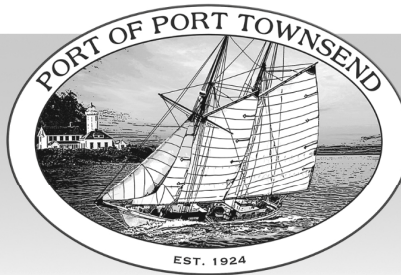


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**Commission Meeting
1st Monthly Meeting Agenda
Wednesday, September 28, 2022, 5:30 p.m.**

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

- I. Call to Order & Pledge of Allegiance
- II. Approval of Agenda
- III. Public Comments
- IV. Consent Agenda
 - A. Approval of Regular Business Meeting Minutes from August 10 and September 14, 2022 3-12
 - B. Approval & Ratification of Warrants 13-21
 - C. JCIA Land Lease Assignment and Amendment: David Holt to Puget Sound Express 22-51
 - D. Authorization of Professional Services Agreement with Tom Coultas for Resident Engineering 52-67
 - E. Quilcene Harbor Yacht Club – Herb Beck Marina Building Lease Second Reading .. 68-90
- V. First Reading ~ none
- VI. Regular Business
 - A. 1st Draft of 2023 Budget with Capital Improvement Program (CIP) and Proposed Rates 91-112
 - B. Point Hudson Jetty Project Update
- VII. Staff Comments
- VIII. Commissioner Comments
- IX. Next Meeting of the Commission:

Wednesday, October 12, 2022, at Pavilion Bldg. & via Zoom, with Public Workshop at 9:30 a.m. and Regular Meeting at 1:00 p.m.

X. Executive Session

XI. Adjournment

Informational Items

- Port Contracts Update (None)

PORT COMMISSION PUBLIC WORKSHOP – August 10, 2022

The Port of Port Townsend Commission met for a Public Workshop
Point Hudson Pavilion Building, 355 Hudson Street, Port Townsend

Present: Commissioner Petranek (Excused)
Commissioner Hasse
Commissioner Hanke
Executive Director Berg
Deputy Director Toews
Director of Finance and Administration Berg
Director of Capital Projects & Port Engineer Klontz
Recorder Sanders

I. CALL TO ORDER: (Rec. 00:00:12)

Commissioner Hasse opened the Workshop at 9:30 a.m.

II. AGENDA: (Rec. 00:00:45)

Discuss 2023 Budget Issues, Goals and Assumptions. Director of Finance and Administration Berg reported the economy is experiencing high inflation as well as supply chain issues. Financial projections remain challenging. Regarding rate increases, staff would plan to present three different scenarios: 5%, 7.5% and 10.1%.

Commissioners expressed concern over the rate of inflation and any resulting significant rate increase. Although a moorage increase of \$50/month is not that substantial, there was a desire to keep the rates right-sized at 5% and considering a reduction in expenditures. Questions were whether the Port could meet our targets with reserves, implement a long-term solutions such as solar panels like the Port of Camas, or possibly a historic preservation grant opportunity for infrastructure.

Staff reported the Port is not yet meeting operating reserves of 25% and is still hoping to reach the reserve goal by the end of the year. Despite several grant-funded projects, including a request for additional funding, the grants do not support operations. Increased insurance costs of approximately \$400,000 to \$450,00 are a factor in the proposed increase. Executive Director Berg noted legislation for infrastructure may help the Port consider options.

Staff agreed to bring back scenarios with cost increases. Regarding year-to-date projections, revenues are steady, however expenditures appear to be keeping pace. The Port would be retiring the 70-ton lift and purchasing an electric tight packer to more tightly store boats. There was interest in ensuring the tight packer is included in the 2023 budget. Responding to a question about cost recovery for the \$30,000 key fob system, staff noted that the enviro centers experience garbage costs of \$12,000/month, so the Port should see a decrease in garbage fees as well as illegal dumping. Transient tenants can get their own code or a temporary code.

Discussion shifted to ending cash balances and port-wide capital reserves and a model with a 20-year forecast for certain built-in assumptions on rates and replacing aging infrastructure. Although bank charges are up substantially, payments are coming in faster than historically received. Given Commission interest in paying off the 2010 LTGO bond, Staff agreed to discuss the matter with Scott Bauer of Northwest Municipal Securities.

Staff agreed to bring a recommendation forward on the IDD Levy. A 5% increase is the cap negotiated currently in the union contract and CPI is 10.1%. Given the unprecedented inflation, a question was whether one-time stipends would address the current economic conditions and warrant a change in circumstances.

Staff noted the Commission could expect a report of operating expenses with the first draft of budget assumptions. Executive Director Berg spoke about advance payment of permanent

moorage, yard deposits collected, creating a rate for wherry boat storage, fenced area for mast up sailboat parking, and opportunity for increasing revenues regarding the Armory Building.

Commissioner suggestions were as follows: charging an initial versus annual background check for liveaboards, conducting simple moorage rate survey, pursuing half of CPI (5%), and doing a rate increase comparison with other marinas. There was also interest in receiving information about capital expenses such as for the taxiway and relocation of the Coast Guard building.

III. ADJOURNMENT: (Rec: 01:16:47)

The Workshop adjourned at 10:47 a.m.

ATTEST:

Pamela A. Petranek, President

Peter W. Hanke, Secretary

Carol Hasse, Vice President

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, August 10, 2022

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

Present: Commissioners Hasse and Hanke, with Petranek (excused)
 Executive Director Berg
 Deputy Director Toews
 Director of Finance & Administration Berg
 Director of Capital Projects & Port Engineer Klontz
 Harbormaster Kristian Ferrero
 Lease and Contracts Administrator Nelson
 Port Recorder Sanders

- I. CALL TO ORDER & PLEDGE OF ALLEGIANCE (Rec. 00:00:00)
 Commissioner Hasse called the meeting to order at 1:00 p.m.
- II. APPROVAL OF AGENDA (Rec. 00:01:34)
 Agenda was amended to remove under Regular Business the May Financial report.
- III. PUBLIC COMMENTS (Rec. 00:02:00)
 There was none. Remarks by Lisa Widner were recorded under Regular Business item A.
- IV. CONSENT AGENDA (Rec. 00:06:00)
 - A. Approval of Workshop & Regular Business Meeting Minutes from July 13, 2022.
 - B. Approval & Ratification of Warrants
 - Warrant #065515 – #065517 and Electronic Payment in the total amount of \$111,393.42
 - Warrant #065518 – #065579 in the amount of \$387,249.81
 - Electronic Payment in the amount of \$16,888.38
 - Warrant #065580 in the amount of \$2,493.55
 - Warrant #065581 – 065586 Electronic Payment in the amount of \$170,044.01 for a total amount of \$199,918.94
 - Warrant #065587 – #065632 in the amount of \$75,736.41
 - Warrant #065354 in the amount of \$7,017.86 is declared void
 - Electronic Payment in the amount of \$5,791 for payroll and benefits
 - Electronic Payment in the amount of \$14,932.04
 - Electronic Payment in the amount of \$27,538.45
 - Electronic Payment in the amount of \$3,202.94
 - C. Resolution 771-22 Authorizing Warrant Cancellation

Commissioner Hanke moved to accept the Consent Agenda as written; motion passed unanimously.

- V. SECOND READING ~ none
- VI. FIRST READING ~ none
- VII. REGULAR BUSINESS (Rec., 00:06:50)
 - A. Request for Benches at Point Hudson by Lisa Widner (Rec., 00:06:50)

Lisa Widner presented her proposal for a community bench-building contest at no cost to the Port. Circulated for the Commission was a simple plank design as well as pictures of existing benches. She requested permission to proceed with the project to create about a dozen benches that would be adopted and maintained by local businesses.

Executive Director Berg reported on the need for Port coordination on the project. Locations are yet to be determined as is the method of authorizing the use such as through a licensing agreement by the Port or the Northwest Maritime Center.

Commissioners spoke in support of the proposal to include benches “in memory of.” Lisa Widner agreed that memorial benches would be one of the categories of the project.

Commissioner Hasse moved to authorize staff to go forward in figuring out the best way to do the project (by Lisa Widner); motion passed unanimously.

B. May 2022 Financial Report. Packet provided (Rec. 00:10:12).

The Commission noted this matter was covered as part of the previous workshop. There was no discussion.

C. June Year-to-Date (Quarter 2) Financial Report (Rec. 00:10:32)

Director of Finance and Administration Berg reviewed the graph of the five-year trend included in the detailed report. Expenses are up just slightly from budget but are keeping pace with revenues. There were questions about unanticipated expenses associated with pavement repair and about vessel destruction. Staff reported that an agreement exists with Department of Natural Resources (DNR) on vessel destruction for which a refund is expected soon. Staff also noted that at the workshop today, there was discussion about the revised quote for the hydraulic lift. Ending cash balances are roughly two million over the prior year mostly due to the IDD levy. A half million in debt service payments were made in July which will be reflected in the July report. Reviewing the summary of fund resources, an increase in paydown of receivables is due to the ease of payment via Molo on-line credit card payment system. Bank processing fees for credit cards are largely offset by the speed at which the Port billings are being paid. Expenditures are slightly over budget year to date.

