

**RESOLUTION NO. 740-21**

**A Resolution of the Commission of the Port of Port Townsend**

**AUTHORIZING THE EXECUTIVE DIRECTOR TO ADJUST THE PORT'S LOCAL MATCH COMMITMENT FOR THE FEDERAL ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) DISASTER RECOVERY PROGRAM GRANT SUBMITTED TO THE EDA ON JULY 23, 2020 AND LATER AMENDED ON OCTOBER 13, 2020 FOR DEMOLITION AND RECONSTRUCTION OF THE POINT HUDSON BREAKWATER.**

**WHEREAS**, the Port Commission of the Port of Port Townsend is responsible for coordinating the mitigation of, preparation for, response to, and recovery from natural disasters that affect Port infrastructure and to re-establish resilient infrastructure that will help to sustain the communities of Jefferson County in the future; and

**WHEREAS**, the Point Hudson Marina's geographical location, at the northeastern tip of the Quimper Peninsula, makes it vulnerable to the damaging wind and wave action of winter storms on Port Townsend Bay, with the potential for such storms to damage Port infrastructure and severely and negatively affect the local economy as well as the maritime heritage and character of the community; and

**WHEREAS**, from December 10 through December 24, 2018, the Puget Sound region of Western Washington experienced a series of severe winter storms, with high winds and waves, flooding, landslides, mudslides, and a tornado which resulted in a Presidential Disaster Declaration for eight counties, including Jefferson County; and

**WHEREAS**, the overlapping breakwaters protecting the Point Hudson Marina were damaged during these storms, with broken cable ties and piles, loss of armor rock and overall acceleration of structural deterioration which forced waves and debris into the marina and further damaged docks and floats within the moorage basin; and

**WHEREAS**, the winter storms of December 2018 revealed the deteriorated and vulnerable condition of the Point Hudson Breakwater, which, if not replaced with more robust and resilient infrastructure, could in future jeopardize public and private property and threaten the economic life of the community; and

**WHEREAS**, demolition and replacement of both arms of the Point Hudson Breakwater will strengthen critical infrastructure to ensure that it is more resilient and secure, thereby safeguarding the Point Hudson Marina and the businesses which rely directly or indirectly on this facility, as well as the economic vitality of Port Townsend's Commercial Historic District more generally; and

**WHEREAS**, the Economic Development Administration of the U.S. Department of Commerce (EDA) administers the Economic Adjustment Assistance (EAA) Disaster Recovery Program which makes matching grant funds available to help communities devise and implement long-term economic development recovery strategies in areas where a Presidential Declaration of a major disaster was issued; and

**WHEREAS**, the Port of Port Townsend qualifies to apply for EAA Disaster Recovery Program grant assistance (funding opportunity number EDA-2019-DISASTER) in that:

- Jefferson County, Washington was included in the major disaster Presidential declaration (DR-4418) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act as a result of the December 2018 winter storms; and
- The proposed Point Hudson Breakwater replacement project aligns with Investment Priorities identified by the EDA in that:
  - It would facilitate economic recovery and resilience and strengthen the ability of the community to withstand future natural disasters and economic shocks; and
  - It is a critical infrastructure project that would replace a key component of the physical infrastructure that sustains the local economy; and
  - It would help to attract private investment and retain and grow jobs within a designated Opportunity Zone;
- The proposed breakwater replacement has been identified as a priority capital project within the North Olympic Development Council's Comprehensive Economic Development Strategy (CEDs) since 2016; and

- The project is also reflected in the Port of Port Townsend’s Comprehensive Scheme of Harbor Improvements as a priority capital project necessary to support the health and resilience of the Port Townsend and Jefferson County economy; and

**WHEREAS**, on July 23, 2020 the Port submitted an application for EAA Disaster Recovery Program grant assistance (funding opportunity number EDA-2019-DISASTER); and

**WHEREAS**, on October 2, 2020 the EDA’s Seattle Regional Investment Review Committee (IRC) informed the Port (see Attachment “A”) that a decision on the Port’s application had been deferred, and that the Port could elect to have its request for funding assistance reconsidered, provided that the Port increase its match commitment to \$4,781,284 (34%) of the currently estimated project cost of \$14,062,600, document its matching share commitment, and modify portions of its original application.

