 2024
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. 1 st Draft of 2025 Budget
STAFF LEAD	Connie Anderson, Director of Finance and Administration
REQUESTED	<input type="checkbox"/> Information <input type="checkbox"/> Motion/Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	Budget Overview to be Presented at Meeting

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	September 25, 2024
AGENDA ITEM	<input type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input checked="" type="checkbox"/> Regular Business <input type="checkbox"/> Informational
AGENDA TITLE	VII. B. 1 st Draft of Proposed Rates and Fees
STAFF LEAD	Connie Anderson, Director of Finance and Administration
REQUESTED	<input type="checkbox"/> Information <input type="checkbox"/> Motion/Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	<ul style="list-style-type: none"> • Informational Memo • Draft Rates and Fees

DATE: 9/25/2024
TO: Port Commission
FROM: Connie Anderson, Director of Finance & Administration & Eron Berg, Executive Director
SUBJECT: 1st Draft of 2025 Proposed Rate Cards

ISSUE

What direction does the Commission have following its initial review of the proposed 2025 Rate Cards?

BACKGROUND

The Commission adopted the 2025 Budget schedule on July 10, 2024. The budget schedule includes a review of the proposed 2025 rate cards. The proposed rates have been incorporated into the 1st draft revenue forecast of the 2025 budget.

PORT RATES DISCUSSION

In the packet are the comparative rate cards for all Port locations that show the current rates alongside the proposed 2025 rates. As already mentioned, most rates have been increased by the June-to-June CPI increase of 3.8%. There are a few exceptions where rates are recommended to either hold at the 2024 rate or have a fixed increase. On the rate cards we've highlighted **new or additions to current rates in blue** and **rates that are proposed for removal in red**. The following are the changes by location:

BOAT HAVEN:

1. Other Moorage rates have been updated to reflect current Port rules.
 - a. Limited Access rate has been changed to 75% of Reserve Rate
 - b. Undesirable rate has been changed to 50% of Reserve Rate
2. Discuss alternatives to limit Summer Guest Monthly slips as only available to marine trade related activity with exception for recreational vessels in the <30' in.

YARD:

1. Remove the fee for Covered Storage. The shelter has been leased to ACI.

POINT HUDSON

1. Other Moorage rates have been updated to reflect current Port rules.
 - a. Limited Access rate has been changed to 75% of Reserve Rate
 - b. Undesirable rate has been changed to 50% of Reserve Rate
2. Remove RV Park – Year-Round Back Row fee. This fee is already covered by the Summer and Winter rates.
3. Revised parking options
 - a. Landfall Site parking – add half day option
 - b. Back 40 parking

- Add a No Charge option for first 9 hours
 - Change Daily Rate to Overnight Parking Rate
 - Discuss options for Boat on Trailer
4. Additional parking areas with new parking options
 - a. Landfall/Armory
 - b. Cupola

HERB BECK MARINA

1. Remove 40-50 ft Permanent Moorage rate option.
2. Remove Launch Ramp fees from individual rate card and include them on the Miscellaneous Rates & Fees.
3. Remove over 55' Nightly Electric rate.

JCIA

1. No recommended rate additions or deletions.

UNION WHARF, CITY DOCK & EVENT FACILITIES

1. No recommended rate additions or deletions.

MISCELLANEOUS RATES & FEES

1. Add Temporary Tie-Up rates for both over and under 35'.
2. Add all Port Launch Ramp locations on one rate card including Boat Haven, Herb Beck-Quilcene, Gardiner, Port Hadlock & Mats Mats.
3. Reduce the Late Payment rate to \$5.00 minimum or 1.5% of outstanding balance, whichever is higher.
4. Remove the charge for the 1st Fob issued to tenants for restroom and laundry. The 1st Fob is included with the cost of the moorage. Rate for additional Fobs remains the same.
5. Add standard charges for public records fees.

RECOMMENDATION

Please provide any feedback on the draft Rate Cards for inclusion in the 2nd draft of the 2025 Budget to be presented for your review and consideration on October 9th.

Port of Port Townsend

2024 Rate Schedule

BOAT HAVEN

360.385.6211

Service Rates – Effective January 1, 2024

Approved by Port Commission on November 8, 2023

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

2024 Rates

YEAR-ROUND NIGHTLY MOORAGE

Vessels Under 18' Wide	\$	1.64	/ft/nt
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TEMPORARY TIE-UP

	under 35'	over 35'
up to 4 hours	\$ 15.00	\$ 25.00

PERMANENT MOORAGE

25' slip	\$ 252.82	/mo*
27' slip	\$ 280.12	/mo*
30' slip	\$ 316.61	/mo*
34' slip	\$ 358.81	/mo*
35' slip	\$ 386.91	/mo*
40' slip	\$ 443.14	/mo*
42' slip	\$ 465.61	/mo*
45' slip	\$ 527.51	/mo*
50' slip	\$ 586.73	/mo*
Linear Rate Under 25'	\$ 10.11	/ft/mo*
Linear rate 51'+	\$ 12.64	/ft/mo*

Note: Receive 5% discount on annual permanent tenancy if total year is prepaid in cash or check between Jan. 1 & 13, 2024.

ACTIVE COMMERCIAL FISHING

Up to 70'	\$ 8.50	/ft/mo*
71'+	\$ 9.67	/ft/mo*

OTHER MOORAGE

Limited Access	\$ 9.13	/ft/mo*
Undesirable	\$ 7.43	/ft/mo*
Business	same as perm. rate/ft/mo*	

FEES

Live-aboard Fee	\$ 110.00	/month*
Live-aboard Background Check Fee	\$ 63.00	

ELECTRICAL FEES

Nightly Electric - under 55'	\$ 6.00	
Nightly Electric - over 55'	\$ 12.00	
Electric Connect Fee	\$ 33.00	
Metered Electric/Base Fee	\$ 11.00	/mo + KWHs used
Electric Charges @	\$ 0.1082	per KWH
<i>(subject to change with utility increases) - INCR. EFF. 7/5/2024 TO \$0.1112</i>		
Non-metered Electrical	\$ 1.80	ft/mo

WINTER GUEST MONTHLY, based on availability (Oct. 1 – Apr. 30:)

25' slip	\$ 303.93	/month*
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Port of Port Townsend

2025 Rate Schedule - 1st DRAFT

BOAT HAVEN

360.385.6211

Service Rates – Effective January 1, 2025

Approved by Port Commission on xx/xx/xxxx

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

2025 Rates

CPI - SEA-TAC-BEL, June to June

3.8%

YEAR-ROUND NIGHTLY MOORAGE

Vessels Under 18' Wide	\$	1.70	/ft/nt	\$	0.06
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TEMPORARY TIE-UP

	under 35'	over 35'	
up to 4 hours	\$ 15.00	\$ 25.00	\$ -

PERMANENT MOORAGE

25' slip	\$ 262.43	/mo*	\$ 9.61
27' slip	\$ 290.76	/mo*	\$ 10.64
30' slip	\$ 328.64	/mo*	\$ 12.03
34' slip	\$ 372.44	/mo*	\$ 13.63
35' slip	\$ 401.61	/mo*	\$ 14.70
40' slip	\$ 459.98	/mo*	\$ 16.84
42' slip	\$ 483.30	/mo*	\$ 17.69
45' slip	\$ 547.56	/mo*	\$ 20.05
50' slip	\$ 609.03	/mo*	\$ 22.30
Linear Rate Under 25'	\$ 10.49	/ft/mo*	\$ 0.38
Linear rate 51'+	\$ 13.12	/ft/mo*	\$ 0.48

Note: Receive 5% discount on annual - permanent tenancy longterm license if total year is prepaid in cash or check on or before Jan. 16, 2024.

ACTIVE COMMERCIAL FISHING

Up to 70'	\$ 8.82	/ft/mo*	\$ 0.32
71'+	\$ 10.04	/ft/mo*	\$ 0.37

OTHER MOORAGE

Limited Access	75% of reserve moorage rate/ft	
Undesirable	50% of reserve moorage rate/ft	
Business	same as perm. rate /ft/mo*	

FEES

Live-aboard Fee	\$ 114.18	/month*	\$ 4.18
Live-aboard Background Check Fee	\$ 65.00		\$ 65.00

ELECTRICAL FEES

Nightly Electric - under 55'	\$ 6.00		\$ -
Nightly Electric - over 55'	\$ 12.00		\$ -
Electric Connect Fee	\$ 33.00		\$ -
Metered Electric/Base Fee	\$ 11.00	/mo + KWHs used	
Electric Charges @	\$ 0.1112	per KWH	
<i>(subject to change with utility increases) - INCR. EFF. 7/5/2024 TO \$0.1112</i>			
Non-metered Electrical	\$ 1.87	ft/mo	\$ 0.07

WINTER GUEST MONTHLY, based on availability (Oct. 1 – Apr. 30:)

25' slip	\$ 315.48	/month*	\$ 11.55
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Port of Port Townsend

2024 Rate Schedule

BOAT HAVEN

360.385.6211

Service Rates – Effective January 1, 2024

Approved by Port Commission on November 8, 2023

MOORAGE RATE IS BASED ON OVERALL LENGTH
OR SLIP LENGTH, WHICHEVER IS GREATER.

	2024 Rates
27' slip	\$ 335.95 /month*
30' slip	\$ 379.88 /month*
34' slip	\$ 430.52 /month*
35' slip	\$ 461.51 /month*
40' slip	\$ 530.92 /month*
42' slip	\$ 557.49 /month*
45' slip	\$ 629.06 /month*
50' slip	\$ 729.94 /month*
Linear Rate Under 25'	\$ 12.15 /ft/mo*
Linear Rate 51'+	\$ 15.76 /ft/mo*

SUMMER GUEST MONTHLY, based on availability (May 1 – Sept. 30:)

25' slip	\$ 370.24 /month*
27' slip	\$ 407.88 /month*
30' slip	\$ 461.38 /month*
34' slip	\$ 523.02 /month*
35' slip	\$ 563.00 /month*
40' slip	\$ 643.58 /month*
42' slip	\$ 676.15 /month*
45' slip	\$ 767.37 /month*
50' slip	\$ 853.25 /month*
Linear Rate Under 25'	\$ 14.80 /ft/mo*
Linear Rate 51'+	\$ 19.06 /ft/mo*

STORAGE ONLY

Kayak or rowing shell storage	\$ 31.14 /mo*
Top rack kayak storage	\$ 23.06 /mo*
Dory on Dock	\$ 74.96 /mo*
Mast-up on trailer storage	\$ 100.00 /mo*

See Miscellaneous Rates and Fees for other fees that apply.

