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



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www.portofpt.com

## **Regular Commission Meeting 2nd Monthly Meeting Agenda** Tuesday, November 26, 2024, 1:00 p.m.

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

I.	Call to Order / Pledge of Allegiance									
II. III.	Approval of Agenda Public Comments									
IV.	Consent Agenda									
	A. Approval of Workshop and Business Meeting Minutes from November 13,									
	2024 and Special Meeting Minutes related to the Intergovernmental Collaborative Group for 2023 and 2024									
	B. Approval & Ratification of Warrants									
	C. Authorize Executive Director to Sign the Updated Interlocal Agreement with the									
	Public Utility District No. 1 of Jefferson County for IT Services									
	<ul> <li>D. Authorizing ReVision Marine, LLC – Boat Haven Land &amp; Building Lease</li></ul>									
٧.	First Reading – none									
VI.	Second Reading – none									
VII.	Regular Business  A. September 2024 Year to date Financials									
	2. September 2024 Tear to date (manerals									
VIII.	Staff Comments									
IX.	Commissioner Comments									
Χ.	Next Public Workshop and Regular Business Meeting:									
	Wednesday-Friday, December 11-13, 2024 Washington Public Ports Annual Meeting, 900 Bellevue Way NE, Bellevue, WA									
	Wednesday, December 18, 2024 at 9:30 a.m. Workshop and at 1:00 p.m. Special Business Meeting at the Pavilion Building & via Zoom									
XI.	Executive Session – None Scheduled									
XII.	Adjournment									
<u>Infor</u>	mational Items116									
•	Rule Amendment General Rules and Regulations 1.05.110 Fireworks117									
•										
•	Commission Meeting Schedule 119-120									

From: Andrew Gaikowski
To: Public Comments
Subject: A Civil concern.

**Date:** Thursday, November 21, 2024 1:39:44 PM

#### Hello!

'This regards 'a specific incident that happened on the date of November 21, 9:30 am.

As a local/civil invester, investigator, sponsee, sponsor, volunteer, , educator, and a resident of 15 years in jefferson county I must address an emergent concern of mine, respectfully, regarding my personal experience, interaction and resolution, with operations manager Chris sparks.

Early this morning around 0300 i had been traveling to Port townsend after prospecting for some "land trust" works volunteer events to present to Carrie and Ryan helzer.

I was falling asleep behind the wheel and pulled into the international airport. I after turning around down by the spruce goose, I had been fooled by my own eyes and drove onto your grass area. I instantly felt the soft sinking sliding feeling of soggy grass and my instincts told me to not stop and send it it through to the other side of the, floodplain?

I did not make it very far. After playing in the mud with my scissor Jack and some quality Lumber, borrowed from above the worship sanctuary. With two failed attempts to recover my vehicle from the mud plain I decided, I should just rest and wait until the morning to ask for help from the community and give apologies and resolution to the property owners.

I woke up in my car at 0900 to find multiple cars parked around the area. No police, no sign of welfare check or curiously around my vehicle. I got out and approached a very civil native man to address everything. Come to find out that Chris sparks had addressed my car as abandoned prior to investigation. I contact a local towing company "nw towing and recovery" (bless their hearts and family's!) They promptly responded to help me, money of no concern whatsoever.

Chris sparks had arrived. I told him what happened. How it happened, and expressed uncertainty and openess as to how this gets resolved, chris lacked communication and his only interest wS calling the police. I love the good services provided by the police and sherriffs and I have so much respect for the exposures they face and endure. Like big brothers keeping us in check when it counts.

I had a great time interacting with the community. Like a reunion. A gathering. Over a crown vic, some soggy grass, some mud, and a flood plain. And airplanes! until I find I'm being trespassed by Chris sparks.

I just wanted to express that I am confused and I sense that the only thing that would make someone decide to think trespassing is the answer, to an accident of no major impact. I was not malicious, reckless, negligent, or illegally intoxicated, nor was I obstructing any person.

With the possibilities that this trespass has put barriers against me, my opportunity of employment, and my participation in field work and recreation independently or as volunteer.

I would like to resolve this another way if the council, administration, and operations is willing to allow that.

Andrew Crowvic Elliott Gaikowski.

#### PORT COMMISSION WORKSHOP MEETING – Wednesday, November 13, 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, Hasse, and Hanke

Executive Director Eron Berg Deputy Director Eric Toews

Director of Finance and Administration Connie Anderson Director of Capital Projects and Port Engineer Matt Klontz

Harbormaster Kristian Ferrero

Lease & Contracts Administrator Sue Nelson

Port Recorder Joanna Sanders

Via Zoom: Attorney Seth Woolsen

I. CALL TO ORDER & PLEDGE OF ALLEGIANCE (Rec. 00:00:00) Commissioner Hanke called the meeting to order at 9:30 a.m.

#### II. STRATEGIC PLAN PROCESS AND TIMELINE (Rec. 00:01:14)

Deputy Director Eric Toews explained various options for a stakeholder process to review and provide input on plan updates. There was Commission support for a staff-led stakeholder group, not selected by the commission, as well as a public workshop during their review timeline to solicit additional input. The committee work would begin before the end of year, beginning their meetings after the first of year, and then concluding in February followed by a public workshop to culminate into a final stakeholder discussion with a formal recommendation to the Commission afterwards.

Staff responded to questions about the representative group in the selection process and the potential desire for broader discussion, as part of the Commission retreat tentatively set for March 20/21. Issues the Commission asked to consider broadening in a minor Strategic Plan update, were acknowledgement of the housing crisis. A suggestion was that members be asked to read the current Comprehensive Scheme, 100-Year Port history book, and the Strategic Plan.

#### III. SHORT FARM UPDATE (Rec. 00:30:14)

Executive Director Eron Berg and Deputy Director Eric Toews reported on the following: well issues, water use agreement for farm users, additional barn demolition/wood reclamation, interest in temporary housing, utility work, access routes, continued work on the house for renting, leases and license agreements in process, and gained knowledge by the Port on usability of the land. A nonprofit entity may be interested in a land lease.

Discussion by the Commission centered on well testing, lease options, including irrigation for leases, leasing the main house, and potential for solar panels as creek shading, as well as water policy on creek use.

# IV. COMPREHENSIVE REPAIR AND MAINTENANCE PROGRAM (CRAMP) (10 YEAR USACE MAINTENANCE PERMIT) (Rec. 00:53:00)

Executive Director Eron Berg led a discussion of the CRAMP permit and timeline to develop a list of projects over the next four months. This permit would get the Port through Section 7 and list projects with both positive and negative environmental impacts and funding needed. Additional potential projects noted were the removal of Benedict Spit, a graving dock operation on the west end, and a sea plane dock downtown. The Commission noted that continued community access is important.

Director of Capital Projects and Port Engineer Matt Klontz reviewed floating docks, breakwater replacement, and potential old ferry dock creosote pile removal at Tyler Street. The CRAMP would also state a preference for replacement with concrete floats. There was Commission support for the listed projects and discussion of ideas. Another suggested project was consideration for speed reduction in the bay.

V. PUBLIC COMMENT (Rec. 01:53:00)

There was none.

V.	ADJOURNMENT (Rec.	01:30:00):	the meeting ad	journed at 10	0:56:00 a.m.	
АТТ	EST:					
					Peter W. H	Ianke, Presiden
Pam	ela A. Petranek, Secretary					

Carol L. Hasse, Vice President

#### PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, November 13, 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 Hanke, Petranek and Hasse

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

Port Recorder Joanna Sanders

Lease and Contract Administrator Sue Nelson

Via Zoom: Attorney Seth Woolsen

- I. CALL TO ORDER & PLEDGE OF ALLEGIANCE (Rec. 00:00:00) Commissioner Hanke called the meeting to order at 1:00 p.m.
- II. APPROVAL OF AGENDA (Rec. 00:00:40) There were no changes.
- III. PUBLIC COMMENTS GENERAL (Rec. 00:00:58)

There were none.

- IV. CONSENT AGENDA (Rec. 00:01:37)
  - A. Approval of Special Business Meeting Minutes of October 22, 2024
  - B. Approval & Ratification of Warrants

Warrant #069285 through #069306 in the amount of \$124,244.57

Warrant #069307 through #069329 in the amount of \$240,110.93

Warrant #069330 through #069353 in the amount of \$28,488.71

Warrant #069354 through #069359 and electronic payments in the total amount of

\$284,197.58

Electronic payments in the total amount of \$77,735.08

Electronic payments in the total amount of \$20,282.58

Warrant #069277 in the amount of \$1,584.00 is void

Warrant #069360 through #069409 in the amount of \$93,265.49

Unanimous approval of the Consent Agenda as written with the removal of item C: Resolution 832-24 Authorizing the Executive Director of the Port of Port Townsend or Designee to file a Sub-Application for a Building Resilient Infrastructure and Communities Program (BRIC) Grant for the Sea Level Rise Project with the State of Washington Military Department, Emergency Management Division, for the Purpose of Obtaining and Administering Certain State and Federal Financial Assistance Under the Disaster Recovery Reform Act, Section 1234; Amended Section 2023 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act)

#### V. PUBLIC HEARINGS (Rec. 00:02:50):

Commissioner Hanke opened and reviewed the procedures for the public hearings.

- A. 2025 Rate Cards
- B. Draft 2025 Operating & Capital Budget Resolution 829-24 establishing the 2025 Operating and Capital Budgets
- C. Resolution 827-24 fixing the amount of general property tax to be levied for collection in the year 2025
- D. Resolution 828-24 fixing the amount of IDD tax to be levied for collection in the year 2025

Director of Finance and Administration Connie Anderson led a budget presentation to provide a 2025 budget overview. She also reviewed Property Tax and IDD levy rates as set in the proposed resolutions.

There was no public testimony. (Rec: 00:25:33)

The public hearings were closed.

Unanimous approval of Motion to adopt the 2025 rate cards. Before approval there was discussion of the limit on the number of liveaboards to 10%.

Unanimous approval of Motion to adopt Resolution 829-24 Establishing the 2025 Operating and Capital Budget.

Unanimous approval of Motion to adopt Resolution 827-24 fixing the amount of general property tax to be levied for collection in the year 2025

Unanimous approval of Motion to adopt Resolution 828-24 fixing the amount of IDD tax to be levied for collection in the year 2025

VI. PUBLIC HEARING ON RESOLUTION 830-24 AMENDING THE PORT OF PORT TOWNSEND'S COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS TO INCORPORATE THE CAPITAL PROJECT'S CONTAINED IN THE 2025 OPERATING & CAPITAL BUDGET (Rec: 00:33:00)

Commissioner Hanke opened and reviewed the procedures for the public hearing.

Deputy Director Eric Toews gave the staff presentation noting the Comprehensive Scheme needs to conform with the previously-adopted budget. The document was amended to reflect the acquisition of the April Owen property. He reviewed the SEPA public comment, the appeals process is concluded, and is ready for Commission action.

Public Testimony (Rec: 00:39:00): There was none.

The public hearing was closed.

Unanimous Commission approval of motion to adopt Resolution 830-24 Amending the Port of Port Townsend's Comprehensive Scheme of Harbor Improvements to Incorporate the Capital Projects Contained in the 2025 Operating & Capital Budget

# VII. PUBLIC HEARING ON RESOLUTION 831-24 RELATING TO CHARGING FEES FOR PUBLIC RECORDS CONSISTENT WITH APPLICABLE STATE LAWS (Rec: 00:40:50)

Commissioner Hanke opened and reviewed the procedures for the public hearing.

Administrative Assistant/Public Records Officer Joanna Sanders gave the staff presentation about the fees and updated public records policy.

Public Testimony (Rec: 00:58:31): There was none. The public hearing was closed.

# Unanimous approval of Motion to approve Resolution 831-24 Relating to Charging Fees for Public Records Consistent with Applicable State Laws (Rec: 00:45:22)

VIII. REGULAR BUSINESS (Rec. 00:49:23)

A. 2025 Legislative Agenda/Priorities (Rec: 00:49:30)

Insight Strategies Caron Benedetti Cargill was present to give a presentation reviewing changes in leadership as a result of the November election and to lead a review and discussion of the 2025 Port priorities. She fielded questions from the Commission on the topics of housing, and recycling vessel hulls through the Department of Natural Resources.

Executive Director Eron Berg requested the Commission approve the legislative priorities as listed.

Unanimous approval of a motion to approve the prioritized list of priorities:

- Funding for Jefferson Country International Airport Industrial Park,
- Funding for Boat Yard Expansion Project Phase 1,
- Support funding for Heritage Capital Grant Program and the Point Hudson Weatherization Project,
- Support Funding for Model Toxics Control Act,
- Support Full Ferry Service,
- Support Electrification Funding Support for Ports,
- Support Funding for Derelict Vesel Removal Program and
- Support Match Act 2.0.
- B. Harbormaster Report (Rec: 01:24:55).

Harbormaster Kristian Ferrero gave the staff presentation on increased activity in the 75 and 300-ton haulout categories, Boat Haven tenancy increases, and Point Hudson parking, transient RV, and vessel counts.

C. Decision on Cancelling or Rescheduling the December 11, 2024 Workshop and Business Meeting to Monday, December 9 at 9:30 and 1pm (Rec: 01:33:00)

There was no objection with setting the first December Commission Workshop and Business Meeting to Wednesday, December 18, 2024 at 9:30 a.m. and 1 p.m.

#### IX. STAFF COMMENTS (Rec. 01:36:48)

Executive Director Eron Berg reported on the following: Dec. 20 Port staff holiday party from noon to 2pm, a new rule amendment to allow limited fireworks at the Quilcene ramp in July and New Year's Eve, Port hosting the Pacific Coast Conference in April 2025 for an estimated cost of \$3-5,000, and Shoe String Circus scheduled for two weekends at the end of July at Point Hudson. He requested Commission input on what three projects of those listed to prioritize with North Olympic Legislative Alliance.

<u>Eric Toews</u>: reported Port staff may request approval of a resolution to pursue an EDA grant for West Boat Yard Expansion that may require a 50% match.

<u>Director of Finance and Administrative Services Connie Anderson</u> reported that an interlocal agreement will be coming forward to the Port Commission to shift IT network/services from Olympic Educational Services District to the Jefferson County PUD.

<u>Harbormaster Kristian Ferrero</u> will attend the Pacific Marine Expo next week with a larger booth and more merchandise for sale.

Lease and Contracts Administrator Sue Nelson reported that 103 Hudson Street will now house Chums - a store with local food/pastries/art and sundries. Sea Grant will move to the former engineering office space across the breezeway. The Artful Sailor lease is now extended, and two Port-owned hangars were recently leased with one more still available. U.S. Customs will vacate their space to be occupied by Washington Department of Fish and Wildlife. Jumping Mouse is having their annual Turkey Trot on Saturday, Nov. 23.

<u>Director of Capital Projects and Port Engineer Matt Klontz</u> reported bids are due Nov. 25 at 4 p.m. and there are 17 registered bidders for the Boat Haven Stormwater project.

Attorney Seth Woolsen noted there is a DNR limit to 10% maximum on the number of liveaboards.

<u>Administrative Assistant Joanna Sanders</u>: Asked to confirm Commissioner quorum for Pacific Marine Expo and holiday party.

#### X. COMMISSIONER COMMENTS (Rec. 01:59:28)

Commissioner Hasse reported on discussion topics (including Port sea-level rise) at the recent two-day seminar on North Olympic Development Council on Energy Resilience and Independence. She will attend a Friday, Nov. 15 Wash. Maritime Trust event from 10-2 at Northwest Maritime.

Commissioner Petranek reported on the following: EDC Board Nominee from Port Townsend paper. *Our Working Waterfront* podcast Coastal Ocean College in Mystic Seaport and other Port businesses is now available. She will attend Pacific Marine Expo and attended last night's PTMTA annual membership meeting where they would like to focus on the lease policy. At the meeting, a Northwest Maritime representative reported on recent funding covering labor and industry expenses to allow student business internships. The Jefferson County Historical Society received grant for documenting historical boats, the 100 Year Port

History Book is still a topic of conversation at Farmer's Market. She also attended a great wedding reception held at the Pavilion.

#### XI. NEXT PUBLIC WORKSHOP & REGULAR BUSINESS MEETING (Rec. 02:09:52)

Thursday, November 21, 2024 at the Pavilion Building at 5 p.m. is the Intergovernmental Collaborative Group Meeting.

Tuesday, November 26, 2024 at Pavilion Building and via Zoom in a Regular Business Meeting at 1:00 p.m.

#### XII. ADJOURNMENT (Rec. 02:11:13)

At 3:11 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

#### PORT COMMISSION SPECIAL BUSINESS MEETING – Thursday, February 15, 2024

The Port of Port Townsend Commission met for a special joint business meeting as part of the Intergovernmental Collaborative Group Meeting at the Point Hudson Pavilion Building, 355 Hudson Street, Port Townsend, and also online via Zoom.

Present: Commissioners Hanke, Petranek and Hasse

Executive Director Eron Berg

Others Jurisdictions Present: City of Port Townsend, Jefferson County Board of Commissioners, Jefferson County Public Utility District

#### I. CALL TO ORDER

The Port Commission met beginning at 5:00 p.m.

Welcome by Rotating Chair Kate Dean

Various other chairs of the above bodies called their special meetings to order.

#### II. DISCUSSION TOPICS

- A. APPROVAL OF MINUTES: November 16, 2023
- B. PRESENTATION re: Growth Management Steering Committee (30 min)
- C. UPDATE re: Recompete Grant (30 min)
- D. UPDATE re: Jefferson County Emergency Management (15 mins)
- E. Jefferson County/Port Townsend Multi-Jurisdictional Hazard Mitigation Plan Comprehensive Emergency Management Plan Renewal (15 min)

#### III. AGENCY ROUNDTABLES

#### IV. ADJOURNMENT

At 7:13 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

#### PORT COMMISSION SPECIAL BUSINESS MEETING – Thursday, May 23, 2024

The Port of Port Townsend Commission met for a special joint business meeting as part of the Intergovernmental Collaborative Group Meeting at the Point Hudson Pavilion Building, 355 Hudson Street, Port Townsend, and also online via Zoom.

Present: Commissioners Petranek and Hasse with Commissioner Hanke Excused/Absent Executive Director Eron Berg

Others Jurisdictions Present: City of Port Townsend, Jefferson County Board of Commissioners, Jefferson County Public Utility District

#### I. CALL TO ORDER

The Port Commission met beginning at 6:00 p.m.

Welcome by rotating chair, President and PUD Commissioner Jeff Randell

Various other chairs of the above bodies called their special meetings to order.

- II. MEETING CANCELLED ALL FOLLOWING MATTERS DEFERRED/TERMINATED DUE TO TECHNOLOGY ISSUES
  - A. APPROVAL OF MINUTES: February 15, 2024
  - B. PRESENTATION re: Community Wildfire Protection Plan and Interagency Partnership and Inspection (30 min)
  - C. UPDATE re: Jefferson County Drought Conditions (10 min)
  - D. UPDATE re: Growth Management Steering Committee (10 min)
  - E. UPDATE re: Healthier Together/Pool Initiative (10 min)
- III. ROUNDTABLE REPORTS/DISCUSSION
- IV. ADJOURNMENT

At 7:57 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

#### PORT COMMISSION SPECIAL BUSINESS MEETING – Thursday, October 10, 2024

The Port of Port Townsend Commission met for a special joint business meeting as part of the Intergovernmental Collaborative Group Meeting at the Point Hudson Pavilion Building, 355 Hudson Street, Port Townsend, and also online via Zoom.

Present: Commissioners Petranek and Hasse with Commissioner Hanke Excused Executive Director Eron Berg

Others Jurisdictions Present: City of Port Townsend, Jefferson County Board of Commissioners, Jefferson County Public

#### I. CALL TO ORDER

The Port Commission met beginning at 5:00 p.m. Various other chairs of the above bodies called their special meetings to order.

#### II. WELCOME

By Rotating Chair, City of Port Townsend Deputy Mayor Amy Howard and framing for the special speaker topic by Port Commissioner Pam Petranek

#### III. PRESENTATIONS:

Frank Tuffner, Pacific Northwest National Laboratory. A shifting landscape – how microgrids, distributed energy resources, alternative fuels, and electric vehicles are impacting the power system and how they can be used in new ways (45 mins)

Rick Dunn, Benton Public Utility District on Carbon-Free Electricity Policies – Impacts and Perspectives (45 mins)

Q & A with the Presenters

#### IV. PUBLIC COMMENT PERIOD (5 min)

Various members of the public made verbal comment.

### V. ADJOURNMENT

At 7:30 p.m., the meeting adjourned there being no further business before the Commission.

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ATTEST:	
	Peter W. Hanke, President
Pamela A. Petranek, Secretary	
	Carol L. Hasse, Vice President

### PORT COMMISSION SPECIAL BUSINESS MEETING - Thursday, September 19, 2024

The Port of Port Townsend Commission met for a special joint business meeting as part of the Intergovernmental Collaborative Group Meeting at the Point Hudson Pavilion Building, 355 Hudson Street, Port Townsend, and also online via Zoom.

Present: Commissioners Petranek and Hasse with Commissioner Hanke Excused Executive Director Eron Berg

Others Jurisdictions Present: City of Port Townsend, Jefferson County Board of Commissioners, Jefferson County Public

#### I. CALL TO ORDER

The Port Commission met beginning at 5:00 p.m. Various other chairs of the above bodies called their special meetings to order.

# II. MEETING CANCELLED AND ALL FOLLOWING MATTERS DEFERRED/TERMINATED DUE TO TECHNOLOGY ISSUES

- A. APPROVAL OF MINUTES: May 23, 2024
- B. 2025 ICG Joint Resolution (30 min)
- C. UPDATE re: Comprehensive Planning/Growth Management Steering Committee (10 min)
- D. UPDATE re: Healthier Together/Pool Initiative (10 min)
- E. UPDATE re: Coordinated Water System Plan (10 min)

#### III. ADJOURNMENT

At 5:15 p.m., the meeting adjourned there being no further business before the Commissio	At 5:15 p	o.m., the	meeting a	djourned	there	being no	further	business	before	the	Commissi	.on
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ATTEST:	
	Peter W. Hanke, President
Pamela A. Petranek, Secretary	
	Carol L. Hasse, Vice President

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



360-385-0656 fax:360-385-3988 info@portofpt.com

# **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 <u>069410 – 069440</u> generated on November 14th, 2024 in the amount of <u>\$161,389.13</u> is ratified.