**WHEREAS**, on October 13, 2020 the Port re-submitted its application for EAA Disaster Recovery Program grant assistance incorporating the revisions outlined above; and

**WHEREAS**, on December 8, 2020 the EDA’s Acting Regional Director, Kerstin Millius, informed the Port that the Port’s application had been reviewed for merit and selected for further consideration (see Attachment “B”), PROVIDED THAT:

- The Port further increase its match commitment to \$7,031,300 (50%) of the currently estimated project cost of \$14,062,600; and
- Document that the Port’s matching share will be committed to the project for the period of performance, available as needed, and not be conditioned or encumbered in any way that may preclude its use consistent with the requirements of EDA investment assistance; and
- The Port revise and/or update and resubmit portions of its application (forms CD 511, ED 900A, ED 900B, and ED 900E, SF 424, SF 424C, and SF 424D) to reflect the amount set forth in EDA’s preliminary notice of selection for further consideration and clarify certain other aspects of the Port’s application.

**WHEREAS**, the Port of Port Townsend matching funds will come from a line of credit established by the Port to be repaid by way of Industrial Development District (IDD) levy proceeds, following notice of final award from the EDA, which is not anticipated until later this year.

**NOW, THEREFORE, BE IT RESOLVED** as follows:

- 1. Application for Disaster Recovery Program Grant Assistance Amended:** The Commission for the Port of Port Townsend, Jefferson County, Washington, supports amending and resubmitting portions of its previously submitted EDA EAA Disaster Recovery Program grant application to request \$7,031,300 in funding assistance to demolish and reconstruct both the South and North arms of the Point Hudson Breakwater.
- 2. Executive Director Authorized to Execute All Necessary Documents & Agreements:** The Port Commission authorizes its Executive Director, Eron Berg, or his designee, to sign and submit all necessary documents to both amend its previously submitted application to and to enter into a project agreement with the EDA, if the requested funding (as amended) is awarded.
- 3. Port of Port Townsend Match Commitment Increased – Source of Funds:**
  - a. The Port Commission expresses its commitment to meet the EAA Disaster Recovery Program match requirements with up to \$7,031,300 in local/Port match monies.
  - b. The funding source for the matching funds will be Port-Wide Capital Reserve together with a line of line of credit to be established with Cashmere Valley Bank in the amount of \$7,000,000, which will be repaid by tax proceeds from the multi-year Industrial Development District (IDD) levy authorized by the Port Commission under Port Resolution No. 698-19<sup>1</sup> and the Port’s regular (annual) property tax levy.
  - c. The match funding described above is committed to the Point Hudson Breakwater Project for the period of performance, is available as needed, and is not and will not be conditioned or encumbered in any way that would preclude its use consistent with the requirements of EDA investment assistance.
  - d. The Port Commission expressly authorizes its Executive Director, Eron Berg, or his designee, to submit a Matching Funds Commitment Letter substantially in the form presented in Attachment “C” which is incorporated herein by this reference.

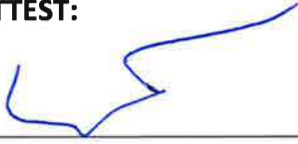
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<sup>1</sup> Adopted under the authority of RCW 53.36.160.


**4. Adequacy of Process Confirmed:** The Port of Port Townsend recertifies that appropriate opportunity for public comment on this grant application was provided, and further, that this Resolution of the Port Commission was properly and lawfully adopted following the requirements of the Port of Port Townsend and all applicable laws and policies.

**ADOPTED** this 13<sup>th</sup> day of January 2021, by the Commission of the Port of Port Townsend and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.

**ATTEST:**



William W. Putney III, Secretary

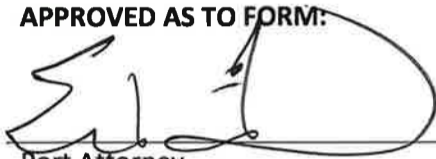


Peter W. Hanke, President



Pamela A. Petranek, Vice President

**APPROVED AS TO FORM:**



Port Attorney





U.S. DEPARTMENT OF COMMERCE  
Economic Development Administration  
915 Second Avenue, Room 1890  
Seattle, Washington 98174  
Fax: 206.220.7669  
Voice: 206.220.7660

October 2, 2020

In reply refer to:  
EDA Control No. 115908

Mr. Eron Berg  
Executive Director  
PO Box 1180  
Port Townsend, WA 98368

Dear Mr. Berg:

The U.S. Economic Development Administration's (EDA) Seattle Regional Office Investment Review Committee (IRC) has considered your application for investment assistance to fund the Point Hudson Breakwater Replacement Project. EDA receives many more proposals than it can fund. Although the IRC found your application aligned with EDA investment priorities, the agency regrets to inform you that a definitive decision on your application has been deferred to a future date.