*12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.

** Subject to Current Sales Tax Rate

Port of Port Townsend

2025 Rate Schedule - 1st DRAFT

BOAT HAVEN

360.385.6211

Service Rates – Effective January 1, 2025

Approved by Port Commission on xx/xx/xxxx

MOORAGE RATE IS BASED ON OVERALL LENGTH
OR SLIP LENGTH, WHICHEVER IS GREATER.

	2025 Rates	increase
27' slip	\$ 348.72 /month*	\$ 12.77
30' slip	\$ 394.32 /month*	\$ 14.44
34' slip	\$ 446.88 /month*	\$ 16.36
35' slip	\$ 479.05 /month*	\$ 17.54
40' slip	\$ 551.09 /month*	\$ 20.17
42' slip	\$ 578.67 /month*	\$ 21.18
45' slip	\$ 652.96 /month*	\$ 23.90
50' slip	\$ 757.68 /month*	\$ 27.74
Linear Rate Under 25'	\$ 12.61 /ft/mo*	\$ 0.46
Linear Rate 51'+	\$ 16.36 /ft/mo*	\$ 0.60

SUMMER GUEST MONTHLY, based on availability

25' slip	\$ 384.31 /month*	\$ 14.07
27' slip	\$ 423.38 /month*	\$ 15.50
30' slip	\$ 478.91 /month*	\$ 17.53
34' slip	\$ 542.89 /month*	\$ 19.87
35' slip	\$ 584.39 /month*	\$ 21.39
40' slip	\$ 668.04 /month*	\$ 24.46
42' slip	\$ 701.84 /month*	\$ 25.69
45' slip	\$ 796.53 /month*	\$ 29.16
50' slip	\$ 885.67 /month*	\$ 32.42
Linear Rate Under 25'	\$ 15.36 /ft/mo*	\$ 0.56
Linear Rate 51'+	\$ 19.78 /ft/mo*	\$ 0.72

STORAGE ONLY

Kayak or rowing shell storage	\$ 32.32 /mo*	\$ 1.18
Top rack kayak storage	\$ 23.94 /mo*	\$ 0.88
Dory on dock	\$ 77.81 /mo*	\$ 2.85
Mast-up on trailer storage	\$ 103.80 /mo*	\$ 3.80

See Miscellaneous Rates and Fees for other fees that apply.

*12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.

** Subject to Current Sales Tax Rate

CPI - SEA-TAC-BEL, June to June
3.8%

**Port of Port Townsend
2024 Rate Schedule**

YARD RATES

360.385.6211

Service Rates – Effective January 1, 2024
Approved by Port Commission on November 8, 2023

2024 Rates

70/75 TON LIFTS

31' or less	\$ 10.79 /ft**
32'-41'	\$ 12.00 /ft**
42'-51'	\$ 13.20 /ft**
52'-61'	\$ 14.39 /ft**
62'+	\$ 16.80 /ft**
Minimum Hoist	\$ 260.00 **
Owner Wash Down	\$ 2.66 /ft/30 minutes
Port Wash Down	\$ 2.66 /ft/30 minutes** + Labor

70/75 TON REPAIR STORAGE

Daily	\$ 0.86 /ft/day
Monthly	\$ 0.69 /ft/day*
Electrical Rate	\$ 2.00 /day
(applicable year-round)	\$ 42.00 /mo*
Liveaboard Fee	\$ 130.00 /mo*
Background Check Fee	\$ 63.00
Off-Port Blocking (subject to Tarp Fee)	\$ 2.66 /ft/mo*, **
Trailer Vessel (w/agreement)	\$ 10.00 /ft/mo*, **
Covered Storage	
70' Covered Shed	\$ 75.00 /day*
Electrical Rate	\$ 5.49 /day

300 TON TRAVEL LIFT

70' or less	\$ 21.43 /ft**
71'-89'	\$ 23.06 /ft**
90' or over	\$ 28.50 /ft**
Minimum Hoist	\$ 960.00 **
Owner Wash Down	\$ 3.81 /ft/hr.
Port Wash Down	\$ 3.81 /ft/hr. ** Labor

300 TON REPAIR YARD

Daily	\$ 1.37 /ft/day
Monthly	\$ 1.11 /ft/day*
Electrical Rate:	
Metered Electric	\$ 5.00 /day + KWH
KWH (subject to utility increases)	0.1082 per KWH
	INCR. EFF. 7/5/2024 TO \$0.1112
Off-Port Block (subject to Tarp Fee)	\$ 3.46 /ft/mo*, **

ALL YARDS

Environmental Fee	\$ 1.00 /ft/haul/mo or min. \$25
Inspections	Roundtrip Rate **
Re-block Fee	75% RT or Min. Hoist **
One-way Haul Out	75% RT or Min. Hoist **
One-way Launch from Yard	50% RT or Min. Hoist **
Hang Overnight	Roundtrip Rate + \$150.00 **
Delay of Lift	\$ 79.00 /half hour
Labor Rate	\$ 80.00 /person/hour **
Overtime Rate & Call-in Labor Rate	\$ 120.00 /person/hour **

**Port of Port Townsend
2025 Rate Schedule - 1st DRAFT**

YARD RATES

360.385.6211

Service Rates - Effective January 1, 2025
Approved by Port Commission on xx/xx/xxxx

2025 Rates

CPI - SEA-TAC-BEL, June to June
3.8%

70/75 TON LIFTS

		increase
31' or less	\$ 11.20 /ft**	\$ 0.41
32'-41'	\$ 12.46 /ft**	\$ 0.46
42'-51'	\$ 13.70 /ft**	\$ 0.50
52'-61'	\$ 14.94 /ft**	\$ 0.55
62'+	\$ 17.44 /ft**	\$ 0.64
Minimum Hoist	\$ 270.00 **	\$ 10.00
Owner Wash Down	\$ 2.76 /ft/30 minutes	\$ 0.10
Port Wash Down	\$ 2.76 /ft/30 minutes** + Labor	\$ 0.10

70/75 TON REPAIR STORAGE

Daily	\$ 0.89 /ft/day	\$ 0.03
Monthly	\$ 0.72 /ft/day*	\$ 0.03
Electrical Rate	\$ 2.00 /day	\$ -
(applicable year-round)	\$ 42.00 /mo*	\$ -
Liveaboard Fee	\$ 134.94 /mo*	\$ 4.94
Background Check Fee	\$ 65.00	\$ 2.00
Off-Port Blocking (subject to Tarp Fee)	\$ 2.76 /ft/mo*, **	\$ 0.10
Trailer Vessel (w/agreement)	\$ 10.38 /ft/mo*, **	\$ 0.38
Covered Storage		
70' Covered Shed	\$ 75.00 /day*	\$ 5.00
Electrical Rate	\$ 5.70 /day	\$ 0.21

300 TON TRAVEL LIFT

70' or less	\$ 22.24 /ft**	\$ 0.81
71'-89'	\$ 23.94 /ft**	\$ 0.88
90' or over	\$ 29.58 /ft**	\$ 1.08
Minimum Hoist	\$ 1,000.00 **	\$ 40.00
Owner Wash Down	\$ 3.95 /ft/hr.	\$ 0.14
Port Wash Down	\$ 3.95 /ft/hr. ** Labor	\$ 0.14

300 TON REPAIR YARD

Daily	\$ 1.42 /ft/day	\$ 0.05
Monthly	\$ 1.15 /ft/day*	\$ 0.04
Electrical Rate:	\$ -	\$ -
Metered Electric	\$ 5.00 /day + KWH	\$ -
KWH (subject to utility increases)	0.1112 per KWH	\$ 0.00
	INCR. EFF. 7/5/2024 TO \$0.1112	
Off-Port Block (subject to Tarp Fee)	\$ 3.59 /ft/mo*, **	\$ 0.13

ALL YARDS

Environmental Fee	\$ 1.00 /ft/haul/mo or min. \$25	\$ -
Inspections	Roundtrip Rate **	
Re-block Fee	75% RT or Min. Hoist **	
One-way Haul Out	75% RT or Min. Hoist **	
One-way Launch from Yard	50% RT or Min. Hoist **	
Hang Overnight	Roundtrip Rate + \$150.00 **	
Delay of Lift	\$ 82.00 /half hour	\$ 3.00
Labor Rate	\$ 83.04 /person/hour **	\$ 3.04
Overtime Rate & Call-in Labor Rate	\$ 124.56 /person/hour **	\$ 4.56

**Port of Port Townsend
2024 Rate Schedule**

YARD RATES

360.385.6211

Service Rates – Effective January 1, 2024

Approved by Port Commission on November 8, 2023

Misc. Workyard Storage	\$ 1.03 /sq ft/mo*
Mast Storage	\$ 0.90 /sq ft/mo*
Bilge Water	\$ 1.25 /gallon

TARP FEES (Off Port Property)

16 x 20	\$ 28.00
20 x 30	\$ 43.00
20 x 40	\$ 54.00
30 x 40	\$ 84.00
30 x 50	\$ 121.00
40 x 60	\$ 164.00

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.

** Subject to Current Sales Tax Rate

**Port of Port Townsend
2025 Rate Schedule - 1st DRAFT**

YARD RATES

360.385.6211

Service Rates - Effective January 1, 2025

Approved by Port Commission on xx/xx/xxxx

Misc. Workyard Storage	\$ 1.07 /sq ft/mo*	\$ 0.04
Mast Storage	\$ 0.93 /sq ft/mo*	\$ 0.03
Bilge Water	\$ 1.30 /gallon	\$ 0.05

TARP FEES (Off Port Property)

16 x 20	\$ 29.06	\$ 1.06
20 x 30	\$ 44.63	\$ 1.63
20 x 40	\$ 56.05	\$ 2.05
30 x 40	\$ 87.19	\$ 3.19
30 x 50	\$ 125.60	\$ 4.60
40 x 60	\$ 170.23	\$ 6.23

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.