Signed and Authenticated on this	26th day of November , 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: 11/14/2024 Register Number: CD-001118

Port of Port Townsend (PTA)

			Bank Code: W - WARF	RANTS PAYABLE		
		Vendor Invoice Number	Invoice Date In	voice Amount	<b>Discount Applied</b>	Payment Amount
000069410	11/14/2024	AHB040 AHBL. Inc.				Check Entry Number: 001
		148592	10/31/2024	69,602.38	0.00	69,602.38
00069411	11/14/2024	AKU020 Artem Akulov				Check Entry Number: 001
		REFUND	11/14/2024	125.14	0.00	125.14
00069412	11/14/2024	AND040 Joseph Andre				Check Entry Number: 001
		REFUND	11/14/2024	102.87	0.00	102.87
00069413	11/14/2024	BAN005 Bank of America				Check Entry Number: 001
		11/5/24 STATEMENT	11/5/2024	12,263.90	0.00	12,263.90
00069414	11/14/2024	CED005 CED				Check Entry Number: 001
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		5948-1061703	11/6/2024	250.53	0.00	250.53
		Check (	0000069414 Total:	350.19	0.00	350.19
00069415	11/14/2024	CEN030 CenturyLink				Check Entry Number: 001
		11/1/2024 STMNT	11/1/2024	215.00	0.00	215.00
00069416	11/14/2024	CIN020 Cintas				Check Entry Number: 001
		5239537003	11/13/2024	318.75	0.00	318.75
00069417	11/14/2024	CIT001 City Of Port Townsend		0.00	0100	Check Entry Number: 001
		10/31/24 STATEMENTS	11/1/2024	14,566,29	0.00	14,566.29
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T.		EST-24-0052	11/6/2024	413.92	0.00	413.92
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00009420	11/14/2024	DIN010 Peninsula Glass/The [	-	500.00	2.22	Check Entry Number: 001
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		87924	10/31/2024	166.18	0.00	166.18
		87934	11/4/2024	175.54	0.00	175.54
			0000069420 Total:	934.65	0.00	934.65
00069421	11/14/2024	DLL010 D L Logos				Check Entry Number: 001
		4775	11/13/2024	1,224.60	0.00	1,224.60
00069422	11/14/2024	ECO040 EcoLube Recovery LL	С			Check Entry Number: 001
		13519103024	10/31/2024	89.00	0.00	89.00
00069423	11/14/2024	FIS020 Fish N Hole				Check Entry Number: 001
		5384292	11/2/2024	22.80	0.00	22.80
00069424	11/14/2024	JC0003 Jefferson County - Pub	olic Work			Check Entry Number: 001
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00069425	11/14/2024	KEN020 Kennedy Jenks				Check Entry Number: 001
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00069426	11/14/2024	LAN001 Landau Associates				Check Entry Number: 001
		0060200	11/12/2024	800.00	0.00	800.00
00069427	11/14/2024	LES050 Les Schwab				Check Entry Number: 001
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		37900629894	10/29/2024	301.85	0.00	301.85
			0000069427 Total:	602.62	0.00	602.62
00069428	11/14/2024	MAC070 MacLeod Reckord, PL		002.02	0.00	
,000JTZU	11/17/2024	INV-9373		1 0// 50	0.00	Check Entry Number: 001
		114V-3019	11/5/2024	1,844.50	0.00	1,844.50

Run Date: 11/14/2024 4:02:01PM

A/P Date: 11/14/2024

Page:

User Logon: donna@portofpt.com

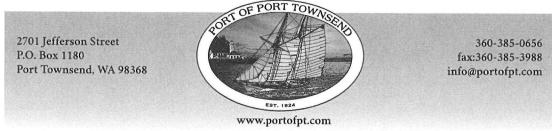
**Check Register** 

Journal Posting Date: 11/14/2024 Register Number: CD-001118

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE							
Check Number		Vendor Invo	oice Number	Invoice Date	<b>Invoice Amount</b>	<b>Discount Applied</b>	Payment Amount
0000069429	11/14/2024	MAR096	Marian Roh				Check Entry Number: 001
		2410		11/14/2024	1,170.00	0.00	1,170.00
0000069430	11/14/2024	NEL020	Timothy Nelson				Check Entry Number: 001
			4 UNIFORM EXP	11/14/2024	43.69	0.00	43.69
0000069431	11/14/2024	OLY003	Olympic Springs, Inc.				Check Entry Number: 001
			1/24 STMNTS	10/31/2024	129.47	0.00	129.47
0000069432	11/14/2024	OLY035	Olympic Peninsula Comr				Check Entry Number: 001
	W-074	48		11/5/2024	3,037.50	0.00	3,037.50
0000069433	11/14/2024	PED050	Oliver Pedersen				Check Entry Number: 001
		REF		11/14/2024	41.07	0.00	41.07
0000069434	11/14/2024	PET025	Petrick Lock & Safe				Check Entry Number: 001
		2234	-	10/29/2024	181.84	0.00	181.84
0000069435	11/14/2024	POR005	Port Townsend Leader				Check Entry Number: 001
ACMINISTRATION DAVING	W72000 2000 0 0	1158	87.20	9/1/2024	1,050.00	0.00	1,050.00
0000069436	11/14/2024	PUD005	PUD #1 of Jefferson Cou	•			Check Entry Number: 001
			/2024 STMNT	11/4/2024	20.17	0.00	20.17
			2024 STATMENT	11/5/2024	359.03	0.00	359.03
		11/5/	24 STMNTS	11/5/2024	180.00	0.00	180.00
			Check 00	00069436 Total:	559.20	0.00	559.20
0000069437	11/14/2024	QUI001	Quill Corporation				Check Entry Number: 001
		4135	2787	11/1/2024	72.74	0.00	72.74
0000069438	11/14/2024	RSI050	RSINet				Check Entry Number: 001
		8249		11/13/2024	180.00	0.00	180.00
0000069439	11/14/2024	SOU055	Sound Publishing, Inc				Check Entry Number: 001
			1004789	11/2/2024	79.61	0.00	79.61
0000069440	11/14/2024	UPT020	Uptown Auto Body Rebu				Check Entry Number: 001
		2637	8	11/13/2024	10,963.13	0.00	10,963.13
				Report Total:	161,389.13	0.00	161,389.13

A/P Date: 11/14/2024



WARRANT/ELECTRONIC	PAYMENT APPROVAL
We, the undersigned, as Commissione Port Townsend, in Jefferson County, \	
penalty of perjury that the materials	
rendered or the labor performed as des	
just, due and unpaid obligations agains	
are authorized to authenticate and cert	
these claims, in Warrant No <u>069441</u>	through No. <u>069443</u> generated on
November 18, 2024 in the amount of _	\$5,601.25 and Electronic Payment
in the amount of <u>\$140,287.43</u> , for a	total amount of <u>\$145,888.68</u> is
ratified.	
<u>Signed and Authenticated</u> on this _	<u>26th</u> day of <u>November</u> ,
<b>2024</b> .	
For Downell and Danetite	
For: Payroll and Benefits	
	Commissioner Pete W Hanke
	Commissioner Carol Hasse
	Commissioner Pam Petranek
	Connie Anderson, Director of Finance And Administration

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



360-385-0656 fax:360-385-3988 info@portofpt.com

# **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 <u>069444 – 069474</u> generated on November 21st, 2024 in the amount of <u>\$64,060.19</u> is ratified.

Signed and Authenticated on this	2024 as 26th day of November, 2024
For: Accounts Payable	
	Commissioner Pete W. Hanke
	Commissioner Fele VV. Hanke
	Commissioner Carol Hasse
	Commissioner Pam Petranek
	Connie Anderson, Director of Finance and Administration

**Check Register** 

Journal Posting Date: 11/21/2024 Register Number: CD-001120

Port of Port Townsend (PTA)

		***************************************				Port of Port Townsend (PTA
cl las l	al l. b. c.		Bank Code: W - WA			
-		Vendor Invoice Number	The state of the s	Invoice Amount	Discount Applied	Payment Amount
0000069444	11/21/2024	ADL050 Ironclad Environme				Check Entry Number: 001
2222222115		207985-0019	11/15/2024	2,140.10	0.00	2,140.10
0000069445	11/21/2024	ALD050 Alden Associates				Check Entry Number: 001
	* *************************************	A520109-IN	11/20/2024	1,145.42	0.00	1,145.42
0000069446	11/21/2024	ALL003 All City Autobody &	Towing			Check Entry Number: 001
		44144	9/10/2024	125.00	0.00	125.00
		44712	9/17/2024	333.00	0.00	333.00
		Chec	k 0000069446 Total:	458.00	0.00	458.00
0000069447	11/21/2024	ALL085 Alliance Technical (	Group, LLC			Check Entry Number: 001
		SEA066581	11/19/2024	500.00	0.00	500.00
0000069448	11/21/2024	AVC050 Avcom Company	, , , , , , , ,	000.00	0,00	Check Entry Number: 001
		11010124	11/20/2024	969.90	0.00	969.90
0000069449	11/21/2024	BOT040 Botero & Son Electr		303.30	0.00	Check Entry Number: 001
		24-2588	10/9/2024	12,897.65	0.00	12,897.65
0000069450	11/21/2024	BUS035 Jason Bushman	10/3/2024	12,037.00	0.00	100 J # 000 00 000 000 000 000 000 000 00
0000003100	THEHLOLT	REFUND 11/18/24	11/18/2024	500.00	0.00	Check Entry Number: 001 500.00
0000069451	11/21/2024	CAM070 Ron Cameron	11/10/2024	300.00	0.00	
0000003431	11/21/2024	REFUND 11/7/24	11/7/0004	010.10	0.00	Check Entry Number: 001
0000060450	11/01/0004		11/7/2024	918.12	0.00	918.12
0000069452	11/21/2024	CEN035 CenturyLink	44/6/0004	075.00		Check Entry Number: 001
0000000450	44/04/0004	11/6/24 STATEMENTS	11/6/2024	375.33	0.00	375.33
0000069453	11/21/2024	CHM030 CSD Attorneys at L				Check Entry Number: 001
		10/2024 STMNT	11/20/2024	7,445.00	0.00	7,445.00
0000069454	11/21/2024	DAI001 Daily Journal of Cor				Check Entry Number: 001
		3404519	11/12/2024	719.10	0.00	719.10
0000069455	11/21/2024	FIS070 Fisheries Supply				Check Entry Number: 001
		7059369	11/15/2024	102.02	0.00	102.02
0000069456	11/21/2024	FOS010 Albert Foster				Check Entry Number: 001
		REFUND 11/8/24	11/8/2024	544.11	0.00	544.11
0000069457	11/21/2024	GAU050 Larry Gauer				Check Entry Number: 001
		REFUND 11/15/2024	11/15/2024	6.86	0.00	6.86
0000069458	11/21/2024	HAR070 Sheryle Harp				Check Entry Number: 001
		REFUND 10/26/24	10/26/2024	65.73	0.00	65.73
0000069459	11/21/2024	HEI070 Richard Heim				Check Entry Number: 001
		11/24 UNIFORM EXP	11/21/2024	435.00	0.00	435.00
0000069460	11/21/2024	JC1001 Jefferson County A	uditor			Check Entry Number: 001
		SUB2024-00027-OWEN	11/21/2024	307.50	0.00	307.50
0000069461	11/21/2024	JEN070 Robert Jendrey				Check Entry Number: 001
		REFUND 11/18/24	11/18/2024	355.04	0.00	355.04
0000069462	11/21/2024	KPF050 KPFF		330101	0.00	Check Entry Number: 001
		541670	11/14/2024	8,009.25	0.00	8,009.25
0000069463	11/21/2024	LIN020 Cynthia Lindsey	11114/2024	0,003.23	0.00	
0000000	1 1/2 1/2021	REFUND 11142024	11/14/2024	183.68	0.00	Check Entry Number: 001 183.68
0000069464	11/21/2024	MAR031 Marine Vacuum Sei		103.00	0.00	
0000003404	11/21/2024	84225		0.051.61	0.00	Check Entry Number: 001
0000069465	11/21/2024	PET065 Pam Petranek	11/18/2024	2,951.61	0.00	2,951.61
000003403	1112112024		11/04/0004		0.00	Check Entry Number: 001
		10/2024	11/21/2024	61.64	0.00	61.64
		9/2024	11/21/2024	68.34	0.00	68.34
			k 0000069465 Total:	129.98	0.00	129.98
0000069466	11/21/2024	PIN010 Pinnacle Investigati	*			Check Entry Number: 001
		96228	11/17/2024	40.50	0.00	40.50

Run Date: 11/21/2024 3:50:42PM

A/P Date: 11/21/2024

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**Check Register** 

Journal Posting Date: 11/21/2024 Register Number: CD-001120

Port of Port Townsend (PTA)

				Bank Code: W - WA	RRANTS PAYABLE		
Check Number	Check Date	Vendor	Invoice Number	<b>Invoice Date</b>	<b>Invoice Amount</b>	<b>Discount Applied</b>	Payment Amount
000069467	11/21/2024	POR065	Port of Port Townsend				Check Entry Number: 001
			REFUND 11/15/24	11/15/2024	8.45	0.00	8.45
000069468	11/21/2024	PUD005	PUD #1 of Jefferson C	ounty			Check Entry Number: 001
			11/12/2024 STMNT	11/12/2024	20,750.83	0.00	20,750.83
			11/12/24 STATEMENT	11/12/2024	49.61	0.00	49.61
			Check (	0000069468 Total:	20,800.44	0.00	20,800.44
000069469	11/21/2024	SIM070	<b>Robert Simmons</b>				Check Entry Number: 001
			REFUND 11/4/2024	11/4/2024	500.00	0.00	500.00
000069470	11/21/2024	SPA070	Chris Sparks				Check Entry Number: 001
			11/24 EXP	11/19/2024	143.66	0.00	143.66
000069471	11/21/2024	SUN020	Sunrise Coffee				Check Entry Number: 001
			20241348	11/19/2024	74.48	0.00	74.48
000069472	11/21/2024	TIP020	Bruce Tipton				Check Entry Number: 001
			REFUND 11/6/24	11/6/2024	598.95	0.00	598.95
000069473	11/21/2024	TUR040	Jack Turley				Check Entry Number: 001
			REFUND 11/7/24	11/7/2024	310.31	0.00	310.31
000069474	11/21/2024	WIN003	Windridge Solutions				Check Entry Number: 001
			589	11/13/2024	424.00	0.00	424.00
				Report Total:	64,060.19	0.00	64,060.19

A/P Date: 11/21/2024

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



360-385-0656 fax:360-385-3988 info@portofpt.com

# **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 US Bank is approved for payment in the amount of \$61.95 is ratified.

Signed and Authenticated on this 26th day of November, 2024.

For: Bank Fees in the amount of \$61.95

Commissioner Pete W. Hanke
Commissioner Carol Hasse
Commissioner Pam Petranek
Connie Anderson, Director of

Check History Report Sorted By Check Number Activity From: 11/20/2024 to 11/20/2024

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### Port of Port Townsend (PTA)

Bank Code: Q	JS Bank - Qui	Icene				
Check Number	Check Date	Vendor Number	Name		Check Amount	Check Type
W000001016	11/20/2024	USB050	US Bank - Quilcene		61.95	Wire Transfer
				Bank Q Total:	61.95	
				Report Total:	61.95	

Run Date: 11/21/2024 10:44:10AM

A/P Date: 11/21/2024

Page: 1

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



360-385-0656 fax:360-385-3988 info@portofpt.com

## **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 \$28,762.71 is ratified.

Signed and Authenticated on this 26th day of November, 2024.

For: Combined Excise Tax Return – for *October, 2024* and Credit Card Fees in the amount of *\$28,762.71* 

Commissioner Pete W. Hanke
Commissioner Carol Hasse
Commissioner Pam Petranek
Connie Anderson, Director of Finance and Administration

Check History Report Sorted By Check Number Activity From: 11/20/2024 to 11/20/2024

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### Port of Port Townsend (PTA)

Bank Code: K	KITSAP BANK				
Check Number	Check Date	Vendor Number	Name	Check Amount	Check Type
W000001013	11/20/2024	WA0200	Washington State Department of Revenue	11,254.51	Wire Transfer
W000001014	11/20/2024	MOL010	Molo Inc.	15,064.79	Wire Transfer
W000001015	11/20/2024	CAM050	CampLife	2,443.41	Wire Transfer
			Bank K Total:	28,762.71	
			Report Total:	28,762.71	

Run Date: 11/21/2024 10:42:13AM

A/P Date: 11/21/2024

Page: 1

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

Port Townsend, WA 98368

Rest. 1924

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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 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. <u>069335</u> in the amount of <u>\$3150.00</u> is declared <u>void</u> on this on this <u>26th</u> day of <u>November, 2024</u>.

For: Accounts Payable

Commissioner Pete W. Hanke
Commissioner Carol Hasse
Commissioner Pam Petranek
Connie Anderson, Director of Finance And Administration

Manual Check and Payment Register Journal Posting Date: 11/20/2024 Register Number: MC-000395

Port of Port Townsend (PTA)

Bank: W WARRANTS PAYABLE				
Check Number/ Check Date Vendor Invoice Number Invoice Date	Number Invoice Amount	Discount	Distribution Amount	Check Amount
0000069335 REV 10/30/2024 DHE030 Check Comment: Updated Bank & Address CK000006933501	DH Environmental, Inc.			3,150.00-
10/30/2024  G/L Account: 721-7225-05  G/L Account: 723-7225-25  G/L Account: 721-7225-02  G/L Account: 761-7225-20  G/L Account: 761-7225-19	3,150.00- TRAINING: WORK YARD TRAINING: MAINTENANCE TRAINING: MOORAGE TRAINING: QUILCENE TRAINING: P. H. MARINA & RV	0.00	1,400.00- 1,050.00- 350.00- 175.00- 175.00-	
Check 0000069335 Total:	3,150.00-	0.00	3,150.00-	3,150.00-
Bank W Total:	3,150.00-	0.00	3,150.00-	3,150.00-
Report Total:	3,150.00-	0.00	3,150.00-	3,150.00-

# PORT OF PORT TOWNSEND AGENDA COVER SHEET

MEETING DATE	11/26/2024
AGENDA ITEM	☐ First Reading ☐ Second Reading ☐ Regular Business
AGENDA TITLE	IV. C. Authorize Executive Director to Sign the Updated Interlocal Agreement with the Public Utility District No. 1 of Jefferson County for IT Services
STAFF LEAD	Connie Anderson, Director of Finance & Administration
REQUESTED	
ATTACHMENTS	<ul> <li>A. Information Memo-Update to Interlocal Agreement with Jefferson County PUD</li> <li>B. 2021 PoPT-PUD ILA, marked up</li> <li>C. 2024 PUD ILA Draft</li> </ul>

If adopted as part of the consent agenda, no further action is needed. Approval of this item on the Consent Agenda authorizes the Executive Director to Sign the Updated Interlocal Agreement with the Public Utility District No. 1 of Jefferson County for IT Services.

Alternative action: Remove from consent for discussion. Move to authorize the Executive Director to Sign the Updated Interlocal Agreement with the Public Utility District No. 1 of Jefferson County for IT Services.

# PORT OF PORT TOWNSEND INFORMATIONAL MEMO

**DATE:** November 26, 2024

**TO:** Commission, Executive Staff

**FROM:** Connie Anderson, Director of Finance & Administration

SUBJECT: Update to Interlocal Agreement with Jefferson County PUD

#### **ISSUE**

IT Services have been provided to the Port by Olympic Educational Services District (OESD) for the past 10 years. Providing IT Services to the Port falls on the fringe of the OESD mission and has been questioned by the State Auditor's Office. With this question in mind, staff pursued a local partnership to provide IT services. Jefferson County PUD is able to provide services.

#### **BACKGROUND**

The Port entered an Interlocal Agreement with Jefferson County PUD (JPUD) in January 2021 to share services and staffing for engineering, construction and wholesale broadband. In recent months, the Port and the JPUD have discussed adding IT services and staff to the list. To accommodate the new service, and to update outdated rates and terms (such as wholesale broadband, as the JPUD now provides both retail and wholesale), staff decided to update the existing ILA and bring it back to their respective boards.

#### **DISCUSSION**

As requested by the Commission.

#### **FISCAL IMPACT**

NEUTRAL.

JPUD will provide the equivalent of one half-time IT staff member's hours to support the Port of Port Townsend. The Port will reimburse the PUD at the loaded rate for an IT Specialist. Other services will be reimbursed at applicable rates, excluding mutually beneficial projects. The Interlocal agreement with JPUD replaces the IT Services contract with the Olympic Educational Services District. The cost of services will be similar to the OESD contract.

#### **RECOMMENDATION**

Motion authorizing the Executive Director to sign the updated Interlocal Agreement with Jefferson County PUD to include IT Services.

#### **ATTACHMENTS**

2024 Interlocal Agreement 2021 Interlocal Agreement, marked up

#### **INTERLOCAL AGREEMENT**

#### BETWEEN THE JEFFERSON COUNTY PUD NO. 1 AND

#### THE PORT OF PORT TOWNSEND

This Interlocal Agreement ("Agreement") made and entered into this 20<sup>th</sup> day of January 2021, pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act (the "Act"), by and between Jefferson County PUD No. 1, hereinafter referred to as the "PUD," and the Port of Port Townsend, hereinafter referred to as the "Port" (collectively referred to as "the Parties").

WHEREAS, The PUD and the Port are two local governmental agencies operating in Jefferson County, State of Washington; and

**WHEREAS**, RCW 39.34.080 permits public agencies to contract with one another for the performance of certain governmental services. Under the Act, public agencies may enter into agreements with one another for joint or cooperative action; and

WHEREAS, The PUD has engineering experience that the Port seeks to utilize; and

WHEREAS, The Port and the PUD seek to collaborate and work together to provide wholesale broadband services in Jefferson County, Washington.

**NOW, THEREFORE,** based upon mutual covenants to be derived from this agreement, the Parties agree as follows:

- Purpose: It is the purpose of this Agreement to provide for the cooperation between the Parties and make the most efficient use of their resources by enabling the Port to utilize the PUD's engineering services, whether provided internally or contracting out. In addition, the Parties seek to cooperate and find the most efficient way to procure any related contractors, materials and equipment for services provided pursuant to this Agreement. The Parties also seek to cooperate with each other to extend wholesale broadband services to customers in Jefferson County, Washington, and to provide terms and conditions where the PUD will construct, operate and maintain the Port's wholesale broadband network.
  - a. For engineering services, the party requesting engineering services shall provide a written request to the party to be providing such services. The requests shall describe the services, the timing anticipated for the services, and the maximum dollar amount for the services. The party providing such services shall timely respond to any request, and all necessary written documentation authorizing the work to be performed shall be executed by the PUD's General Manager and the Executive Director of the Port. It shall be at each party's discretion to undertake any request for services.
  - b. For wholesale broadband services, the Parties shall work together to plan, design construct any wholesale broadband facilities to be owned by the Port and operated and maintained by the PUD. Exhibit "A" to this Agreement provides the specific terms and conditions regarding the planning, development, permitting, construction and operation of all wholesale broadband services that are subject to this Agreement. Upon completion of construction of any of the Port's wholesale broadband facilities, each Party shall retain their respective ownership of all their properties. This Agreement

- does not contemplate joint ownership of property. The PUD agrees to provide the services detailed in the attached Exhibit "A" to this Agreement, after the Parties have agreed upon the specific terms and conditions.
- 2. Compensation: Each Party shall compensate the other Party for the actual cost of services rendered including, be not limited to employee(s) wages (direct rate plus benefits); overhead costs at its current rate in use reimbursement for any and all necessary materials purchased to complete the services; and any costs required for professional insurance coverage necessary. Attached as Exhibit "B" to this Agreement is a current rate schedule for the services to be provided pursuant to this Agreement. The Parties agree to update Exhibit "B" on an annual basis. For purposes of the development of wholesale broadband facilities, Exhibit "A" provides terms and conditions regarding the costs of planning, developing, permitting, constructing and operating the network.
- 3. <u>Employees</u>: Employees assigned to work pursuant to this Agreement remain employees of their respective agency at all times and shall perform the work requested under the sole supervision of their agency. Procedures used in performance of work pursuant to this Agreement shall be mutually agreed to in writing.
- Hold Harmless and Indemnification: Each party (the "Indemnitor") shall hold the other 4. (the "Indemnitee"), harmless, indemnify and defend the other, its board or commission members, officers, officials, employees and agents, from and against any and all claims, actions, suits, liability, loss, expenses, damages, and judgments of any nature whatsoever, including, but not limited to: reasonable costs and attorneys' fees in defense thereof, for injury, sickness, disability or death to persons or damage to property or business, caused by or arising out of the performance of this Agreement, its employees, agents, or subcontractors or anyone for whose acts any of them may be liable, except for injuries and damages caused by the sole negligence of the Indemnitee. If the claim, suit or action involves concurrent negligence of the Parties, the indemnity provisions provided herein shall be applicable only to the extent of the percentage of each party's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes each party's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this Section shall survive the expiration or termination of this Contract.
- Insurance: The PUD is self-insured through its membership in the Pacific Underwriters Management Services. The Port is insured through Enduris Washington (formerly "the Washington Governmental Entity Pool" (WGEP). Within 30 days of executing this Agreement the PUD and the Port shall mutually provide to each other certificates of coverage from their respective Risk Pools. Both Parties agree that not less than thirty (30) days prior to cancellation, suspension, reduction or material change in the membership of a party in its respective Risk Pool, notice of same shall be given to the other party by registered mail, return receipt requested and by email. The Parties further agree that their membership in their respective Risk Pools provide coverage for the following categories of risk and with coverage limits that equal or exceed what is listed below:

**General Liability** with a minimum limit per occurrence of one million dollars \$1,000,000) and an aggregate of not less than two million dollars(\$2,000,000) for bodily injury, death and property damage, unless otherwise specified in the contract specifications.

Business Automobile Liability coverage with a minimum limit per occurrence of one million dollars (\$1,000,000) and an aggregate of not less than two million dollars \$2,000,000). Said coverage shall include liability coverage for all owned, non-owned and hired motor vehicles.

Worker's Compensation insurance with minimum limits not less than that required by state law.

#### Errors and Omissions for Professional Services Provided.

Each party to this Agreement agrees that the coverage provided to it by its membership in its respective Risk Pool shall be primary with respect to any third- party claim presented to that party for the alleged negligent act and omissions of its employees, contractors or representatives. With respect to all claims of third-party liability against one party to this Agreement the coverage provided to the OTHER party by its membership in a Risk Pool shall be non-contributory.

- **6.** <u>Compliance with Laws</u>: Each party hereto, in its performance of this Agreement, agrees to comply with all applicable local, State, and Federal laws and ordinances.
- **Relationship of the Parties:** No agent, employee or representative of any party shall be deemed to be an agent, employee or representative of any other party for any purpose, and the employees of one party are not entitled to any of the benefits any other party provides to its employees.
- **8.** <u>Agreement Not for Benefit of Third Parties</u>: This Agreement is entered into solely for the benefit of the Parties hereto and vests no rights in, or is it enforceable by, any third parties.
- Dispute Resolution: In the event any dispute should occur under this Agreement or related to the performance of any person or equipment, the dispute shall be referred to the General Manager of the PUD and the Executive Director of the Port for resolution. If not resolved within (30) days of referral, either party may pursue such legal actions as it may have available to use.
- Waiver and Venue: A failure by any party to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the party and attached to the original Agreement. This Agreement will be governed by the laws of the State of Washington, both as to interpretation and performance. Any action at law, suit in equity or other judicial proceeding for the enforcement of this agreement may be instituted only in a court of competent jurisdiction in the State of Washington, County of Jefferson.

- 11. <u>Duration and Termination</u>: This Agreement shall commence and be effective upon execution and remain in full force and effect until terminated by agreement of the Parties, or by written notice of termination given by one party to the other party at least thirty (30) days prior to the date of such termination.
- 12. Severability: If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this agreement, and to this end the provisions of this Agreement are declared to be severable.
- 13. Entire Agreement Modification: The written provisions and terms of this Agreement supersede all prior written and verbal agreements and/or statements by any representative of the Parties, and those statements shall not be construed as forming a part of or altering in any manner this Agreement. This Agreement shall contain the entire Agreement between the parties unless modified in writing and signed by authorized representatives of the Parties.
- **14.** Filing: Pursuant to RCW 39.34.040, this Agreement shall be posted on the PUD and Port websites and/or filed with the County Auditor.

In Witness Whereof, the parties have executed this Agreement this 20<sup>th</sup> day of January, 2021.

**JEFFERSON COUNTY PUD NO. 1** 

PORT OF PORT TOWNSEND

Kevin Streett, General Manager

Fron Berg, Executive Director

#### **EXHIBIT A**

#### NETWORK DEVELOPMENT, OPERATIONS AND ENGINEERING SERVICES

- The PUD when requested will assist and collaborate on network build outs and designs on Port property.
- Network Configuration In order to configure and segment the network, the PUD will engineer and purchase the necessary equipment to establish a network agreeable to the Port for their facilities.
- Core Equipment Each party will maintain their core equipment in a manner that provides a high degree of serviceability and reliability. This includes maintaining enough spares for outages and maintenance requirements. Each party will purchase and maintain their own core equipment as needed.