D. IDD Quarter 2 Report (Rec. 00:20:30)

Director of Finance and Administration Berg referred to the written materials reflecting receipts since the beginning of the levy and the current balance of the reserve fund. Expenditures for the jetty project may not be realized in the reserve until 2023 so the project would come in under budget in 2022. Executive Director Berg also mentioned future impacts to the IDD are the Point Hudson roof replacement and the piling replacement program.

VIII. STAFF COMMENTS (Rec. 00:27:00)

Deputy Director Toews (15:00:00): Reported a good kick-off meeting with Kennedy Jenks the consulting firm selected for the Boat Haven stormwater improvement project. Staff is in the process of negotiating a professional services agreement for Commission approval. Some discussion ensued with staff providing information about project estimates of \$2.75 million as well as project plans and objectives.

Director of Capital Projects & Port Engineer Klontz (00:33:00): Staff would bring to the Commission in September professional services agreements for the Point Hudson Jetty Replacement project (Mott McDonald for engineering support and Tom Coultas for construction management). Regarding the Sims Way Boatyard expansion, somewhere between 50 and 100 people visited during the open house. Next steps are for options to be presented and a recommendation to come from the City Parks Board on August 23. A joint jurisdiction meeting is being scheduled for September 12.

Harbormaster Kristian Ferrero (00:36:48): An update was provided on yard operations and the Point Hudson transition. The Port is back to a two-week time period for transitioning and turning around boats. August and September activity is likely to pick up. He is working to ensure everyone is comfortable with their assignments. There have been notices to kayakers on reassignments to the Boat Haven and efforts to address concerns and options for their displacement for the duration of the jetty project. Aubri Rollins in Quilcene is doing a great job and visitors are encouraged to observe her contributions. When asked about Point Hudson and Quilcene transient moorage, a brief report was provided and midweek is more filled than in the past. Boat Haven is trending similar to usual. Nightly counts could be provided if desired.

Executive Director Berg (00:45:42) The ICG Meeting is scheduled for Thursday, August 18, 2022 Under the Tent at San Juan and 22nd regarding Housing.

Lease and Contracts Administrator Nelson (00:42:35): New lease agreements are in process, including month-to-month arrangements for a consulting firm and art studio. Monthly market rate increases are listed on the report and staff is working on airport leases. A correction was made to the previous contract report with Dave Ward Northwest Custom Hangars. It was noted that an amendment was written for sites 2, 7, and 8 in the name of Northwest Custom Hangar. For sites 7 and 8, the amendment would instead be written to the Condo Hangars Association who currently occupies sites 7 and 8. Ken Brotherton is signing a month-to-month rental contract for the kayak rack in Quilcene. The Northwest Maritime Center would be renting 4,400 square feet in the Back 40 for boat storage and miscellaneous items for the month of September. There would also be some limited camping during the festival in that same location.

IX. COMMISSIONER COMMENTS (Rec. 00:47:10)

Commissioner Hanke: It is exciting to experience a calm Commission meeting despite the current and upcoming activities, including the jetty work.

Commissioner Hasse expressed appreciation for the excellent financial reporting.

X. Next Public Workshop & Regular Business Meeting (Rec. 00:50:22): Thursday, August 18, 2022 ICG Meeting Under the Tent. The Wednesday, August 24 regular meeting is cancelled. Monday, September 12, 2022 at 6:30 p.m. is a Joint Special Business Meeting with the Port, City, and PUD on the Sims Way and Boatyard Expansion. Wednesday, September 14, 2022 Workshop at 9:30 a.m. & Meeting at 1:00 p.m., at Pavilion Building & via Zoom.

Executive Director Berg noted a Groundbreaking Ceremony for the Jetty Project would be planned possibly after the September 14 Commission meeting.

XI. EXECUTIVE SESSION ~ none

XII. ADJOURNMENT: (Rec. 00:51:00) meeting adjourned at 1:52 p.m., there being no further business before the Commission.

ATTEST:

Peter W. Hanke, Secretary

Pamela A. Petranek, President

Carol L. Hasse, Vice President

PORT COMMISSION PUBLIC WORKSHOP – September 14, 2022

The Port of Port Townsend Commission met for a Public Workshop
Point Hudson Pavilion Building, 355 Hudson Street, Port Townsend

Present: Commissioner Petranek (Excused)
Commissioner Hasse
Commissioner Hanke
Executive Director Berg
Deputy Director Toews
Director of Finance and Administration Berg
Director of Capital Projects & Port Engineer Klontz
Operations Manager Sparks
Recorder Sanders

I. CALL TO ORDER: (Rec. 00:00:55)

Commissioner Hasse opened the Workshop at 9:38 a.m.

II. AGENDA: (Rec. 00:01:52)

Discuss Tax Levies for the 2023 Budget with Jefferson County Assessor: Director of Finance and Administration Berg introduced Jefferson County Assessor Jeff Chapman and Lauralee Kiesel Lead Property Tech. Chapman led a briefing of historical trends in median home assessed valuations in Washington, a comparison of General Levy estimate calculations, and IDD levy assessments. Reviewing handouts on each, he urged the need to communicate effectively so as to not cause alarm that the property taxes would be going up as dramatically as the 20-30% increase in property valuations. There was discussion of the significant growth curve from 2019 to 2021. Speaking to the IDD, Mr. Chapman noted the total amount that could be collected up to 20 years, is nearly \$17 million. If the Port chooses to collect the same amount (\$2,634,289) next year as they did this year, the IDD levy rate decrease would be \$.37 to \$.31 cents per 1,000. With the limit on the budget submittal of the general levy set at 1% plus new construction, the resulting decrease would be roughly \$.15 to \$.13 cents per \$1,000 of property value. Mr. Chapman also reviewed the tax changes for residential properties for other areas of Jefferson County.

Start Discussion of the Potential Issues, Goals, and Assumptions for the 2023 Budget

Development. (Rec. 00:38:40) Director of Finance and Administration Berg gave the staff presentation reviewing her written report. She and Executive Director Berg highlighted major impacts to Point Hudson revenues would come from the jetty reconstruction as well as the discontinuation of the 50% discount in the small boatyard. Staff expects an increase in yard and haulout revenue as the 300-ton yard is completely full and the 75-ton is at a negative 12 spaces over the next few months. Impacts to the boatyard in 2023 related to the Sims Way and Boatyard Expansion project are not yet known.

There were commissioner questions about impacts of inflation. Noted were dramatic increases in costs of products and services and CPI increases in the range of 5% to 10%. One suggestion was to consider a zero percent increase in small 75-ton yard storage rates since the seasonal discount was sunsetted. There was discussion of the ongoing impact of the property tax increase restrictions of 1% especially compared to inflation. Concern was expressed that operating revenues are not keeping pace with operating expenses. There was interest in data on the growth in the number of boats in Puget Sound as well as the types of vessels (work boats, fishing vessels, or recreational).

Executive Director Berg indicated that the draft budget would include a proposal for two new employees in the capital projects program, a midweek Boatyard celebration of successes for the Port and Community, airport day for the pilot community, Jefferson County Historical Society work on a 100-year Port historical retrospective, and IDD recommendation for exhausting the IDD levy and a 2027 target to payoff debt. Point Hudson roof replacement project estimate is roughly \$1 million and would be a budget challenge. It was noted there would be an amendment to this afternoon's meeting agenda regarding tenant uses and expansion. A full Commission needs to be present for that discussion.

Executive Session (Rec. 01:15:19)

At 11:00 a.m., the Commission recessed into executive session for 30 minutes with no action to be taken pursuant to pursuant to [RCW 42.30.110](#)(b) To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price. At 11:43 p.m., the Commission came back into open session.

III. ADJOURNMENT:

The Workshop adjourned at 11:43 a.m.