** Subject to Current Sales Tax Rate

CPI - SEA-TAC-BEL, June to June
3.8%

**Port of Port Townsend
2024 Rate Schedule**

POINT HUDSON

360.385.2828

Service Rates – Effective January 1, 2024

Approved by Port Commission on November 8, 2023

**MOORAGE RATE IS BASED ON OVERALL LENGTH
OR SLIP LENGTH, WHICHEVER IS GREATER.**

2024 Rates

YEAR-ROUND NIGHTLY MOORAGE

Vessels under 18' in width	\$ 1.64 /ft/nt
Overwide Vessels (18'+)	\$ 2.26 /ft/nt

TEMPORARY TIE-UP (up to 4 hours)

Boats 35' and under	\$ 15.00
Boats over 35'	\$ 25.00

WINTER MONTHLY MOORAGE (October 1 – April 30)

25' slip	\$ 303.93 /mo*
27' slip	\$ 335.94 /mo*
30' slip	\$ 379.89 /mo*
35' slip	\$ 461.51 /mo*
40' slip	\$ 530.92 /mo*
45' slip	\$ 629.05 /mo*
50' slip	\$ 729.93 /mo*
Linear Rate Under 25'	\$ 12.14 /ft/mo*
Linear Rate 51'+	\$ 15.76 /ft/mo*

OTHER MOORAGE

LIMITED ACCESS MOORAGE	\$ 9.13 /ft/mo*
UNDESIRABLE MOORAGE	\$ 7.43 /ft/mo*
BUSINESS MOORAGE	same as Boat Haven permanent rate /ft/mo*

STORAGE ONLY

Kayak or rowing shell storage	\$ 31.14 /mo*
Top rack kayak storage	\$ 23.06 /mo*
Dory on dock	\$ 74.96 /mo*

FEES

Reservation Fee	\$ 11.50 /reservation
Live-aboard Fee	\$ 110.00 /mo*
Live-aboard Background Check Fee	\$ 63.00

Commercial Vessel Passenger Fee - See Miscellaneous Rates

ELECTRICAL FEES

Nightly Electric	\$ 6.00
Nightly Electric over 55'	\$ 12.00
Electric Connect Fee	\$ 33.00
Electric Base Fee + KWHs Used	\$ 11.00 /mo
Electric Charges @	\$ 0.1082 /KWH

(subject to change w/utility rate increases) **INCR. EFF. 7/5/2024 TO \$0.1112**

Non-metered Electrical	\$ 1.80 /ft/mo
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RV PARK - SUMMER (May 1 – September 30)

Nightly – Premium Waterfront (range) ¹	\$73.00	\$86.00
Nightly - Hookup (range) ¹	\$61.00	\$75.00

Port of Port Townsend

2025 Rate Schedule - 1st DRAFT

CPI - SEA-TAC-BEL, June to June

3.8%

POINT HUDSON

360.385.2828

Service Rates – Effective January 1, 2025

Approved by Port Commission on xx/xx/xxxx

**MOORAGE RATE IS BASED ON OVERALL LENGTH
OR SLIP LENGTH, WHICHEVER IS GREATER.**

2025 Rates

YEAR-ROUND NIGHTLY MOORAGE

Vessels under 18' in width	\$ 1.70 /ft/nt	\$ 0.06
Overwide Vessels (18'+)	\$ 2.35 /ft/nt	\$ 0.09

TEMPORARY TIE-UP (up to 4 hours)

Boats 35' and under	\$ 15.00	\$ -
Boats over 35'	\$ 25.00	\$ -

WINTER MONTHLY MOORAGE (October 1 – April 30)

25' slip	\$ 315.48 /mo*	\$ 11.55
27' slip	\$ 348.71 /mo*	\$ 12.77
30' slip	\$ 394.33 /mo*	\$ 14.44
35' slip	\$ 479.05 /mo*	\$ 17.54
40' slip	\$ 551.09 /mo*	\$ 20.17
45' slip	\$ 652.95 /mo*	\$ 23.90
50' slip	\$ 757.67 /mo*	\$ 27.74
Linear Rate Under 25'	\$ 12.60 /ft/mo*	\$ 0.46
Linear Rate 51'+	\$ 16.36 /ft/mo*	\$ 0.60

OTHER MOORAGE

Limited Access	75% of reserve moorage rate/ft
Undesirable	50% of reserve moorage rate/ft
Business	same as Boat Haven permanent rate /ft/mo*

STORAGE ONLY

Kayak or rowing shell storage	\$ 32.32 /mo*	\$ 1.18
Top rack kayak storage	\$ 23.94 /mo*	\$ 0.88
Dory on dock	\$ 77.81 /mo*	\$ 2.85

FEES

Reservation Fee	\$ 11.50 /reservation	
Live-aboard Fee	\$ 114.18 /mo*	\$ 4.18
Live-aboard Background Check Fee	\$ 65.00	\$ 2.00

Commercial Vessel Passenger Fee - See Miscellaneous Rates

ELECTRICAL FEES

Nightly Electric	\$ 6.00	\$ -
Nightly Electric over 55'	\$ 12.00	\$ -
Electric Connect Fee	\$ 33.00	\$ -
Electric Base Fee + KWHs Used	\$ 11.00 /mo	\$ -
Electric Charges @	\$ 0.1112 /KWH	\$ 0.00

(subject to change w/utility rate increases) **INCR. EFF. 7/5/2024 TO \$0.1112**

Non-metered Electrical	\$ 1.87 /ft/mo	\$ 0.07
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RV PARK - SUMMER (May 1 – September 30)

Nightly – Premium Waterfront (range) ¹	\$75.00	\$90.00	\$ 2.00	\$ 4.00
Nightly - Hookup (range) ¹	\$63.00	\$78.00	\$ 2.00	\$ 3.00

**Port of Port Townsend
2024 Rate Schedule**

POINT HUDSON

360.385.2828

Service Rates – Effective January 1, 2024

Approved by Port Commission on November 8, 2023

**MOORAGE RATE IS BASED ON OVERALL LENGTH
OR SLIP LENGTH, WHICHEVER IS GREATER.**

2024 Rates

RV PARK – WINTER (October 1 – April 30)

Nightly – Premium Waterfront (range) ¹	\$50.00	\$62.00
Nightly - Hookup (range) ¹	\$44.00	\$53.00

RV PARK – WINTER GUEST MONTHLY (October 1 – April 30)

Back row loop	\$ 731.47 /month*
Front row loop	\$ 830.31 /month*

RV PARK – YEAR ROUND

Back Row	\$ 53.05 /night ¹
Partial Hookup	\$ 38.05 /night ¹
Extra Vehicle in RV Space	\$ 7.14 /night
RV Holding Tank Dump Fee	\$ 15.00

"Landfall Site" Parking (next to Puget Sound Express):

Hourly	
Daily year-round	\$ 12.00 /day**

PARKING - BACK 40

Daily	\$ 10.00 /day**
Weekly	\$ 40.00 /week**
Monthly	\$ 100.00 /month*

** Subject to Current Sales Tax Rate

*12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.

¹ Subject to Current Sales Tax Rate and Hotel/Motel Tax of 2%

Port of Port Townsend

2025 Rate Schedule - 1st DRAFT

CPI - SEA-TAC-BEL, June to June

3.8%

POINT HUDSON

360.385.2828

Service Rates – Effective January 1, 2025

Approved by Port Commission on xx/xx/xxxx

**MOORAGE RATE IS BASED ON OVERALL LENGTH
OR SLIP LENGTH, WHICHEVER IS GREATER.**

2025 Rates

increase

RV PARK – WINTER (October 1 – April 30)

Nightly – Premium Waterfront (range) ¹	\$52.00	\$65.00	\$ 2.00	\$ 3.00
Nightly - Hookup (range) ¹	\$46.00	\$55.00	\$ 2.00	\$ 2.00

RV PARK – WINTER GUEST MONTHLY

Oct. 1 to April 30, back row loop	\$ 760.00 /month*	\$ 28.53
Nov. 1 to March 31, front row loop	\$ 860.00 /month*	\$ 29.69

RV PARK – YEAR-ROUND

Back Row	\$ 55.07 /night¹	\$ 2.02
Partial Hookup	\$ 40.00 /night ¹	\$ 1.95
Extra Vehicle in RV Space	\$ 7.41 /night	\$ 0.27
RV Holding Tank Dump Fee	\$ 15.00	\$ -

"Landfall Site" Parking (next to Puget Sound Express):

Half day, up to 5 hours	\$ 7.50 /half day**	\$ 7.50
Daily year-round	\$ 12.00 /day**	\$ -

Landfall / Armory

Half day, up to 5 hours	\$ 7.50 /half day**	\$ 7.50
Daily year-round	\$ 12.00 /day**	\$ 12.00

Cupola

Half day, up to 5 hours	\$ 7.50 /half day**	\$ 7.50
Daily year-round	\$ 12.00 /day**	\$ 12.00

PARKING - BACK 40

First 9 hours	\$ - No Charge	\$ -
Daily Overnight Parking	\$ 10.00 /day**	\$ -
Weekly	\$ 40.00 /week**	\$ -
Monthly	\$ 100.00 /month*	\$ -

Boat on Trailer - flag for discussion

Monthly	\$ 100.00 /month*	\$ 100.00
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** Subject to Current Sales Tax Rate

*12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.

¹ Subject to Current Sales Tax Rate and Hotel/Motel Tax of 2%

**Port of Port Townsend
2024 Rate Schedule**

HERB BECK MARINA - QUILCENE

360.765.3131 or 360.385.6211
 Service Rates – Effective January 1, 2024
 Approved by Port Commission on November 8, 2023
 MOORAGE RATE IS BASED ON OVERALL LENGTH
 OR SLIP LENGTH, WHICHEVER IS GREATER.

	2024 Rates
NIGHTLY MOORAGE	\$ 1.00 ft/nt
TEMPORARY TIE-UP	\$ 7.00
	\$ 13.00 over 35'

PERMANENT MOORAGE	6 month Minimum
Up to 26 ft.	\$ 7.90 ft/mo*
27-29 ft.	\$ 8.51 ft/mo*
35-39 ft.	\$ 9.74 ft/mo*
40-50 ft.	\$ 10.95 ft/mo*
Limited Access – Up to 18'	\$ 5.48 ft/mo*

GUEST MONTHLY	1 mo. min. - 6 month max
Up to 26 ft.	\$ 9.78 ft/mo*
27-29 ft.	\$ 10.54 ft/mo*
30-34 ft.	\$ 11.28 ft/mo*
35-39 ft.	\$ 12.06 ft/mo*
40-50 ft.	\$ 13.56 ft/mo*

ELECTRICAL FEES	
Nightly Electric	\$ 6.00
over 55'	\$ 12.00
Connect Fee	\$ 33.00
Base Electric Fee	\$ 11.00 /mo
Metered Electric @	\$ 0.1082 per KWH
<i>(subject to change with utility rate increase) INCR. EFF. 7/5/2024 to \$0.1112</i>	

WATER FEES	
Residential	
Base	\$ 42.61
Usage - Tier I (0-5,000 gal.)	\$ 0.38 /100 gallons
Usage - Tier II (5,001-10,000 gal.)	\$ 0.52 /100 gallons
Commercial	
Base	\$ 42.61
Usage	\$ 0.52 /100 gallons
<i>(Water rates subject to change with utility rate increase)</i>	

LAUNCH RAMP	
Launch ramp fee	\$ 15.00 per day **
<i>(Daily Launch pass includes 1 day of boat trailer parking)</i>	
Annual Ramp Pass (Rolling Calendar)	\$ 105.00 per year **
*** Free with verified DVA determination	

**Port of Port Townsend
2025 Rate Schedule - 1st DRAFT**

HERB BECK MARINA - QUILCENE

360.765.3131 or 360.385.6211
 Service Rates – Effective January 1, 2025
 Approved by Port Commission on xx/xx/xxxx
 MOORAGE RATE IS BASED ON OVERALL LENGTH
 OR SLIP LENGTH, WHICHEVER IS GREATER.