#### EXHIBIT B

#### RATE SCHEDULE FOR SERVICES AND MATERIALS

Compensation. Each Party shall compensate the other Party for the actual cost for services rendered including, be not limited to employee(s) wages (direct rate plus benefits); overhead costs at its current rate in use reimbursement for any and all necessary materials purchased to complete the services; and any costs required for professional insurance coverage necessary

Position
Staking Engineer
Electrical Engineering Manager
GIS Specialist
Broadband Supervisor
Engineering Director

Hourly Rate (2021)
\$58.53
\$90.09
\$67.09
\$56.85

# INTERLOCAL AGREEMENT BETWEEN THE JEFFERSON COUNTY PUD NO. 1 AND THE PORT OF PORT TOWNSEND

This Interlocal Agreement ("Agreement") made and entered into this day	of /
, 2024, pursuant to the provisions of Chapter 39.34 RCW, the Interior	ocal
Cooperation Act, by and between Jefferson County PUD No. 1, hereinafter referred to as	the
"PUD," and the Port of Port Townsend, hereinafter referred to as the "Port" (collectively refer	red
to as "the Parties").	

**WHEREAS,** The PUD and the Port are two local governmental agencies operating in Jefferson County, State of Washington; and

**WHEREAS**, RCW 39.34.080 permits public agencies to contract with one another for the performance of certain governmental services. Under the Act, public agencies may enter into agreements with one another for joint or cooperative action. and

**WHEREAS,** The PUD has engineering, IT, and network experience that the Port seeks to utilize, and

WHEREAS, The Port and the PUD entered into an Interlocal Act Cooperation Act on January 20<sup>th</sup>, 2021, and

WHEREAS, The Port and the PUD wish to amend the Interlocal Act agreed to on January 20<sup>th</sup>, 2021 to include IT services, and to update the scope and costs of services.

**NOW, THEREFORE,** based upon mutual covenants to be derived from this Agreement, the Parties agree as follows:

- 1. Purpose: It is the purpose of this Agreement to allow the Parties to cooperate and make the most efficient use of their resources by enabling the Port to utilize the PUD's engineering services, whether provided internally or contracting out. In addition, the Parties seek to cooperate in order to procure any related contractors, materials and equipment for services provided pursuant to this Agreement. The Parties also seek to cooperate with each other to extend broadband services to customers in Jefferson County, Washington, and to provide terms and conditions where the PUD will construct, operate and maintain the Port's IT and network service and facilities.
- **2.** Requesting Services. (a). For engineering services, the party requesting engineering services shall provide a written request to the party providing such services. The requests shall describe the services, the timing anticipated for the services, and the maximum dollar amount paid for the services. The party providing such services shall timely respond to any request in writing, and if agreeing to provide the services, it shall provide all necessary documentation authorizing the work to be performed. All final work agreements shall be executed by the PUD's General Manager and the Executive Director of the Port. It shall be at each party's discretion to undertake any request for services.
- (b) For IT and network service and facilities, the Parties shall work together to plan, design construct any IT and network service and facilities to be owned by the Port and operated and maintained by the PUD. Exhibit A to this Agreement provides the specific terms and

Interlocal Agreement Between Jefferson PUD and Port of Port Townsend Page 1 of 5

conditions regarding the planning, development, permitting, construction and operation of all IT and network service and facilities that are subject to this Agreement. Upon completion of construction of any of the Port's IT and network service and facilities, each Party shall retain their respective ownership of all their properties. This Agreement does not contemplate joint ownership of property. The PUD agrees to provide the services detailed in the attached Exhibit A to this Agreement, after the Parties have agreed upon the specific terms and conditions.

- **Compensation:** Each Party shall compensate the other Party for the actual cost of services rendered including, but not limited to employee(s) wages (direct rate plus benefits); overhead costs at its current rate in use reimbursement for any and all necessary materials purchased to complete the services; and any costs required for professional insurance coverage necessary. For purposes of the development of IT and network service and facilities, Exhibit A shall provide terms and conditions regarding the costs of planning, developing, permitting, constructing and operating the network.
- 4. <u>Employees</u>: Employees assigned to work pursuant to this Agreement remain employees of their respective agency at all times and shall perform the work requested under sole supervision of their agency. Procedures used in performance of work pursuant to this Agreement shall be mutually agreed to in writing.
- Hold Harmless and Indemnification: Each party (the "Indemnitor") shall hold the other (the "Indemnitee"), harmless, indemnify and defend the other, its board or commission members, officers, officials, employees and agents, from and against any and all claims, actions, suits, liability, loss, expenses, damages, and judgments of any nature whatsoever, including, but not limited to, reasonable costs and attorneys' fees in defense thereof, for injury, sickness, disability or death to persons or damage to property or business, caused by or arising out of the performance of this contract, its employees, agents, or subcontractors or anyone for whose acts any of them may be liable, except for injuries and damages caused by the sole negligence of the Indemnitee. If the claim, suit or action involves concurrent negligence of the Parties, the indemnity provisions provided herein shall be applicable only to the extent of the percentage of each party's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes each party's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this Section shall survive the expiration or termination of this Contract.
- 6. Insurance: The PUD is self-insured through its membership in the Pacific Underwriters Management Services. The Port is self-insured through its membership in the \_\_\_\_\_\_. Within 30 days of executing this Agreement the JPUD and the Port shall mutually provide to each other certificates of coverage from their respective Risk Pools. Both Parties agree that not less than thirty (30) days prior to cancellation, suspension, reduction or material change in the membership of a party in its respective Risk Pool, notice of same shall be given to the other party by registered mail, return receipt requested and by email. The Parties further agree that their membership in their respective Risk Pools provide coverage for the following categories of risk and with coverage limits that equal or exceed what is listed below:

General Liability—with a minimum limit per occurrence of one million dollars

1,000,000) and an aggregate of not less than two million dollars(\$ 2,000,000) for bodily injury, death and property damage unless otherwise specified in the contract specifications.

**Business Automobile Liability coverage**— with a minimum limit per occurrence of one million dollars (\$1,000,000) and an aggregate of not less than two million dollars \$2,000,000). Said coverage shall include liability coverage for all owned, non- owned and hired motor vehicles.

**Worker's Compensation** insurance with minimum limits not less than that required by state law.

### **Errors and Omissions for Professional Services Provided**

Each party to this Agreement agrees that the coverage provided to it by its membership in its respective Risk Pool shall be primary with respect to any third- party claim presented to that party for the alleged negligent act and omissions of its employees, contractors or representatives. With respect to all claims of third- party liability against one party to this Agreement the coverage provided to the OTHER party by its membership in a Risk Pool shall be non- contributory.

- 7. <u>Compliance with Laws</u>: Each party hereto, in its performance of this Agreement, agrees to comply with all applicable local, State, and Federal laws and ordinances.
- **8.** Relationship of the Parties: No agent, employee or representative of any party shall be deemed to be an agent, employee or representative of any other party for any purpose, and the employees of one party are not entitled to any of the benefits any other party provides to its employees.
- **9.** Agreement Not for Benefit of Third Parties: This Agreement is entered into solely for the benefit of the Parties hereto and vests no rights in, or is it enforceable by, any third parties.
- **10.** <u>Dispute Resolution</u>: In the event any dispute should occur under this Agreement or related to the performance of any person or equipment, the dispute shall be referred to the General Manager of the PUD and the Executive Director of the Port for resolution. If not resolved within (30) days of referral, either party may pursue such legal actions as it may have available.
- 11. <u>Waiver and Venue</u>: A failure by any party to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the party and attached to the original Agreement. This Agreement will be governed by the laws of the State of Washington, both as to interpretation and performance. Any action at law, suit in equity or other judicial proceeding for the enforcement of this agreement may be instituted only in a court of competent jurisdiction in the State of Washington, County of Jefferson.
- **12.** <u>Duration and Termination</u>: This Agreement shall commence and be effective upon execution and remain in full force and effect until terminated by agreement of the Parties,

or by written notice of termination given by one party to the other party at least thirty (30) days prior to the date of such termination.

- **13.** <u>Severability</u>: If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this agreement, and to this end the provisions of this Agreement are declared to be severable.
- 14. <u>Entire Agreement Modification</u>: The written provisions and terms of this Agreement supersede all prior written and verbal agreements and/or statements by any representative of the Parties, and those statements shall not be construed as forming a part of or altering in any manner this Agreement. This Agreement shall contain the entire Agreement between the parties unless modified in writing and signed by authorized representatives of the Parties.
- 15. Filing: Pursuant to RCW 39.34.040, this Agreement shall be posted on the PUD and Port websites and/or filed with the County Auditor.

  In Witness Whereof, the parties have executed this Agreement this \_\_\_\_ day of \_\_\_\_\_, 2024.

  JEFFERSON COUNTY PUD NO. 1 PORT OF PORT TOWNSEND

  Kevin Streett, General Manager Eron Berg, Executive Director

### **EXHIBIT A**

### IT SERVICES, NETWORK DEVELOPMENT, OPERATIONS, AND ENGINEERING **SERVICES**

- JPUD will provide staffing support to design, construct, supply, manage and maintain the Port of Port Townsend's IT and networking needs.
- JPUD will provide the equivalent of .5 FTE IT support to POPT. POPT will purchase and own all associated equipment and software. If items are purchased by JPUD for use of the POPT, JPUD staff will invoice POPT for the full amount of the purchase upon delivery or installation of the items. Payment is due within 30 days.
- JPUD will design, construct, operate and maintain fiber optic and WiFi networks for use by the POPT. JPUD will retain ownership of all equipment installed. Use of the services will be charged at rates set by JPUD's commission, unless a custom product is agreed to via a contracted rate.
- JPUD will provide design engineering and construction services for electric, water, and sewer service to service POPT facilities. Such services will be rendered and billed at cost unless said services also benefit JPUD systems and facilities, whereby a costshare rate shall apply.

# PORT OF PORT TOWNSEND AGENDA COVER SHEET

MEETING DATE	November 26, 2024		
AGENDA ITEM	oximes Consent $oximes$ 1st Reading $oximes$ 2nd Reading $oximes$ Regular Business $oximes$ Informational		
AGENDA TITLE	IV. D. ReVision Marine, LLC – Boat Haven Land & Building Lease		
STAFF LEAD	Eric Toews, Deputy Director		
REQUESTED	☐ Information ☐ Motion/Action ☐ Discussion		
ATTACHMENTS	<ol> <li>Staff Memo</li> <li>ReVision Marine, LLC Boat Haven Land &amp; Building Lease, including Exhibits 'A' and 'B'</li> </ol>		

If adopted as part of the consent agenda, no further action is needed. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the Boat Haven Land & Building Lease for ReVision Marine, LLC

Alternative action: Remove from consent for discussion. Move to authorize the Executive Director to execute the Boat Haven Land & Building Lease for ReVision Marine, LLC.

# PORT OF PORT TOWNSEND INFORMATIONAL MEMO

**DATE:** 11/22/2024

**TO:** Port Commission

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

**SUBJECT:** Boat Haven Land & Building Lease – ReVision Marine, LLC

**ISSUE**: Should the Commission authorize the Executive Director to execute a Land & Building Lease (substantially in the form presented) with ReVision Marine?

**BACKGROUND:** In December of 2019, the Commission approved a five (5) year land and building lease with ReVision Marine (Chris Brignoli and Matt Mortensen) for the 2,400 square foot building situated at 301 10<sup>th</sup> Street in the Boat Haven Industrial Park. The lease term commenced on January 1, 2020, and expires on December 31, 2024.

ReVision was a "start-up" business in 2020, seeking to incorporate renewable, more efficient, and environmentally sustainable technologies into boating. Over the past half-decade, ReVision has built a strong book of business, with ever-growing demand and projects scheduled for the next three (3) years. ReVision seeks to bring about a new paradigm in boating, offering energy efficient products and engineering solutions that transform the boating experience for recreational and commercial boaters, while reducing emissions.

In addition to the 2,400 sf building, approximately 1,800 sf of appurtenant land is included for the storage of equipment and materials. The rent at inception will be a blended rate, with the building space assessed at \$0.0858 psf, and the land assessed at \$0.29 psf. The proposed lease term is five (5) years, with one (1) option to extend for an additional five (5) years. The proposed lease agreement is based upon the Port's standard form commercial/industrial lease and is consistent with the Leasing Policy adopted by the Commission in 2019.

**RECOMMENDATION:** Authorize the Executive Director to execute Boat Haven Land & Building Lease with ReVision Marine, LLC.

<u>MOTION</u>: None required. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the Lease with ReVision Marine, LLC. The form will be in all material respects identical to the draft presented to the Commission under this agenda item.

**ATTACHMENTS**: ReVision Marine, LLC Boat Haven Land & Building Lease, including Exhibits 'A' and 'B'.

### PORT OF PORT TOWNSEND

### **BOAT HAVEN LAND & BUILDING LEASE**

**THIS BOAT HAVEN LAND & BUILDING LEASE AGREEMENT** made this \_\_\_\_ day of December 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 REVISION MARINE, LLC a Washington Limited Liability Company, hereinafter referred to as "Lessee,"

### WITNESSETH:

That the parties hereto do mutually agree as follows:

**2. LEASED PREMISES:** The Port hereby leases to Lessee, and Lessee hereby leases from the Port, certain real property (hereinafter "the Premises") located in Jefferson County, Washington, which is briefly described as follows:

An approximately 2,400 square foot building located in the Boat Haven Industrial Park at  $301\ 10^{th}$  Street, Port Townsend, WA, together with approximately 1,800 square feet of land  $(30'\ x\ 60')$  located immediately adjacent and to the south of the above-described building,

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

3. TERM: This Lease shall be for a term of five (5) years, beginning on January 1, 2025, and ending at midnight on December 31, 2029. 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 the end of the initial lease term or any extension hereof. 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 the terms of this Lease shall be updated to be consistent with the terms and conditions then existing in the Port's standard form marine industrial land and building lease.

### 4. RENT:

- Lessee agrees to pay as rental for the leased Premises the sum of Two Thousand Five-Hundred Eighty-One Dollars and Twenty Cents (\$2,581.20) per month plus all applicable taxes.<sup>1</sup>
- b. Beginning on \_\_\_\_\_\_, 2027, and every three (3) years thereafter, the rental rate may be adjusted to the fair market rental rate for the Premises based on the fair market rental rate then prevailing for comparable commercial and/or industrial property in the

<sup>&</sup>lt;sup>1</sup> Rent at lease inception is a blended rate calculated as follows: a) 2,400 sf +/- of building space assessed at \$0.858 psf, with no rent charged for upstairs/mezzanine space (\$2,059.20); 1,800 sf of leased land assessed at \$0.29 psf (\$522.00); total rent at inception = \$2,581.20 + LHT.

- 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.
- c. Except in years when a fair market rate adjustment is made as set forth in subparagraph (b) of this Paragraph 4, above, the rental rate beginning in year two (2) and annually throughout the term of this Lease will be adjusted by an amount equal to the percentage change over the prior year found on the Consumer Price Index for all urban consumers (CPI-U) for Seattle-Tacoma-Bellevue, which is compiled by the Department of Labor, Bureau of Statistics.
- d. In no event shall any rent adjustment under subparagraphs (c) or (c) of this Paragraph 4 result in a reduction in rent from the rate paid in the prior year.
- e. The rent for each month shall be paid to the Port in advance on or before the first day of each month of the lease term and shall be payable at the main office of the Port or at such place as the Port may hereafter designate.
- **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. This provision for a "late charge" and the Port's acceptance of payment of such charges shall not be construed as a waiver of the Port's right to declare this Lease in default if a rent payment is not paid when due.
- 6. **DEPOSIT:** Upon the execution of this Lease, Lessee shall deposit with the Port three month's rent plus all applicable taxes in the amount of Eight Thousand Seven Hundred Thirty-Seven Dollars and Eighty-Eight Cents (\$8,737.88).<sup>2</sup> Lessee has an existing deposit of Six Thousand Five Hundred and Sixty Dollars and Fifty-Two Cents (\$6,560.52) currently on file with the Port under an agreement now superseded by this Lease. Accordingly, Lessee shall deposit an additional Two Thousand One Hundred and Seventy-Seven Dollars and Thirty-Six Cents (\$2,177.36) to satisfy the requirements of this paragraph ("the additional deposit"). This Lease shall not be effective until the additional deposit is made with the Port. If Lessee defaults in any particular the Port may use, apply, or retain, all or any part of the security (1) to the extent of any sum due to the Port, or (2) to make any required payment on Lessee's behalf, or (3) to compensate the Port for any expense or damage caused by Lessee's default. On the Port's demand, Lessee shall promptly pay to the Port a sum equivalent to the amount by which the security was so depleted. On \_\_\_\_\_\_, 2027, 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.
- 7. USE OF PREMISES: Lessee shall use the Premises for the purposes of boat construction and manufacturing, boat repair, and associated warehouse and office use 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, with the exception of temporary closures for such periods as may reasonably be necessary for repairs or for reasons beyond Lessee's reasonable control.

<sup>&</sup>lt;sup>2</sup> Calculated as follows:  $\$2,581.20 \times 3 = \$7,743.60; \$7,743.60 \times 12.84\% = \$994.28; \$7,743.60 + \$994.28 = \$8,737.88$ .

- **8. CONDUCT COVENANTS AND WARRANTIES:** In addition to all other covenants and warranties set forth herein, Lessee specifically represents to the Port as follows:
  - a. Quiet Conduct. The conduct of Lessee and such others for whom Lessee is responsible shall not in any manner disturb the quiet enjoyment of other tenants, invitees or visitors in or near where the Premises are located, including common areas.
  - b. Damage. The conduct of Lessee and such others for whom Lessee is responsible shall not result in, or cause destruction or damage to, the Premises or any part thereof, including, but not limited to all common areas, or the property of other tenants, their invitees, and visitors.
- 9. UTILITIES: Lessee shall be liable for, and shall pay throughout the term of this Lease, all charges for all utility services furnished to the Premises, including, but not limited to electricity, gas, water, sewerage, and garbage disposal. In the event that the Premises are part of any larger Premises to which any utility services are furnished on a consolidated or joint basis, Lessee agrees to pay to the Port its (Lessee's) pro rata share of the cost of any such utility services, and Lessee's pro rata share of any such services may be computed by the Port on any reasonable basis, and separate metering or other exact segregation of costs shall not be required.
- 10. ACCEPTANCE OF PREMISES: Lessee has examined the leased premises and accepts them in their present condition, except for the track system supporting the large sliding door on the south front of the leased building, which the Port agrees to investigate and repair at its own expense by February 28, 2025. Except for the foregoing 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.
- 11. MAINTENANCE AND REPAIR: Maintenance and repair of the premises shall be the sole responsibility of Lessee. Accordingly, at the expiration or sooner termination of this Agreement, Lessee shall return the premises to the Port in the same condition in which received (or, if altered by Lessee with the Port's consent, then the premises shall be returned in such altered condition), reasonable wear and tear and damage by fire or unavoidable casualty excepted. Lessee's obligation to make repairs shall not extend to any structural parts of the building, including the foundations, bearing and exterior walls, subflooring and roofs, the unexposed electrical, plumbing and sewerage systems (including those portions of the systems lying outside the premises), exterior siding, 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

<sup>&</sup>lt;sup>3</sup> This is a Port responsibility under Paragraph 11 of this Lease.

- c. Not commit waste of any kind.
- 12. ALTERATIONS AND IMPROVEMENTS: Lessee shall make no alterations or improvements to or upon 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 codes and regulations and shall apply for and obtain all necessary permits for such work. If the proposed improvements are estimated to cost more than \$25,000, the Port may require the posting of a completion bond as security for the completion of the improvements. Upon conclusion of the alterations, Lessee shall furnish "as-built" drawings of all improvements and alterations. The Port's approval of alterations shall also include agreement for disposition of the improvements upon termination of this Lease.
- 13. **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.

### 14. DAMAGE OR DESTRUCTION:

- a. Should the Premises or the buildings or structures of which the Premises are a part be damaged by fire or other casualty, and if the damage is repairable within four (4) weeks from the date of the occurrence (with the repair work and the preparations therefore to be done during regular working hours on regular work days), the Premises shall be repaired with due diligence by the Lessee, and in the meantime the monthly minimum rental shall be abated in the same proportion that the untenantable 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 by Lessee within four (4) weeks of the occurrence, Lessee 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 Lessee shall advise the Port within thirty (30) days after the happening of any such damage whether Lessee has elected to continue the lease in effect or to terminate it. If the Lessee 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 Lessee shall fail to notify the Port of its election within said thirty (30) day period, Lessee 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 Lessee shall elect not to restore the Premises), the monthly minimum rental shall be abated in the same proportion as the untenantable portion of the Premises bears to the whole thereof.

- 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 one hundred and eighty (180) days prior to the expiration or sooner termination of this Lease.
- 16. INDEMNIFICATION AND HOLD HARMLESS: Lessee agrees that it will defend (with legal counsel acceptable to the Port), indemnify and hold harmless the Port, its officers, employees, and agents from any and all demands, claims, judgments or liability for loss or damage arising as a result of accidents, injuries or other occurrences on the Premises or on Port's property that are:
  - a. Occasioned by either the negligent or willful conduct of the Lessee and/or its agents; and/or
  - b. Made by any person or entity holding under the Tenant; and/or
  - c. Made by any person or entity on the Premises or on the Port's property as a result of Lessee's activity, regardless of who the injured party may be.

This indemnification and hold harmless shall not apply to the extent the damages were caused by the gross negligence or willful misconduct of the Port.

17. NOTICES OF CLAIMS OR CAUSES OF ACTION: In the event any action or proceeding is brought against the Port or Lessee for which a party seeks indemnification pursuant to the indemnification provision set forth in Paragraph 16, above, the party seeking indemnification shall give the other party written notice within thirty (30) days of being served or otherwise being put on notice of such a claim or cause of action. The party receiving a demand for indemnification shall accept or reject the tender of the defense of a claim or cause of action by written notice to the other party within sixty (60) days of its receipt of the demand for indemnification. If a party accepts the defense of the tendered claim or cause of action it shall also notify the other party of the identity of the law firm and lawyer which has been retained to represent the Port and/or the Lessee in responding to the claim or cause of action.

- 18. 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 16, 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.
- **19. INSURANCE:** Lessee agrees to maintain during the lease term liability insurance as set forth below, at Lessee's sole expense.
  - a. Comprehensive General Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of \$2,000,000.00 combined single limit per occurrence. Such insurance shall include but not be limited to bodily injury liability, personal injury liability, property damage liability, broad form property damage liability, contractual liability, and products/completed operations liability. The policy of insurance required under this paragraph shall:
    - i. Be written as a primary policy; and
    - ii. Expressly provide that the defense and indemnification of the Port as an "additional insured" will not be affected by any act or omission by Lessee which might otherwise result in a forfeiture of said insurance; and
    - iii. Contain a separation of insureds provision such that the policy applies separately to each insured that is the subject of a claim or suit; and
    - iv. Not contain a crossclaim, cross-suit, or other exclusion that eliminates coverage by one insured against another; and
    - v. Provide for coverage for damage to the Port's property caused by the Lessee.
  - b. Comprehensive Business Automobile Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of \$1,000,000 combined single limit for each occurrence. Such insurance shall include but not be limited to bodily injury liability, property damage liability, hired car liability, and non-owned auto liability.
  - c. Workers Compensation Insurance as will protect Lessee's employees from claims under Washington Workers Compensation Act as well as all Federal Acts applicable to the Lessee's operations at the site such as but not limited to U.S. Longshoremen and Harbor Workers' 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.
  - d. The Lessee agrees to supply the Port with appropriate evidence to establish that its insurance obligations have been met, and that the insurance policy or policies are not subject to cancellation without at least thirty (30) days advance written notice to the Port. The conditions set forth in subparagraphs a, b and c of this Paragraph 19 shall be met prior to inception of this Lease Agreement.

- 20. 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 insurance contracts, including any extended coverage endorsements thereto, PROVIDED that this paragraph is effective only to the extent that the insurance company(ies) actually pay(s) for such injury, loss or damage, and, PROVIDED FURTHER, 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.
- 21. 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 improvements 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 leased Premises, 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.
- **22. HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT:** Lessee has examined the Hazardous Substance Warranty and Agreement, consisting of five (5) pages, which is attached hereto as Exhibit "B" 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.
- **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 and any taxes and assessments based on the Premises or any improvements located thereon.
- 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 improvements 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 local laws, rules, regulations, ordinances, permits and permit requirements, orders, and decrees of all governmental bodies having authority over the Premises, or any improvements located thereon, or any activity conducted thereon, as currently in effect or as may be hereafter amended or issued. Lessee shall defend, indemnify, and hold the Port harmless against all claims, costs (including but not limited to attorney fees), fees, fines, penalties, liabilities, losses, and damages that the Port may incur by reason of any charge, claim, litigation, or enforcement action related to any actual or claimed violation of any of the foregoing. Lessee further agrees that all 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.
- **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. 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.
- 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. After such stored property has been stored for a period of thirty (30) days or more, the Port shall have the right to sell such property PROVIDED, however that Lessee shall be given fifteen (15) days' written notice of the Port's intent to sell such property. The proceeds of such sale of stored property shall 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 that 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. 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.

- **32. WAIVER:** No word, act or omission of the Port shall be deemed to be a waiver of any default or noncompliance by Lessee under the terms of this Lease or of any right of the Port hereunder or of any notice given by the Port hereunder unless the Port so advises Lessee in writing. 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.
- **PRIOR AGREEMENTS:** This Lease contains all of 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.
- **34. 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 of 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.
- **35. 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.
- 36. 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 36, 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 reentry 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.

- 37. 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.
- **38. 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.
- **39. 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.
- **40. NOTICES:** All notices hereunder may be personally delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

### To Lessor:

THE PORT OF PORT TOWNSEND Attn: Lease & Contracts Administrator P.O. Box 1180 Port Townsend, Washington 98368

### To Lessee:

REVISION MARINE 301 10<sup>th</sup> Street Port Townsend, WA 98368 Phone: (360) 385-4234

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 received or refused by the addressee.