ATTEST:

Pamela A. Petranek, President

Peter W. Hanke, Secretary

Carol Hasse, Vice President

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, September 14, 2022

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

Present: Commissioners Hasse and Hanke, with Petranek (excused)
 Executive Director Berg
 Deputy Director Toews
 Director of Finance & Administration Berg
 Director of Capital Projects & Port Engineer Klontz
 Lease and Contracts Administrator Nelson
 Attorney Seth Woollen
 Port Recorder Sanders

- I. CALL TO ORDER & PLEDGE OF ALLEGIANCE (Rec. 00:00:00)
 Commissioner Hasse called the meeting to order at 1:00 p.m.
- II. APPROVAL OF AGENDA (Rec. 00:00:55)
 There were no changes.
- III. PUBLIC COMMENTS (Rec. 00:01:37)
 There was none.
- IV. CONSENT AGENDA (Rec. 00:02:34)
 - A. Approval of Regular Business Meeting Minutes from August 10, 2022 (Postponed as minutes were unavailable)
 - B. Approval & Ratification of Warrants
 Warrant #065633 – #065635 and Electronic Payments totaling \$108,043.21
 Warrant #065636 – #065675 in the amount of \$513,833.46
 Electronic Fund Transfer in the amount of \$15,844.74
 Warrant #065676 – #065682 and Electronic Payments totaling \$214,967.12
 Warrant #065683 – 065749 in the amount \$204,661.39
 - C. Resolution 772-22 Authorizing Sale of Vessels Located within the Port Moorage Facilities, Declaring, Where Title Reverts to the Port that the Vessels are not Needed for Port Purposes and Authorizing the Executive Director to Sell or Otherwise Dispose of the Vessels
 - D. JCIA Land Lease Assignment and Amendment: David Holt to Puget Sound Express, Inc.
 - E. Resolution 773-22 Establishing the Northwest School of Wooden Boatbuilding (NWSWB) as a Sole Source Provider for Certain Equipment and Services, Stating Findings, and Authorizing a Contract.
 - F. Resolution 774-22 FEMA Authorizing a FEMA Designated Agent to Obtain Federal/State Disaster Assistance Funding
 - G. Execution of Professional Engineering Service Agreement During Construction of Point Hudson Breakwater Replacement Project

Commissioner Hasse moved to accept the Consent Agenda as written; motion passed unanimously with the removal of Item A. Approval of Minutes from August 10, 2022 and removal of Item D. JCIA Land Lease Assignment and Amendment: David Holt to Puget Sound Express, Inc. (postponed until September 28).

- V. SECOND READING ~ none
- VI. FIRST READING ~ none
- VII. REGULAR BUSINESS (Rec. 00:04:27)
 - A. July Year-to-Date Financial Report.
 - B. Director of Finance & Administration Berg reviewed the 2022 capital project expenses and capital purchases. Staff fielded Commissioner questions regarding the Old Coast Guard Building. Although year to date expenses total \$195,445, additional funding will be needed for additional work including furnishings, exterior painting, lighting, and a foundation. Staff also explained the \$80,000 in expenses for the JCIA Hangar repair is being addressed through the agreement that was postponed for discussion tonight.

Commissioners asked about budgeting for the Boat Haven breakwater repair and whether permitting is through US Army Corps of Engineers. Staff concurred that permitting was done three or four months ago and American Construction would be the contractor. The budgeted cost of \$350,000 would be funded with a combination of insurance proceeds and the BoatHaven reserve fund.

Director of Finance & Administration Berg continued with a review of ending cash balances and debt service. Referring to the 2022 Summary of Fund Resources (inadvertently omitted from the agenda packet), she gave a detailed review of expenditures to budget. Areas exceeding budget are primarily in repair and maintenance and operating supplies. Responding to questions about facilities and operations expense, it was noted that expenses are more than budget by about \$350,000 and 2022 annual insurance costs will not be reflected until August. There was some discussion about whether there are cost efficiency advantages via the Port insurance pool or savings on interest expense.

VIII. STAFF COMMENTS (Rec. 00:25:04)

Executive Director Berg: Point Hudson matters (Back 40, future of the duplex, etc.) would be brought forward for Commission policy direction. Eric Toews would also be bringing forward next steps on the strategic plan and Matt Klontz would report on Mott McDonald's Quilcene Facility Assessment.

Deputy Director Toews: Reported on the following: 1) City/Port and PUD authorized proceeding on the Boatyard West Expansion and Gateway Development. Formation of a stakeholder group on the west expansion would include the current stakeholders, adjacent property owners, and local agency representatives. This would begin in the next month or so; 2) Project scoping for Quilcene Facility improvements would include replacing the existing ramp, ADA accessible restroom and ramp, and dredging the entrance channel -- the cost of which is estimated at \$2 million and a grant deadline of November 1; and 3) Staff plans to engage a stakeholder group for the Strategic Plan in early 2023 so the process of review by the Commission can be completed later in 2023.

Regarding questions about the Gardiner Boat Ramp, Executive Director Berg noted project costs are exceeding budget. The next Port report would have a focus on capital projects.

Director of Capital Projects & Port Engineer Klontz reported the Commission should also expect to receive an update soon on the connector taxiway at JCIA. The Groundbreaking Ceremony is scheduled today at 3:30 p.m. Commission authorization is forthcoming on the BoatHaven Stormwater project consulting agreement with Kennedy Jenks.

IX. COMMISSIONER COMMENTS (Rec. 00:36:53)

Commissioner Hanke shared his excitement about Point Hudson activities, including excellent attendance at the Wooden Boat Festival. Staff was congratulated for all the behind-the-scene efforts to coordinate the event.

Commissioner Hasse noted that remarks about Port staff during the festival were very favorable. Congratulations were also given regarding the Hanke family recognition of a lifetime achievement award. Cross jurisdiction collaboration is exciting as is the project activity on the Point Hudson jetty reconstruction. The Marine Resources Committee grant request for a support vessel is encouraging.

X. Next Public Workshop & Regular Business Meeting (Rec. 00:40:03): Groundbreaking Ceremony Point Hudson Jetty Replacement: Wednesday, September 14 – 3:30 p.m., Northern Breakwater, adjacent to 141 Hudson Street

Regular Business Meeting: Wednesday, September 28, 2022; 5:30 p.m., at the Pavilion Building & via Zoom

XI. EXECUTIVE SESSION ~ none

XII. ADJOURNMENT (Rec. 00:40:17): meeting adjourned at 1:40 p.m., there being no further business before the Commission.

ATTEST:

Peter W. Hanke, Secretary

Pamela A. Petranek, President

Carol L. Hasse, Vice President

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WARRANT/ELECTRONIC PAYMENT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations against the Port of Port Townsend, that we are authorized to authenticate and certify to said claim and that payment of these claims, in Warrant No 065751 through No. 065754 generated on September 15th, 2022 in the amount of \$6,072.72 and Electronic Payment in the amount of \$106,610.16, for a total amount of \$112,682.88 is ratified.

Signed and Authenticated on this 28th day of September, 2022.

For: Payroll and Benefits

Commissioner Pam Petranek

Commissioner Carol Hasse

Commissioner Pete W. Hanke

S. Abigail Berg, Director of Finance
And Administration

Port of Port Townsend (PTA)

				Bank Code: W - WARRANTS PAYABLE			
Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
0000065750	9/14/2022	BAN005	Bank of America				
			9/5/22 STATEMENT	9/5/2022	13,676.62	0.00	13,676.62
				Report Total:	<u>13,676.62</u>	<u>0.00</u>	<u>13,676.62</u>

Check Entry Number: 001

2701 Jefferson Street
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Port Townsend, WA 98368



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WARRANT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims is a just, due and unpaid obligation of the Port of Port Townsend, that I am authorized to authenticate and certify to said claim and that these claims, in Warrant No 065750 generated on September 14th, 2022 in the amount of \$13,676.62 is ratified.

Signed and Authenticated on this 28th day of September, 2022.

For: **Accounts Payable**

Commissioner Pam Petranek

Commissioner Carol Hasse

Commissioner Pete W. Hanke

S. Abigail Berg, Director of Finance
And Administration



WARRANT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims is a just, due and unpaid obligation of the Port of Port Townsend, that I am authorized to authenticate and certify to said claim and that these claims, in Warrant No 065755 through No. 065800, are approved for payment in the amount of \$122,768.52 on this 28th day of September, 2022.