	2025 Rates	increase
NIGHTLY MOORAGE	\$ 1.04 ft/nt	\$ 0.04
TEMPORARY TIE-UP	\$ 7.00	\$ -
	\$ 13.00 over 35'	\$ -

PERMANENT MOORAGE	6 month Minimum	
26 ft. and under	\$ 8.20 ft/mo*	\$ 0.30
27-29 ft.	\$ 8.83 ft/mo*	\$ 0.32
35- 39 40 ft.	\$ 10.11 ft/mo*	\$ 0.37
40-50 ft.	\$ 11.37 ft/mo*	\$ 0.42
Limited Access – Up to 18'	\$ 5.69 ft/mo*	\$ 0.21

GUEST MONTHLY	1 mo. min. - 6 month max	
Up to 26 ft.	\$ 10.15 ft/mo*	\$ 0.37
27-29 ft.	\$ 10.94 ft/mo*	\$ 0.40
30-34 ft.	\$ 11.71 ft/mo*	\$ 0.43
35-39 ft.	\$ 12.52 ft/mo*	\$ 0.46
40-50 ft.	\$ 14.08 ft/mo*	\$ 0.52

ELECTRICAL FEES		
Nightly Electric	\$ 6.00	\$ -
over 55'	\$ 12.46	\$ 0.46
Connect Fee	\$ 34.25	\$ 1.25
Base Electric Fee	\$ 11.00 /month	\$ -
Metered Electric @	\$ 0.1112 per KWH	\$ 0.00
<i>(subject to change with utility rate increase) INCR. EFF. 7/5/2024 to \$0.1112</i>		

WATER FEES		
Residential		
Base	\$ 42.61	\$ -
Usage - Tier I (0-5,000 gal.)	\$ 0.38 /100 gallons	\$ -
Usage - Tier II (5,001-10,000 gal.)	\$ 0.52 /100 gallons	\$ -
Commercial		
Base	\$ 42.61	\$ -
Usage	\$ 0.52 /100 gallons	\$ -
<i>(subject to change with utility rate increase)</i>		

LAUNCH RAMP		
Launch ramp fee	\$ 15.00 per day**	\$ -
<i>(Daily Launch pass includes 1 day of boat trailer parking)</i>		
Annual Ramp Pass (Rolling Calendar)	\$ 105.00 per year**	\$ -
*** Free with verified DVA determination		

CPI - SEA-TAC-BEL, June to June
3.8%

2024 Rate Schedule

HERB BECK MARINA - QUILCENE

360.765.3131 or 360.385.6211
 Service Rates – Effective January 1, 2024
 Approved by Port Commission on November 8, 2023
 MOORAGE RATE IS BASED ON OVERALL LENGTH
 OR SLIP LENGTH, WHICHEVER IS GREATER.

	2024 Rates
STORAGE	
Empty Boat Trailer	
Daily	\$ 8.00
Weekly	\$ 40.00
Monthly	\$ 100.00
Kayak/ Rowing Shell *	\$ 31.14
Top Rack Kayak/ Rowing Shell *	\$ 23.06

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port
 ** Subject to Current Sales Tax Rate
 *** Free with verified DVA determination

2025 Rate Schedule - 1st DRAFT

HERB BECK MARINA - QUILCENE

CPI - SEA-TAC-BEL, June to June
3.8%

360.765.3131 or 360.385.6211
 Service Rates – Effective January 1, 2025
 Approved by Port Commission on xx/xx/xxxx
 MOORAGE RATE IS BASED ON OVERALL LENGTH
 OR SLIP LENGTH, WHICHEVER IS GREATER.

	2025 Rates	increase
STORAGE		
Empty Boat Trailer		
Daily	\$ 8.50 /day	\$ 0.50
Weekly	\$ 42.00 /week	\$ 2.00
Monthly	\$ 105.00 /month	\$ 5.00
Kayak/ Rowing Shell*	\$ 32.32	\$ 1.18
Top Rack Kayak/ Rowing Shell*	\$ 23.94	\$ 0.88

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port
 ** Subject to Current Sales Tax Rate
 *** ~~Free with verified DVA determination~~

Port of Port Townsend

2024 Rate Schedule

JEFFERSON COUNTY
INTERNATIONAL AIRPORT

360.385.6211

Service Rates – Effective January 1, 2024 ^a

Approved by Port Commission on November 8, 2023

	2024 Rates
Prevailing Ground Lease Rate ^a	\$ 0.07 /sq ft/mo*
TIE-DOWNS	
Overnight	\$ 10.00
Monthly Grass	\$ 50.00 / mo*
Annual Grass (<i>must pay in advance</i>)	\$ 510.00 / year*
Monthly Paved	\$ 68.00 / mo*
Monthly Hangar	\$ 275.00 / mo*
Commercial Landing Fee	\$ 0.36
/1000 # of max loaded gross weight	
VEHICLE PARKING	
Weekly (7 or more days)	\$ 35.00 / week **
<i>(rate includes Current Sales Tax Rate)</i>	
Monthly	\$ 80.00 / mo*
<i>(rate includes Leasehold Tax)</i>	
Annual	\$ 420.00 / year*

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.

** Subject to Current Sales Tax Rate

^a The Prevailing Ground Lease Rate which is effective December 1, 2023.

Port of Port Townsend

2025 Rate Schedule - 1st DRAFT

JEFFERSON COUNTY
INTERNATIONAL AIRPORT

360.385.6211

Approved by Port Commission on xx/xx/xxxx

Approved by Port Commission

CPI - SEA-TAC-BEL, June to June

3.8%

	2025 Rates	increase
Prevailing Ground Lease Rate	\$ 0.073 /sq ft/mo*	\$ 0.003
TIE-DOWNS		
Overnight	\$ 10.00	\$ -
Monthly Grass	\$ 52.00 / mo*	\$ 2.00
Annual Grass (<i>must pay in advance</i>)	\$ 510.00 / year*	\$ -
Monthly Paved	\$ 70.00 / mo*	\$ 2.00
Monthly Hangar	\$ 285.45 / mo*	\$ 10.45
Commercial Landing Fee	\$ 0.37	\$ 0.01
/1000 # of max loaded gross weight		
VEHICLE PARKING		
Weekly (7 or more days)	\$ 36.00 / week **	\$ 1.00
<i>(rate includes WA State Sales Tax)</i>		
Monthly	\$ 83.00 / mo*	\$ 3.00
<i>(rate includes Leasehold Tax)</i>		
Annual	\$ 435.00 / year*	\$ 15.00

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.

** Subject to Current Sales Tax Rate

Port of Port Townsend

2024 Rate Schedule

UNION WHARF, CITY DOCK & EVENT FACILITIES

360-385-2828

Service Rates – Effective January 1, 2024

Approved by Port Commission on November 8, 2023

2024 Rates

NIGHTLY MOORAGE (3 night maximum stay)

Vessels up to 35'	\$ 35.00 /night
Vessels 35'-79'	\$ 50.00 /night
Vessels > 80' (Union Wharf only, advanced notice requi.	\$ 2.20 /ft/nt

TEMPORARY TIE-UP (up to 4 hours)

Under 35' length	\$ 10.00
Over 35' length	\$ 20.00

EVENT FACILITIES RENTAL – UNION WHARF & CITY DOCK

Daily Rental Fee (8am - 11pm)	\$ 361.00 /day
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EVENT FACILITIES -POINT HUDSON MARINA ROOM

Daily Rental Fee (8am - 11pm)	\$ 157.00 /day
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EVENT FACILITIES - Point Hudson Pavillion

5 Hour Rental	\$ 500.00
Full Day 8am-11pm	\$ 1,000.00
Damage & Cleaning Deposit (refundable)	\$ 500.00

(All Pavilion rental rates for RV groups & Yacht clubs 50%)

Port of Port Townsend

2025 Rate Schedule - 1st DRAFT

UNION WHARF, CITY DOCK & EVENT FACILITIES

360-385-2828

Service Rates – Effective January 1, 2025

Approved by Port Comission on xx/xx/xxxx

2025 Rates

CPI - SEA-TAC-BEL, June to June
3.8%

NIGHTLY MOORAGE (3 night maximum stay)

Vessels under 35'	\$ 35.00 /night	\$ -
Vessels 35'-79'	\$ 50.00 /night	\$ -
Vessels over 80' (Union Wharf only, advanced notice required)	\$ 2.28 /ft/nt	\$ 0.08

TEMPORARY TIE-UP (up to 4 hours)

Under 35'	\$ 10.00	\$ -
35' and over	\$ 20.00	\$ -

EVENT FACILITIES RENTAL – UNION WHARF OR CITY DOCK

Daily Rental Fee (8am - 11pm)	\$ 375.00 /day	\$ 14.00
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EVENT FACILITIES -POINT HUDSON MARINA ROOM

Daily Rental Fee (8am - 11pm)	\$ 160.00 /day	\$ 3.00
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EVENT FACILITIES - Point Hudson Pavillion

5 Hour Rental	\$ 500.00	\$ -
Full Day (8am-11pm)	\$ 1,000.00	\$ -
Damage & Cleaning Deposit (refundable)	\$ 500.00	\$ -

(All Pavilion rental rates for RV & Yacht Clubs 50%)

Port of Port Townsend

2024 Rate Schedule

MISCELLANEOUS RATES & FEES

360-385-2828 or 360-385-6211

Service Rates – Effective January 1, 2024

Approved by Port Commission on November 8, 2023

2024 Rates

PORT LABOR RATES & FEES

Port Labor Rate	\$ 80.00 /hr/person**
Overtime Labor Rate	\$ 120.00 /hr/person**
Docking Fee	\$ 2.62 /ft/day
Relocate Vessel by Hand	\$ 89.96
Relocate Vessel w/ Port Skiff	\$ 181.05
Emergency Pumps	\$ 151.07
Bail Skiff Fee	\$ 61.12