Although EDA is not moving forward with funding your project at this time, you may elect to have your application carried forward and re-considered at an IRC meeting to be scheduled in the future. **The option to carry your application forward does not guarantee that the application will be funded.** The EDA Seattle Regional Office, however, is willing to re-consider your application for funding with other applications that are received.

If you would like for EDA to carry your application forward and re-consider it during a future competitive IRC meeting, please, respond in writing to this notice no later than October 12, 2020. The written response may be in the form of an e-mail message or published letter. If you do not respond to this correspondence in writing by the specified date, EDA will consider the application withdrawn. You also have the option of withdrawing your application and submitting a revised or new application.

Included in your written response, please, address or submit the following items:

- Match commitment letter needs to be updated to reflect the increased amount to \$4,781,284, or 34% of the total project cost. It should also include required language from the Notice Of Funding Opportunity (NOFO): "The applicant must document that the matching share will: (i) be committed to the project for the period of performance, (ii) be available as needed, and (iii) not be conditioned or encumbered in any way that may preclude its use consistent with the requirements of EDA investment assistance."
- Revised SF 424C to reflect the updated funding amount requested from EDA.

- Revised SF 424 to reflect the updated project cost, applicant contribution, and amount requested from EDA.

If you do not respond to this notification in writing by the specified date, EDA will consider the application withdrawn. You also have the option of withdrawing your application and submitting a revised or new application. If you have any questions, do not hesitate to contact Laura Ives, Economic Development Specialist, at (206) 200-1951 or [LIves@eda.gov](mailto:LIves@eda.gov). You may contact your Economic Development Representative, Richard Berndt, as well at (206) 220-7682 or [RBerndt@eda.gov](mailto:RBerndt@eda.gov).

Thank you for your interest in EDA. For more information about our programs and other upcoming funding opportunities, please visit our website at [www.eda.gov](http://www.eda.gov).

Sincerely,



Digitally signed by  
KERSTIN MILLIUS  
Date: 2020.10.02  
16:21:48 -07'00'

Kerstin Millius  
Acting Regional Director  
Seattle Regional Office

Enclosures

c: Richard Berndt, Economic Development Representative



**U.S. DEPARTMENT OF COMMERCE**

Economic Development Administration  
Jackson Federal Building, Room 1890  
915 Second Avenue  
Seattle, Washington 98174  
206-220-7660

December 8, 2020

In reply refer to:

EDA Control No. 115908

Eron Berg  
Executive Director  
Port of Port Townsend  
PO Box 1180  
Port Townsend, WA 98368

Dear Mr. Berg:

The Economic Development Administration (EDA) is pleased to inform you that your application has been reviewed for merit and selected for further consideration. **Please note that this notification of further consideration is intended to inform you of EDA's competitive preliminary selection of your project but does not guarantee final approval or legally bind EDA to make an award.**

Subject to the availability of funds, your proposed project, estimated to cost \$14,062,600 will be considered for \$7,031,300, or 50% grant rate, in EDA funding.

By acceptance of this letter, you agree to provide all additional information requested below, and any other additional information that may be requested subsequently. You also acknowledge that final approval and the timing of such an approval are subject to EDA's acceptance of all required information and the availability of EDA funding.

**Additional Information:** Please provide the following information to Laura Ives, Economic Development Specialist, by January 29, 2021:

- General
  - Please have the following forms signed by the Authorized Representative: SF 424, ED 900A, SF 424D, CD 511.
- Engineering
  - Revise SF 424C; combine demolition cost into the construction line (as all this will be performed by a single contractor).