For: **Accounts Payable**

Commissioner Pam Petranek

Commissioner Carol Hasse

Commissioner Pete W. Hanke

S. Abigail Berg, Director of Finance
And Administration

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE							
Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
0000065755	9/28/2022	A1C050	A-1 Coupling				Check Entry Number: 001
			J93707-001	9/9/2022	3,296.30	0.00	3,296.30
0000065756	9/28/2022	AIR070	Airside Solutions, Inc				Check Entry Number: 001
			35700	7/11/2022	1,139.33	0.00	1,139.33
			36061	9/13/2022	155.61	0.00	155.61
Check 0000065756 Total:					1,294.94	0.00	1,294.94
0000065757	9/28/2022	AVC050	Avcom Company				Check Entry Number: 001
			09010222	9/10/2022	2,218.02	0.00	2,218.02
0000065758	9/28/2022	BER045	Eron Berg				Check Entry Number: 001
			8/2022 EXPENSE	9/14/2022	65.85	0.00	65.85
0000065759	9/28/2022	BLA075	Richard Blankenship				Check Entry Number: 001
			REFUND 9/2/22	9/2/2022	292.77	0.00	292.77
0000065760	9/28/2022	BOT040	Botero & Son Electrical LLC				Check Entry Number: 001
			22-2437	9/14/2022	4,696.67	0.00	4,696.67
0000065761	9/28/2022	CED005	CED				Check Entry Number: 001
			5948-1024827	9/7/2022	264.77	0.00	264.77
			5948-1024878	9/7/2022	66.50	0.00	66.50
			5948-1025440	9/14/2022	60.66	0.00	60.66
			5948-1025474	9/14/2022	119.51	0.00	119.51
			5948-1025607	9/21/2022	59.75	0.00	59.75
			5948-1025725	9/21/2022	295.14	0.00	295.14
Check 0000065761 Total:					866.33	0.00	866.33
0000065762	9/28/2022	CEN030	CenturyLink				Check Entry Number: 001
			9/1/2022 STATEMENT	9/1/2022	185.00	0.00	185.00
0000065763	9/28/2022	CEN035	CenturyLink				Check Entry Number: 001
			9/8/22	9/8/2022	408.59	0.00	408.59
0000065764	9/28/2022	CHM030	Chmelik Sitkin & Davis P.S.				Check Entry Number: 001
			8/2022	9/20/2022	3,276.00	0.00	3,276.00
0000065765	9/28/2022	CIT010	City of Port Townsend				Check Entry Number: 001
			HPC21-036	9/7/2022	93.25	0.00	93.25
0000065766	9/28/2022	CLA003	Clark Land Office				Check Entry Number: 001
			8/31/2022	8/31/2022	4,150.00	0.00	4,150.00
0000065767	9/28/2022	COP075	Susan Copeland				Check Entry Number: 001
			REFUND 9/8/22	9/8/2022	160.99	0.00	160.99
0000065768	9/28/2022	DUN030	Dungeness Enviromental Solutions Inc				Check Entry Number: 001
			22-297	9/8/2022	5,432.00	0.00	5,432.00
0000065769	9/28/2022	DUN075	Dale Dunning				Check Entry Number: 001
			REFUND 9/2/2022	9/2/2022	48.10	0.00	48.10
0000065770	9/28/2022	EDE005	Edensaw Woods, LTD				Check Entry Number: 001
			0000589634-002	9/20/2022	158.20	0.00	158.20
0000065771	9/28/2022	FAR080	Farwest Steel Corporation				Check Entry Number: 001
			1920348	9/19/2022	881.43	0.00	881.43
0000065772	9/28/2022	FER020	Ferguson Waterworks #3011				Check Entry Number: 001
			1133855	9/8/2022	375.98	0.00	375.98
0000065773	9/28/2022	FIS020	Fish N Hole				Check Entry Number: 001
			5607443	9/14/2022	25.96	0.00	25.96
0000065774	9/28/2022	GOO002	Good Man Sanitation				Check Entry Number: 001
			9/12/22 STATEMENT	9/12/2022	2,665.13	0.00	2,665.13
0000065775	9/28/2022	GOO090	Good To Go!				Check Entry Number: 001
			44507287	8/31/2022	7.25	0.00	7.25

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE							
Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
0000065776	9/28/2022	INS070	Insight Strategic Partners, LLC				Check Entry Number: 001
			4185	8/31/2022	6,250.00	0.00	6,250.00
0000065777	9/28/2022	JC0003	Jefferson County - Public Work				Check Entry Number: 001
			8/2022 STATEMENT	9/6/2022	1,242.24	0.00	1,242.24
0000065778	9/28/2022	KEN010	Kendrick Equipment				Check Entry Number: 001
			U50789	9/8/2022	29,686.31	0.00	29,686.31
0000065779	9/28/2022	MAR086	Marina Cafe				Check Entry Number: 001
			11607	9/14/2022	80.00	0.00	80.00
0000065780	9/28/2022	MAR096	Marian Roh				Check Entry Number: 001
			220831	8/31/2022	262.50	0.00	262.50
0000065781	9/28/2022	MON075	Greg Monaco				Check Entry Number: 001
			REFUND 9/11/22	9/11/2022	189.60	0.00	189.60
0000065782	9/28/2022	O'RE030	O'Reilly Auto Parts				Check Entry Number: 001
			3939-137084	9/13/2022	55.61	0.00	55.61
0000065783	9/28/2022	OES001	OESD 114				Check Entry Number: 001
			2223000077	9/15/2022	4,311.20	0.00	4,311.20
0000065784	9/28/2022	OLY001	Olympic Equipment Rentals Inc				Check Entry Number: 001
			311923	8/29/2022	574.63	0.00	574.63
0000065785	9/28/2022	OLY003	Olympic Springs, Inc.				Check Entry Number: 001
			261453	8/31/2022	61.86	0.00	61.86
			350471/351004	8/31/2022	68.35	0.00	68.35
Check 0000065785 Total:					130.21	0.00	130.21
0000065786	9/28/2022	PET020	Peters Marine Services				Check Entry Number: 001
			928904	8/30/2022	723.34	0.00	723.34
0000065787	9/28/2022	PET025	Petrick Lock & Safe				Check Entry Number: 001
			982024	9/9/2022	575.92	0.00	575.92
			982026	9/9/2022	213.92	0.00	213.92
			982027	9/9/2022	15.06	0.00	15.06
Check 0000065787 Total:					804.90	0.00	804.90
0000065788	9/28/2022	PIN010	Pinnacle Investigations Corp				Check Entry Number: 001
			81281	9/16/2022	35.00	0.00	35.00
0000065789	9/28/2022	PLA040	PLATT				Check Entry Number: 001
			3G34919	9/20/2022	251.62	0.00	251.62
0000065790	9/28/2022	POR005	Port Townsend Leader				Check Entry Number: 001
			110616	9/1/2022	1,000.00	0.00	1,000.00
0000065791	9/28/2022	PUD005	PUD #1 of Jefferson County				Check Entry Number: 001
			9/12/22 STATEMENTS	9/12/2022	10,670.18	0.00	10,670.18
			9/6/22 STATEMENT	9/6/2022	58.72	0.00	58.72
Check 0000065791 Total:					10,728.90	0.00	10,728.90
0000065792	9/28/2022	QUI001	Quill Corporation				Check Entry Number: 001
			1823634	7/25/2022	7.55-	0.00	7.55-
			1825031	7/26/2022	32.86-	0.00	32.86-
			26307770	7/12/2022	120.37	0.00	120.37
			26403901	7/12/2022	78.54	0.00	78.54
			26545732	7/22/2022	222.39	0.00	222.39
			26705105	7/29/2022	14.18	0.00	14.18
			26729433	7/29/2022	553.29	0.00	553.29
			26997268	8/11/2022	555.97	0.00	555.97
			27005332	8/11/2022	25.03	0.00	25.03
			27028328	8/11/2022	29.66	0.00	29.66

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE							
Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
			27589529	9/8/2022	35.23	0.00	35.23
			57590247	9/8/2022	296.39	0.00	296.39
			Check 0000065792 Total:		1,890.64	0.00	1,890.64
0000065793	9/28/2022	REI002	Reid Middleton Co				Check Entry Number: 001
			2209046	9/9/2022	1,976.07	0.00	1,976.07
			2209058	9/20/2022	4,598.65	0.00	4,598.65
			Check 0000065793 Total:		6,574.72	0.00	6,574.72
0000065794	9/28/2022	SCH076	Scott & Pamela Schliep				Check Entry Number: 001
			REFUND 9/15/22	9/15/2022	853.08	0.00	853.08
0000065795	9/28/2022	SCJ010	SCJ Alliance				Check Entry Number: 001
			69251	9/12/2022	12,525.87	0.00	12,525.87
0000065796	9/28/2022	SPA070	Chris Sparks				Check Entry Number: 001
			UNIFORM EXP	9/19/2022	187.85	0.00	187.85
0000065797	9/28/2022	STR075	John Stroeder				Check Entry Number: 001
			REFUND 9/8/22	9/8/2022	190.20	0.00	190.20
0000065798	9/28/2022	SUN020	Sunrise Coffee				Check Entry Number: 001
			20221052	9/2/2022	19.70	0.00	19.70
			20221092	9/13/2022	29.76	0.00	29.76
			Check 0000065798 Total:		49.46	0.00	49.46
0000065799	9/28/2022	TWI001	Spectra Laboratories - Kitsap				Check Entry Number: 001
			22-05214	8/16/2022	87.00	0.00	87.00
0000065800	9/28/2022	ULI040	ULINE				Check Entry Number: 001
			153394930	9/1/2022	11,154.50	0.00	11,154.50
			153394931	9/1/2022	2,330.38	0.00	2,330.38
			Check 0000065800 Total:		13,484.88	0.00	13,484.88
			Report Total:		122,768.52	0.00	122,768.52



WARRANT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the material has been furnished, the labor performed and the services provided, as described herein, and that this claim is a just and unpaid obligation of the Port of Port Townsend, and that this claim, in Warrant No. 065312 in the amount of \$424.50 is declared **void** on this on this 28th day of September, 2022.