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

- **45. 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:
  - 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.
- **46. SUCCESSORS AND ASSIGNS:** Except as otherwise provided in this Lease, all of the covenants, conditions and provisions of this Lease are binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns. If the Port sells or otherwise conveys its title to the Premises, then after the effective date of such sale or conveyance, the Port will have no further liability under this Lease to Lessee except as to matters of liability which have accrued and are unsatisfied as of the date of sale or conveyance, and Lessee must seek

performance solely from the Port's purcharights of the Port, as Landlord, hereunder.	aser or successor in title. The Port's successor will have all
Lease Agreement dated this day of December and effective upon the receipt of a deposit and instance.	2024 is hereby approved by the Port of Port Townsend urance documentation from the Lessee.
THIS AGREEMENT HAS BEEN NEGOTIATED BETWEE IMMUNITY UNDER TITLE 51 RCW, AND INDEMNIE	EEN THE PARTIES AND CONTAINS A LIMITED WAIVER OF FICATION AND A RELEASE.
LESSEE: ReVision Marine, LLC	
Ву:	and by:
Christopher Brignoli, Governing Party	Matthew Mortensen, Governing Party
LESSOR: Port of Port Townsend	APPROVED AS TO FORM:
Eron Berg, Executive Director	Eric Toews, Port Attorney

## STATE OF WASHINGTON COUNTY OF JEFFERSON

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

Dated:	
Signature of	
Notary Public:	
My Appointment Expires:	

## STATE OF WASHINGTON COUNTY OF JEFFERSON

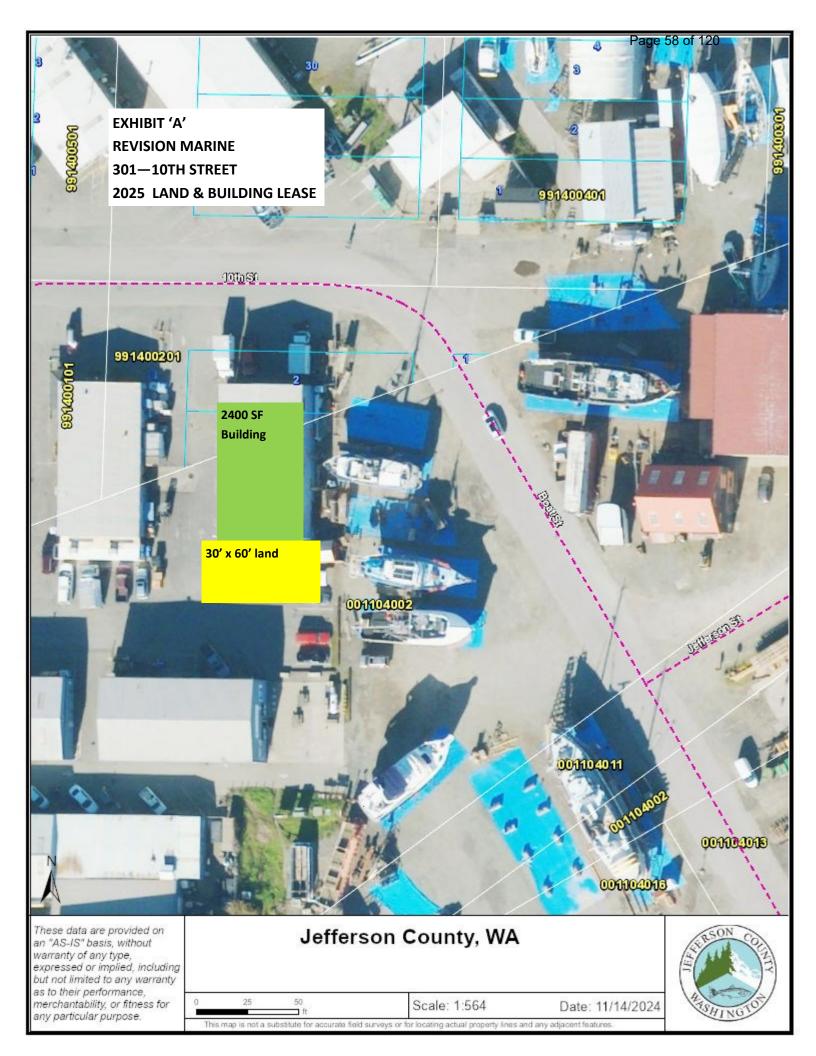
I certify that I know or have satisfactory evidence that MATTHEW MORTENSEN signed this instrument and that he is authorized to execute the instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated:	-
Signature of	
Notary Public:	
My Appointment Expires:	

### STATE OF WASHINGTON COUNTY OF JEFFERSON

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

Dated:	
Signature of	
Notary Public:	
My Appointment Expires: _	



## EXHIBIT "B" HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT

RIDER TO LEASE AGREEMENT DATED:	, 2024, BETWEEN THE PORT OF PORT
TOWNSEND and <b>REVISION MARINE, LLC</b> , a \	Washington limited liability company.

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

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:

- **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.
- **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 contract by such substances with the soils upon the leasehold or its surrounding area.
- **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.
- **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.
- 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.
- 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. <u>COPIES OF ENVIRONMENTAL CORRESPONDENCE</u>. Lessee agrees to provide Lessor with copies of all past and future correspondence to or form 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.
- 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.		see agrees to permit and cooperate with a ed by Lessor, including inspections and tes	•
		d by Lessor to evaluate Lessee's complian	_
	,	ements and the provisions of this Rider. I	
	provide Lessee within 24 hours	advance notice of Lessor's intent to condu	ct such
	inspection or testing.		
15.	DESIGNATED REPRESENTATIVE	RESPONSIBLE FOR COMPLIANCE.	, whose
		shall be the Lessee's designated repr	
		) for Lessee's compliance with the provision	
		sor pertaining to environmental complian	
		annual declaration of compliance pursuant otify Lessor of any changes in the identity of the contity of the contity of the continuation of the co	
	numbers of the designated repr		Ji telephone
16.	ADDITIONAL PROVISIONS.		
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			_
			_
LESSOF	3:	LESSEE:	
			_
Eron Be	erg, Executive Director		
	Port Townsend	ReVision Marine, LLC	_
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.	<u>Lessee Violation(s) of Environmental Regulations:</u> (If none, initial here:)	
4.	Environmental Claims or Litigation Against Lessee: (If none, initial here:)	
Lessee:	ReVision Marine, LLC	
Ву:		Date:

### (Attachment No. 2 to Hazardous Substances Rider)

### **DECLARATION OF COMPLIANCE**

	, as the designated representative of Lessee pri	marily responsible for
envir	vironmental compliance pursuant to Paragraph 12 of the Hazardo	us Substances Warranty and
Agreement dated:, 2024, hereby declare and represent as follows on behalf of		
Lesse	ssee:	
1. the H	I have read, and am familiar with, Lessee's obligations and re Hazardous Substances Warranty and Agreement applicable to Le	•
•	I am not aware of, and do not believe there have been any vie provisions in the Hazardous Substances Warranty and Agreemer posed on Lessee by federal, state or local environment laws and re	nt, or of any requirements
_	I have no reason to believe, and do not believe, that any of the ragraph 6 of the Hazardous Substances Warranty and Agreement dicated below.	-
4. or to	Lessee has not stored, used or had present on or adjacent to toxic substances except those that have been disclosed in writing	•
	Lessee has not released, disposed of, or permitted the releas ostances onto the premises or into the environment surrounding t en disclosed in writing to Lessor.	•
Lesse	ssee: ReVision Marine, LLC	
Ву:	: Date:	
Ν	Name, title	

# PORT OF PORT TOWNSEND AGENDA COVER SHEET

MEETING DATE	November 26, 2024		
AGENDA ITEM	$oxed{\boxtimes}$ Consent $oxed{\square}$ 1st Reading $oxed{\square}$ 2nd Reading $oxed{\square}$ Regular Business $oxed{\square}$ Informational		
AGENDA TITLE	IV. E. Northwest Custom Hangars JCIA Land Lease, Hangar Site #6		
STAFF LEAD	Eric Toews, Deputy Director		
REQUESTED	□ Information □ Discussion		
	1. Staff Memo		
ATTACHMENTS	2. Term Sheet		
	<ol> <li>Northwest Custom Hangars, LLC Aircraft Hangar Site #6 Land Lease, including Exhibits 'A' and 'B'</li> </ol>		

If adopted as part of the consent agenda, no further action is needed. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the JCIA Hangar Site #6 Land Lease for Northwest Custom Hangars, LLC.

Alternative action: Remove from consent for discussion. Move to authorize the Executive Director to execute the JCIA Hangar Site #6 Land Lease for Northwest Custom Hangars, LLC.

# PORT OF PORT TOWNSEND INFORMATIONAL MEMO

**DATE:** 11/22/2024

**TO:** Port Commission

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

SUBJECT: JCIA Hangar Site #6, Land Lease Agreement – Northwest Custom Hangars, LLC

<u>ISSUE</u>: Should the Commission authorize the Executive Director to execute a Land Lease Agreement (substantially in the form presented) with Northwest Custom Hangars, LLC, for JCIA Hangar Pad Site #6?

**BACKGROUND & DISCUSSION:** In the mid-2000s, eight (8) hangar sites located to the northeast of Taxiway B were developed. One-half of these Hangar sites (#4, 5, 7 and 8) have now been developed and are subject to long-term ground leases with the Port.

In 2022 the Port executed lease-option agreements with LBG Development and Northwest Custom Hangars for sites 1, 2 and 3. These lease-options have now expired, and the parties presently have no further interest in developing and leasing those sites.

Because of its "front row" location on the flight line, perhaps the most desirable hangar pad site is #6. Previously, this site was identified as reserved for development by the Port, although multiple private parties have expressed interest in building on the site in recent years, including Dave Ward of Northwest Custom Hangars, LLC.

During the Regular Meeting of September 11, 2024, the Commission discussed whether Hangar Site #6 should be made available for lease and development. The Commission discussed the impacts to views (particularly from the deck of the Spruce Goose Restaurant) that could result from development of the site, and whether a decision to lease and develop the site should be delayed until after the Airport Master Plan is updated in 2025. The Commission concluded that making Site #6 available for long-term lease and development at this time was appropriate.

Dave Ward of Northwest Custom Hangars, LLC has approached the Port and wishes to enter a long-term lease with the Port for Site #6 (17,875 sf). Site #6 is located adjacent and north of Hangar Taxilane #1 and adjacent and east of Taxiway B (see Exhibit "A" to the attached Lease Agreement). Staff have prepared a proposed Land Lease Agreement that would:

- Establish a fifty (50) year lease term, commencing January 1, 2025, and ending at midnight on December 31, 2075;
- Require rent payments upon lease inception on January 1, 2025 (i.e., rather than upon completion of the hangar building improvements);
- Grant the Lessee three months (90 days) to submit hangar plans and specifications for Port review and authorization;

- Require the Lessee, in addition to paying monetary rent, to complete hangar building improvements within eighteen (18) months after commencing construction;
- Establish a rental rate consistent with the Commission currently adopted rate for land leases at the JCIA (i.e., \$0.0727 psf); and
- Implement the Port's most current model for JCIA land leases, which, among other provisions ensures that the Lessee is solely responsible for maintaining and repairing the asphalt aprons and access ramps linking each hangar unit to adjoining taxiways.

Rent at inception would be \$1,299.51 per month plus leasehold tax (LET). Thereafter, the rent would be adjusted annually for inflation (CPI), and every three (3) years would be adjusted to the then prevailing rate established by the Commission. The proposed security deposit is equivalent to three months' rent together with LET. The draft Lease Agreement as presented is consistent with the Leasing Policy adopted by the Commission in 2019, as well as the Airport Master Plan. Additional hangar development is anticipated to contribute to the vitality of the JCIA, and the economic health of the county overall.

**RECOMMENDATION:** Staff recommends that the Commission authorize the Executive Director to execute the attached Land Lease with Northwest Custom Hangars, LLC.

**MOTION:** None required. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the lease with Northwest Custom Hangars, LLC. The form will be in all material respects identical to the draft presented to the Commission under this agenda item.

### **ATTACHMENTS:**

- 1. Summary of Key Lease Terms
- 2. Aircraft Hangar Site #6 Land Lease Agreement, including attached Exhibits "A," and "B"

### PORT OF PORT TOWNSEND:

# Summary of Key Terms Northwest Custom Hangars, LLC JCIA Aircraft Hangar Site #6 Land Lease Agreement

- **1. TENANT:** Northwest Custom Hangars, LLC, a Washington limited liability company.
- **2. PREMISES:** Hangar Site #6, an approximately 17,875 square foot (325' x 55') building site at Jefferson County International Airport (JCIA).
- **3. TERM:** Fifty (50) years, beginning on January 1, 2025, and ending on December 31, 2075.
- **4. RENT:** Rent per square foot at the current Commission-adopted JCIA land rate of \$0.0727 x 17,875 sq. ft. = \$1,299.51 + \$166.86 Leasehold Excise Tax = \$1,466.37 per month. Lease payments due at inception. CPI-U applied beginning year two and each year thereafter. Market rate adjustment may be applied at beginning of year three, and every three years thereafter.
- **5. USE OF PREMISES:** Construction and operation of an aircraft hangar building, which may contain facilities for the storage, repair, and maintenance of aircraft.
- **6. DEPOSIT:** Three (3) months' security \$4,399.11 (rent + LET).
- **7. UTILITIES:** All utilities are the responsibility of the Lessee.
- **8. MAINTENANCE & REPAIR OF IMPROVEMENTS & ADJOINING AREAS:** Lessee shall maintain the Premises and all improvements thereon in a good condition and state of repair. Maintenance and repair responsibilities shall extend to adjoining access ramps and aprons.
- 9. INSURANCE: Builder's Risk coverage with limits equal to the value of the project; Comprehensive General Liability of \$2,000,000 combined single limit and \$4,000,000 in the annual aggregate; if applicable (i.e., active businesses on-site), Automobile Liability of \$1,000,000 combined single limit; if applicable (i.e., active business(es) with employees on-site, Worker's Compensation of not less than \$1,000,000 per occurrence; and insurance certificates naming the Port as an additional insured.
- **10. ASSIGNMENT/SUBLEASE:** Permitted only by prior written consent of the Port.
- **11. DEFAULTS/TERMINATION:** Time is of the essence. Failure to pay rent, or to abide by the covenants/agreements contained in the agreement, may serve as a basis for termination. Tenant will be provided with fifteen (15) days' written notice to cure defaults.

### PORT OF PORT TOWNSEND

## AIRCRAFT HANGAR SITE #6 LAND LEASE AGREEMENT JEFFERSON COUNTY INTERNATIONAL AIRPORT (JCIA)

This Land Lease Agreement (the "Agreement" or "Lease") is executed this \_\_\_\_\_ day of November 2024, by and between the PORT OF PORT TOWNSEND, a municipal corporation organized and existing under the laws of the State of Washington, hereinafter referred to as "Lessor" or "the Port," and NORTHWEST CUSTOM HANGARS, LLC, a Washington limited liability company, hereinafter referred to as "Lessee."

### WITNESSETH:

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

**PREMISES:** The Port shall lease to Lessee and Lessee shall lease from the Port, the following described real property situated in Jefferson County, State of Washington:

**Hangar Site #6**, an approximately 17,875 square foot (325' x 55') building site at the Jefferson County International Airport (JCIA), that is identified on the map figure set forth in Exhibit "A" which is attached hereto and incorporated herein by this reference.

Hereinafter, the above-described property shall be called "the Premises" or "the Leased Premises". The Lessee shall obtain an "as-built" survey and legal description establishing the exact location and bounds of the Leased Premises (i.e., the constructed hangar building), which shall be completed and furnished to the Port concurrent with completion of construction, as set forth in Paragraph 10(d), below. Said survey shall thereafter be attached hereto and incorporated within Exhibit "A" and labeled as "Exhibit A-1".

- 2. POST-CONSTRUCTION SURVEY AMENDMENT TO PREMISES & MONTHLY RENT: As soon as practicable following completion of the post-construction survey required by Paragraphs 1 and 10(d) herein, this Lease shall be amended as follows:
  - a. The description of the Leased Premises set forth in Paragraph 1 shall be amended to conform to the actual area of hangar occupancy and use; and
  - b. The monthly rent set forth in Paragraph 4(a) shall be amended to reflect the actual square footage of hangar occupancy and use multiplied by the then prevailing rate established by the Port Commission for airport land leases.

**3. TERM OF LEASE:** The term of this Lease shall be for a period of fifty (50) years, commencing January 1, 2025, and ending at midnight on December 31, 2075.

#### 4. RENT:

- a. Beginning on the lease commencement date and continuing each month thereafter, Lessee agrees to pay as rental for the Leased Premises the sum of **One Thousand Two Hundred Ninety-Nine Dollars and Fifty-One Cents (\$1,299.51)**¹ plus all applicable taxes.
- b. The rent for each month shall be paid to the Port in advance on or before the first day of each and every month of the lease term and shall be payable at such place as the Port may hereinafter designate.
- c. Beginning in year three (3) and every three (3) years thereafter, the rental rate may be adjusted to the then prevailing rate established by the Port Commission for airport land leases.
- d. Except in years when an adjustment to the then prevailing rate established by the Commission is made as set forth in subparagraph (c) of this Paragraph 4, the rental rate beginning in year two (2) and annually throughout the term of this Lease will be adjusted by an amount equal to the 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.
- 5. DEPOSIT: Lessee shall, concurrent with execution of this Lease, deposit with the Port the amount of FOUR THOUSAND THREE HUNDRED NINETY-NINE DOLLARS AND ELEVEN CENTS (\$4,399.11).<sup>2</sup> This Lease shall not be effective until full deposit is made with the Port. This deposit shall be held by the Port as security for all of Lessee's obligations hereunder and shall be refunded to Lessee upon termination of this Lease provided Lessee has faithfully performed all obligations hereunder and paid all sums owing to the Port. Beginning in year three (3) and every three (3) years thereafter, the amount of such deposit shall be increased in the same proportion as the annual rental is increased above the basic rent charged during the first (1<sup>st</sup>) year of the lease term.

<sup>&</sup>lt;sup>1</sup> Calculated as follows: Rate of \$0.0727 per sf x 17,875 sf = \$1,299.51 rent; \$1,299.51 x 12.84% Leasehold Excise Tax (LET) = \$166.86; \$1,299.51 + \$166.86 = \$1,466.37.

<sup>&</sup>lt;sup>2</sup> Consistent with Port policy, security in an amount of not less than three (3) months' rent together with applicable Washington State leasehold excise tax (LET) is required for all leases greater than one (1) year in length. As applied, the calculation is as follows: \$1,299.51 monthly rent x 12.84% Leasehold Excise Tax (LET) = \$166.86; \$1,299.51 + \$166.86 = \$1,466.37; \$1,466.37 x 3 = \$4,399.11.

- 6. USE OF PREMISES: Lessee shall use the Premises for the construction and operation of an aircraft hangar building, which may contain facilities for the storage, repair, and maintenance of aircraft. No other uses of the Premises shall be allowed without the Port's express written consent. The parties acknowledge that Lessee's agreement to construct an aircraft hangar on the Premises is an express bargained-for covenant of this Lease, and the failure of Lessee to construct such an improvement or the failure to utilize the building for such purposes, or to later cease such use, or conducting other activities on the Leased Premises without first obtaining a Lease modification with the Port's written approval of such other activities, shall constitute an event of default under the terms of this Lease and grounds for termination. It is further understood and agreed the Premises will not be used to store, distribute, sell, or otherwise handle fuels, lubricants or other flammable or hazardous materials, except fuels and lubricants in on-board aircraft tanks and a small supply of lubricants for use in the hangar-based aircraft.
- **7. OPERATING STANDARDS:** In addition to the foregoing use restrictions, Lessee shall meet or exceed the following Operating Standards:
  - a. The Lessee shall pay all costs and expenses associated and in connection with the use of the Premises and the rights and privileges therein granted, including, but not limited to the following: leasehold and other taxes; permit fees; license fees; and assessments lawfully levied or assessed upon the Premises or property at any time situated therein and thereon. Lessee may, however, at its sole expense and cost, contest any tax, fee, or assessment, but shall in no event allow the same to become a lien on the Premises or the improvements thereon.
  - b. The Lessee shall observe and obey all laws, regulations, and rules of the JCIA and the federal, state, and local government, which may be applicable to its operation at JCIA. This shall include the JCIA Rules and Regulations and all statutes and Port Resolutions now in effect or as may be promulgated or revised in the future from time to time. The Lessee specifically acknowledges that it shall abide by and be subject to all rules and regulations which are now, or may from time to time, be formulated by the Port concerning the management, operation, or use of the JCIA. The Lessee shall keep in effect and post in a prominent place all necessary and/or required licenses or permits.
  - c. Consistent with Paragraph 13, below, Lessee agrees to and shall keep the Leased Premises clean and in good order, condition, and repair. The Lessee shall, at its sole cost and expense, maintain the grounds of the Premises in good order and repair and in good and safe condition and shall repair all damage caused by its occupants or invitees. The Port shall be the sole judge of the quality of maintenance of the grounds, and upon written notice by the Port to the Lessee, the Lessee shall be required to perform whatever maintenance the Port deems reasonably required. If the maintenance is not undertaken within ten (10) days after receipt of written notice, the Port shall have the right to enter upon the Premises and perform such maintenance, the cost of which shall be charged to and be borne by the

Lessee and paid by the Lessee as additional rent on the next rental due date after receipt of notice as to the amount thereof.

- d. The Lessee shall be entitled, in common with others so authorized, to the use of all facilities and improvements of a public nature which now are or may hereafter be connected with or appurtenant to the Airport, including the use of landing areas, runways, taxies, navigational aids, terminal facilities, and aircraft parking areas designated by the Port, all upon such rules and regulations as may be established by the Port from time-to-time hereafter.
- e. The Lessee shall have the reasonable right of ingress and egress to and from the Premises and to the public areas of the Airport in the carrying on of its activities as herein provided for, subject, however, to such rules and regulations pertaining to the use and operation of the Airport as may be established by the Port from time-to-time hereafter, which right shall extend to the Lessee's guests and invitees.
- f. The Lessee shall not use Premises for any purpose other than those which are specifically authorized by this Lease, and which are in accordance with the Airport Master Plan and Airport Layout Plan, except as approved in writing by the Port prior to any implementation.
- g. No improvement, including landscaping or terrain alteration, shall be erected, placed, or effected on the Premises or outside the Premises, and no alterations shall be made in the improvements and facilities constructed on the Premises without the prior written approval of the Port.
- h. Lessee agrees that it will not disturb the Port or any other Lessee of the Port by making or permitting any disturbance or any unusual noise, vibration, fumes, or other condition on or in the Premises.
- 8. **RESERVATION OF AVIGATION EASEMENT:** The Port hereby reserves for itself, its successors, and assigns, and for the use and benefit of the public, an easement and right of way over and around the Leased Premises for the unobstructed passage of all aircraft ("aircraft" being defined for the purpose of this instrument as any contrivance now known or hereafter invented, used or designated for navigation of or flight in the air), by whomsoever owned and operated, in all air space above the surface of the Premises, to an infinite height above the Premises. In addition, this reservation reserves the right to cause in all airspace above the Premises such noise, vibrations, fumes, dust, fuel particles, and all other effects that may be caused by the current or future operation of aircraft landings at, or taking off from, or operating at or on JCIA. Lessee does hereby fully waive, remise, and release any right or cause of action which it may now have or which it may have in the future against the Port, its successors and assigns, or against other users of the JCIA, due to such noise, vibrations, fumes, dust, fuel particles, and all other effects that may be caused by the operation of aircraft landings at, or taking off from or operating at or on said JCIA. Lessee acknowledges that none of the foregoing activities shall constitute grounds for Lessee to claim that the Port has violated this Lease or that Lessee has been deprived of quiet possession of the Leased Premises.

- 9. RESTRICTION ON USE OF AIRSPACE: The Port reserves a continuing right to prevent the erection of or growth upon the Premises of any building, structure, tree, or other object extending into the airspace which would constitute a violation of Air Regulation Part 77 which is on file in the Port's office. The Lessee, for itself, its heirs, administrators, executors, successors, and assigns, does hereby agree that for and during the life of this Lease it will not hereafter erect, permit the erection of, or permit or suffer to remain upon the Premises any building, structure, tree or other object extending into the aforesaid airspace, and that it shall not hereafter use or permit or suffer the use of the Premises in such a manner as to create electrical interference with radio communications between any installation upon JCIA and aircraft, or to make it difficult for flyers to distinguish between airport lights and others, or as to impair visibility in the vicinity of the airport or as otherwise to endanger the landing, taking off or maneuvering of aircraft.
- 10. IMPROVEMENTS TO PREMISES: Lessee acknowledges that it is an express condition and part of the consideration of this Lease that Lessee will construct an aircraft hangar on the Premises in accordance with the specifications and schedule contemplated by this paragraph, and that the hangar may revert to and become the property of the Port upon the expiration or the earlier termination of this Lease. Lessee agrees to proceed with the construction in accordance with the following terms and schedule.
  - a. Plans and Specifications. Lessee shall, not later than ninety (90) days after the lease commencement date, prepare final plans and specifications for the hangar building to be constructed on the Premises, and shall submit such plans and specifications to the Port for approval. The building shall be designed and constructed in accordance with all applicable building codes, using good workmanship and quality materials. All buildings and ramps to be constructed shall meet the design recommendations as specified in FAA Advisory Circular 150/5300-13B. Lessee's design for buildings and related aprons and ramps shall also conform in all respects to the development standards promulgated by the Port for such hangars unless the Lessee obtains specific written approval of the Executive Director for any variances. Such standards shall include, without limitation, specifications regarding construction materials, design, color, utilities, safety, fire emergency equipment, elevations, and location. Lessee shall also be responsible for preparing and submitting a FAA Form 7460-1 to the FAA, to obtain express written permission from the FAA to build upon the Leased Premises, and to respond to any FAA inquiries regarding the FAA's permission and approval of the proposed construction.
  - b. <u>Drainage Improvements Required</u>. The Port and Lessee acknowledge and agree that construction of the hangar building upon the leased Premises will interrupt the original clay tile underdrain system (c. 1930s) that redirected runoff originating from north of the Premises to drainage improvements located to the south thereof. This original underdrain system (the "system") pre-dates the development of the hangar pad sites in the mid-2000s. Accordingly, Lessee agrees that as part of the construction of the hangar building on the leased Premises, it shall identify the location of the original system and construct a curtain drain or similar installation around the perimeter of the building line to capture and direct

runoff into original system components lying to the south of the Premises. Lessee shall undertake these drainage improvements at its sole cost and expense and shall also repair and maintain such curtain drain and connections to the original system throughout the term of this Lease.