MISCELLANEOUS RATES & FEES

Miscellaneous Storage (with agreement)	\$ 0.28 /sq ft*
Mini Storage Units	\$ 1.22 /sq ft/mo*
Food Truck Rate (may be subject to tax)	\$ 41.52 /day
Commercial Vessel Pass. Fee <i>(payable monthly in season)</i>	\$ 1.27 /person

WORK FLOAT MOORAGE/LIFT PIER ACCESS (Reserve with Yard Office)

Daily Rate, includes Top Side Access	\$ 2.48 /ft/day, \$50 min
Lift Pier Access/Top Side Usage	\$ 57.67 2 hours

LAUNCH RAMP

Daily Pass <i>(includes 1 day of boat trailer parking)</i>	\$ 15.00
Annual Pass (Rolling Calendar) <i>(free with DAV determination)</i>	\$ 105.00 /year

COMMERCIAL TRUCK FEE

Daily	\$ 220.00 **
Monthly	\$ 660.00 **
Annual (Rolling Calendar)	\$ 1,660.00 **

PORT HADLOCK DOCK-DINGHY/SKIFF TIE-UP Monthly Annual

Dock	\$ 30.00	\$ 175.00
Beach	\$ 25.00	\$ 110.00

VIOLATION FEES 1st Offense 2nd Offense 3rd Offense

Best Management Practices	\$ 220.00	\$ 550.00	\$ 1,100.00
Chain-up Fee	\$ 165.00	\$ 275.00	\$ 440.00
Impound Fee	\$ 220.00	\$ 330.00	\$ 550.00
Illegal Garbage Dump	\$ 375.00 /occurrence		

Late Payment	\$ 25.00	min. or 5%, whichever higher
NSF Check	\$ 50.00 /occurrence	

WAIT LIST FEES

Port of Port Townsend

2025 Rate Schedule - 1st DRAFT

MISCELLANEOUS RATES & FEES

360-385-2828 or 360-385-6211

Service Rates – Effective January 1, 2024

Approved by Port Commission on xx/xx/2024

2025 Rates

PORT LABOR RATES & FEES

Port Labor Rate	\$ 85.00 /hr/person**	\$ 5.00
Overtime Labor Rate	\$ 125.00 /hr/person**	\$ 5.00
Docking Fee	\$ 2.72 /ft/day	\$ 0.10
Relocate Vessel by Hand	\$ 93.38	\$ 3.42
Relocate Vessel w/ Port Skiff	\$ 187.93	\$ 6.88
Emergency Pumps	\$ 156.81	\$ 5.74
Bail Skiff Fee	\$ 63.44	\$ 2.32

MISCELLANEOUS RATES & FEES

Miscellaneous Storage (with agreement)	\$ 0.29 /sq ft*	\$ 0.01
Mini Storage Units	\$ 1.27 /sq ft/mo*	\$ 0.05
Food Truck Rate (may be subject to tax)	\$ 43.10 /day	\$ 1.58
Commercial Vessel Pass. Fee <i>(payable monthly in season)</i>	\$ 1.32 /person	\$ 0.05

WORK FLOAT MOORAGE/LIFT PIER ACCESS (Reserve with Yard Office)

Daily Rate, includes Top Side Access	\$ 2.57 /ft/day, \$50 min	\$ 0.09
Lift Pier Access/Top Side Usage	\$ 59.86 2 hours	\$ 2.19

LAUNCH RAMP

<i>(Boat Haven, Herb Beck-Quilcene, Gardiner, Port Hadlock & Mats Mats)</i>		
Daily Pass <i>(includes 1 day of boat trailer parking)</i>	\$ 15.00	\$ -
Annual Pass (Rolling Calendar) <i>(free with DVA determination)</i>	\$ 105.00 /year	\$ -

COMMERCIAL TRUCK FEE

Daily	\$ 228.36 **	\$ 8.36
Monthly	\$ 685.08 **	\$ 25.08
Annual (Rolling Calendar)	\$ 1,723.08 **	\$ 63.08

PORT HADLOCK DOCK-DINGHY/SKIFF TIE-UP Monthly Annual

Dock	\$ 30.00	\$ 175.00	\$ -
Beach	\$ 25.00	\$ 110.00	\$ -

TEMPORARY TIE-UP (up to 4 hours)

Under 35'	\$ 10.00	\$ 10.00
35' and over	\$ 20.00	\$ 20.00

VIOLATION FEES 1st Offense 2nd Offense 3rd Offense

Best Management Practices	\$ 220.00	\$ 550.00	\$ 1,100.00	\$ -
Chain-up Fee	\$ 165.00	\$ 275.00	\$ 440.00	\$ -
Impound Fee	\$ 220.00	\$ 330.00	\$ 550.00	\$ -
Illegal Garbage Dump	\$ 375.00 /occurrence			\$ -

Late Payment	\$ 5.00	min. or 1.5%, whichever higher	\$ (20.00)
NSF Check	\$ 50.00 /occurrence		\$ -

WAIT LIST FEES

CPI - SEA-TAC-BEL, June to June

3.8%

Port of Port Townsend

2024 Rate Schedule

MISCELLANEOUS RATES & FEES

360-385-2828 or 360-385-6211

Service Rates – Effective January 1, 2024

Approved by Port Commission on November 8, 2023

Sign-up Fee	\$ 100.00
Renewal Fee or Pass Fee	\$ 50.00

RESTROOM/LAUNDRY KEYS & FOBS (tenants only)

1st Fob issued	\$ 11.00 each
2nd Fob issued (max. of 2)	\$ 27.50 each
Replacement Fob, Additional bldg. keys	\$ 27.50 each

LEASE & LICENSE FEES

Lease Assignment Review & Approval	\$ 302.00
Use License preparation fee	\$ 110.00
Use License	<i>Varies by location, space & duration</i>
Pay or Vacate Legal Notices	\$ 260.00
Notary Service	\$ 13.00

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.

** Subject to Current Sales Tax Rate

Port of Port Townsend

2025 Rate Schedule - 1st DRAFT

MISCELLANEOUS RATES & FEES

360-385-2828 or 360-385-6211

Service Rates – Effective January 1, 2024

Approved by Port Commission on xx/xx/2024

Sign-up Fee	\$ 100.00	\$ -
Renewal Fee or Pass Fee	\$ 50.00	\$ -

RESTROOM/LAUNDRY KEYS & FOBS (tenants only)

1st Fob issued	\$ - 1st Fob included	\$ (11.00)
2nd Fob issued (max. of 2)	\$ 27.50 each	\$ -
Replacement Fob, Additional bldg. keys	\$ 27.50 each	\$ -

LEASE & LICENSE FEES

Lease Assignment Review & Approval	\$ 313.48	\$ 11.48
Use License preparation fee	\$ 110.00	\$ -
Use License	<i>Varies by location, space & duration</i>	
Pay or Vacate Legal Notices	\$ 260.00	\$ -
Notary Service	\$ 13.00	\$ -

PUBLIC RECORDS FEES

Standard black and white copies	\$ 0.15 /page
Documents scanned into electronic format	\$ 0.10 /page
Files or attachments provided in electronic deli	\$ 0.05 /every 4 files
Electronic records transmission	\$ 0.10 /per gigabyte
Digital Storage/media devices	Actual cost of device
Postage	Actual cost of supplies
Customized service charges	Actual cost of service

-A 10% deposit may be required prior to the duplication of records or customized services

-Copy charges above may be combined to the extent more than one type of charge applies to copies responsive to a particular request.

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.

** Subject to Current Sales Tax Rate

CPI - SEA-TAC-BEL, June to June

3.8%

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	September 25, 2024
AGENDA ITEM	<input type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input checked="" type="checkbox"/> Regular Business <input type="checkbox"/> Informational
AGENDA TITLE	VII. C. Five Year (2025-2029) Capital Improvement Program
STAFF LEAD	Matt Klontz, Director of Capital Projects and Port Engineer
REQUESTED	<input type="checkbox"/> Information <input type="checkbox"/> Motion/Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	<ul style="list-style-type: none"> • Informational Memo • Draft CIP 2025-2029 • List of Revisions since September 11

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 9/25/2024
TO: Commissioners
FROM: Matt Klontz
CC: Eron Berg, Eric Toews, Connie Anderson
SUBJECT: Five Year (2025-2029) Capital Improvement Program:

ISSUE

Does the Port Commission have any feedback on the 5-Year Capital Improvement Program (CIP)?

BACKGROUND

During the September workshop, Port Staff presented the 5-year CIP, highlighting the following updates:

1. Improved CIP format for better accounting functionality.
2. Revised project cost estimates to include escalation, Port staff costs, and environmental mitigation costs.
3. Breakdown of costs into preliminary engineering (PE) and construction (CN) phases.

DISCUSSION

Port Staff has implemented several revisions since the September workshop, detailed in the attached document. Key updates include:

- Adjusted timelines for projects.
- Further updated cost estimates reflecting escalation and port staff costs.

FISCAL IMPACT

The total value of the draft 5-year CIP is \$142,755,000. Last year's value was \$139,230,000.

ATTACHMENTS.