For: **Accounts Payable**

Commissioner Pam Petranek

Commissioner Carol Hasse

Commissioner Pete W. Hanke

S. Abigail Berg, Director of Finance
And Administration

Port of Port Townsend (PTA)

Bank: W WARRANTS PAYABLE

Check Number/ Invoice Number	Check Date Invoice Date	Vendor Number	Invoice Amount	Discount	Distribution Amount	Check Amount
0000065312 CK000006531202	REV 6/8/2022	DIR070	DirecTV			424.50-
	6/8/2022		424.50-	0.00		
	G/L Account: 761-8900-19		UTILITIES - CABLE/IT SVCE:P. H. MARINA & RV		424.50-	
	Bank W Total:		424.50-	0.00	424.50-	424.50-
	Report Total:		424.50-	0.00	424.50-	424.50-

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	September 28, 2022
AGENDA ITEM	<input checked="" type="checkbox"/> Consent Agenda
AGENDA TITLE	IV. C. JCIA Land Lease Assignment and Amendment: David Holt to Puget Sound Express, Inc.
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input type="checkbox"/> Motion <input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Info Memo B. Lease Assignment & Amendment C. Exhibit 'A' (Original Lease) D. Exhibit 'B' (First Assignment & Amendment of Lease)

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 9/28/2022
TO: Port Commission
FROM: Eric Toews, Deputy Director and Sue Nelson, Lease & Contracts Administrator
SUBJECT: Hangar Site 'J' Lease Assignment & Amendment: David Holt & Susan Holt Living Trust to Puget Sound Express, Inc.

BACKGROUND: In August, Commissioner Hanke notified staff that he had purchased Hangar 'J' from the David and Susan Holt Living Trust.

DISCUSSION: The original Hangar Site 'J' lease was issued to Leon Landry and Neil Slater on January 14, 2000. On February 14, 2001, the lease was assigned and amended to the David & Susan Holt Living Trust. Today, staff presents the second Assignment and Amendment to Puget Sound Express, Inc.

RECOMMENDATION: Authorize the Executive Director to execute the attached Assignment & Amendment of the Land Lease to Puget Sound Express, Inc. for Hangar Site "J" at the Jefferson County International Airport.

MOTION: None required. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the attached Assignment & Amendment.

ATTACHMENTS

- (Second) Lease Assignment & Amendment
- Exhibit 'A' (Original Lease)
- Exhibit 'B' (First Assignment & Amendment of Lease)

SECOND ASSIGNMENT & AMENDMENT OF LAND LEASE JEFFERSON COUNTY INTERNATIONAL AIRPORT

THIS SECOND ASSIGNMENT & AMENDMENT OF LAND LEASE is dated this ____ day of September 2022, by and between **DAVID & SUSAN HOLT LIVING TRUST** ("Assignor"), and **PUGET SOUND EXPRESS, INC.**, a Washington corporation ("Assignee"), with a hangar pad location identified as Hangar Site "J" at the Jefferson County International Airport in Port Townsend, WA.

WHEREAS, The PORT OF PORT TOWNSEND ("Lessor" or "Port"), a Washington Municipal Corporation, and LEO H. LANDRY and NEIL SLATER ("Landry" and "Slater") entered into that certain LAND LEASE WITH OPTION dated January 14, 2000, for certain premises (the "Premises") located at the Jefferson County International Airport, Port Townsend, Washington, which is attached hereto as Exhibit "A" and incorporated herein by this reference (the "Original Lease"); and

WHEREAS, The Original Lease was assigned by Landry and Slater with Lessor's consent on February 14, 2001, to the DAVID & SUSAN HOLT LIVING TRUST ("Lessee"), and concurrently amended, which document is attached hereto as Exhibit "B" and incorporated herein by this reference (the "First Assignment & Amendment of Land Lease"); and

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

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

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

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

- 1. Recitals Incorporated.** The foregoing recitals are hereby incorporated into and made a part of this Second Assignment & Amendment, including all defined terms referenced therein, with the same force and effect as if the same were herein repeated fully and at length. Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to such terms in the Lease.
- 2. Assignment of Lease:** Assignor does hereby transfer, assign, convey and deliver to Assignee its entire right, title and interest in the Lease and the Premises.

3. Assumption of Obligations: Assignee does hereby accept this assignment and, for the benefit of Assignor and Lessor, expressly assumes and agrees to hereafter perform all the terms, covenants, conditions, and obligations of Assignor under the Lease, which accrue from and after the date hereof. Assignee has been furnished with copies of the Lease (Exhibits “A” and “B”), respectively, has reviewed the terms of the same, and understands all of the terms of the Lease.

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

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

5. Lessor Acknowledgement: By executing this Second Assignment & Amendment, Lessor expressly acknowledges the following:

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

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

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

4. DEPOSIT: Lessee shall deposit or has deposited with the Port security in the amount of **Five Hundred Seventy-Seven Dollars and Thirty-One Cents (\$577.31).**¹ Annually throughout the lease term the amount deposited with the Port shall be adjusted to ensure that an amount equivalent to two (2) months’ then current rent plus applicable taxes maintained as security. The deposit shall be held by the Port as security for Lessee’s faithful performance of all its obligations under this Lease. Any interest earned on amounts deposited shall be retained by the Port. The deposit shall be returned to Lessee

¹ Security deposit calculated as follows: \$255.81 per month rent x 2 = \$511.62; \$511.62 x 12.84% LHT = \$65.69; \$511.62 + \$65.69 = \$577.31.

upon termination of this Lease, less any charges owing to the Port or expenses incurred by the Port in repairing damage caused by Lessee or restoring the leased premises to the condition required upon termination of this Lease.

29. All notices hereunder may be delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

To Lessor:

THE PORT OF PORT TOWNSEND
c/o Lease & Contracts Administrator
P.O. Box 1180
Port Townsend, WA 98368

To Lessee:

PUGET SOUND EXPRESS, INC.
Attn: Peter W. Hanke
227 Jackson Street
Port Townsend, WA 98368

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

This Second Assignment & Amendment of Land Lease is authorized by the Port of Port Townsend Port Commission on the 28th day of September 2022, executed by the parties this ____ day of September 2022, and effective upon the receipt of a deposit and liability insurance documentation from the Assignee.

ASSIGNOR – DAVID & SUSAN HOLT LIVING TRUST:

by David Holt

ASSIGNEE – PUGET SOUND EXPRESS, INC.:

Peter W. Hanke, Governing Party

LESSOR – PORT OF PORT TOWNSEND:

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

Eron Berg, Executive Director

APPROVED AS TO FORM:

Eric Toews, Port Attorney

**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

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

Dated: _____

Signature of
Notary Public: _____

My Appointment Expires: _____

**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

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

Dated: _____

Signature of
Notary Public: _____

My Appointment Expires: _____

**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

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

Dated: _____

Signature of
Notary Public: _____

My Appointment Expires: _____

ORIGINAL

PORT OF PORT TOWNSEND
LAND LEASE WITH OPTION
JEFFERSON COUNTY INTERNATIONAL AIRPORT

THIS LEASE AGREEMENT made this 14 day of January, 2000, 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 Leo H. Landry and L. Neil Slater, hereinafter referred to as "Lessee,"

WITNESSETH:

That the parties hereto do mutually agree as follows:

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

Hangar Site "J" at the Jefferson County International Airport, as depicted on Attachment A.

hereinafter called "the premises."

2. OPTION TO LEASE: In consideration of Lessee's payment of a non-refundable option payment of \$325, receipt which is hereby acknowledged, Lessor hereby grants Lessee an option to lease the premises, on the terms contained herein. The option must be exercised on or before May 31, 2000, by written notice from Lessee to Lessor, but only if Lessee has complied with the terms of paragraph 8 hereinbelow. If the option is not exercised by that deadline, or if the Lessor does not approve the plans to be provided by Lessee pursuant to paragraph 9b, then this Agreement shall terminate and Lessee shall have no further rights hereunder. If the option is exercised, the \$325 deposit shall be credited first against the additional deposit required in paragraph 4 below and secondly to successive first and second month rent, until exhausted. Lessee's option rights may not be assigned to any other party without the Port's consent.

2a. TERM OF LEASE: If the Option is exercised, this lease shall immediately be in effect and the lease term shall be for a term of fifty (50) years, beginning upon the date the option is exercised and ending on the fiftieth (50th) anniversary of that date.

3. RENT: Lessee agrees to pay as rental for the leased premises the sum of one hundred seventy-five dollars (\$175) per month plus all applicable taxes. The rent for each month shall be paid to the Port in advance on or before the first day of each and every month of the lease term, and shall be payable at such place as the Port may hereinafter designate. The rental rate shall be adjusted every three years to the prevailing fair market rental rate then prevailing for comparable commercial and/or industrial property in Western Washington area bearing in mind all allowable uses of the property, all improvements made to the property, and all services and amenities available to the property by virtue of its location. The rental rate so determined would be adjusted annually by an amount equal to the accumulative amount found on the Consumer Price Index (CPI) for Seattle and Tacoma, which is compiled by the Department of Labor, Bureau of Statistics.

4. DEPOSIT: Lessee shall, upon the execution of this lease and agreement, deposit with the Port two month's rent in the amount of three hundred fifty dollars (\$350) plus all applicable taxes. The lease is not effective until full deposit is made with the Port.