- c. Financing. All funds utilized to construct the improvements on the Premises shall be obtained by Lessee, and the Port shall not be required to pay any costs of the construction. Lessee shall have the right at any time and from time to time to subject the leasehold estate and any or all improvements thereon to one or more mortgages or deeds of trust (hereinafter "mortgages"), provided, however, that such encumbrances may only be created for the purpose of obtaining financing for improvements made upon the Premises. The mortgage documents must be reviewed and approved by the Port and shall provide that any proceeds from fire or extended coverage insurance shall be used for repair or rebuilding of the leasehold improvements and not to repay part of the outstanding mortgage. The mortgage documents shall contain provisions requiring that any notices of default under the note and mortgage be sent to the Port as well as to Lessee and that the Port shall have the right to cure any default if Lessee fails to do so. The Port shall have thirty (30) days in which to cure any mortgage default after the time for Lessee to cure it has expired. Neither the Port's right to cure any default, nor the exercise of such a right, shall constitute an assumption of liability under the note or mortgage, nor shall it bind the Port to cure any future defaults. If any default is noncurable, it shall not be grounds for foreclosure of the mortgage if the Port, or Lessee in possession of the Premises, promptly performs all other provisions of the note and mortgage. No permitted mortgage shall grant a security interest in any real or personal property other than the interests specifically created by this Lease. No mortgage or note permitted by this Lease shall secure more than one indebtedness or contain any cross-default provisions relating to other properties owned or debts owed by Lessee. The Port's right to review and approve all mortgage documents shall also extend to any redocumentation or refinancing undertaken by Lessee. The parties agree that the Port shall not under any circumstance be required to subordinate its fee interest in the Premises to the lien of any mortgage on Lessee's leasehold interest.
- d. <u>Survey</u>. Concurrent with the completion of construction, Lessee shall, at its own expense, obtain a survey from a licensed land surveyor, for the purposes of fully establishing the exact location and bounds of the Leased Premises (i.e., an "as-built" survey of the constructed hangar building) within the JCIA property. Said survey shall thereafter be attached hereto and incorporated within Exhibit "A" and labeled as "Exhibit A-1".
- e. <u>State Environmental Policy Act (SEPA) Review</u>. Lessee shall be responsible for preparation of any SEPA checklists or Environmental Impact Statements and supporting reports and analyses which may be required as a part of Lessee's applications for permits. Jefferson County is anticipated to exercise lead agency authority for review of Lessee's submittals, and the Port shall not be required to pay any costs associated therewith. Lessee shall assume the cost of appropriate mitigation measures for any adverse environmental impacts

- identified in the SEPA documents which may be reasonably required as a result of Lessee's improvements on the Premises.
- f. <u>Construction</u>. 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. Prior to the commencement of construction, Lessee shall furnish to the Port a copy of the construction contract and shall furnish proof that the contractor has posted a construction completion and performance bond in the full value of the construction contract, naming both Lessee and the Port as beneficiaries of that bond. The form, sufficiency and the surety of the bond shall be approved by the Port prior to commencement of construction.
- g. <u>Completion of Construction</u>. Construction of the hangar shall be completed not later than eighteen (18) months after the commencement of construction. Lessee agrees to comply with the foregoing schedule and acknowledges that failure to proceed with and complete construction in accordance with the foregoing schedule shall be a default under this Lease and shall constitute grounds for the Port to terminate this Lease.
- h. Protection of the Port Against Mechanic's and Materialmen's Liens and Other Costs or <u>Claims</u>. Lessee shall pay or cause to be paid the total cost and expense of all works of improvement, as that phrase is defined in the applicable Washington mechanic's and materialmen's liens statutes in effect at the time when the work commences. No such payment shall be construed as rent. Lessee shall not suffer or permit to be enforced against the Premises or any part of it, any mechanic's, materialmen's, contractor's, subcontractor's, engineer's, or architect's lien arising from any work on the improvement, however it may arise. However, Lessee may, in good faith and at Lessee's own expense, contest the validity of any such asserted lien, claim or demand, provided Lessee has furnished a bond acceptable to the Port, sufficient to fully pay the asserted lien, claim or demand. Lessee shall defend and indemnify the Port against all liability and loss of any type arising out of work performed on the Premises by Lessee, together with reasonable attorney's fees and all costs and expenses incurred by the Port in negotiating, settling, defending, or otherwise protecting against such claims. All contracts with the general contractor and subcontractors for work performed on the Premises shall contain a specific acknowledgment by the general contractor and subcontractors that work on the Premises is performed at the request of Lessee only and that Lessee is the holder of only a leasehold interest in the Premises. Such contracts shall contain specific waivers in form acceptable to the Port, by which the general contractor and subcontractors specifically waive the right to assert any lien claim against the Port's fee interest in the Premises. In the event that a final judgment has been rendered against Lessee by a court of competent jurisdiction for the foreclosure of a mechanic's, materialmen's, contractor's, or subcontractor's lien claim, and if Lessee fails to stay the execution of the judgment by lawful means or to pay the judgment, the Port shall have the right, but not the duty, to pay or otherwise discharge, stay or prevent the execution of any such judgment or lien or both. Lessee shall reimburse the Port for all sums

paid by the Port under this paragraph, together with all the Port's reasonable attorney's fees and costs, plus interest on those sums, fees and costs at the rate of twelve percent (12%) per annum from the date of payment until the date of reimbursement.

### 11. UTILITIES:

- a. <u>Charges for Utilities Generally</u>. Lessee shall be liable for, and shall pay throughout the term of this Lease, all charges for all utility services furnished to the Premises, including, but not limited to, light, heat, electricity, gas, water, stormwater, sewerage, garbage disposal, telephone and communications services, and janitorial services. The Port shall have no responsibility for the delivery of utility services to the Premises and shall not be responsible for the interruption of any utility service unless caused by the Port's negligence.
- b. Stormwater Charges. The Port has undertaken improvements to the JCIA facility, including installation of stormwater conveyance and detention facilities. These improvements benefit the Lessee and the Premises. In consideration of the Port's ongoing obligation to repair and maintain these improvements, Lessee expressly agrees that it shall be obligated to pay stormwater fees as established by the Port, consistent with subparagraph (a) of this Paragraph 11. The Port may compute the stormwater management fee by any reasonable method which ensures that the Port is fairly reimbursed for expenses related to the maintenance, improvement, enlargement, or replacement of stormwater facilities that benefit the Premises. Charges will be equitably allocated among tenants based on the impervious surface area upon the Premises together with the impervious surface area of Lessee constructed access ramps linking each hangar unit to the adjoining asphalt taxiway.
- 12. ACCEPTANCE OF PREMISES: Lessee has examined the Leased Premises and accepts them in their present condition. The Port has made no representations, and Lessee is not relying upon any representations by the Port or its contractors or agents, regarding the suitability of the site for Lessee's construction and intended uses. Lessee will, prior to the commencement of construction, obtain its own professional advice regarding soils conditions and other factors affecting the suitability of the site for the construction of an aircraft hangar building. Subject to the obligation of the Port to make available electrical service and fire hydrants to the Premises and to maintain the adjoining 25-foot-wide asphalt taxiway in accordance with FAA requirements, prior to the date of issuance of a final occupancy permit therefore, Lessee accepts the Premises "as is" without further maintenance liability on the part of the Port. Lessee further understands and agrees that it shall be responsible for the installation and maintenance of access ramps linking each hangar unit to the adjoining asphalt taxiway in accordance with standards required by the Port.

### 13. MAINTENANCE & REPAIR OF IMPROVEMENTS & ADJOINING AREAS:

- a. <u>Maintenance and Repair Generally</u>. Throughout the term of this Lease, Lessee shall, at Lessee's sole cost and expense, maintain the Premises and all improvements thereon in a good condition and state of repair. Accordingly, and in accordance with all applicable laws, rules, ordinances, orders and regulations, Lessee shall at its own expense and at all times:
  - Keep the Premises and the adjoining access ramps and aprons, in a neat, clean, and safe condition;
  - ii. Keep the exterior of the building clean and presentable;
  - iii. Periodically paint the exterior of the building as necessary to present an attractive appearance;
  - iv. Not commit waste of any kind;
  - v. Replace all cracked or broken glass in the building;
  - vi. Keep the electrical system and other mechanical systems installed in the building in a good state of repair;
  - vii. Protect all pipes and drains so that they will not freeze or become clogged; and
  - viii. Make all necessary repairs to the roof (structure or covering) and foundation of the building and structure and exterior walls thereof.
- b. Repair, Restoration or Replacement in the Event of Damage or Destruction. Lessee shall promptly and diligently repair, restore, and replace as required to maintain and comply with the requirements set forth above, or to remedy all damage to or destruction of all or any part of the improvements upon the Leased Premises from any causes whatsoever. The completed work of maintenance, compliance, repair, restoration, or replacement shall be equal in value, quality and use to the condition of the improvements before the casualty giving rise to the work, except as expressly provided to the contrary in this Lease. The Port shall not be required to furnish any services or facilities or to make any repairs of any kind on or in the Premises.
- of this Lease, the Port shall have the option, in its sole and absolute discretion, to direct either:

  a) that the building and other improvements on the Premises be surrendered to the Port; or b) that the Lessee remove the building and other improvements from the Premises. If the Port directs surrender of the building and other improvements, all mechanical, electrical and HVAC systems in the building 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 building 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 buildings and other 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 building and other improvements from the Premises, then title to all 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.

- 15. INSPECTION "FOR RENT" SIGNS: The Port reserves the right to inspect the Leased Premises, including the interior of all buildings, 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 ninety (90) days prior to the expiration or sooner termination of this Lease.
- 16. POSSESSION: If the Port shall be unable for any reason to deliver possession of the Premises, or any portion thereof, at the time of the commencement of the term of this Lease, the Port shall not be liable for any damage caused thereby to Lessee, nor shall this Lease thereby become void or voidable, nor shall the term specified herein be in any way extended but, in such event, Lessee shall not be liable for any rent until such time as the Port can deliver possession. If Lessee shall, in the interim, take possession of any portion of the Premises, it shall pay as rental the full rental specified herein reduced pro rata for the portion of the Premises not available for possession by Lessee. If the Port shall be unable to deliver possession of the Premises at the commencement of the term of this Lease, Lessee shall have the option to terminate this Lease by at least thirty (30) days' written notice, unless the Port shall deliver possession of the Premises prior to the effective date of termination specified in such notice. If Lessee shall, with the Port's consent, take possession of all or any part of the Premises prior to the commencement of the term of this Lease, all the terms and conditions of this Lease shall immediately become applicable.
- 17. INDEMNIFICATION & HOLD HARMLESS: Lessee agrees that it will defend (with legal counsel acceptable to the Port), indemnify and hold harmless the Port, its officers, employees, and agents from any and all demands, claims, judgments or liability for loss or damage arising as a result of accidents, injuries or other occurrences on the Premises or on Port's property that are:
  - a. Occasioned by either the negligent or willful conduct of the Lessee and/or its agents; and/or
  - b. Made by any person or entity holding under the Tenant; and/or
  - c. Made by any person or entity on the Premises or on the Port's property as a result of Lessee's activity, regardless of who the injured party may be.

This indemnification and hold harmless shall not apply to the extent the damages were caused by the gross negligence or willful misconduct of the Port.

- 18. NOTICES OF CLAIMS OR CAUSES OF ACTION: In the event any action or proceeding is brought against the Port or Lessee for which a party seeks indemnification pursuant to the indemnification provision set forth in Paragraph 17, above, the party seeking indemnification shall give the other party written notice within thirty (30) days of being served or otherwise being put on notice of such a claim or cause of action. The party receiving a demand for indemnification shall accept or reject the tender of the defense of a claim or cause of action by written notice to the other party within sixty (60) days of its receipt of the demand for indemnification. If a party accepts the defense of the tendered claim or cause of action it shall also notify the other party of the identity of the law firm and lawyer which has been retained to represent the Port and/or the Lessee in responding to the claim or cause of action.
- 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 17, 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 insurance as specified below, throughout the entire lease term and all extensions thereof, 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. <u>Fire and Extended Coverage</u>. Throughout the lease term, at Lessee's sole cost and expense, Lessee shall keep or cause to be kept insured, for the mutual benefit of the Port and Lessee, all improvements located on or appurtenant to the Premises against loss or damage by fire and such other risks as are now or hereafter included in an extended coverage endorsement in common use for commercial structures, including vandalism and malicious mischief. The amount of insurance shall be sufficient to prevent either the Port or Lessee from becoming a co-insurer under the provisions of the policy, but in no event shall the amount be less than the full value of the then actual replacement cost of the improvements on the Premises (herein called "full insurable value"). The Port shall not be required to carry any insurance coverage on the Premises. If any dispute arises regarding the amount of insurance necessary to comply with the terms of this paragraph, the Port may, not more often than once every twenty-four (24) months, request the carrier of the insurance then in force to determine the full insurable value as defined in this provision, and the resulting

determination shall be conclusive between the parties for the purpose of this paragraph. Lessee may include the holder of any mortgage on the leasehold as a loss payee. The Port shall, at Lessee's cost and expense, cooperate fully with Lessee to obtain the largest possible recovery in the event of any insurance claim, and all policies of fire and extended coverage insurance required by this Lease shall provide that the proceeds shall be payable to Lessee as follows:

- i. Insurance proceeds shall be paid first to make all necessary repairs to restore the improvements to their condition prior to the insured casualty. Payments of insurance proceeds for repair, restoration or reconstruction of the improvements shall be held in a trust account approved by the Port and be disbursed monthly on architect's certificates until the work is completed and accepted.
- ii. Any insurance proceeds remaining after complying with the provisions of this Lease relating to maintenance, repair and reconstruction of improvements shall be the Lessee's sole property.
- b. <u>Builder's Risk Coverage</u>. Before commencement of any construction or demolition or other work on the Premises, Lessee shall procure, and shall maintain in force until completion and acceptance of the work, "all risk" builder's risk insurance including vandalism and malicious mischief, in form and with a company reasonably acceptable to the Port, covering improvements in place and all material and equipment at the job site furnished under contract, but excluding contractor's, subcontractor's, and construction manager's tools and equipment and property owned by contractors' or subcontractors' employees, with limits equal to the value of the project.
- c. Comprehensive General Liability Insurance. Comprehensive General Commercial Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of \$2,000,000 per occurrence and \$4,000,000 in the annual aggregate. 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. If the Lessee maintains higher insurance limits than the minimums required herein, the Port shall be insured for the full available limits of Commercial General and/or Excess or Umbrella liability maintained by the Lessee, irrespective of whether such limits maintained by the Lessee are greater than those required by this Lease or whether any certificate of insurance furnished to the Port evidences the lower limits of liability set forth above. The policy of insurance required under this subparagraph shall:
  - Be written as a primary policy; and
  - ii. Expressly provide that the defense and indemnification of the Port as an "additional insured" will not be affected by any act or omission by Lessee which might otherwise result in a forfeiture of said insurance; and
  - iii. Contain a separation of insureds provision such that the policy applies separately to each insured that is the subject of a claim or suit; and
  - iv. Not contain a crossclaim, cross-suit, or other exclusion that eliminates coverage by one insured against another; and

- v. Provide for coverage for damage to the Port's property caused by the Lessee. The Port may require the amounts set forth in this Paragraph 20(c) to be increased from time to time due to inflation or increased risks.
- d. <u>Automobile Liability Insurance</u>. If an active business other than mere aircraft storage is conducted on the Premises, Lessee shall maintain Comprehensive Automobile Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of \$1,000,000 combined single limit for each occurrence. Such insurance shall include but not be limited to bodily injury liability, property damage liability, hired car liability, and non-owned auto liability.
- e. <u>Worker's Compensation</u>. If Lessee maintains employees on the Premises, Workers Compensation Insurance as will protect Lessee's employees from claims under Washington Workers Compensation Act as well as all Federal Acts applicable to the Lessee's operations at the site, with coverage of not less than \$1,000,000 for each occurrence.
- f. <u>Insurance Policy Form, Content, and Insurer</u>. All insurance required by express provisions of this Lease shall be carried only in responsible insurance companies licensed to do business in the State of Washington. All such policies shall be non-assessable and shall contain language, to the extent obtainable, to the effect that:
  - i. Any loss shall be payable notwithstanding any act or negligence of the Port that might otherwise result in a forfeiture of the insurance; and
  - ii. The insurer waives the right of subrogation against the Port and against the Port's agents and representatives; and
  - iii. The policies are primary and noncontributing with any insurance that may be carried by the Port; and
  - iv. They cannot be cancelled or materially changed except after thirty (30) days' notice by the insurer to the Port.

Lessee shall furnish the Port with copies of all such policies promptly on receipt of them or with certificates evidencing the insurance. Before commencement of this Lease, Lessee shall furnish the Port with binders representing all insurance required by this Lease. At the expiration of the term, the Port shall reimburse Lessee pro rata for all prepaid premiums on insurance on the improvements required to be maintained by Lessee, and Lessee shall assign all Lessee's right, title, and interest in that insurance to the Port. Lessee may affect for its own account any insurance not required under this Lease. Lessee may provide by blanket insurance covering the Premises and any other location or locations any insurance required or permitted under this Lease provided it is acceptable to all mortgagees.

g. <u>Failure to Maintain Insurance - Proof of Compliance</u>. Lessee shall deliver to the Port, in the manner required for notices, copies or certificates of all insurance policies required by this Lease, together with evidence satisfactory to the Port of payment required for procurement and maintenance of the policy within thirty (30) days prior to the date that insurance is required by the lease to become in effect or prior to the renewal or replacement date. If

Lessee fails or refuses to procure or to maintain insurance as required by this Lease or fails or refuses to furnish the Port with required proof that the insurance has been procured and is in force or paid for, the Port shall have the right, at the Port's election and on five (5) days' notice, to procure and maintain such insurance. The premiums paid by the Port shall be treated as added rent due from Lessee with interest at the rate of twelve percent (12%) per annum to be paid on the first day of the month following the date on which the premiums were paid. The Port shall give prompt notice of the payment of such premiums, stating the amounts paid and the names of the insurer or insurers, and interest shall run from the date of said notice.

- 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. 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 the improvements built upon and personal property maintained on the Leased Premises. Lessee acknowledges that, because the Port is a municipality, Lessee must pay the Washington State Leasehold Tax on all rentals paid to the Port and Lessee also agrees to pay any other tax that may be levied at any time in the future on rents or leasehold interests.
- applicable rules and regulations of the Port pertaining to the 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 Lessees, invitees, licensees, and the general public. Lessee further agrees to comply with all applicable federal, state, county, 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 the lease term by any federal, state or municipal officer and the fees for any "Certificate of Occupancy" shall be paid by Lessee.
- 24. HAZARDOUS SUBSTANCES WARRANTY & AGREEMENT: Lessee has examined the Hazardous Substance Warranty and Agreement which is attached hereto as Exhibit "B" and which by this reference is fully incorporated herein. Lessee acknowledges that it fully understands and covenants that it will comply with all its obligations under the Hazardous Substances Warranty and Agreement.
- **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, without the written consent of the Port first had and obtained. If Lessee is a

corporation, limited liability company or partnership, Lessee further agrees that if at any time during the term of this Lease more than one-half (1/2) of the outstanding shares or ownership interests of Lessee shall belong to any persons other than those who own such ownership interests 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. CONDOMINIUM OWNERSHIP:** Notwithstanding the foregoing prohibition against assignment of this Lease, the Port agrees that a leasehold condominium may be created to own the leasehold improvements on the Premises, subject to the terms of this Lease, and that the leasehold condominium units so created may be sold to individual hangar owners, provided that:
  - a. At the time the condominium declaration is recorded, the buildings to be constructed on the Premises have been fully completed and a certificate of occupancy has been issued and this Lease is in a full state of compliance.
  - b. The condominium declaration and related plans and survey are submitted to the Port for its review and approval prior to recording and are found acceptable to the Port and its legal counsel.
  - c. The declaration and plans and survey are filed and recorded in Jefferson County in the manner required by law.
  - d. A condominium owners' association is lawfully formed and incorporated as a Washington State corporation and signs documents acceptable to the Port by which the corporation assumes all the Lessee's obligations under this Lease. The association will designate a single person with whom the Port may communicate regarding all matters. The Port shall not be required to deal with individual condominium unit owners regarding collection of rentals or the enforcement of other Lessee obligations under this Lease.
  - e. The condominium declaration specifically recites that it is subject to the terms of this Lease and contains provisions by which the condominium association has the authority to levy and collect contributions from the condominium owners to pay all rents and other obligations of the Lessee under this Lease, and to impose liens upon the condominium units to secure such payments.
  - f. The condominium declaration specifically recites that in the event of a conflict between the terms of this Lease and the condominium declaration, that the provisions of this Lease shall prevail.
- **27. DEFAULTS:** Time is of the essence of this Agreement, and in the event of the failure of Lessee to pay the rentals or other charges at the time and in the manner herein specified, or to comply

with any of the covenants or agreements herein set forth, the Port may elect to terminate this Lease and reenter and take possession of the Premises and all buildings and other improvements located thereon, with or without process of law, provided that Lessee shall first 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 reletting of the Leased Premises at a lesser rental than that hereinbefore agreed upon. Lessee shall pay such deficiency each month as the amount thereof is ascertained by the Port. Any failure by the owners, officers, or principals of Lessee to pay rentals, storage fees, moorage or any other charges owed to the Port under separate contract shall constitute default under provisions of this Agreement.

- 28. TERMINATION BY PORT: Nothing in this Lease shall be deemed to be a waiver of the Port's power of eminent domain. In the event the Port, in its sole discretion, shall require the use of the Premises for any purpose 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 at least 90 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.
- 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 on the buildings on 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 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.
- **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.
- **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.
- **35. SURRENDER OF PREMISES:** At the expiration or sooner termination of this Lease, Lessee shall promptly surrender possession of the Premises to the Port and shall deliver to the Port all keys that it may have to any and all parts of the Premises.
- **36. ATTORNEYS' FEES:** In the event that either party shall commence any legal action to enforce or interpret this Lease, the prevailing party in any such action shall be entitled to an award of all reasonable attorneys' fees and other litigation costs incurred in connection with such action, including costs incurred in the trial court and in any appellate courts.
- **37. HOLDING OVER:** Any holding over by the Lessee after the expiration of this Lease shall be construed as a tenancy at sufferance (unless such occupancy is with the written consent of the

Port) in which event the Lessee will be a tenant from month-to-month, upon the same terms and conditions of this Lease, except at a rent for such holdover period of 125% of the rental rate in effect for the month preceding such holdover. Acceptance by the Port of rent after such termination shall not constitute a renewal.

- **38. 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, together with interest at the rate of 12% per annum from the date of the Port's payment.
- 39. LIENS & ENCUMBRANCES: Except as expressly provided by Paragraphs 9(c) and 25(e) herein, Lessee shall keep the Leased Premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the said Premises by Lessee. At the Port's request, Lessee shall furnish the Port with written proof of payment of any item which would or might constitute the basis for such a lien on the Leased Premises if not paid.
- **40. NOTICES:** All notices, demands, requests, consents, approvals, and other instruments required or permitted to be given pursuant to this Agreement shall be in writing, signed by the notifying party, or officer, agent, or attorney of the notifying party, and shall be deemed to have been effective upon delivery if served personally, including, but not limited to delivery by messenger, overnight courier service or overnight express mail, or upon postmark affixed by the United States Post Office if sent by registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:

To the Port (Lessor):

THE PORT OF PORT TOWNSEND Attn: Lease & Contracts Administrator PO Box 1180 Port Townsend, Washington 98368 (360) 385-0656

To Lessee:

Northwest Custom Hangars, LLC Attn: Dave Ward PO Box 130 Quilcene, WA 98376

The address to which any notice, demand, or other writing may be delivered to any party as above provided may be changed from time to time by written notice given by such party as set forth hereinabove.

- **41. JOINT & 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.
- **42.** "LESSEE" INCLUDES LESSEES, ETC: It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease, regardless of the number, gender, or fact of incorporation of the party who is, or of the parties who are, the actual lessee or lessees under this Agreement.
- 43. NO AGENCY GRANTED HEREBY: Lessee is not to be considered, nor in any manner designated as the agent or attorney-in-fact of the Port, and this Lease does not grant to Lessee any authority to act as the Port's agent for any purpose. Any consent granted by the Port for the making of improvements to the Premises or for any other purpose shall not be construed as making the Lessee the agent of the Port, nor shall such consent make the cost of labor and/or materials used in improving the Premises lien-able against the fee estate of the Port.
- **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. INVALIDITY OF PARTICULAR PROVISIONS:** If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease 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 IN SERVICES: The Lessee agrees that it will not discriminate by segregation or otherwise against any person or persons because of race, creed, color, sex or national origin in furnishing, or by refusing to furnish, to such person, or persons, the use of the facility herein provided, including any and all services, privileges, accommodations, and activities provided thereby. It is agreed that the Lessee's noncompliance with the provisions of this clause shall constitute a material breach of this Lease. In the event of such noncompliance, the Port may take appropriate action to enforce compliance, may terminate this Lease, or may pursue such other remedies as may be provided by law.
- **47. NON-DISCRIMINATION IN EMPLOYMENT:** The Lessee covenants and agrees that in all matters pertaining to the performance of this Lease, Lessee shall at all times conduct its business in a manner which assures fair, equal and non-discriminatory treatment of all persons without respect to race, creed or national origin and, in particular:
  - 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 or national origin.