- Environmental
  - Understand that Section 106 of the National Historic Preservation Act (NHPA) will be required through SHPO/THPO/Tribal coordination. This can be accomplished through USACE Section 404 permit if the Area of Potential Effect (APE) is the same between EDA and USACE. Please confirm APE is the same.
  - Understand that informal consultation with USFWS and NOAA will be required. Similar to Section 106, this action can be accomplished through USACE Section 404 permit.
  - Understand that a USACE Section 404 permit will be required when appropriate.
  - Understand that confirmation of the NEPA/NHPA and Floodplain Management public scoping notices will be required when applicable.
- Legal
  - Submit an updated ED-900B from Puget Sound Express and Doc's Marina Grill checking the box indicating willingness to maintain and provide job numbers.
  - Submit an updated Matching Funds Commitment Letter indicating that the matching funds are available, committed to the project and unencumbered. This letter should also clarify the source of the funds as there is a discrepancy on this point in the application.
  - Submit an updated ED-900E with all zeros if there will be no relocation expenses. If relocation expenses are anticipated, please inform EDA of this.

The information requested above will supplement your application and enable EDA to proceed with processing your application. Failure to meet this deadline, or the submission of incorrect or incomplete information, will jeopardize approval of your application. If you cannot meet this deadline, please advise Laura Ives, Economic Development Specialist, as soon as possible.

EDA will assess the additional information provided upon receipt. EDA's assessment of this information may determine one of the following:

1. No additional information is necessary;
2. Additional information is required, because the submission is incomplete, inaccurate, or otherwise unacceptable to EDA, and the applicant(s) must revise the submission before EDA will consider processing the application further; or
3. EDA will discontinue considering the application for funding, because the information submitted does not present a project that complies with applicable law(s), regulations or policies.

Please note that your organization must comply with EDA's regulations for the agency's investment programs, which are set out at 13 CFR chapter III, as well as the FY 2019 Disaster Supplemental NOFO.

**Final approval of an award is conditioned upon EDA's assessment of the additional information requested, project feasibility, funding priorities, and the availability of funds for obligation.**

If you have questions regarding the requested information or status of your application, please do not hesitate to contact Laura Ives, Economic Development Specialist, at [Lives@eda.gov](mailto:Lives@eda.gov) or (206) 200-1951.

Sincerely,



Digitally signed by  
KERSTIN MILLIUS  
Date: 2020.12.08  
16:57:07 -08'00'

Kerstin Millius  
Acting Regional Director  
Seattle Regional Office

Copy: Richard Berndt, Acting Area Director  
Chris Lobosco, Washington State Point of Contact





January 13, 2021

Ms. Kerstin Millius, Acting Regional Director  
Seattle Regional Office, U.S. Department of Commerce  
Economic Development Administration  
Jackson Federal Building, Room 1890  
915 Second Avenue  
Seattle, WA 98174

RE: EDA Control No. 115908 – Updated Matching Funds Commitment Letter

Dear Ms. Millius:

By letter delivered via electronic mail on December 8, 2020, you have requested that the Port of Port Townsend (the "Port") furnish certain additional information in connection with the Port's request for EAA Disaster Recovery Program funding assistance for the Point Hudson Breakwater project. This letter is intended to fulfill one key aspect of the information requested. Specifically, to document the availability of Port matching funds for this critical project.

By way of Port Resolution No. 740-21, the Port Commission has authorized me to commit matching funds to the above-referenced project as follows:

1. Cash in the total amount of \$7,031,300 which will be provided throughout the course of the project as required via a \$7,000,000 line of credit established by the Port with Cashmere Valley Bank together with Port-Wide Capital Reserve.
2. The line of credit described above will be repaid via tax proceeds from a multi-year Industrial Development District Tax Levy previously authorized under Port Resolution No. 698-19 along with proceeds from the Port's regular property tax levy.
3. The match funding described herein is committed solely to the Point Hudson Breakwater Project for the entire period of performance, will be available as needed, and will not be conditioned or encumbered in any way that would preclude its use consistent with the requirements of EDA investment assistance.

Please do not hesitate to contact me if you have any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Eron Berg", is written over the word "Sincerely,".

Eron Berg  
Executive Director

Copy: Richard Berndt, Acting Area Director, EDA  
Chris Lobosco, Washington State Point of Contact, EDA