5. USE OF PREMISES: Lessee shall use the premises for construction, rental, and generation of aircraft storage hangars. Hangar "J" shall be configured as depicted in Attachment A, hangar entryways shall not exceed 16' in height, 50' in width or 100' in length. Failure of

Lessee to perform this type of business or cessation of such services, or carrying on other activities without first obtaining a Lease modification with Lessor's written approval of such other activities, shall constitute cause for default under the terms of this Lease. It is further understood and agreed the Premises will not be used to store distribute or otherwise handle flammable or dangerous materials. In addition to the foregoing, the 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, leasehold and other taxes, permit fees, license fees, and assessments lawfully levied or assessed upon the Premises or property at any time situated therein and thereof. The Lessee may, however, at its sole expense and cost, contest any tax, fee, or assessment, but shall in no event allow the same to become a lien thereof.

B. The Lessee shall observe and obey all laws, regulations, and rules of the Airport and the federal, state, and local government which may be applicable to its operation at the Airport. This shall include the Jefferson County International Airport (JCIA) Rules and Regulations and the Statutes and Resolutions now in effect or as may be promulgated or revised in the future from time to time. The Lessee specifically acknowledges that it shall abide by and be subject to all rules and regulations which are now, or may from time to time, be formulated by the Lessor concerning the management, operation, or use of Jefferson County International Airport (JCIA). The Lessee shall keep in effect and post in a prominent place all necessary and/or required licenses or permits.

C. The Lessee shall allow no act, trade, occupation, or business to be carried on upon said Premises, or any use made thereof in violation of applicable law or regulation, including any regulation of the Lessor.

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

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

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

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

H. 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 Lessor, except as otherwise provided in Section 4.3 hereof.

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

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

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

The Lessee will construct one box hangar (50' x 100') building and ramps for aeronautical purposes. All buildings and ramps to be constructed shall meet the design recommendations as specified in Advisory Circular 150/5300-13.

Lessee's design for buildings and ramps shall be subject to written approval by the Port with regards to construction materials, design, color, utilities, safety, fire emergency equipment, elevations, and location.

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

The Lessee shall not use them for any other purpose without the written consent of the Port. Lessee shall use the entire premises for the conduct of said business in a first class manner continuously during the entire term of this lease, with the exception of temporary closures for such periods as may reasonably be necessary for repairs or redecorating or for reasons beyond Lessee's reasonable control. Lessee agrees that it will not disturb the Port or any other tenant of the Port's by making or permitting any disturbance or any unusual noise, vibration or other condition on or in the premises.

HANGAR J – JCIA

January 2000

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6. UTILITIES: Lessee shall be liable for, and shall pay throughout the term of this lease, all charges for all utility services furnished to the premises, including, but not limited to, light, heat, electricity, gas, water, sewerage, garbage disposal and janitorial services. In the event that the premises are part of a building or 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 cost shall not be required.

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

8. MAINTENANCE AND REPAIR OF FACILITIES: Maintenance of the Premises and all improvements thereon is the responsibility of the lessee. Lessee shall, at its own expense, at all times keep the premises, and the adjoining roadways and sidewalks, neat, clean and in a safe and sanitary condition, keep the glass of all windows and doors thereof clean and presentable, and shall maintain and keep the leased premises in a good state of repair, and shall commit no waste of any kind, and, without limiting the generalities thereof, shall replace all cracked or broken glass in the premises, and keep the electrical system and the sprinkler system and all pipes and drains clean and in a good state of repair, and shall protect the sprinkler system and all pipes and drains so that they will not freeze or become clogged. Lessee's said obligation to make all necessary repairs shall extend to any repairs to the roof (structure or covering), to the foundations of the building or structure and exterior walls, of which the premises are a part. Lessee shall remove all snow and ice from the sidewalk adjacent to the premises/building and shall remove all snow and ice from the roof thereof.

9a. CONDITION OF PROPERTY: Subject to the obligations of Lessor to make available electrical service and fire hydrants (if required by Jefferson County Fire Marshal) to the Premises, and to install and to maintain a 25 foot wide asphalt taxiway and to install access ramps to each unit, in accordance with FAA requirements, and Lessor's requirements as set out below, prior to the date of issuance of a final occupancy permit therefor, Lessee accepts the Premises "as is" without further maintenance liability on the part of Lessor. Lessee is not relying on any representations of Lessor as to condition or usability, except Lessor's right to grant a lease of the Premises. The utility service, taxiway and access ramps shall be constructed in a manner and location acceptable to Lessor.

9b. PERMITTED IMPROVEMENTS BY LESSEE: Lessee may make and install, at Lessee's own expense, such improvements as are normal and customary in connection with the activity described in paragraph 5. Lessee agrees to submit plans to and obtain written approval from Lessor before commencing any major improvements, which are for purposes hereof defined to the improvements having a cost of \$2,500 or which involve the erection or placement of any structure or any excavation of alteration of any terrain.

9b.1 Completion Schedule for Major Improvements by Lessee: Lessee agrees to proceed with the construction and completion of improvements in accordance with the following schedule:

- a. To present suitable plans to and obtain approval from Lessor within thirty (30) days after execution of this Lease;
- b. To present suitable plans to Jefferson County for issuance of a building permit, together with any other permits necessary for the construction of the hangar buildings within fifteen (15) days after the approval thereof by Lessor;
- c. To have construction of the hangar building substantially complete within one hundred eighty (180) days after (1) the date that the soils condition of the Premises are suitable for commencement of site work, or (2) the date of issuance of all necessary building and other permits, if any, by Jefferson County, subject to availability of electrical services to be provided

by Lessor to the Premises, whichever occurs later. It is further understood that in no event shall construction commence prior to obtaining all necessary governmental approvals.

9b.2 Disposition of Improvements at end of Lease: Lessee shall have the right to remove all equipment, personal property and trade fixtures, which may have been placed upon the Premises by Lessee during the period of this Lease, providing that the same are removed within thirty (30) days following the termination of the Lease and that the Lease is in good standing. Title to any trade fixtures not removed from the Premises within the foregoing period of time shall, at Lessor's option, pass to Lessor without additional consideration. All buildings installed/erected upon the Premises shall become the property of the Lessor upon termination of this Lease. The Premises will be restored by Lessee to conditions prevailing at the time of initiation of the Lease, normal wear excepted. Provided, however, that, anything to the contrary herein notwithstanding, upon the expiration of the term of this Lease or upon the sooner specific written request given three (3) years in advance in the case of expiration of the Lease term to have the Premises returned to it clear of all improvements, clean, and in good condition, in which event, the title to all of said improvements shall in any event remain in and with the Lessee. If the Lessor requests such removal, the Lessee shall complete the same within sixty (60) days after the termination of this Lease. If the Lessee fails to so remove said improvements within the specified time, they may be removed by the Lessor and the Lessee agrees to pay the Lessor the cost thereof upon demand.

10. INSPECTION - "FOR RENT" SIGNS: The Port reserves the right to inspect the leased premises at any and all reasonable times throughout the term of this lease: provided, that it shall not interfere unduly with Lessee's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the premises, and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the premises for thirty (30) days prior to the expiration or sooner termination of this lease.

11. 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: Provided, That 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: And Provided Further, That 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 of the terms and conditions of this lease shall immediately become applicable.

12a. INDEMNIFICATION: The Port, its employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property, regardless of how such injury or damage be caused, sustained, or alleged to have been sustained by the Lessee or by others as a result of any condition (including existing or future defects in the premises) or occurrence whatsoever related in any way to the premises and the areas adjacent thereto or related in any way to Lessee's use or occupancy of the premises and of the areas adjacent thereto. Lessee agrees to defend and to hold and save the Port harmless from all liability or expense of litigation) in connection with any such items of actual or alleged injury or damage.

12b. INSURANCE: Tenant agrees to maintain during the lease term liability insurance as follows, at Tenants sole expense. All such insurance shall name the Port of Port Townsend as an additional insured, and shall be with insurance companies acceptable to the Port.

A. Comprehensive General Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of \$1,000,000 combined single limit for each occurrence. Such insurance shall include but not be limited to bodily injury liability, personal injury liability, property damage liability, broad form property damage liability, contractual liability, and products/completed operations liability.

B. 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 nonowned auto liability.

C. Workers Compensation Insurance as will protect tenant's employees from claims under Washington Workers Compensation Act as well as all Federal Acts applicable to the tenant's operations at the site such as but not limited to U.S. Longshoremen and Harborworkers Act, Jones Act, and Federal Employers Liability section of the Washington Workers Compensation Policy and all Federal Acts Insurance shall not be less than \$1,000,000 for each occurrence.

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

13. WAIVER OF SUBROGATION: Lessor and Lessee hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance contracts, including any extended coverage endorsements thereto: PROVIDED, That this paragraph 13 shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of Lessor or Lessee.

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

15. COMPLIANCE WITH PORT REGULATIONS AND WITH ALL LAWS: Lessee agrees to comply with all applicable rules and regulations of the Port pertaining to the building or other realty of which the premises are a part now in existence or hereafter promulgated for the general safety and convenience of the Port, its various tenants, invitees, licensees and the general public. Lessee further agrees to comply with all applicable federal, state, county, and municipal laws, ordinances, and regulations. Lessee in complying with state law shall provide to the Lessor, as a condition of leasing hangar space for an aircraft, proof of aircraft registration or proof of intent to register. It is the responsibility of the hangar lessee to register the aircraft. Lessee further agrees that all buildings, structures or other improvements, approved by the Port, will be properly permitted by the City and/or County. Any fees for any inspection of the premises during or for the lease term by any federal, state or municipal officer and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.