- **48. LABOR UNREST:** Lessee agrees to join with the Port and use its best efforts in avoiding labor unrest, or in the event of a wildcat strike or other labor difficulty, to use its good offices in negotiating and bringing to a swift and satisfactory conclusion any kind of labor dispute that may affect the interests of the Port.
- 49. **EASEMENTS:** The Parties recognize that the Port facilities are continuously being modified to improve the utilities and services used and provided by the Port. The Port, and/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 all utility lines, electrical services, and all other services required by the Port for its use. The Port is hereby granted a continuous easement or easements within the Leased Premises to the extent the Port reasonably believes to be necessary, without any additional cost to the Port, for the purposes expressed hereinabove, provided, however: that the Port by virtue of such use shall not permanently deprive the Lessee from its beneficial use or occupancy of its Leased Premises. In the event the Port does permanently deprive the Lessee from such beneficial use or occupancy, then an equitable adjustment in rent, or in the cost required to modify its Premises to allow the Lessee to operate its business, will be negotiated and paid by the Port to the Lessee. In the event such entry by the Port is temporary in nature, then the Port shall reimburse the Lessee for the cost required modifying its Premises for the temporary period that the Lessee is inconvenienced by such Port entry. The Port will not be responsible to the Lessee for any reduced efficiency, or loss of business occasioned by such entry.
- **50. FEDERAL AVIATION ADMINISTRATION REQUIREMENTS:** Lessee agrees that its use of the Premises will be accomplished in accordance with the following covenants:
  - a. Level of Service Compliance with Requirements. Lessee agrees to:
    - i. Furnish good, prompt, and efficient service adequate to meet all the demands for its service at the Airport;
    - ii. Furnish said service on a fair, equal and nondiscriminatory basis to all users thereof;
    - iii. Charge a fair, reasonable and nondiscriminatory price of each unit of sale or service, provided: that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers;
    - iv. Prevent any use of the Premises which would interfere with landing or taking off of aircraft at JCIA or otherwise constitute an airport hazard;
    - v. Prevent any operation on the Premises which would produce electromagnetic radiation of a nature which would cause interference with any air navigational or communications aid now or in the future to be installed to serve JCIA, or which would create any interfering or confusing light or cause any restrictions to visibility at the airport.

- b. <u>Use of Airspace</u>: The Port retains the public right of flight for the passage of aircraft in the airspace above the surface of the real property hereinabove described, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in said airspace, and for use of said airspace for landing on, taking off from or operating on JCIA.
- c. <u>Minority Businesses</u>. Lessee understands that it is the policy of the U.S. Department of Transportation that minority business enterprises as defined in 49 CFR, Part 23, shall have the maximum opportunity to participate in the performance of this Lease as defined in 49 CFR, Section 23.5, and that this Agreement is subject to 49 CFR, Part 23, as applicable. Lessee hereby assures that no person shall be excluded from participation in, denied the benefits of, or otherwise be discriminated against in connection with 49 CFR, Part 23, on the grounds of race, color, national origin, or sex.
- d. <u>Fire Protection</u>. Lessee understands and agrees that the Port provides for fire protection service to the airport through an interlocal agreement with a local volunteer fire district, Jefferson County Fire Protection District No. 1 (East Jefferson Fire-Rescue). Lessee further understands and agrees that the Port has no duty under this Lease to provide fire protection for Lessee's building, property or equipment located on or upon the Premises. It is agreed that fire protection service shall be provided to the Premises by the local volunteer fire district, and Lessee agrees to pay any service charges that may be imposed by said fire district. Lessee understands that it is Lessee's responsibility and duty to include the value of its buildings, property and equipment to appropriate County authorities for personal property tax purposes through which fire district service charges are paid. Failure of Lessee to list accurately its improvements or promptly to pay its fire district service charges when due shall be a breach of this Lease and shall be grounds for the Port to terminate this Lease.
- e. <u>Inventory of Aircraft</u>. Lessee understands and agrees that the Port shall have the right, upon fifteen (15) days advance written notice, to enter upon the hangars located upon the Leased Premises for the purpose of inventorying all aircraft housed in the hangars, to record their tail numbers and to obtain, upon request, copies of all registration papers. Lessee understands and agrees that the Port may be required, from time to time, to communicate such information to the FAA and other Federal, State and local law enforcement agencies, and Lessee agrees that such information will be freely made available to the Port and may be communicated by the Port to proper authorities.
- a. <u>Compliance with all FAA Regulations</u>. Lessee agrees to comply with any and all regulations imposed by the FAA and other agencies which govern activities at airports. Any violation of such regulations will constitute a default under this Lease.
- **51. DATE OF AGREEMENT:** The parties acknowledge that certain obligations of the Lessee are to be performed within certain specified periods of time which are determined by reference to the date of execution of this Agreement. The parties therefore agree that wherever the term "this

Agreement" or words of similar import are used herein, they shall mean the date upon which this Agreement has been duly executed by the Port and Lessee, whichever is the latter to so execute this Agreement. The parties further agree to specify the date on which this Agreement has been executed in the space provided below and warrant and represent to the other that such a date is in fact the date on which each duly executed this Agreement.

Townsend Port Commission, on the 26 <sup>th</sup> day of	of November 2024 as authorized by the Port of Port of November 2024. Land Lease effective the 1 <sup>st</sup> day of it and liability insurance documentation from the Lessee.
THIS AGREEMENT HAS BEEN NEGOTIATED BI OF IMMUNITY UNDER TITLE 51 RCW, AN INC	ETWEEN THE PARTIES AND CONTAINS A LIMITED WAIVER DEMNIFICATION AND A RELEASE.
LESSEE – NORTHWEST CUSTOM HANGARS, L	LC
David Ward, Governing Party	
ATTEST:	
LESSOR – PORT OF PORT TOWNSEND	APPROVED AS TO FORM
Eron Berg, Executive Director	Eric Toews, Port Attorney

# STATE OF WASHINGTON COUNTY OF JEFFERSON

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

Dated:	
Signature of	
Notary Public:	
My Appointment Expires:	

# STATE OF WASHINGTON COUNTY OF JEFFERSON

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

Dated:	<u> </u>
Signature of Notary Public:	
My Annointment Expires:	

### **EXHIBIT "A":**

## **Hangar Site #6– Leased Premises**

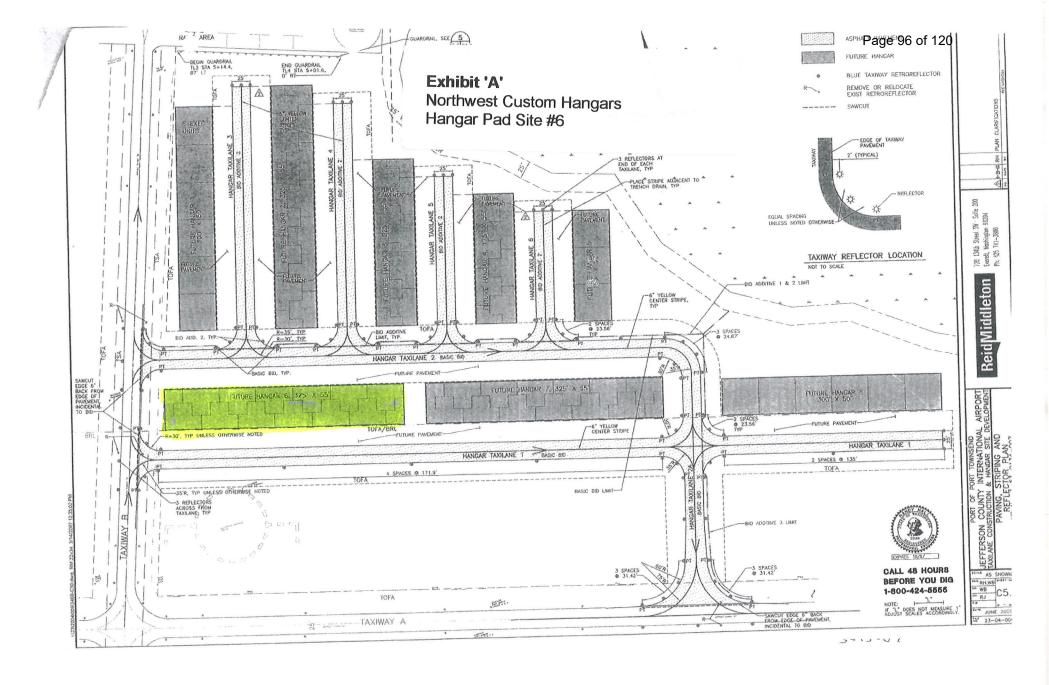
[RESERVED - MUST BE INCLUDED PRIOR TO EXECUTION OF LEASE AGREEMENT]

### **EXHIBIT "B":**

## **Hazardous Substances Warranty & Agreement**

[RESERVED – MUST BE INCLUDED & EXECUTED CONCURRENT WITH LEASE AGREEMENT]





# EXHIBIT "B" HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT

RIDER TO LEASE AGREEMENT DATED:	, 2024, BETWEEN THE PORT OF PORT
TOWNSEND and <b>NORTHWEST CUSTOM HANGARS</b>	, LCC, a Washington limited liability company

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

1.	<b>HAZARDOUS SUBSTANCES ON PREMISES.</b> 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:

- **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.
- **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 contract by such substances with the soils upon the leasehold or its surrounding area.
- **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.
- **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.
- 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.
- 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. <u>COPIES OF ENVIRONMENTAL CORRESPONDENCE</u>. Lessee agrees to provide Lessor with copies of all past and future correspondence to or form 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.
- 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.	inspections and testing request by consultants or engineers hir applicable environmental requ	ssee agrees to permit and cooperate with an ted by Lessor, including inspections and testined by Lessor to evaluate Lessee's compliance irements and the provisions of this Rider. Less advance notice of Lessor's intent to conduct	ng conducted with the ssor shall
15.	phone number is be primarily responsible (1) for handling contact with Lessor p on behalf of Lessee the annual	E RESPONSIBLE FOR COMPLIANCE. David Wa _ shall be the Lessee's designated representa Lessee's compliance with the provision of the ertaining to environmental compliance, and ( declaration of compliance pursuant to Parag ssor of any changes in the identity or telephore	ative who shall is Rider, (2) for 3) for signing raph 12 above
16.	ADDITIONAL PROVISIONS.		
LESSC		LESSEE:	
	Berg, Executive Director of Port Townsend	David Ward, Governing Party Northwest Custom Hangars, LLC	
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.	<u>Lessee Violation(s) of Environmental Regulations:</u> (If none, initial here:)
4.	Environmental Claims or Litigation Against Lessee: (If none, initial here:)
Lessee:	Northwest Custom Hangars, LLC
	Date:
By: Dav	rid Ward, Governing Party

## (Attachment No. 2 to Hazardous Substances Rider)

## **DECLARATION OF COMPLIANCE**

complia	<ul> <li>Jard, as the designated representative of Lessee primarily responsible for environmental nce pursuant to Paragraph 12 of the Hazardous Substances Warranty and Agreement        , 2024, hereby declare and represent as follows on behalf of Lessee:</li> </ul>
	have read, and am familiar with, Lessee's obligations and representations as set forth in ardous Substances Warranty and Agreement applicable to Lessee.
the prov	am not aware of, and do not believe there have been any violations by Lessee of any of visions in the Hazardous Substances Warranty and Agreement, or of any requirements d on Lessee by federal, state or local environment laws and regulations.
Paragra	have no reason to believe, and do not believe, that any of the representations in ph 6 of the Hazardous Substances Warranty and Agreement are inaccurate as of the date d below.
	Lessee has not stored, used or had present on or adjacent to the premises any hazardous substances except those that have been disclosed in writing to Lessor.
substan	Lessee has not released, disposed of, or permitted the release of any hazardous or toxic ces onto the premises or into the environment surrounding the premises, except as has sclosed in writing to Lessor.
Lessee:	Northwest Custom Hangars, LLC
By:	Date: id Ward, Governing Party
Dav	www.a, ooverming.raity

# PORT OF PORT TOWNSEND AGENDA COVER SHEET

MEETING DATE	November 26, 2024				
AGENDA ITEM	$\square$ Consent $\square$ 1 <sup>st</sup> Reading $\square$ 2 <sup>nd</sup> Reading $\boxtimes$ Regular Business $\square$ Informational				
AGENDA TITLE	VII. September 2024 Year to Date Financial Report				
STAFF LEAD	Connie Anderson, Director of Finance & Administration				
REQUESTED	☐ Information ☐ Motion/Action ☒ Discussion				
	September 2024 Consolidated Financial Report				
ATTACHMENTS	2. September 2024 Informational Memo, September Financial Report				
	3. September 2024 YTD Capital Project Expense Report				
	4. September 2024 Detailed Financial Report				

## Port of Port Townsend 2024 Summary of Fund Resources & Uses with Comparison to Prior Year and Budget

	YTD SEPT 2023	YTD SEPT 2024	Variance to prior year	YTD Budget 2024	2024 Budget	% of Budget
	75%	75%				
OPERATING REVENUES						
Boat Haven Moorage	1,622,880	1,653,502	30,623	1,663,392	2,152,587	77%
Work Yard Operations	1,513,981	1,464,275	(49,706)	1,548,304	1,990,719	74%
Ship Yard Operations	660,043	616,634	(43,410)	721,818	951,922	65%
Boat Haven Properties	753,956	842,768	88,812	788,665	1,050,151	80%
Point Hudson Properties	400,078	430,411	30,333	404,981	534,590	81%
Pt. Hudson Marina & RV Park	938,099	1,014,494	76,395	1,074,572	1,180,683	86%
Quilcene Marina & Prop	148,612	138,843	(9,769)	149,363	188,558	74%
Launch Ramps	38,749	41,579	2,830	42,211	48,909	85%
Jeff Co Intl Airport	147,849	163,792	15,942	161,044	214,715	76%
Total Operating Revenues	6,224,249	6,366,299	142,050	6,554,350	8,312,834	77%
OPERATING EXPENDITURES						
Salaries & Wages	2,103,083	2,491,332	388,249	2,337,148	3,120,651	80%
Payroll Taxes	242,822	293,116	50,294	248,884	331,289	88%
Employee Benefits	673,021	747,461	74,440	623,013	834,785	90%
Uniform Expense	6,400	11,496	5,095	7,910	12,135	95%
Contract Services	342,947	239,865	(103,082)	284,003	360,898	66%
Legal & Auditing	62,081	60,299	(1,782)	56,630	83,826	72%
Insurance	492,726	546,491	53,765	512,533	517,513	106%
Facilities & Operations	677,574	779,549	101,975	705,008	916,497	85%
Utilities	478,538	469,551	(8,987)	493,454	662,851	71%
Marketing & Promotion	82,767	74,486	(8,281)	71,094	94,545	79%
Economic Development	30,045	30,900	855	50,750	67,000	46%
Travel & Training	13,389	21,113	7,725	26,855	38,028	56%
Community Relations	10,149	29,137	18,988	46,879	53,000	55%
Total Operating Expenditures	5,215,540	5,794,794	579,253	5,464,161	7,093,018	82%
Net Operating Income (Expense)	1,008,709	571,505	(437,204)	1,090,189	1,219,816	47%
Other Increases in Fund Resources						
(Incr.)/Decr. In Accounts Receivable	37,781	11,327	(26,454)	_		
Deposits & Retainage Collected	51,661	51,930	269	63,433	80,254	65%
Taxes Collected	568,070	592,593	24,524	568,311	751,901	79%
Capital Contibutions/Grants	6,737,446	3,376,602	(3,360,844)	1,938,054	2,687,054	126%
Debt Proceeds - Line of Credit	(423,734)	1,230,295	1,654,029		_,;;;;;;	
Interest	378,817	447,539	68,722	231,700	297,952	150%
Property & other taxes	2,652,332	2,427,890	(224,442)	2,379,195	3,847,561	63%
Misc Other Incr. in Fund Resources	185,690	58,845	(126,845)	48,498	57,053	103%
Total Other Incr. in Fund Resources	10,188,064	8,197,022	(1,991,041)	5,229,191	7,721,775	106%
Other Decr. In Fund Resources						
Deposits & Retainage Paid	36,905	54,925	18,020	22,295	26,198	210%
Taxes Remitted	566,225	582,639	16,414	557,230	743,923	78%
Debt Principal & Interest	639,331	574,018	(65,313)	604,781	1,020,788	56%
Project Expenses	(1,423,561)	4,757,293	6,180,853	5,116,500	6,822,000	70%
Equipment & Vehicles	1,657,173	1,876,165	218,992	245,000	245,000	766%
Debt Mgmt, Issuance & Misc Exp	180,242	2,126	(178,116)	14,450	14,950	14%
Election Expense	-30,2 12	47,331	47,331	15,500	15,500	305%
Total Other Decr. In Fund Resources	(857)	7,894,496	6,019,189	6,330,756	8,643,359	91%
Incr. (Decr.) in Other Fund Resources	10,188,921	302,526	(8,010,230)	(1,101,565)	(921,584)	-33%
Change in Cash - Increase/(Decrease)	11,197,630	874,031	(8,447,434)	(11,376)	298,232	293%
Change in Cash - increase/ (Decrease)	11,137,030	1 0,4,031	(0,,1,,1)	(11,5/0)	230,232	

# PORT OF PORT TOWNSEND INFORMATIONAL MEMO

**DATE:** 11/20/2024

**TO:** Commission, Executive Staff

FROM: Connie Anderson, Director of Finance & Administration

**SUBJECT:** YTD September 2024 Financial Report

Attached is the YTD September 2024 financial report on Port activities. This consolidated report shows the variance between the current period as compared to the prior year (September 2023) and the % of budget for 2024. September is 75% of budget.

### Notes to the Financials:

### **Revenues**

Revenues remain stable, coming in year over year comparable to 2023. Overall operating revenues have increased \$142,050 compared to September 2023 and totaled \$6,366,299. Revenues are on target at 77% of the 2024 budget.

### **Expenses**

Overall, the YTD expenditures are reported at 82% of the operating budget, higher than budgeted. The operating expenses have increased by \$579,253 compared to July 2023 and totaled \$5,794,794.

As expected, the annual insurance premiums were higher than budget by just under \$30k. Salaries & benefits are 86% of budget. Capital project expenditures will be allocated as staff focus on capital projects during the peak dry season which will reduce operating expenditures and will reflect the Port's focus on Port-Wide capital projects and deferred maintenance projects.

### **Net Operating Income (NOI)**

Net operating income is 47% of the 2024 budget, trending down compared to September 2023 as well as the 2024 budget plan.

### Other Increases and Decreases in Fund Resources

Capital project work continues around the Port. Details are included in the 2024 YTD Capital Project Expense report. Overall, YTD September 2024 capital project and equipment expenses are \$6.6m or 57% of the total 2024 capital budget. Additional funding has been secured since the 2024 budget was adopted in November 2023 and the resources are reflected in the notes below the Capital Project Expense report.

Grant reimbursements YTD September 2024 are \$3.3m. This includes the \$1,054,581 grant reimbursements from EDA and RCO in July for the Jetty project. One final reimbursement for the jetty project has been submitted to EDA for just over \$1.2m and was receipted in November. This receipt will be reflected in the November financial report.

The construction of the 300-ton variable width travel lift began in April 2024. The initial down payment of \$988k was sent to Kendrick Equipment and the second installment payment of \$706k was paid in August; estimated completion is targeted for May 2025. An EDA grant has been obtained to cover 80% of the original estimated cost. Reimbursement for 80% of installment payments #1 and #2 (\$1,355,875) has been submitted. Receipt of

the reimbursements has been delayed due to staff changeover at EDA. Reimbursement for the first two payments is expected by year end.

The 2021 Line of Credit has been used to bridge the gap between capital project costs incurred and reimbursement is received from the granting agency. The line of credit is available for this purpose until March 2027. The semi-annual payment of \$665k was paid in September.

Account receivables are reported at \$11k. This represents operational invoices generated but have not yet been received.

Property tax receipts along with other governmental tax revenues have been received for \$683k regular operating tax levy and \$1.7m for the IDD tax levy. Interest revenues remain strong. As of September 30, the Port has earned \$431k in interest income with an average interest rate of 5.23%.

The overall change in cash position compared to 2023 has increased by \$303k. This is primarily due to the timing of capital expenses with the receipt of grant reimbursements, property tax receipts, interest earnings and use of the Line of Credit to cover capital expenses.

### **Year to Date Cash Balances**

Ending Cash Balances		2023 Actuals	2024 YTD
Reserved Cash & Investments – IDD		7,252,497	7,182,141
Reserved Cash & Investments – Other, see detail below*		3,376,219	3,376,219
Unreserved Cash & Investments	_	644,440	1,018,889
Total Cash & Investments		11,273,156	11,577,249
*Other Reserves detail:	Target balance	2023 Actuals	2024 YTD
Unemployment Reserve	NA	10,000	10,000
Operating Reserve (a)	1,773,274	1,623,405	1,623,405
Boat Haven Renovation Reserve (b)	NA	436,068	436,068
Emergency Reserve	500,000	500,000	500,000
Port-Wide Capital Reserve (c)	NA	806,746	806,746
Total Other Reserves	_	\$3,376,219	\$3,376,219

#### 2024 Cash Balance Notes:

IDD cash reserves have been moved to Unreserved cash & investments to cover IDD eligible project costs. This includes the 2020-2023 IDD true up for \$926k and Q4 2023 IDD eligible expenses of \$1.1m.

Reserved cash and investments are invested in the WA State Local Government Investment Pool (LGIP). Year to date interest, January – September, earned is \$431,064. The average YTD interest rate earned was 5.2290% before investment fees. Interest rates may be impacted by Federal Reserve decisions through the remainder of the year.

### Other Reserves detail:

(a) The target for the Operating Reserve is 25%, or three (3) months, of operating expenses, per current budget. The above target is based on the 2024 Operating Budget. See resolution 692-19 for more detail.

- (b) This reserve is for use on Boat Haven Moorage projects until it is extinguished. It was replaced by the Port-Wide Capital Reserve in resolution 693-19.
- (c) Resolution 693-19 did not set a target for this reserve; however, in 2024 a long-term projection will be developed for funding future projects by location.

### **Debt Service for the Year**

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

June 1 – interest only\$ 66,006December 1 – principal and interest416,006

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

July 1 – principal and interest530,750December 31 – interest only15,750Total Debt Service for the year\$1,028,513

Remaining Debt for years 2024-2029

2010 LTGO Bond – principal and interest \$ 2,847,463 payoff December 2029

2015 LTGO Bond – principal and interest <u>1,081,800</u> payoff July 2025

Total \$3,929,263\*

As an alternative to paying off currently obligated debt in accordance with the amortization schedules, staff propose the Port move more quickly to extinguish that debt. Port staff proposes to use annual property tax levy to extinguish all the above debt obligations two years earlier in 2027, rather than the legal obligation of 2029.

### 2021 LTGO Line of Credit

						Ending
		Beginning		Redemption -	Redemption -	Principal
date	draw no.	Balance	Draw	Principal	Interest	Balance
Nov-22	1st draw		2,633,967	-	-	2,633,967
Dec-22	2nd draw	2,633,967	1,189,677	-	-	3,823,644
Mar-23	LOC payment	3,823,644	-	423,734	16,481	3,399,910
Aug-23	pay down	3,399,910	-	3,399,910	26,057	-
Oct-23	3rd draw	-	335,000	-	-	335,000
Nov-23	4th draw	335,000	1,000,000			1,335,000
Dec-23	5th draw	1,335,000	1,317,000			2,652,000
Jan-24	6th draw	2,652,000	888,000			3,540,000
Feb-24	7th draw	3,540,000	849,000			4,389,000
Feb-24	LOC payment	4,389,000		506,705	13,071	3,882,295
Sep-24	LOC payment	3,882,295		635,079	30,197	3,247,216
	totals		\$ 8,212,644	\$ 4,965,428	\$ 85,805	\$ 3,247,216

Note: Interest payments are calculated just prior to loan due dates.

The 2021 LTGO LOC's required debt redemptions are due in March, and September each year until the end of the bond term, March 1, 2027. This debt instrument serves as a bridge between project expenditure payments, grant reimbursements, and reconciliations with the IDD Levy Reserve, as applicable. The Port plans to re-pay this debt prior to the term date in March 2027. There are no penalties for pre-payment. The interest rate on the LOC is 1.55% through March 1, 2025, and increases to 1.65% thereafter through the end of bond term.

### **DISCUSSION**

As requested by the Commission.

### **FISCAL IMPACT**

NA

### **RECOMMENDATIONS**

For discussion only.