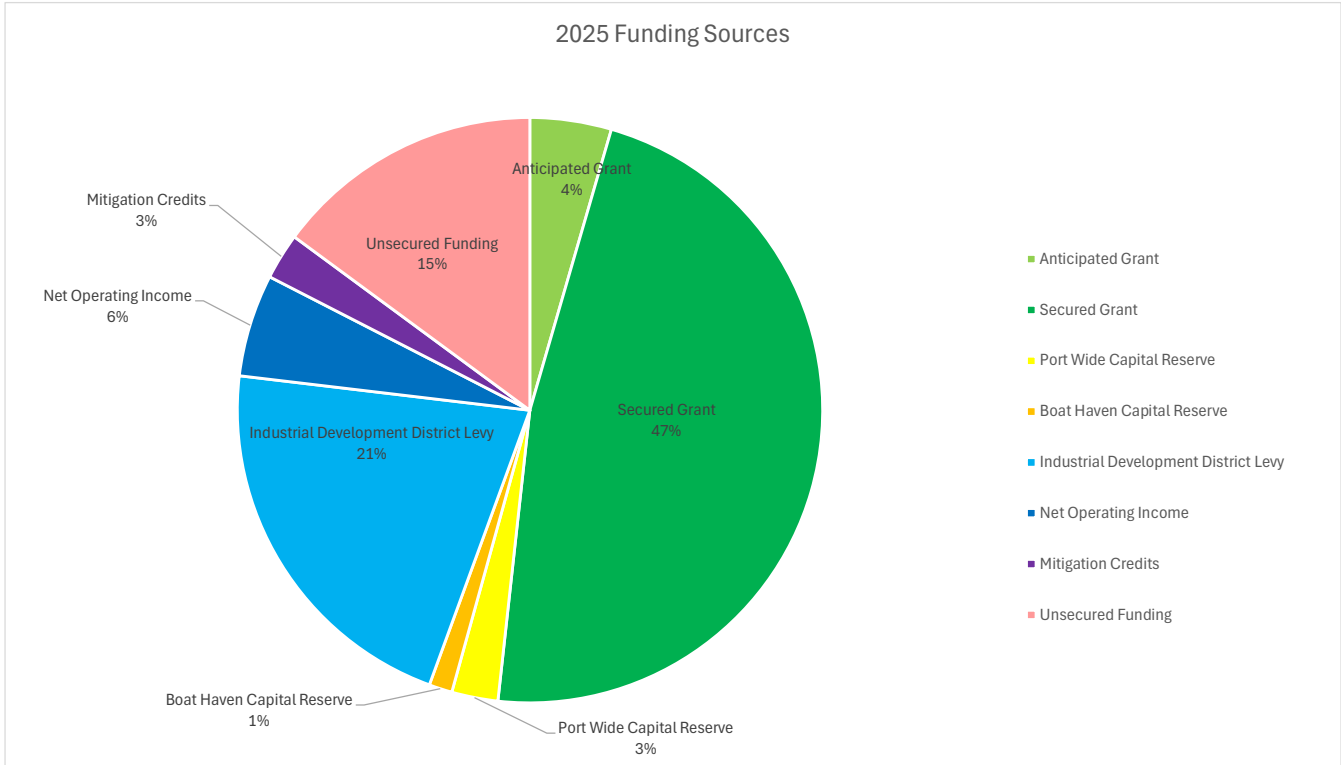
1. Draft 2025-2029 Capital Improvement Program
2. List of revisions made since September 11, 2024

RECOMMENDATION

Staff invites feedback on the Capital Improvement Program.

Row Labels	Sum of 2025	Sum of 2026	Sum of 2027	Sum of 2028	Sum of 2029	Sum of Total 5 Year
Boat Haven	8,985,000	3,550,000	8,925,000	5,450,000	61,133,000	88,043,000
Linear Dock Replacement	-	-	-	-	4,533,000	4,533,000
Main Breakwater Project	1,700,000	1,400,000	-	-	-	3,100,000
Marina Dredging	-	150,000	550,000	-	-	700,000
Sea Level Rise Project	-	550,000	4,300,000	5,250,000	56,500,000	66,600,000
Sims Gateway & North Boatyard Expansion	1,955,000	-	-	-	-	1,955,000
Sperry Buildings Capital Maintenance (est. 2 annually)	75,000	50,000	25,000	-	-	150,000
Stormwater Improvement Project	5,230,000	-	-	-	-	5,230,000
Travelift Yard Electrical Upgrades (70/75/300T)	-	100,000	100,000	100,000	-	300,000
West Boatyard Expansion	-	1,250,000	3,875,000	-	-	5,125,000
Building/Facility Preservation (Interior Refurbishment, Exterior Improvements)	25,000	50,000	75,000	100,000	100,000	350,000
Point Hudson	1,385,000	3,357,000	1,365,000	2,008,000	4,936,000	13,051,000
Cantilevered Esplanade	-	-	-	375,000	3,275,000	3,650,000
Pavement Preservation (Grind & Overlay)	-	650,000	-	-	-	650,000
RV Park Restoration	-	500,000	-	-	-	500,000
Utility Rehabilitation (Mains)	-	500,000	-	-	-	500,000
Point Hudson Energy Efficiency Improvement Project (HVAC, DOAS, Windows, Doors, Insulation)	580,000	427,000	600,000	1,383,000	1,411,000	4,401,000
Roof Replacement (Standing Seam Metal Roof)	555,000	1,030,000	515,000	-	-	2,100,000
Building/Facility Preservation (Interior Refurbishment, Exterior Improvements)	250,000	250,000	250,000	250,000	250,000	1,250,000
JCIA	2,305,000	4,439,000	4,250,000	6,125,000	25,000	17,144,000
JCIA Airport Wide Rehabilitation Apron, Taxiways, and Taxilanes (Crack/Slurry Seal)	556,000	-	-	-	-	556,000
JCIA Fuel System Improvement	772,000	-	-	-	-	772,000
JCIA Master Plan Update	222,000	111,000	-	-	-	333,000
JCIA Pilot Terminal	70,000	70,000	-	-	-	140,000
Maintenance Storage Building/County Building Relocate	-	200,000	-	-	-	200,000
Renovate Port Owned Hangars	-	-	225,000	-	-	225,000
Shift/Widen Parallel Taxiway	-	333,000	300,000	6,100,000	-	6,733,000
Stormwater Management	25,000	25,000	25,000	25,000	25,000	125,000
Rural Light Industrial Park (24 acres)	550,000	3,700,000	3,700,000	-	-	7,950,000
Rural Light Industrial Park (43.5 acres)	110,000	-	-	-	-	110,000
Quilcene	645,000	2,455,000	191,000	2,060,000	917,000	6,268,000
Campground	200,000	-	-	-	-	200,000
Marina Dredging	215,000	650,000	-	-	-	865,000
Ramp Upgrade, Bathroom Remodel, Parking Improvements	230,000	1,805,000	-	-	-	2,035,000
Marina Dock and Gangway Replacement	-	-	191,000	2,060,000	917,000	3,168,000
Short's Farm	150,000	150,000	150,000	150,000	150,000	750,000
Farm Property/Facility Maintenance	150,000	150,000	150,000	150,000	150,000	750,000
Water Access	953,000	364,000	978,000	637,000	212,000	3,144,000
Mats Mats Bay Facilities	-	30,000	-	-	-	30,000
Union Wharf Electrification	-	334,000	878,000	-	-	1,212,000
Gardiner Launch Ramp with Seasonal Float	953,000	-	-	-	-	953,000
Hadlock Dock and Gangway Replacement	-	-	100,000	637,000	212,000	949,000
Other	325,000	445,000	425,000	485,000	425,000	2,105,000
Port Equipment/Vehicle Replacement	-	120,000	100,000	160,000	100,000	480,000
Port Wide - Yard/Parking/RV Resurfacing	75,000	75,000	75,000	75,000	75,000	375,000
Port Wide - Dock Renovations & Piling Replacement	250,000	250,000	250,000	250,000	250,000	1,250,000
Emergency	850,000	4,300,000	4,700,000	2,300,000	100,000	12,250,000
Boat Haven Bulkhead Repair/Replacement	300,000	-	-	-	-	300,000
Boat Haven Pavement Repair	100,000	-	-	-	-	100,000
City Dock Repair	350,000	3,500,000	-	-	-	3,850,000
Mats Mats Bulkhead Repair	-	100,000	200,000	1,200,000	-	1,500,000
Point Hudson Marina Revetment Repair	-	250,000	1,600,000	-	-	1,850,000
Point Hudson Shoreline Repair	-	250,000	2,600,000	-	-	2,850,000
Quilcene Revetment Repair	-	100,000	200,000	1,000,000	-	1,300,000
Small Capital Projects	100,000	100,000	100,000	100,000	100,000	500,000
Grand Total	15,598,000	19,060,000	20,984,000	19,215,000	67,898,000	142,755,000

Funding Source	2025	2026	2027	2028	2029	Total 5 Year
Anticipated Grant	700,200	399,600	314,200	5,795,000	-	7,209,000
Secured Grant	7,371,400	1,745,000	250,000	-	-	9,366,400
Port Wide Capital Reserve	400,000	-	-	-	-	400,000
Boat Haven Capital Reserve	200,000	-	-	-	167,061	367,061
Industrial Development District Levy	3,319,350	3,579,000	1,125,300	667,500	2,212,500	10,903,650
Net Operating Income	882,050	785,400	767,500	1,119,500	754,500	4,308,950
Mitigation Credits	400,000	400,000	-	-	-	800,000
Unsecured Funding	2,325,000	12,151,000	18,527,000	11,633,000	64,763,939	109,399,939
Funded Total	13,273,000	6,909,000	2,457,000	7,582,000	3,134,061	33,355,061
Grand Total	15,598,000	19,060,000	20,984,000	19,215,000	67,898,000	142,755,000