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

16. ASSIGNMENT OR SUBLEASE: Lessee shall not assign or transfer this lease or any interest therein nor sublet the whole or any part of the premises, nor shall this lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court,

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

17. DEFAULTS: Time is of the essence of this agreement, and in the event of the failure of Lessee to pay the rentals or other charges at the time and in the manner herein specified, or to keep any of the covenants or agreements herein set forth to be kept and performed, the Port may elect to terminate this lease and reenter and take possession of the premises with or without process of law: Provided, however, that Lessee shall be given 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.

18. TERMINATION BY PORT: In the event that the Port, at its sole discretion, shall require the use of the premises for any purpose for public or private use in connection with the operation of the business of the Port, then this lease may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee 60 or more days before the termination date specified in the notice. Compensation to Lessee for loss of use, cost of relocation and/or cost of improvement will be agreed by Lessee and General Manager.

19. TERMINATION FOR GOVERNMENT USE: In the event that the United States Government or any agency or instrumentality thereof shall, by condemnation or otherwise, take title, possession or the right to possession of the premises or any part thereof, the Port may, at its option, terminate this lease as of the date of such taking, and, 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.

20. TERMINATION BECAUSE OF COURT DECREE: In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the 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.

21. SIGNS: No signs or other advertising matter, symbols, canopies or awnings shall be attached to or painted or within the leased premises, including the windows and doors thereof, without the approval of the General Manager of the Port first had and obtained. At the termination or sooner expiration of this lease, all such signs, advertising matter, symbols, canopies or awnings attached to or painted by Lessee shall be removed by Lessee at its own expense, and Lessee shall repair any damage or injury to the premises, and correct any unsightly condition, caused by the maintenance and removal of said signs, etc.

22. INSOLVENCY: If Lessee shall file a petition in bankruptcy, or if Lessee shall be adjudged bankrupt or insolvent by any court, or if a receiver of the property of Lessee shall be appointed in any proceeding brought by or against Lessee, or if Lessee shall make an assignment for the benefit of creditors, or if any proceedings shall be commenced to foreclose any mortgage or any other lien on Lessee's interest in the premises or on any personal property kept or maintained on the premises by Lessee, the Port may at its option, terminate this lease

23. WAIVER: The acceptance of rental by the Port for any period or periods after a default by Lessee hereunder shall not be deemed a waiver of such default unless the Port shall so intend and shall so advise Lessee in writing. No waiver by the Port of any default hereunder by Lessee shall be construed to be or act as a waiver of any subsequent default by Lessee. After any default shall have been cured by Lessee, it shall not thereafter be used by the Port as a ground for the commencement of any action under the provisions of paragraph 20 hereof.

24. PROMOTION OF PORT COMMERCE: Lessee agrees that throughout the term of this lease it will, insofar as practicable, promote and aid the movement of passengers and freight through facilities within the territorial limits of the Port. Lessee further agrees that all incoming shipments of commodities that it may be able to control or direct shall be made through facilities within the territorial limits of the Port if there will be no resulting cost or time disadvantage to Lessee.

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

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

27. ADVANCES BY PORT FOR LESSEE: If Lessee shall fail to do anything required to be done by it under the terms of this lease, except to pay rent, the Port may, at its sole option, do such act or thing on behalf of Lessee, and upon notification to Lessee of the cost thereof to the Port, Lessee shall promptly pay the Port the amount of that cost.

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

29. NOTICES: All notices hereunder may be delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

To Lessor:

THE PORT OF PORT TOWNSEND
P. O. Box 1180
Port Townsend, Washington 98368

To Lessee:

Leo H. Landry and L. Neil Slater
J-HANGAR at JCIA
233 Slater Lane
Port Townsend, WA 98368

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

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

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

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

33. INVALIDITY OF PARTICULAR PROVISIONS: If any term or provision of this lease agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this lease agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

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

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

35. NON-DISCRIMINATION EMPLOYMENT: The Lessee covenants and agrees that in all matters pertaining to the performance of this lease, Lessee shall at all times conduct its business in a manner which assures fair, equal and non-discriminatory treatment of all persons without respect to race, creed or national origin and, in particular:

- A. Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities, and

B. Lessee will comply strictly with all requirements of applicable federal, state or local laws or regulations issued pursuant thereto relating to the establishment of non-discriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination as to any person's race, creed, color or national origin.

36. LABOR UNREST: Tenant agrees to join with 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.

37. EASEMENTS: The Parties recognize that the Port facilities are continuously being modified to improve the utilities and services used and provided by the Port. The Port, or its agents shall have the right to enter the demised premises of the Lessee, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair and operate the sewer, water, and drainage lines, and the electrical service, and all other services required by the Port for its use. The Port is hereby granted a continuous easement or easements that the Port believes is necessary within the lease premises of the Lessee, without any additional cost to the Port for the purposes expressed hereinabove. Provided however, that the Port by virtue of such use, does not permanently deprive the Lessee from its beneficial use or occupancy of its leased area.

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

38. OTHER TERMS:

1. The exact layout of the setback line and building position upon the Leased Premises shall be determined by Lessor based upon the results of survey and civil engineering design of the proposed T-hangar complex.
2. Lessor has engaged a qualified licensed survey firm to conduct a survey of the airport perimeter and the T-hangar complex for purposes of fixing the proposed Leased Premises and T-hangar complex. Lessee shall reimburse Lessor 12.5% (\$581.25) of the total cost of such survey. Spot elevations will also be taken to allow for a contour map, with the extra cost of spot elevations to be borne by Lessee.
3. Lessor has engaged a qualified, licensed engineering firm to design taxiway layout and utilities for the proposed T-hangar complex, and Lessee shall reimburse Lessor 12.5% (\$3,665.88) of the total cost of such design.
4. Lessee is to obtain all necessary permits to construct the one box hangar building. Lessee recognizes that some public opposition may occur.

39. FEDERAL AVIATION 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 (A) furnish good, prompt, and efficient service adequate to meet all the demands for its service at the Airport; (B) furnish said service on a fair, equal and nondiscriminatory basis to all users thereof; (C) 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; (D) prevent any use of the Premises which would interfere with landing or taking off of aircraft at JCIA or otherwise constitute an airport hazard; (E) 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.

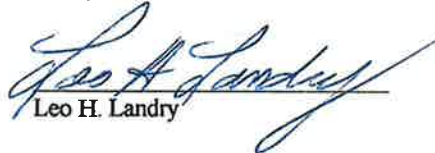
B. Use of Airspace: Lessor retains the public right of flight for the passage of aircraft in the airspace above the surface of the real property hereinabove described, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter 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. Minority Businesses: 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. Fire Protection: Lessee understands and agrees that Lessor provides for fire protection service to the airport through an interlocal agreement with a local volunteer fire district, Jefferson County Fire Protection District No. 6. Lessee further understands and agrees that Lessor 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 Lessor to terminate this Lease.

Lease dated 14 day of January, 2000, is hereby approved by the Port of Port Townsend, on this 12th day of January 2000, effective upon the receipt of deposit and liability insurance documentation from the Lessee.

LESSEE


Leo H. Landry

LESSEE


L. Neil Slater

PORT OF PORT TOWNSEND


Larry Crockett
General Manager

APPROVED AS TO FORM


Malcolm Harris
Port Attorney

HANGAR J – JCIA

January 2000

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STATE OF WASHINGTON
COUNTY OF JEFFERSON