## Port of Port Townsend 2024 YTD Capital Project Expenses

Jefferson County Int'l Airport	202	4 Capital Plan	Year-to-date		
Airport Terminal	\$	140,000	\$	2,421	
2nd Connector Taxiway - construction	\$	-	\$	80,194	
Fuel System Improvement - <i>Design</i>	\$	200,000	\$	0	
Airport Master Plan Update	\$	222,000	\$	26,725	
Eco-Industiral Park - <i>Design/Engineering/Permitting</i>	\$	450,000	\$	0	
JCIA Stormwater management	\$		\$	0	
Boat Haven					
Main Breakwater Repairs - Permitting & Design	\$	500,000	\$	30,300	
Stormwater Treatment Compliance Upgrade - Permitting & Design (c)	\$	250,000	\$	521,926	
Northwest Yard Expansion (along Sims Way Boat Yard Construction)	\$	1,000,000	\$	61,702	
West Yard Expansion (near shipyard)	\$	500,000	\$	109,946	
BH Linear Dock Replacement - <i>Design</i>	\$	400,000	\$	0	
Bldg. Fac. Presrv - Enviro Roof/Ext. Paint-Bathrm Ext. Paint	\$	25,000	\$	3,309	
Moorage/Yard Office/Yard Shack			\$	55,944	
Sperry bldg. #5 TAKU	\$	50,000	\$	-	
Sperry Bldg. #7 KEY CITY			\$	57	
FEMA - Pavement Repairs			\$	2,039	
FEMA - Bulkhead Repairs			\$	3,473	
Point Hudson					
Breakwater Replacement (North & South Jetty)	\$	1,600,000	\$	2,827,525	
Bldg/Facility Preservation (Cupola Bldg. Remodel)	\$	450,000	\$	294,298	
Bldg/Facility Preservation (Restroom Repair)	\$	-	\$	6,373	
Bldg/Facility Preservation (Pavilion AV upgrade)	\$	-	\$	70,332	
Bldg/Facility Preservation (Annex Building)	\$	-	\$	55,800	
Bldg/Facility Preservation (PH Weatherization Project)	\$	1	\$	14,544	
FEMA - PH Emergency Repairs	\$	-	\$	4,150	
Quilcene					
			\$	366	
W.I.P.:Short Farm - Projects W.I.P.:Short Farm House Remodel-SHORT			<u></u>		
W.I.PSHOIT FAITH HOUSE REHIDUEL-SHORT			<u>ې</u>		
Short Farm Property					
Herb Beck Dredge	\$	80,000	\$	36,431	
Ramp Upgrade & Bathroom Remodel	\$	170,000	\$	66,845	
Quilcene Campground	\$	200,000	\$	9,517	
Other Projects				·	
Water Walk feasibility	\$	220,000	\$	188,433	
Gardiner Boat Launch w/seasonal float - Construction	<del>.</del> \$	800,000	- <u></u> \$	43,057	
Mats Mats Bay Facilities	<del>-</del> \$	30,000	<del>?</del> \$	43,037	
Portwide Dock Reno	<del>3</del> \$	250,000	- <del></del>		
Portwide Dock Reno (D-Dock Retrofit)	<del>.</del> \$	230,000	- <del></del>	37,943	
	ب 	<del>-</del>	ب 	37,343	

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Portwide Dock Reno (PH Linear Dock Repair)	\$	-	\$	148,680
Portwide Dock Reno - Piling Replacement	\$	75,000	\$	0
Portwide Yard/Prkg/RV Rsrfcg (Long Term Yard Rehab) <sup>(b)</sup>	\$	75,000	\$	-
Portwide Yard/Prkg/RV Rsrfcg (BH Marina Pavement Repair)			\$	2,039
Portwide Yard/Prkg/RV Rsrfcg (PH Parking Update)	\$	-	\$	19,763
Clean Vessel Boat build & pump outs	\$	-	\$	15,467
	\$	-	\$	0
Port Equipment / Vehicle Replacement				
Port Equipment / Vehicle Replacement	\$	-	\$	0
300T Travelift <sup>(d)</sup>	\$	2,933,000	\$	1,694,844
Sprinter Van, Vacuum Dump Trailer, Gator	\$	145,000	\$	67,173
Small Capital Projects & Equipment	\$	100,000	\$	114,148
Unplanned / Emergency Repairs				
Various Repairs & Replacement	\$	750,000		
** Bulkhead, pavement, shoreline, marina				
	\$	11,640,001	\$	6,615,763
2024 Capital Funding Budget				
Grants - Secured	\$	2,687,054		
Port Wide Capital Reserve	\$	400,000		
Port Wide Capital Reserve Boat Haven Reserve	\$ \$	400,000 367,061		
·	\$	•		
Boat Haven Reserve	\$	367,061		
Boat Haven Reserve IDD Levy	\$ \$	367,061 2,770,685		
Boat Haven Reserve IDD Levy NOI (net operating income)	\$ \$ \$ <b>\$</b>	367,061 2,770,685 842,200		

- (a) This is a capital "program" that includes any port-wide dock renovations as needed each year. This program has \$250,000 budgeted annually for the next 5 years.
- (b) This is a capital "program" that includes any port-wide parking & resurfacing projects as needed each year. This program has \$75,000 budgeted annually for the next 5 years.
- (c) Authorized BH Stormwater revision to reflect \$661,500 of IDD Funding and \$5,088,500 of grant funding. (April 10, 2024 Business Meeting)
- (d) Authorized purchase of 300T variable width Travelift for \$3,090,266 with EDA grant funding of \$2,345,833. (April 10, 2024 Business Meeting)

## Port of Port Townsend 2024 Summary of Fund Resources & Uses with Comparison to Prior Year and Budget

	YTD SEPT 2023	YTD SEPT 2024	Variance to prior year	YTD Budget 2024	2024 Budget	% of Budget
	75%	75%				
OPERATING REVENUES						
MOORAGE - PERMANENT	981,268	1,035,328	54,061	1,027,825	1,365,825	76%
MOORAGE - LIVEABOARD FEE	21,315	20,460	(855)	21,366	27,366	75%
MOORAGE - LIVEABOARD BCKGRD CHECK	252	63	(189)	149	198	32%
LIFT PIER USAGE	13,385	9,629	(3,756)	11,021	14,021	69%
MOORAGE - MONTHLY GUEST	203,632	225,934	22,302	222,205	290,705	78%
MOORAGE - NIGHTLY GUEST	291,462	237,346	(54,116)	268,490	306,490	77%
MOORAGE - NON L/H TAXABLE	1,825	4,494	2,669	-	-	
MOORAGE-KAYAK RACKS	6,029	8,765	2,736	5,100	6,382	137%
MOORAGE - ELECTRIC BASE FEE	42,997	37,036	(5,961)	82,526	109,026	34%
MOORAGE - ELECTRIC KWH CHARGES	39,583	41,568	1,985	-	-	
MOORAGE - MISCELL REVENUE	6,907	17,475	10,568	6,679	8,779	199%
PTBH MOORAGE - PROMOTIONAL SALES	1,243	3,801	2,558	698	930	409%
MOORAGE - PORT LABOR	-	-		792	1,046	0%
MOORAGE - SHOWERS	7,516	6,154	(1,362)	8,671	11,321	54%
MOORAGE: BH Restroom Key Fobs	284	171	(113)	1,406	1,856	9%
MOORAGE - LAUNDRY	5,183	5,279	97	6,465	8,642	61%
MOORAGE - PASSENGER FEE	-	-	-	-	-	
Boat Haven Moorage	1,622,880	1,653,502	30,623	1,663,392	2,152,587	77%
WORK YARD - ENVIRONMENTAL FEE	61,085	66,571	5,486	65,500	85,496	78%
WORK YARD - BMP ENVIRO INFRACTIONS	210	-	(210)	-	-	
WORK YARD - ELECTRIC BASE FEE - LH TXBL	33,132	36,272	3,140	34,000	42,560	85%
WORK YARD - ELECTRIC BASE NON-LHT	4,961	6,952	1,991	-	-	
WORK YARD: ENVIRONMENTAL CLEAN UP FEE	(26)	-	26	80	100	0%
WORK YARD - LIVEABOARD FEE	-	-	-	450	600	0%
WORK YARD - MISCELL REVENUE	421	1,118	697	654	751	149%
WORK YARD - PORT LABOR - SALES TXBL	9,996	10,470	474	9,884	10,641	98%
70/75 TON - HOIST REVENUE - Sales Taxable	292,429	302,795	10,367	340,000	406,797	74%
70/75 TON - HOIST REVENUE - Non Sales Taxable	23,956	26,519	2,563	-	-	
WORK YARD - OWNER WASHDOWN - NON-TXBL	40,970	41,714	744	53,360	60,389	69%
WORK YARD - PORT WSHDWN - SALES TXBL	13,487	15,941	2,454	17,566	20,854	76%
WORK YARD - YARD REVENUE-LHT TXBL	905,368	823,644	(81,724)	1,003,000	1,327,179	62%
WORK YARD - YARD REV - NON LHT TXBL	101,190	107,434	6,244	-	-	
WORK YARD - L/T STORAGE	(393)	(1,230)	(836)	-	-	
WORK YARD - BLOCKING RENT	23,119	18,749	(4,370)	20,480	30,971	61%
WORK YARD - BLOCKING RENT - NON TXBLE	323	2,851	2,528	-	-	
WORK YARD - TARP POOL FEE	3,755	4,473	718	3,331	4,381	102%
Work Yard Operations	1,513,981	1,464,275	(49,706)	1,548,304	1,990,719	74%
SHIP YARD - ENVIRONMENTAL FEE	16,763	17,235	472	15,096	21,126	82%
SHIP YARD - ELECTRIC BASE FEE	17,090	10,967	(6,124)	36,350	50,462	22%
BOATYARD - ELECTRIC KWH CHARGES	9,183	13,881	4,698	-	-	
SHIP YARD - ELECTRIC BASE NON-LHT	-	2,905	2,905	-	-	
SHIP YARD - GARBAGE	1,013	-	(1,013)	160	200	0%
BOAT YARD - PORT LABOR SALES TXBL	8,230	6,900	(1,330)	7,754	8,732	79%
SHIP - HOIST REVENUE - Sales Taxable	189,305	192,704	3,399	208,430	261,645	74%
SHIP - HOIST REVENUE - Non Sales Taxable	13,124	12,847	(277)	-	-	
BOAT YARD - OWNER WASHDOWN NON-TXBL	28,743	21,208	(7,535)	37,435	43,653	49%
BOAT YARD - PORT WSHDWN - SALES TXBL	5,566	8,956	3,390	-	-	
SHIP - BILGE WATER REVENUE	4,754	3,366	(1,387)	4,393	6,000	56%
BOAT YARD - YARD REVENUE-LHT TXBL	290,253	244,450	(45,803)	395,500	534,402	46%
BOAT YARD - YARD REV - NON LHT TXBL	61,811	68,741	6,930	-	-	
BOAT YARD - BLOCKING RENT W/O TX	12,766	9,773	(2,994)	16,700	25,702	38%
SHIP YARD - BLOCKING RENT - NON TXBLE	-	1,646	1,646	-	-	
SHIP YARD - TARP POOL FEE	1,442	1,055	(387)	-	-	

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	YTD SEPT		Variance to	YTD Budget	2024	% of
	2023	YTD SEPT 2024	prior year	2024	2024 Budget	Budget
Ship Yard Operations	660,043	616,634	(43,410)	721,818	951,922	65%
PTBH PROP - GARBAGE	3,049	3,620	572	3,105	4,142	87%
PTBH PROP - LEASE REVENUE	611,615	687,316	75,702	727,000	967,893	71%
PTBH PROP - STORAGE UNIT REVENUE	9,614	9,769	155	9,765	12,972	75%
PTBH PROP - LEASE REVENUE NON-LET	82,947	86,539	3,592	-	-	
PTBH PROP - FUEL DOCK LEASE REVENUE	13,507	13,788	281	15,486	20,531	67%
PTBH PROP - WATER	27,447	22,907	(4,539)	25,470	33,970	67%
PTBH PROP - ELECTRIC	(2,291)	3,326	5,616	(750)	(1,145)	-290%
PTBH PROP:STORMWATER FEES-PROP	6,781	6,366	(415)	7,689	10,434	61%
PTBH PROPERTY: PORT LABOR	-	-	` -	-	-	
PTBH PROP - MISCEL REVENUE	1,234	9,138	7,904	900	1,354	675%
PTBH PROP:BH KEYS & FOBS	55	-	(55)	-	-	
Boat Haven Properties	753,956	842,768	88,812	788,665	1,050,151	80%
PT HUDSON PROP - DAILY PARKING	14,556	19,933	5,377	-	-	
PT HUDSON PROP - MONTHLY PARKING	473	795	323	-	-	
PT HUDSON PROP - BACK 40 DAILY/WEEKLY PARKING	1,383	12,436	11,054	19,478	21,238	59%
PT HUDSON PRP-Monthly Parking Non Txble	-	1,792	1,792	-	-	
PT HUDSON PROP - WATER	11,527	11,374	(154)	12,546	16,725	68%
PT HUDSON PROP - SEWER	6,917	6,301	(616)	8,055	10,100	62%
PT HUDSON PROP - STORMWATER	4,536	3,955	(581)	4,230	5,639	70%
PT HUDSON PROP - JANITORIAL	11,436	11,540	104	12,145	16,185	71%
POINT HUDSON PROP - PORT LABOR	-	1,525	1,525	-	-	
PT HUDSON PROP - BLDG LEASE	230,096	248,820	18,724	348,527	464,703	54%
PT HUDSON PROP-BLDG LEASE - NON L/H TAXABLE	119,155	111,800	(7,354)	-	-	
PTBH PROP-PH PRP	-	140	140	-	-	
Point Hudson Properties	400,078	430,411	30,333	404,981	534,590	81%
PH - PERM MOORAGE	108,614	100,824	(7,790)	132,330	132,330	76%
PH - LIVEABOARD FEE	420	330	(90)	8,500	8,500	4%
PH - LIVEABOARD BCKGRD CHECK	1,314	1,008	(306)	2,100	2,100	48%
PT HUDSON - MONTHLY GUEST	8,511	23,418	14,907	96,000	96,000	24%
PT HUDSON - NIGHTLY MOORAGE	211,103	250,250	39,147	225,590	225,590	111%
WHARF USAGE	18,200	17,678	(522)	14,848	14,894	119%
PT HUDSON- MOOR - NON L/H TAX	4,306	7,638	3,332	-	-	
PT HUDSON - MONTHLY R.V.	44,625	41,634	(2,991)	56,787	75,191	55%
PT HUDSON - NIGHTLY R.V.	5,325	(3,314)	(8,639)	-	-	
PH MOORAGE - RV NIGHTLY - incl. tax	425,055	420,064	(4,991)	403,737	439,151	96%
PT Hudson-RV Cancellation Fee	-	7,647	7,647	-	-	
KAYAK RACKS - PT HUDSON	13,609	15,437	1,828	18,750	20,250	76%
POINT HUDSON - ELECTRIC KWH CHARGES	2,709	1,912	(797)	9,255	9,255	21%
PT HUDSON - CRUISE SHIP GARBAGE REIM	972	559	(413)	1,100	1,175	48%
PT HUDSON- RESERVATION FEE	45,907	65,714	19,807	43,229	46,156	142%
PH MARINA/RV - PROMOTIONAL SALES	1,151	3,532	2,381	1,147	1,227	288%
PT HUDSON- SHOWERS	5,086	4,846	(240)	5,229	6,049	80%
PT HUDSON - KEY FOBS	276	22	(254)	400	500	4%
PT HUDSON- LAUNDRY	6,126	6,440	314	5,752	6,415	100%
PT HUDSON - PASSENGER FEE	22,407	27,144	4,737	18,250	21,554	126%
PT HUDSON - EVENT FACILITY REV	4,892	11,360	6,468	7,318	48,369	23%
PT HUDSON - ELECTRIC	7,216	4,173	(3,043)	22,850	24,418	17%
PT HUDSON - MISCEL REVENUE	276	6,180	5,903	1,400	1,559	396%
Pt. Hudson Marina & RV Park	938,099	1,014,494	76,395	1,074,572	1,180,683	86%
QUILCENE - PERMANENT MOORAGE	58,822	50,263	(8,559)	59,500	73,272	69%
QUILCENE - LIVEABOARD FEE	271	-	(271)	-	-	
QUILCENE - NIGHTLY MOORAGE	6,380	3,548	(2,832)	1,837	1,887	188%
QUILCENE - COMMERCIAL RAMP FEE	5,400	1,540	(3,860)	5,702	5,702	27%
QUILCENE - ELECTRIC BASE FEE	897	646	(251)	1,233	1,651	39%
QUILCENE - ELECTRIC KWH CHARGES	476	895	419	540	720	124%
QUILCENE - SHOWERS	1,712	1,901	189	2,192	2,812	68%
QUILCENE - RAMPS	9,319	9,235	(85)	9,633	10,913	85%
QUILCENE - LEASE REV	57,130	61,437	4,307	57,960	77,279	80%