Row Labels	Sum of 2025	Sum of 2026	Sum of 2027	Sum of 2028	Sum of 2029	Sum of Total 5 Year
Boat Haven	-	-	-	-	-	-
Linear Dock Replacement	-	-	-	-	-	-
(PE) Design	-	-	-	-	366,000	366,000
(CN) Construction	-	-	-	-	4,167,000	4,167,000
(IDD) Port Funds	-	-	-	-	(1,581,000)	(1,581,000)
(IDD) Staff Compensation	-	-	-	-	(96,000)	(96,000)
(BH) Boat Haven Capital Reserve	-	-	-	-	(167,061)	(167,061)
(U) Unsecured Funding	-	-	-	-	(2,688,939)	(2,688,939)
Main Breakwater Project	-	-	-	-	-	-
(PE) Design	300,000	-	-	-	-	300,000
(CN) Construction	1,400,000	1,400,000	-	-	-	2,800,000
(IDD) Port Funds	(300,000)	(550,000)	-	-	-	(850,000)
(IDD) Staff Compensation	(80,000)	(50,000)	-	-	-	(130,000)
(S) MARAD PIPD Grant	(400,000)	(400,000)	-	-	-	(800,000)
(S) Mitigation Credits	(400,000)	(400,000)	-	-	-	(800,000)
(BH) Boat Haven Capital Reserve	(200,000)	-	-	-	-	(200,000)
(U) Unsecured Funding	(320,000)	-	-	-	-	(320,000)
Marina Dredging	-	-	-	-	-	-
(PE) Design	-	150,000	-	-	-	150,000
(CN) Construction	-	-	550,000	-	-	550,000
(IDD) Staff Compensation	-	(50,000)	(25,000)	-	-	(75,000)
(U) Unsecured Funding	-	(100,000)	(525,000)	-	-	(625,000)
Sea Level Rise Project	-	-	-	-	-	-
(PE) Design	-	550,000	4,300,000	3,750,000	-	8,600,000
(RW) Right-of-Way Acquisition	-	-	-	1,500,000	1,500,000	3,000,000
(CN) Construction	-	-	-	-	55,000,000	55,000,000
(U) Unsecured Funding	-	(550,000)	(4,300,000)	(5,250,000)	(56,500,000)	(66,600,000)
Sims Gateway & North Boatyard Expansion	-	-	-	-	-	-
(PE) Design	75,000	-	-	-	-	75,000
(CN) Construction (Yard Widening, Pathway, Landscaping)	1,880,000	-	-	-	-	1,880,000
(IDD) Port Funds	(645,500)	-	-	-	-	(645,500)
(IDD) Staff Compensation	(90,000)	-	-	-	-	(90,000)
(S) City of Port Townsend Contribution	(100,000)	-	-	-	-	(100,000)
(S) Jefferson County PIF Grant 2021 (Port + City)	(650,000)	-	-	-	-	(650,000)
(S) Jefferson County PIF Grant 2023 (City)	(300,000)	-	-	-	-	(300,000)
(U) Unsecured Funding	(169,500)	-	-	-	-	(169,500)
Sperry Buildings Capital Maintenance (est. 2 annually)	-	-	-	-	-	-
Capital Maintenance	75,000	50,000	25,000	-	-	150,000
(IDD) Port Funds	(50,000)	(33,500)	(16,750)	-	-	(100,250)
(IDD) Staff Compensation	(25,000)	(16,500)	(8,250)	-	-	(49,750)
Stormwater Improvement Project	-	-	-	-	-	-
(CN) Construction	5,230,000	-	-	-	-	5,230,000
(IDD) Port Funds	(661,500)	-	-	-	-	(661,500)
(IDD) Staff Compensation	(151,000)	-	-	-	-	(151,000)
(S) WA Dept. Commerce ARPA Grant	(1,095,000)	-	-	-	-	(1,095,000)
(S) WA Dept. Commerce MTCA Grant	(3,050,000)	-	-	-	-	(3,050,000)
(U) Unsecured Funding	(272,500)	-	-	-	-	(272,500)
Travelift Yard Electrical Upgrades (70/75/300T)	-	-	-	-	-	-
Upgrades	-	100,000	100,000	100,000	-	300,000
(IDD) Port Funds	-	(100,000)	(100,000)	(100,000)	-	(300,000)
West Boatyard Expansion	-	-	-	-	-	-
(PE) Design	-	1,250,000	-	-	-	1,250,000
(CN) Construction	-	-	3,875,000	-	-	3,875,000
(U) Unsecured Funding	-	(1,250,000)	(3,875,000)	-	-	(5,125,000)
Building/Facility Preservation (Interior Refurbishment, Exterior Improvements)	-	-	-	-	-	-
Capital Maintenance	25,000	50,000	75,000	100,000	100,000	350,000
(NOI) Port Funds	(16,750)	(33,500)	(50,000)	(67,000)	(67,000)	(234,250)
(IDD) Staff Compensation	(8,250)	(16,500)	(25,000)	(33,000)	(33,000)	(115,750)
Point Hudson	-	-	-	-	-	-
Cantilevered Esplanade	-	-	-	-	-	-
(PE) Design	-	-	-	375,000	-	375,000
(CN) Construction	-	-	-	-	3,275,000	3,275,000
(U) Unsecured Funding	-	-	-	(375,000)	(3,275,000)	(3,650,000)
Pavement Preservation (Grind & Overlay)	-	-	-	-	-	-
Capital Maintenance	-	650,000	-	-	-	650,000
(U) Unsecured Funding	-	(650,000)	-	-	-	(650,000)

Row Labels	Sum of 2025	Sum of 2026	Sum of 2027	Sum of 2028	Sum of 2029	Sum of Total 5 Year
RV Park Restoration	-	-	-	-	-	-
Capital Maintenance	-	500,000	-	-	-	500,000
<i>(U) Unsecured Funding</i>	-	(500,000)	-	-	-	(500,000)
Utility Rehabilitation (Mains)	-	-	-	-	-	-
Capital Maintenance	-	500,000	-	-	-	500,000
<i>(IDD) Port Funds</i>	-	(500,000)	-	-	-	(500,000)
Point Hudson Energy Efficiency Improvement Project (HVAC, DOAS, Windows, Doors, Insulation)	-	-	-	-	-	-
(PE) Design	30,000	33,000	37,000	40,000	44,000	184,000
(CN) Construction	550,000	394,000	563,000	1,343,000	1,367,000	4,217,000
<i>(IDD) Port Funds</i>	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(1,000,000)
<i>(IDD) Staff Compensation</i>	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(50,000)
<i>(U) Unsecured Funding</i>	(370,000)	(217,000)	(390,000)	(1,173,000)	(1,201,000)	(3,351,000)
Roof Replacement (Standing Seam Metal Roof)	-	-	-	-	-	-
(PE) Design	40,000	-	-	-	-	40,000
(CN) Construction	515,000	1,030,000	515,000	-	-	2,060,000
<i>(IDD) Port Funds</i>	(285,000)	(530,000)	(265,000)	-	-	(1,080,000)
<i>(IDD) Staff Compensation</i>	(20,000)	-	-	-	-	(20,000)
<i>(S) Heritage Capital Projects Grant</i>	(250,000)	(500,000)	(250,000)	-	-	(1,000,000)
Building/Facility Preservation (Interior Refurbishment, Exterior)	-	-	-	-	-	-
Capital Maintenance	250,000	250,000	250,000	250,000	250,000	1,250,000
<i>(IDD) Port Funds</i>	(170,000)	(170,000)	(170,000)	(170,000)	(170,000)	(850,000)
<i>(IDD) Staff Compensation</i>	(80,000)	(80,000)	(80,000)	(80,000)	(80,000)	(400,000)
JCIA	-	-	-	-	-	-
JCIA Airport Wide Rehabilitation Apron, Taxiways, and Taxilanes (Crack/Slurry Seal)	-	-	-	-	-	-
(CN) Construction	556,000	-	-	-	-	556,000
<i>(NOI) Port Match</i>	(55,600)	-	-	-	-	(55,600)
<i>(A) FAA NPE Funds</i>	(500,400)	-	-	-	-	(500,400)
JCIA Fuel System Improvement	-	-	-	-	-	-
(PE) Design	200,000	-	-	-	-	200,000
(CN) Construction	572,000	-	-	-	-	572,000
<i>(IDD) Port Match</i>	(48,600)	-	-	-	-	(48,600)
<i>(S) FAA BIL Funds (Construction)</i>	(514,800)	-	-	-	-	(514,800)
<i>(S) FAA BIL Funds (Design)</i>	(180,000)	-	-	-	-	(180,000)
<i>(S) WSDOT Match (Construction)</i>	(28,600)	-	-	-	-	(28,600)
JCIA Master Plan Update	-	-	-	-	-	-
(PL) Master Plan Update	222,000	111,000	-	-	-	333,000
<i>(NOI) Port Match</i>	(22,200)	(11,100)	-	-	-	(33,300)
<i>(A) FAA NPE Funds</i>	(199,800)	(99,900)	-	-	-	(299,700)
JCIA Pilot Terminal	-	-	-	-	-	-
(CN) Construction	70,000	70,000	-	-	-	140,000
<i>(IDD) Port Funds</i>	(70,000)	(70,000)	-	-	-	(140,000)
Maintenance Storage Building/County Building Relocate	-	-	-	-	-	-
Maintenance Storage Building/County Building Relocate	-	200,000	-	-	-	200,000
<i>(IDD) Port Funds</i>	-	(200,000)	-	-	-	(200,000)
Renovate Port Owned Hangars	-	-	-	-	-	-
Renovate Port Owned Hangars	-	-	225,000	-	-	225,000
<i>(A) FAA BIL Funds</i>	-	-	(44,200)	-	-	(44,200)
<i>(IDD) Port Match</i>	-	-	(180,800)	-	-	(180,800)
Shift/Widen Parallel Taxiway	-	-	-	-	-	-
Environmental Assessment	-	333,000	-	-	-	333,000
(PE) Design	-	-	300,000	-	-	300,000
(CN) Construction	-	-	-	6,100,000	-	6,100,000
<i>(NOI) Port Match</i>	-	(33,300)	(30,000)	(305,000)	-	(368,300)
<i>(A) FAA NPE Funds (Construction)</i>	-	-	-	(5,490,000)	-	(5,490,000)
<i>(A) FAA NPE Funds (Design)</i>	-	-	(270,000)	-	-	(270,000)
<i>(A) FAA NPE Funds (Environmental Assessment)</i>	-	(299,700)	-	-	-	(299,700)
<i>(A) WSDOT Match (Construction)</i>	-	-	-	(305,000)	-	(305,000)
Stormwater Management	-	-	-	-	-	-
Stormwater Management	25,000	25,000	25,000	25,000	25,000	125,000
<i>(NOI) Port Funds</i>	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(62,500)
<i>(IDD) Staff Compensation</i>	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(62,500)