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Jeff Co Intl Airport					$\overline{}$		9 113 OT 12U	
COUL - EMPTY TRAILER STIRG - MONTHLY			·			۱ -		
DUIL ENDYTTRALER STIRG - MONTHLY	CHILL FARTY TRAILER STOCK RANKY MANUAL	2023		-	4		_	
QUILCENE - WATER   7,339   8,384   1,066   9,666   12,902   65%   QUILCENE - MARCELLERY   158   70   (88)   200   200   35%   QUILCENE - MARCELLERY   128,612   133,843   7,9769   149,361   188,558   7,976   149,361   188,558   7,976   149,361   188,558   7,976   149,361   188,558   7,976   149,361   188,558   7,976   149,361   188,558   7,976   149,361   188,558   1,976		700						
COULCEN MISCELL REY								
Guilene Marins & Prop   148,622   138,843   1,979   149,363   183,558   744, 8495   744,076   6,660   5,210   1,250   2,135   31,23   315,568   34,374   1,298   39,534   45,229   765,884MPS-RECRAMP/PARK FEE   35,672   34,374   1,298   39,534   45,229   765,884MPS-Failure to Pay Rump Fee   1,200   1,200   1,250   1,						, and the second	·	
RAMPS - COMMORICAL LUSR REES  ARMPS - BER RAMPS - BER			-					
RAMPS-Failure Day Romp Fee	·							
RAMPS:Failure to Pay Ramp Fee						,		
DINGHY FLOAT REVENUE   ADDICOK   1,008   525   (1,003)   1,427   1,557   34%   1,008   1,009   1,008   1,009	· · · · · · · · · · · · · · · · · · ·	33,072	34,374	(1,298)		39,334	45,229	7070
Launch Ramps		1 608	525	(1.083)		1 427	1 557	34%
STALE ALESS REVENUE   94,989   107,886   12,897   125,532   167,379   64%   126.						,	,	
ICAL - LEASE REVENUE NON-LET   15,318   16,312   994   1.0CAL - HANGAR EVENUE   31,823   33,688   1,665   30,771   41,028   82%   10CA - HANGAR EVENUE   80   80   (500)   800   1,062   88%   1,665   1,950   1,962   137%   10CA - HELEASE REVENUE   805   1,062   257   60   905   117%   10CA - HELEASE REVENUE   1,471   1,894   424   1,386   1,699   111%   147%   1,545   1,579   1,	·							
ICIA - HANGAR REVENUE						-	-	0 1,70
SCIA - VEHILLE PARKING REVENUE   580   80   (500)   800   1,062   8%   1,062   1,062   1,063   1,062   1,063   1,062   1,064   1,064   1,069   1,176   1,064   1,064   1,064   1,064   1,065						30.771	41.028	82%
ICA - AIRCRAFT PARKING   2,864   2,870   6   1,950   2,624   1019%   1014   1064   1054   1				•		, and the second		
ICA - MISCELL REVENUE								
JCIA - FUEL LEASE REVENUE				257			·	
Jeff Co Intl Airport	JCIA - FUEL LEASE REVENUE		,					
Poperating Expenditures	Jeff Co Intl Airport		,	15,942				
Salaries & Wages	·	6,224,249			ŀ		8,312,834	
Salaries & Wages Payroll Taxes 242,822 293,116 50,294 248,824 233,126 233,13 388,249 2,337,488 31,226 85% Employee Benefits 673,021 747,461 74,440 263,884 331,228 85% Contract Services 6,400 11,496 5,095 5,766 51,225 53,765 51,25,33 5,75,13 10,506 61 13,211 7,861 7,596 11,821 7,912 11,821 7,912 11,821 7,912 11,821 7,912 11,821 8,331 11,900 11,496 11,496 11,496 11,496 11,496 11,496 11,496 11,497 11,496 11,				ŕ				
Payroll Taxes								
Employee Benefits								
Uniform Expense Contract Services Legal & Auditing 62,081 60,299 1,782) Insurance 492,726 Office/Computer Supplies 13,406 Office/Computer Supplies 91,255 82,126 Operating Supplies 91,255 82,127 Operating Supplies 91,255 0perating Sup	•	•		*			· ·	
Contract Services Legal & Auditing 62,081 60,299 (1,782) 284,003 360,898 66% Legal & Auditing 62,081 60,299 (1,782) 56,630 83,826 72% 546,491 53,765 515,533 517,513 106% Office/Computer Supplies 913,406 13,472 66 13,211 17,861 75% Operating Supplies 91,255 82,126 (9,128) 79,132 17,861 106% 175% 175,600 175,60		•		*		· '		
Legal & Auditing   62,081   60,299   (1,782)   56,630   83,826   72%   Insurance   492,726   546,491   53,765   512,533   517,513   106%   Office/Computer Supplies   13,406   13,472   66   13,211   17,861   75%   Operating Supplies   91,255   82,126   (9,128)   79,132   102,353   80%   Enviro Materials/Supplies   4,053   9,639   5,586   10,663   14,821   65%   Tarp Pool Expense   33,254   21,571   (1,683)   38,673   4,043   51%   Empl Recog/Relations   3,006   3,842   836   6,150   9,277   41%   Postage   3,560   2,861   (700)   4,406   6,115   47%   Janitorial Supplies   16,841   17,538   697   19,864   23,144   62%   Fuel & Lubricants   37,272   36,947   (325)   38,702   52,532   70%   Permits & Licenses   10,231   8,331   (1,900)   12,460   13,277   63%   Equipment Purchase & Rental   86,213   47,625   (38,589)   68,737   80,425   59%   Claims & Damages   6,091   3,947   (2,145)   2,750   5,000   79%   Membership & Dues   26,001   16,225   (9,776)   24,416   43,000   38%   Bank Charges   130,963   150,021   19,058   133,527   168,120   89%   Excise Tax   22,725   23,543   818   22,531   30,360   78%   Miscellaneous Expense   2,354   2,541   187   1,908   2,353   108%   Repair & Maintenance Supplies   190,349   339,320   148,971   227,878   300,816   137   Facilities & Operations   677,574   779,549   101,975   705,008   916,497   85%   Utilities & Operations   58,105   62,137   4,032   49,188   65,404   95%   Marketing   58,105   62,137   4,032   49,188   66,404   95%   Marketing   58,005   62,137   7,486   (8,281)   71,094   94,545   79%   Economic Development   30,045   30,900   855   50,750   67,000   46%   Travel & Training   13,389   21,113   7,725   26,855   38,008   55%   Marketing   59,005   57,947,94   579,253   5,464,161   7,093,018   22%   Marketing   50	·							
Insurance								
Office/Computer Supplies         13,406         13,472         66         13,211         17,861         75%           Operating Supplies         91,255         82,126         (9,128)         79,132         102,353         80%           Enviro Materials/Supplies         4,053         9,639         5,586         10,663         14,821         55%           Tarp Pool Expense         33,006         3,842         836         6,150         9,277         41%           Postage         3,560         2,861         (700)         4,406         6,115         4,77           Janitorial Supplies         16,841         17,538         697         19,864         28,144         62%           Fuel & Lubricants         37,272         36,947         (325)         38,702         52,532         70%           Fermits & Licenses         10,231         8,331         (1,900)         12,460         13,277         63%           Glaims & Damages         6,091         3,947         (2,145)         2,750         5,000         79%           Membership & Dues         2,001         16,225         (9,776)         24,416         43,000         38%           Excise Tax         22,725         23,543         818	5	•				· '		
Operating Supplies         91,255         82,126         (9,128)         79,132         102,353         80%           Enviro Materials/Supplies         4,053         9,639         5,586         10,663         14,821         65%           Tarp Pool Expense         33,254         21,571         (11,633)         38,673         42,043         51%           Postage         3,560         2,861         (700)         4,406         6,115         47%           Janitorial Supplies         16,841         17,538         697         19,864         28,144         62%           Fuel & Lubricants         37,272         36,947         (325)         38,702         52,532         70%           Permits & Licenses         10,231         8,331         (1,900)         12,460         13,277         63%           Equipment Purchase & Rental         86,213         47,625         (38,589)         68,737         80,425         59%           Claims & Damages         6,091         3,947         (2,145)         2,750         5,000         79%           Membership & Dues         26,001         16,225         (9,776)         24,416         43,000         38%           Bank Charges         130,963         150,021		,	,					
Enviro Materials/Supplies								
Tarp Pool Expense         33,254         21,571         (11,683)         38,673         42,043         51%           Empl Recog/Relations         3,006         3,842         836         6,150         9,277         41%           Postage         3,560         2,861         (700)         4,406         6,115         47%           Janitorial Supplies         16,841         17,538         697         19,864         28,144         62%           Fuel & Lubricants         37,272         36,947         (325)         38,702         52,532         70%           Permits & Licenses         10,231         8,331         (1,900)         12,460         13,277         63%           Equipment Purchase & Rental         86,213         47,625         (38,589)         68,737         80,425         59%           Claims & Damages         6,091         3,947         (2,145)         2,750         5,000         79%           Membership & Dues         26,001         16,225         (9,776)         24,416         43,000         38%           Bank Charges         130,963         150,021         19,058         133,527         168,120         89%           Excise Tax         22,725         23,543         818 <td></td> <td></td> <td></td> <td></td> <td></td> <td>,</td> <td></td> <td></td>						,		
Empl Recog/Relations 3,006 3,842 836 6,150 9,277 41% Postage 3,560 2,861 (700) 4,406 6,115 47% Janitorial Supplies 16,841 17,538 697 19,864 28,144 62% Fuel & Lubricants 37,272 36,947 (325) 38,702 52,532 70% Permits & Licenses 10,231 8,331 (1,900) 12,460 13,277 63% Equipment Purchase & Rental 86,213 47,625 (38,589) 68,737 80,425 59% (2lairs & Damages 6,091 3,947 (2,145) 2,750 5,000 79% Membership & Dues 6,091 16,225 (9,776) 24,416 43,000 38% Bank Charges 130,963 150,021 19,058 133,527 168,120 89% Excise Tax 22,725 23,543 818 22,531 30,360 78% Miscellaneous Expense 2,354 2,354 818 22,531 30,360 78% Miscellaneous Expense 190,349 339,320 148,971 27,878 300,816 113% Facilities & Operations 677,574 779,549 101,975 705,008 916,497 85% Utilities 478,538 469,551 (8,987) 493,454 662,851 71% Advertising (Legal) 8,126 4,915 (3,211) 6,051 8,766 56% Marketing 58,105 62,137 4,032 49,188 65,404 95% Promotion 16,536 7,434 (9,101) 15,855 20,375 36% Advertising Cevelopment 30,045 30,900 855 50,750 67,000 46% Travel & Training 13,389 21,113 7,725 26,885 38,028 56% Community Relations Total Operating Expenditures 5,215,540 5,794,794 579,253 5,464,161 7,093,018 82% Net Operating Income (Expense) 1,008,709 571,505 (437,204) 1,090,189 1,219,816 47% Other Increases in Fund Resources (Incr.)/Decr. In Accounts Receivable 37,781 11,327 (26,454) - Retainage Collected 24,905 - 24,955 23 3,414 9,414 55% 476 Deposits Collected 24,905 - 24,955 23 1,21,110 32,389 0%								
Postage 3,560 2,861 (700) 4,406 6,115 47% Janitorial Supplies 16,841 17,538 697 19,864 28,144 62% 19,864 Libricants 37,272 36,947 (325) 38,702 52,532 70% Permits & Licenses 10,231 8,331 (1,900) 12,460 13,277 63% Equipment Purchase & Rental 86,213 47,625 (38,589) 68,737 80,425 59% Claims & Damages 6,091 3,947 (2,145) 2,750 5,000 79% Membership & Dues 26,001 16,225 (9,776) 24,416 43,000 38% Bank Charges 130,963 150,021 19,058 133,527 168,120 89% Miscellaneous Expense 2,354 2,541 187 1,908 2,353 108% Repair & Maintenance Supplies 190,349 339,320 148,971 227,878 300,816 113% Facilities & Operations 677,574 779,549 101,975 705,008 916,497 85% Utilities Advertising (Legal) 8,126 4,915 (3,211) 6,051 8,766 56% Marketing 58,105 62,137 4,032 49,188 65,404 95% Marketing 82,767 74,486 (8,281) 71,094 94,545 79% Economic Development 30,045 30,900 855 50,750 67,000 46% Travel & Training 13,389 22,113 1,725 26,855 38,028 56% Other Increases in Fund Resources (Incr.)/Decr. In Accounts Receivable 37,781 11,327 (26,454) - Retainage Collected 24,955 - 2,495 3 23,110 32,389 0% 474 Deposits Collected 24,955 - 2,4953 23,110 32,389 0%								
Janitorial Supplies   16,841   17,538   697   19,864   28,144   62%   Fuel & Lubricants   37,272   36,947   (325)   38,702   52,532   70%   Permits & Licenses   10,231   8,331   (1,900)   12,460   13,277   63%   63,737   63,737   63,738   63,737   63,738   63,737   63,738   63,737   63,738   63,737   63,738   63,737   63,738   63,737   63,738   63								
Fuel & Lubricants Permits & Licenses 10,231 8,331 (1,900) 12,460 13,277 63% Equipment Purchase & Rental 86,213 47,625 (38,589) 68,737 80,425 59% Membership & Dues 6,001 16,225 (9,776) 24,416 43,000 38% Bank Charges 130,963 150,021 19,058 133,527 168,120 89% Excise Tax 22,725 23,543 818 22,531 30,360 78% Miscellaneous Expense 2,354 2,541 187 1,908 2,353 108% Repair & Maintenance Supplies 190,349 339,320 148,971 227,878 300,816 113% Facilities & Operations Utilities 478,538 469,551 (8,987) Advertising (Legal) Marketing 58,105 62,137 4,032 49,188 65,404 95% Marketing Fromotion 16,536 7,434 (9,101) Fromotion 16,536 7,434 (9,101) Fracel & Training 13,389 21,113 7,725 26,855 38,028 56% Community Relations Total Operating Expenditures Total Operating Expenditures 5,215,540 5,794,794 579,253 5,464,161 7,093,018 82%  Net Operating Income (Expense) Retainage Collected 2,400 5,183 2,783 3,414 9,414 55% Facilitics Collected 24,953 - (24,953) - (24,953) 23,110 32,389 0%	· ·		,					
Permits & Licenses         10,231         8,331         (1,900)         12,460         13,277         63%           Equipment Purchase & Rental         86,213         47,625         (38,589)         68,737         80,425         59%           Claims & Damages         6,091         3,947         (2,145)         2,750         5,000         79%           Membership & Dues         26,001         16,225         (9,776)         24,416         43,000         38%           Bank Charges         130,963         150,021         19,058         133,527         168,120         89%           Excise Tax         22,725         23,543         818         22,531         30,360         78%           Miscellaneous Expense         2,354         2,541         187         1,908         2,353         108%           Repair & Maintenance Supplies         190,349         339,320         148,971         227,878         30,816         113           Facilities & Operations         677,574         779,549         101,975         705,008         916,497         85%           Utilities         478,538         469,551         (8,987)         493,454         662,851         71%           Advertising (Legal)         8,126						,		
Equipment Purchase & Rental  86,213			,					
Claims & Damages       6,091       3,947       (2,145)       2,750       5,000       79%         Membership & Dues       26,001       16,225       (9,776)       24,416       43,000       38%         Bank Charges       130,963       150,021       19,058       133,527       168,120       89%         Excise Tax       22,725       23,543       818       22,531       30,360       78%         Miscellaneous Expense       2,354       2,541       187       1,908       2,353       108%         Repair & Maintenance Supplies       190,349       339,320       148,971       227,878       300,816       113%         Facilities & Operations       677,574       779,549       101,975       705,008       916,497       85%         Utilities       478,538       469,551       (8,987)       493,454       662,851       71%         Advertising (Legal)       8,126       4,915       (3,211)       6,051       8,766       56%         Marketing       58,105       62,137       4,032       49,188       65,404       95%         Fromotion       16,536       7,434       (9,101)       15,855       20,375       36%         Total Operating Expenditures <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>								
Membership & Dues     26,001     16,225     (9,776)     24,416     43,000     38%       Bank Charges     130,963     150,021     19,058     133,527     168,120     89%       Excise Tax     22,725     23,543     818     22,531     30,360     78%       Miscellaneous Expense     2,354     2,541     187     1,908     2,353     108%       Repair & Maintenance Supplies     190,349     339,320     148,971     227,878     300,816     113%       Facilities & Operations     677,574     779,549     101,975     705,008     916,497     85%       Utilities     478,538     469,551     (8,987)     493,454     662,851     71%       Advertising (Legal)     8,126     4,915     (3,211)     6,051     8,766     56%       Marketing     58,105     62,137     4,032     49,188     65,404     95%       Promotion     16,536     7,434     (9,101)     15,855     20,375     36%       Marketing     82,767     74,486     (8,281)     71,094     94,545     79%       Economic Development     30,045     30,900     855     50,750     67,000     46%       Tavel & Training     13,389     21,113     7,725								
Bank Charges         130,963         150,021         19,058         133,527         168,120         89%           Excise Tax         22,725         23,543         818         22,531         30,360         78%           Miscellaneous Expense         2,354         2,541         187         1,908         2,353         108%           Repair & Maintenance Supplies         190,349         339,320         148,971         227,878         300,816         113%           Facilities & Operations         677,574         779,549         101,975         705,008         916,497         85%           Utilities         478,538         469,551         (8,987)         493,454         662,857         71%           Advertising (Legal)         8,126         4,915         (3,211)         6,051         8,766         56%           Marketing         58,105         62,137         4,032         49,188         65,404         95%           Promotion         16,536         7,434         (9,101)         15,855         20,375         36%           Marketing         82,767         74,486         (8,281)         71,094         94,545         79%           Economic Development         30,045         30,900 <td< td=""><td>S</td><td></td><td></td><td></td><td></td><td>,</td><td></td><td></td></td<>	S					,		
Excise Tax	•							
Miscellaneous Expense       2,354       2,541       187       1,908       2,353       108%         Repair & Maintenance Supplies       190,349       339,320       148,971       227,878       300,816       113%         Facilities & Operations       677,574       779,549       101,975       705,008       916,497       85%         Utilities       478,538       469,551       (8,987)       493,454       662,851       71%         Advertising (Legal)       8,126       4,915       (3,211)       6,051       8,766       56%         Marketing       58,105       62,137       4,032       49,188       65,404       95%         Promotion       16,536       7,434       (9,101)       15,855       20,375       36%         Marketing       82,767       74,486       (8,281)       71,094       94,545       79%         Economic Development       30,045       30,900       855       50,750       67,000       46%         Travel & Training       13,389       21,113       7,725       26,855       38,028       56%         Community Relations       10,149       29,137       18,988       46,879       53,000       55%         Net Operating Income (Ex								
Repair & Maintenance Supplies     190,349     339,320     148,971     227,878     300,816     113%       Facilities & Operations     677,574     779,549     101,975     705,008     916,497     85%       Utilities     478,538     469,551     (8,987)     493,454     662,851     71%       Advertising (Legal)     8,126     4,915     (3,211)     6,051     8,766     56%       Marketing     58,105     62,137     4,032     49,188     65,404     95%       Promotion     16,536     7,434     (9,101)     15,855     20,375     36%       Marketing     82,767     74,486     (8,281)     71,094     94,545     79%       Economic Development     30,045     30,900     855     50,750     67,000     46%       Travel & Training     13,389     21,113     7,725     26,855     38,028     56%       Community Relations     10,149     29,137     18,988     46,879     53,000     55%       Net Operating Expenditures     5,215,540     5,794,794     579,253     5,464,161     7,093,018     82%       Other Increases in Fund Resources (Incr.)/Decr. In Accounts Receivable     37,781     11,327     (26,454)     -     -       Retainage Collected </td <td></td> <td></td> <td>,</td> <td></td> <td></td> <td></td> <td></td> <td></td>			,					
Facilities & Operations	•							
Utilities       478,538       469,551       (8,987)       493,454       662,851       71%         Advertising (Legal)       8,126       4,915       (3,211)       6,051       8,766       56%         Marketing       58,105       62,137       4,032       49,188       65,404       95%         Promotion       16,536       7,434       (9,101)       15,855       20,375       36%         Marketing       82,767       74,486       (8,281)       71,094       94,545       79%         Economic Development       30,045       30,900       855       50,750       67,000       46%         Travel & Training       13,389       21,113       7,725       26,855       38,028       56%         Community Relations       10,149       29,137       18,988       46,879       53,000       55%         Total Operating Expenditures       5,215,540       5,794,794       579,253       5,464,161       7,093,018       82%         Net Operating Income (Expense)       1,008,709       571,505       (437,204)       1,090,189       1,219,816       47%         Other Increases in Fund Resources         (Incr.)/Decr. In Accounts Receivable       37,781       11,3								
Advertising (Legal)  Advertising (Legal)  Marketing  Promotion  16,536  Advertising  16,051  Advertising  15,855  20,375  36%  Advertising  16,536  Advertising  16,536  Advertising  16,536  Advertising  16,536  Advertising  16,536  Advertising  16,536  Advertising  16,051  Advertising  15,855  20,375  36%  Advertising  16,536  Advertising  16,536  Advertising  16,536  Advertising  16,536  Advertising  16,051  Advertising  15,855  20,375  36%  Advertising  17,094  94,545  79%  Advertising  17,094  94,545  94,000  17,090,189  17,090	·					· '		
Marketing       58,105       62,137       4,032       49,188       65,404       95%         Promotion       16,536       7,434       (9,101)       15,855       20,375       36%         Marketing       82,767       74,486       (8,281)       71,094       94,545       79%         Economic Development       30,045       30,900       855       50,750       67,000       46%         Travel & Training       13,389       21,113       7,725       26,855       38,028       56%         Community Relations       10,149       29,137       18,988       46,879       53,000       55%         Net Operating Expenditures       5,215,540       5,794,794       579,253       5,464,161       7,093,018       82%         Other Increases in Fund Resources         (Incr.)/Decr. In Accounts Receivable       37,781       11,327       (26,454)       -       -         Retainage Collected       2,400       5,183       2,783       3,414       9,414       55%         Yard Deposits Collected       24,953       -       (24,953)       23,110       32,389       0%								56%
Promotion         16,536         7,434         (9,101)         15,855         20,375         36%           Marketing         82,767         74,486         (8,281)         71,094         94,545         79%           Economic Development         30,045         30,900         855         50,750         67,000         46%           Travel & Training         13,389         21,113         7,725         26,855         38,028         56%           Community Relations         10,149         29,137         18,988         46,879         53,000         55%           Net Operating Expenditures         5,215,540         5,794,794         579,253         5,464,161         7,093,018         82%           Other Increases in Fund Resources         (Incr.)/Decr. In Accounts Receivable         37,781         11,327         (26,454)         -         -           Retainage Collected         2,400         5,183         2,783         3,414         9,414         55%           Yard Deposits Collected         24,953         -         (24,953)         23,110         32,389         0%	Marketing							95%
Marketing       82,767       74,486       (8,281)       71,094       94,545       79%         Economic Development       30,045       30,900       855       50,750       67,000       46%         Travel & Training       13,389       21,113       7,725       26,855       38,028       56%         Community Relations       10,149       29,137       18,988       46,879       53,000       55%         Net Operating Expenditures       5,215,540       5,794,794       579,253       5,464,161       7,093,018       82%         Net Operating Income (Expense)       1,008,709       571,505       (437,204)       1,090,189       1,219,816       47%         Other Increases in Fund Resources         (Incr.)/Decr. In Accounts Receivable       37,781       11,327       (26,454)       -       -         Retainage Collected       2,400       5,183       2,783       3,414       9,414       55%         Yard Deposits Collected       24,953       -       (24,953)       23,110       32,389       0%	Promotion							36%
Economic Development 30,045 30,900 855 50,750 67,000 46% Travel & Training 13,389 21,113 7,725 26,855 38,028 56% 10,149 29,137 18,988 46,879 53,000 55% Total Operating Expenditures 5,215,540 5,794,794 579,253 5,464,161 7,093,018 82% Net Operating Income (Expense) 1,008,709 571,505 (437,204) 1,090,189 1,219,816 47% Other Increases in Fund Resources (Incr.)/Decr. In Accounts Receivable 37,781 11,327 (26,454) Retainage Collected 2,400 5,183 2,783 3,414 9,414 55% Yard Deposits Collected 24,953 - (24,953) 23,110 32,389 0%								
Travel & Training Community Relations  13,389 21,113 7,725 26,855 38,028 56% 10,149 29,137 18,988 46,879 53,000 55%  Total Operating Expenditures Net Operating Income (Expense) 1,008,709 571,505 (437,204) 1,090,189 1,219,816 47%  Other Increases in Fund Resources (Incr.)/Decr. In Accounts Receivable Retainage Collected 2,400 37,781 11,327 26,855 38,028 56% 5794,794 579,253 5,464,161 7,093,018 47% 579,253 1,090,189 1,219,816 47% 57,813 2,783 3,414 9,414 55% 74rd Deposits Collected 24,953 - (24,953) 23,110 32,389 0%	_					· '		
Total Operating Expenditures   10,149   29,137   18,988   46,879   53,000   55%						· '		56%
Total Operating Expenditures   5,215,540   5,794,794   579,253   5,464,161   7,093,018   82%	5					· '		
Net Operating Income (Expense)         1,008,709         571,505         (437,204)         1,090,189         1,219,816         47%           Other Increases in Fund Resources (Incr.)/Decr. In Accounts Receivable         37,781         11,327         (26,454)         -         -           Retainage Collected Yard Deposits Collected         24,953         -         (24,953)         23,110         32,389         0%					$\top$			82%
Other Increases in Fund Resources     37,781     11,327     (26,454)     -       (Incr.)/Decr. In Accounts Receivable     37,781     11,327     (26,454)     -       Retainage Collected     2,400     5,183     2,783     3,414     9,414     55%       Yard Deposits Collected     24,953     -     (24,953)     23,110     32,389     0%	Net Operating Income (Expense)						1,219,816	47%
Retainage Collected       2,400       5,183       2,783       3,414       9,414       55%         Yard Deposits Collected       24,953       -       (24,953)       23,110       32,389       0%	Other Increases in Fund Resources	, -,	,	, , /		, , , , , , ,	, -,-	
Retainage Collected       2,400       5,183       2,783       3,414       9,414       55%         Yard Deposits Collected       24,953       -       (24,953)       23,110       32,389       0%	(Incr.)/Decr. In Accounts Receivable	37,781	11,327	(26,454)		-		
Yard Deposits Collected 24,953 - (24,953) 23,110 32,389 0%	Retainage Collected					3,414	9,414	55%
Accompanying information memo and reports are an integral part of this statement.	Yard Deposits Collected	24,953	-			23,110		0%

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	_	1		Page	114 of 120	) 
	YTD SEPT		Variance to	YTD Budget	2024	% of
	2023	YTD SEPT 2024	prior year	2024	Budget	Budget
PTBH Prop Lease Deposits Collected	6,228	(2,316)	(8,544)	15,000	15,000	-15%
PH Prop Lease Deposits Collected	16,779	5,365	(11,413)	5,000	5,000	107%
JCIA Prop Lease Deposits Collected	334	-	(334)	-	-	
PH Marina/RV Deposits Collected	967	43,699	42,731	16,909	18,451	237%
Deposits & Retainage Collected	51,661	51,930	269	63,433	80,254	65%
Sales Tax Collected	88,773	94,893	6,120	84,753	109,073	87%
Leasehold Tax Collected	470,806	489,396	18,590	475,128	633,498	77%
Hotel/Motel Tax Collected	8,490	8,305	(185)	8,430	9,330	89%
Taxes Collected	568,070	592,593	24,524	568,311	751,901	79%
Grants - FAA	559,217	740,604	181,387	279,800	379,800	195%
Grants - Indirect - Dept of Commerce	-	163,288	163,288		-	
Grants - DOC - EDA	3,113,963	1,920,819	(1,193,144)	800,000	800,000	240%
Grants - Dept. of Defense - FEMA	65,051	-	(65,051)	-	-	
Grants - Fed. Indirect - Dept. of Interior	302,782	299,654	(3,127)	200,000	578,000	52%
Grants - Fed. Indirect - EPA	105,507	-	(105,507)	-	-	
Grants - Fed. Indirect - Treasury Dept.	-	195,644	195,644	-	-	
Grants - WA State	2,590,927	56,593	(2,534,334)	208,254	479,254	12%
Grants - Jefferson County	-	-	-	450,000	450,000	0%
Capital Contibutions/Grants	6,737,446	3,376,602	(3,360,844)	1,938,054	2,687,054	126%
Debt Proceeds - Line of Credit	(423,734)	1,230,295	1,654,029	-	-	
ARRA Bond Interest Subsidy	16,476	16,476	-	32,952	32,952	50%
Investment Interest	362,342	431,064	68,722	198,748	265,000	163%
Interest	378,817	447,539	68,722	231,700	297,952	150%
Operating Tax Levy	663,525	683,102	19,578	696,000	1,134,000	60%
IDD Tax Levy	1,866,361	1,697,650	(168,711)	1,620,053	2,634,289	64%
State Forest Revenues	72,456	36,311	(36,145)	35,800	43,200	84%
State Timber Excise Tax	41,277	3,609	(37,668)	21,000	27,000	13%
Leasehold Excise Tax	8,714	7,218	(1,496)	6,342	9,072	80%
Property & other taxes	2,652,332	2,427,890	(224,442)	2,379,195	3,847,561	63%
Insurance Recovery	140,632	-	(140,632)	-	-	
Finance Charges	32,965	46,323	13,359	33,053	38,053	122%
Other Non-Operating Revenues	12,093	12,522	429	15,445	19,000	66%
Misc Other Incr. in Fund Resources	185,690	58,845	(126,845)	48,498	57,053	103%
Total Other Incr. in Fund Resources	10,188,064	8,197,022	(1,991,041)	5,229,191	7,721,775	106%
Other Decr. In Fund Resources						
Retainage Paid	11,384	3,472	(7,912)	3,997	5,900	59%
Yard Deposits Refunded	, -	26,436	26,436	8,000	10,000	264%
PTBH Prop Lease Deposits Returned	18,048	16,356	(1,692)	7,398	7,398	221%
PH Prop Lease Dep. Returned	6,042	5,310	(732)	2,900	2,900	183%
JCIA Prop Lease Dep. Refunded	803	-	(803)		_,555	10070
PH Deposits Refunded	627	3,350	2,723	_	_	
Deposits & Retainage Paid	36,905	54,925	18,020	22,295	26,198	210%
Sales Tax Remitted	79,139	86,153	7,014	74,500	104,500	82%
Leasehold Tax Remitted	479,470	489,110	9,639	475,000	630,293	78%
Hotel/Motel Tax Remitted	7,616	7,377	(240)	7,730	9,130	81%
Taxes Remitted	566,225	582,639	16,414	557,230	743,923	78%
Principal Pmt - 2010 LTGO Bond	300,223	302,033	-	337,230	350,000	0%
Interest Pmt - 2010 LTGO Bond	73,544	_	(73,544)	66,006	132,013	0%
Principal Pmt - 2015 LTGO Rfdg Bond	500,000	515,000	15,000	515,000	515,000	100%
Interest Exp - 2015 LTGO Rfdg Bond	23,250	15,750	(7,500)	23,775	23,775	66%
Principal Pmt - 2011 Line of Credit	23,230	15,750	(7,300)	23,773	23,773	00%
Interest Exp - 2021 Line of Credit	42 520	12 269	730	-	_	
	42,538	43,268		604 704	1 020 700	E C0/
Debt Principal & Interest	639,331	574,018	(65,313)	604,781	1,020,788	56%
Project Expenses	(1,423,561)	4,757,293	6,180,853	5,116,500	6,822,000	70%
Equipment & Vehicles	1,657,173	1,876,165	218,992	245,000	245,000	766%
Bond Management Fees		1,250	(170)	1,400	1,600	78%
	1,420		( - 7			
Investment Fees	900	900	-	900	1,200	75%
Other Non-Oper Exp Debt Mgmt, Issuance & Misc Exp			(177,946) (178,116)			75% 0% 14%

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#### **Election Expense**

	YTD SEPT		Variance to	YTD Budget	2024	% of
	2023	YTD SEPT 2024	prior year	2024	Budget	Budget
	-	47,331	47,331	15,500	15,500	305%
Total Other Decr. In Fund Resources	(857)	7,894,496	6,019,189	6,330,756	8,643,359	91%
Incr. (Decr.) in Other Fund Resources	10,188,921	302,526	(8,010,230)	(1,101,565)	(921,584)	-33%
Change in Cash - Increase/(Decrease)	11,197,630	874,031	(8,447,434)	(11,376)	298,232	293%

# PORT OF PORT TOWNSEND AGENDA COVER SHEET

MEETING DATE	November 26, 2024		
AGENDA ITEM	☐ Consent ☐ 1 <sup>st</sup> Readin	g 🗆 2 <sup>nd</sup> Reading 🗆 Regular Busin	ess 🗵 Informational
AGENDA TITLE	Informational Items		
STAFF LEAD	Eron Berg, Executive Dire	ctor	
REQUESTED	☑ Information	☐ Motion/Action	☐ Discussion
ATTACHMENTS	<ol> <li>Rule Amendmer</li> <li>Contract Update</li> <li>Commission Me</li> </ol>		1.05.110 Fireworks



### **AMENDMENT TO PORT RULES & REGULATIONS**

**ISSUED BY:** 

Eron Berg, Executive Directo

**DATED**:

November 14, 2024

**EFFECTIVE**:

December 1, 2024

**SUMMARY**:

This amendment modifies Rule 1.05.110 regarding fireworks

#### **RULE AMENDMENTS:**

#### Rule 1.05.110 is amended as follows:

With the exception consumer fireworks as defined in RCW 70.77.136 as exists or is hereafter amended, on the northern boat ramp at the Herb Beck Marina on July 4<sup>th</sup> between 9:00 P.M. and 11:00 P.M. and on December 31<sup>st</sup> between 6:00 P.M. and 8:00 P.M., ‡the display or use of fireworks on Port premises is strictly prohibited.

# PORT OF PORT TOWNSEND INFORMATIONAL MEMO

DATE: November 22, 2024

**TO:** Commissioners

FROM: Sue Nelson, Lease & Contracts Administrator

**CC:** Eron Berg, Executive Director

SUBJECT: November 26, 2024, Commission Meeting – Commission Update: New/Amended Contracts of

\$100,000 or less, Approved by Executive Director Eron Berg, per Delegation of Authority

Resolution No. 810-24

Name	Dates	Description	Amount Not to Exceed:
WA State Dept of Licensing	11/8/24 – 11/30/25	Contracted plate search	
Cowling & Co., Amendment #4	Thru <del>2/28/25</del> <b>4/30/2025</b>		

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

Date/Time		Item/Topic	Location	Absent
Thurs./Fri.,		Holiday -Port Offices Closed		
Nov. 28/29				
Wed/Fri, Dec		WPPA Annual Meeting	Hyatt Regency,	All Comm.
11-13			Bellevue	Going
Wed., Dec.	Workshop	Quarter 4 Capital Improvement Project Update	Pav	
18				
9:30 am				
Wed., Dec.	Spec.	October 2024 Year to Date Financial Report		
18	Meeting	Resolution 832-24 Authorizing the Executive Director of the Port of Port		
1 pm		Townsend or Designee to file a Sub-Application for a Building Resilient		
		Infrastructure and Communities Program (BRIC) Grant for the Sea Level Rise		
		Project		
		Resolution authorizing EDA Grant for West Boat Yard Expansion		
		UW – Sea Grant Point Hudson Lease		
		Harbormaster Report		
		Lease/Contract Update		
Fri., Dec. 20	Special	Staff Luncheon and Potential Commission Quorum	Pav	PH
Noon	Mtg.			
Tues-Wed.		Holiday -Port Offices Closed		
Dec. 24-25				
Wed., Jan 1		Holiday -Port Offices Closed		
Wed., Jan 8	Workshop		Pav	
9:30 am				
Wed., Jan 8	Meeting	2025 Organizational Topics (Election of Commission Officers, Committee	Pav	
1 pm		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)		
Mon., Jan.		Holiday – Port Offices Closed		
20				
Thurs. Jan.		WPPA Port and Maritime Day	Capital	
30			Bldg/Columbia	
			Rm., Olympia	

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

Wed., Feb.	Workshop		Pav	
12				
9:30 am				
Wed., Feb.	Meeting		Pav	
12				
1 pm				
Thurs., Feb.	Meeting	Intergovernmental Collaborative Group	Pav	
20				
5:00 pm				