Row Labels	Sum of 2025	Sum of 2026	Sum of 2027	Sum of 2028	Sum of 2029	Sum of Total 5 Year
Rural Light Industrial Park (24 acres)	-	-	-	-	-	-
(PE) Design	300,000	-	-	-	-	300,000
(RW) Right-of-Way Acquisition	250,000	-	-	-	-	250,000
(CN) Construction	-	3,700,000	3,700,000	-	-	7,400,000
(IDD) Port Funds	(50,000)	-	-	-	-	(50,000)
(S) Jefferson County PIF Grant	(50,000)	-	-	-	-	(50,000)
(IDD) Staff Compensation	(20,000)	-	-	-	-	(20,000)
(S) WA Commerce Industrial Site Readiness Grant	(100,000)	-	-	-	-	(100,000)
(U) Unsecured Funding	(330,000)	(3,700,000)	(3,700,000)	-	-	(7,730,000)
Rural Light Industrial Park (43.5 acres)	-	-	-	-	-	-
(PE) Design (10%)	110,000	-	-	-	-	110,000
(IDD) Staff Compensation	(10,000)	-	-	-	-	(10,000)
(S) WA Commerce Industrial Site Readiness Grant	(100,000)	-	-	-	-	(100,000)
Quilcene	-	-	-	-	-	-
Campground	-	-	-	-	-	-
(PE) Design	200,000	-	-	-	-	200,000
(NOI) Port Funds	(100,000)	-	-	-	-	(100,000)
(NOI) Staff Compensation	(100,000)	-	-	-	-	(100,000)
Marina Dredging	-	-	-	-	-	-
(PE) Design	215,000	-	-	-	-	215,000
(CN) Construction	-	650,000	-	-	-	650,000
(IDD) Port Funds	(210,000)	-	-	-	-	(210,000)
(U) Unsecured Funding	(5,000)	(650,000)	-	-	-	(655,000)
Ramp Upgrade, Bathroom Remodel, Parking Improvements	-	-	-	-	-	-
(PE) Design	230,000	-	-	-	-	230,000
(CN) Construction	-	1,805,000	-	-	-	1,805,000
(IDD) Port Funds	(122,000)	(960,000)	-	-	-	(1,082,000)
(S) RCO Boating Facilities Program Grant	(108,000)	(845,000)	-	-	-	(953,000)
Marina Dock and Gangway Replacement	-	-	-	-	-	-
(PE) Design	-	-	191,000	200,000	-	391,000
(CN) Construction	-	-	-	1,860,000	917,000	2,777,000
(IDD) Staff Compensation	-	-	(32,000)	(62,000)	(30,000)	(124,000)
(U) Unsecured Funding	-	-	(159,000)	(1,998,000)	(887,000)	(3,044,000)
Short's Farm	-	-	-	-	-	-
Farm Property/Facility Maintenance	-	-	-	-	-	-
Capital Maintenance	150,000	150,000	150,000	150,000	150,000	750,000
(NOI) Port Funds	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(750,000)
Water Access	-	-	-	-	-	-
Mats Mats Bay Facilities	-	-	-	-	-	-
Capital Maintenance	-	30,000	-	-	-	30,000
(IDD) Port Funds	-	(30,000)	-	-	-	(30,000)
Union Wharf Electrification	-	-	-	-	-	-
(PE) Design	-	334,000	-	-	-	334,000
(CN) Construction	-	-	878,000	-	-	878,000
(U) Unsecured Funding	-	(334,000)	(878,000)	-	-	(1,212,000)
Gardiner Launch Ramp with Seasonal Float	-	-	-	-	-	-
(CN) Construction	953,000	-	-	-	-	953,000
(S) Jefferson County Road Contribution	(45,000)	-	-	-	-	(45,000)
(S) RCO Boating Facilities Program Grant	(400,000)	-	-	-	-	(400,000)
(PW) Port Wide Capital Reserve	(400,000)	-	-	-	-	(400,000)
(U) Unsecured Funding	(108,000)	-	-	-	-	(108,000)
Hadlock Dock and Gangway Replacement	-	-	-	-	-	-
(PE) Design	-	-	100,000	205,000	-	305,000
(CN) Construction	-	-	-	432,000	212,000	644,000
(U) Unsecured Funding	-	-	(100,000)	(637,000)	(212,000)	(949,000)
Other	-	-	-	-	-	-
Port Equipment/Vehicle Replacement	-	-	-	-	-	-
Equipment/Vehicle Replacement	-	120,000	100,000	160,000	100,000	480,000
(NOI) Port Funds	-	(120,000)	(100,000)	(160,000)	(100,000)	(480,000)
Port Wide - Yard/Parking/RV Resurfacing	-	-	-	-	-	-
Yard/Parking/RV Resurfacing	75,000	75,000	75,000	75,000	75,000	375,000
(NOI) Port Funds	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(375,000)
Port Wide - Dock Renovations & Piling Replacement	-	-	-	-	-	-
Dock Renovations & Piling Replacement	250,000	250,000	250,000	250,000	250,000	1,250,000
(NOI) Port Funds	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(1,250,000)
Emergency	-	-	-	-	-	-
Boat Haven Bulkhead Repair/Replacement	-	-	-	-	-	-
Bulkhead Repair/Replacement	300,000	-	-	-	-	300,000
(U) Unsecured Funding	(300,000)	-	-	-	-	(300,000)

Row Labels	Sum of 2025	Sum of 2026	Sum of 2027	Sum of 2028	Sum of 2029	Sum of Total 5 Year
Boat Haven Pavement Repair	-	-	-	-	-	-
Pavement Repair	100,000	-	-	-	-	100,000
<i>(U) Unsecured Funding</i>	(100,000)	-	-	-	-	(100,000)
City Dock Repair	-	-	-	-	-	-
City Dock Repair	350,000	3,500,000	-	-	-	3,850,000
<i>(U) Unsecured Funding</i>	(350,000)	(3,500,000)	-	-	-	(3,850,000)
Mats Mats Bulkhead Repair	-	-	-	-	-	-
Bulkhead Repair	-	100,000	200,000	1,200,000	-	1,500,000
<i>(U) Unsecured Funding</i>	-	(100,000)	(200,000)	(1,200,000)	-	(1,500,000)
Point Hudson Marina Revetment Repair	-	-	-	-	-	-
Marina Revetment Repair	-	250,000	1,600,000	-	-	1,850,000
<i>(U) Unsecured Funding</i>	-	(250,000)	(1,600,000)	-	-	(1,850,000)
Point Hudson Shoreline Repair	-	-	-	-	-	-
Shoreline Repair	-	250,000	2,600,000	-	-	2,850,000
<i>(U) Unsecured Funding</i>	-	(250,000)	(2,600,000)	-	-	(2,850,000)
Quilcene Revetment Repair	-	-	-	-	-	-
Revetment Repair	-	100,000	200,000	1,000,000	-	1,300,000
<i>(U) Unsecured Funding</i>	-	(100,000)	(200,000)	(1,000,000)	-	(1,300,000)
Small Capital Projects	-	-	-	-	-	-
Unplanned Small Capital Projects	100,000	100,000	100,000	100,000	100,000	500,000
<i>(NOI) Port Funds</i>	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(500,000)

CIP Changes Since 9/11/24 Commission Meeting

BOAT HAVEN

- **Linear Dock Replacement**
 - Pushed back to 2029
 - Escalation added; RCO grant removed
- **Marina Dredging**
 - Moved forward from 2027 to 2026
 - PE/CN costs revised
- **Sea Level Rise Project**
 - Pushed back by 1 year
- **Sperry Buildings**
 - Staff compensation split out (33% of total project cost)
- **West Expansion**
 - Pushed back by 1 year
- **Building/Facility Preservation**
 - Staff compensation split out (33% of total project cost)

POINT HUDSON

- **Cantilevered Esplanade**
 - PE and CN project costs split out
- **Energy Efficiency Improvement Project**
 - Costs updated based on building/facility schedule and priority
- **Building/Facility Preservation**
 - Staff compensation split out (33% of total project cost)

JCIA

- **Fuel System Improvement**
 - Consolidated design and construction into 2025
- **Stormwater Management**

- Staff compensation split out (50% of total project cost)
- **Rural Light Industrial Park (24 acres)**
 - Staff time split out
- **Rural Light Industrial Park (43.5 acres)**
 - Overall project cost updated; staff time split out from total

QUILCENE

- **Campground:**
 - Staff time split out
- **Marina Dredging**
 - Updated timeline and cost estimate
- **Ramp Upgrade**
 - Updated spending timeline
- **Marina Dock and Gangway Replacement**
 - Pushed back to a 2027 start date

WATER ACCESS

- **Mats Mats Bay Facilities**
 - Pushed back one year to 2026
- **Gardiner Boat Launch**
 - All construction pushed to 2025 due to in-water work window changes (originally 2024-2025)
- **Hadlock Dock and Gangway Replacement**
 - Pushed back to a 2027 start date

OTHER

- **Port-Wide Dock Renovations and Piling Replacement**
 - Consolidated into one program to offset dock renovations with environmental mitigation credits from creosote piling removal and replacement

EMERGENCY

- **Boat Haven Bulkhead Repair**
 - Construction cost reduced to align with projected bulkhead backfill repairs

**Port of Port Townsend
Upcoming Commission Meetings Calendar (Tentative Agenda Items)**

Date/Time		Item/Topic	Location	Absent
Thurs. Sept. 26 4-9 pm	Event	Boat Yard BBQ (Potential Quorum of Port Commission)	8 th St., Near Larry Scott Trail	
Wed., Oct. 9 9:30 am	Workshop	Quarter 3 Capital Improvement Project Update Review Financials Reserve Model	Pav	
Wed., Oct.9 1 pm	Meeting	Armstrong Consolidated Lease Hangar Pad Site #6, Northwest Customs Hangars Lease Aero Museum Lease Amendment 2nd Draft of 2025 Budget with CIP and Proposed Rates August 2024 Year to date Financial Report Harbormaster Report Lease/Contract Update	Pav	
Mon., Oct.14	HOLIDAY	Offices Closed - Indigenous Peoples Day		
Tues., Oct. 22 5:30 pm	Spec. Mtg.	Public Hearing Draft 2025 Operating & Capital Budget, Property Tax Levy and IDD tax levy (Tentative) Resolution Amending the Port of Port Townsend’s Comprehensive Scheme of Harbor Improvements to Incorporate the Capital Projects Contained in the 2025 Operating & Capital Budget Contract Update	Pav	
Thurs-Fri Oct. 24-25		WPPA Small Ports Seminar	Campbell’s Resort, Lake Chelan	
Wed., Nov. 13 9:30 am	Workshop		Pav	
Wed., Nov. 13 1 pm	Meeting	2 nd Reading/Continued Public Hearing Draft 2025 Operating and Capital Budget, rates, property tax levy and IDD levy (and associated Resolutions) September 2024 Year to Date Financial Report Harbormaster Report Lease/Contract Update	Pav	
Wed., Nov. 21 5:00 pm	Meeting	Intergovernmental Collaborative Group	Pav	
Tues., Nov. 26 1 pm	Meeting	Adopt 2025 Budget (and rates, resolutions), if not adopted in previous meeting.	Pav	

**Port of Port Townsend
Upcoming Commission Meetings Calendar (Tentative Agenda Items)**

Wed., Dec. 11 9:30 am	Workshop	Quarter 4 Capital Improvement Project Update	Pav	
Wed., Dec. 11 1 pm	Meeting	October 2024 Year to Date Financial Report Harbormaster Report Lease/Contract Update	Pav	
Wed/Fri, Dec 11-13		WPPA Annual Meeting	Hyatt Regency, Bellevue	
Tues-Wed. Dec. 24-25		<i>Holiday -Port Offices Closed</i>		
Wed., Jan 1		<i>Holiday -Port Offices Closed</i>		
Wed., Jan 8	Workshop		Pav	
Wed., Jan 8	Meeting	2025 Organizational Topics (Election of Commission Officers, Committee Assignments, Review Commission Meeting Procedures, Delegation of Management Authority, Commission Annual Retreat Meeting of the Industrial Development Corporation of the Port of Port Townsend (Elect Officers, Minutes, review financial statement 2024)	Pav	
Mon., Jan. 20		<i>Holiday – Port Offices Closed</i>		