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



Dated 1-18-00

Signature of Michelle Trumbo
Notary Public:
My Appointment Expires: 5/27/03

STATE OF WASHINGTON
COUNTY OF JEFFERSON

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



Dated 1-18-00

Signature of Michelle Trumbo
Notary Public:
My Appointment Expires: 5/27/03

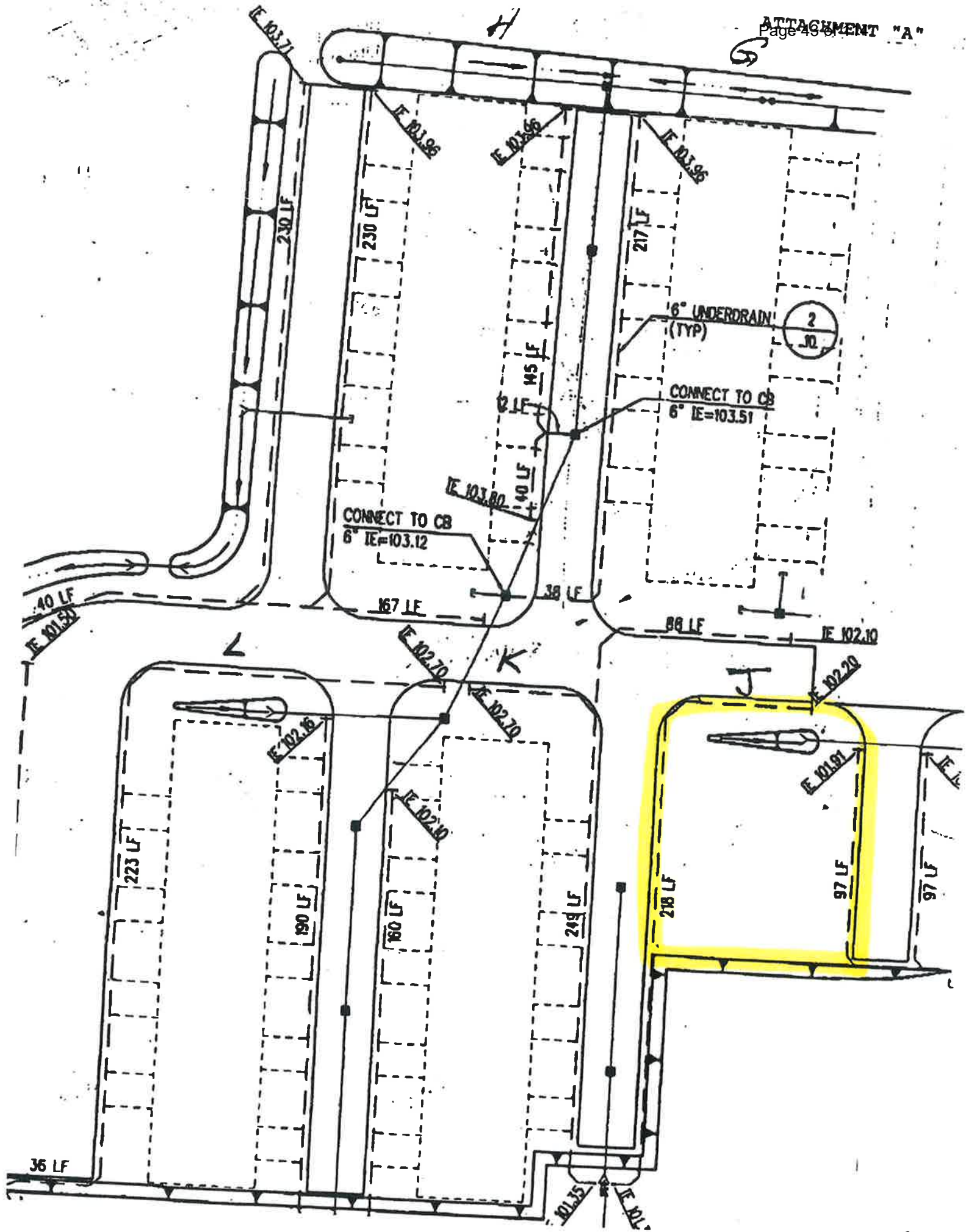
STATE OF WASHINGTON
COUNTY OF JEFFERSON

I certify that I know or have satisfactory evidence that Larry Crockett, signed this instrument and that he is authorized to execute the instrument as the General Manager 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: 1-14-00

Signature of Michelle Trumbo
Notary Public
My Appointment Expires: 5/27/03



ENGINEERING
LAND SURVEYING
WETLAND DELINEATION
DEVELOPMENT CONSULTING

**CLARK
LAND
OFFICE**

Clark Land Office, PLLC
Page 44 of 114
P.O. Box 2199 • 935 North Fifth Avenue
Sequim, WA 98382
(360) 681-2161 • Fax (360) 683-5310
Toll Free (888) 681-2161

REVISED

LEGAL DESCRIPTION FOR HANGAR PAD "J"

THAT PORTION OF THE U. S. MILITARY RESERVATION AS SHOWN ON THE PORT OF
PORT TOWNSEND SURVEY RECORDED IN VOLUME 14 OF SURVEYS, PAGES 91 AND 92,
RECORDS OF JEFFERSON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SECTION 33, TOWNSHIP 30 NORTH,
RANGE 1 WEST, W.M., JEFFERSON COUNTY, WASHINGTON, AS SHOWN ON SAID
SURVEY;

THENCE NORTH 01° 25' 03" EAST, A DISTANCE OF 2,652.37 FEET TO THE NORTHWEST
CORNER OF SAID SECTION 33, AS SHOWN ON SAID SURVEY;

THENCE NORTH 82° 59' 50" EAST, A DISTANCE OF 1,936.82 FEET TO THE "OLD POINT OF
BEGINNING";

THENCE SOUTH 55° 08' 49" WEST, A DISTANCE OF 117.25 FEET;

THENCE SOUTH 08° 09' 44" EAST, A DISTANCE OF 332.98 FEET TO THE TRUE POINT OF
BEGINNING FOR THIS LEASE AREA;

THENCE NORTH 71° 32' 39" WEST, A DISTANCE OF 48.00 FEET;

THENCE SOUTH 18° 27' 21" WEST, A DISTANCE OF 89.53 FEET;

THENCE SOUTH 71° 32' 39" EAST, A DISTANCE OF 48.00 FEET;

THENCE NORTH 18° 27' 21" EAST, A DISTANCE OF 89.53 FEET TO THE TRUE POINT OF
BEGINNING.



7/23/99

HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT

RIDER TO LEASE AGREEMENT DATED: 1-14-00
 BETWEEN THE PORT OF PORT TOWNSEND AND Les H. Landrey
and L. Neil Slater

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

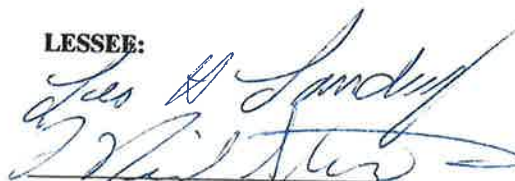
1. **HAZARDOUS SUBSTANCES ON PREMISES.** Without the express written permission of Lessor, Lessee shall not store, use or have present on or adjacent to the premises any hazardous or toxic substances, including those substances defined as "hazardous" or "extremely hazardous" under federal or Washington State environmental statutes or regulation (including but not limited to 42 USC 9601 et seq, 40 CFR Part 302, RCW Chapter 70.105D.020 and WAC 173-340-200, and any successor statutes and regulation), except as follows: none
2. **STORAGE AND USE OF HAZARDOUS SUBSTANCES.** Lessee agrees at all times to restrict its storage and use of substances identified in Paragraph 1 to the inside of the permanent building(s) at the premises, and specifically to those locations within such buildings(s) having concrete flooring or such other impermeable flooring as Lessor may in its sole discretion approve in writing upon request by Lessee.
- 2.A **HANDLING AND DISPOSAL.** The Lessee agrees to use said substances identified in paragraph 1 only on areas which have impermeable surfaces and or other means for preventing accidental contact by such substances with the soils upon the leasehold or its surrounding area.
3. **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.
4. **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.
5. **DISPOSAL OF HAZARDOUS WASTES.** In the event Lessee has occasion or need to dispose of hazardous or toxic substances or wastes, and unless otherwise agreed in writing, Lessee shall retain an independent hazardous waste disposal firm to dispose of any and all such substances at an off-site facility which has been properly approved, licensed and authorized to accept such substances. Lessee shall ensure that the disposal firm is properly licensed and in good standing with the applicable regulatory authorities for such work, and that it has all required transporter identification numbers.

6. **LESSEE'S WARRANTY OF NO CONTAMINATION.** Except as may be disclosed in Attachment No. 1 hereto, Lessee warrants and represents (1) that it has not released any toxic or hazardous substances onto the premises or into the environment in connection with its activities at the premises, (2) that it has inspected the premises and is not aware of any indication that a release of any hazardous substances has ever occurred at the premises, including prior to Lessee's occupancy, (3) that it has never been formally accused or cited, at the premises or elsewhere, for any violation of environmental laws, regulations or any hazardous waste-related governmental permit, and (4) that no claims or litigation have ever been pending against it by any person or governmental agency involving any use, storage, release or disposal of hazardous or toxic waste. If any such releases, formal accusations, citations, claims or litigation against Lessee arise during the term of this lease or any extension thereof, then Lessee shall notify Lessor in writing within seven (7) days of such event, and shall provide Lessor with a copy of each document reflecting such event.
7. **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, suits, proceedings, judgements, 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.
8. **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.
9. **COPIES OF ENVIRONMENTAL CORRESPONDENCE.** Lessee agrees to provide Lessor with copies of all past and future correspondence to or from the Washington Department of Ecology, the U.S. Environmental Protection Agency, and any other government agency which has had or may have contact with Lessee regarding environmental concerns pertaining to the premises.
10. **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.

11. **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.
12. **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.
13. **INSPECTION OF PREMISES** Lessee agrees to permit and cooperate with nay on-site inspections and testing requested by Lessor, including inspections and testing conducted by consultants or engineers hired by Lessor to evaluate Lessee's compliance with the applicable environmental requirements and the provisions of this Rider. Lessor shall provide Lessee within 24 hours advance notice of Lessor's intent to conduct such inspection or testing.
14. **DESIGNATED REPRESENTATIVE RESPONSIBLE FOR COMPLIANCE.** L Neil Slater whose work telephone number is _____ and whose home telephone number is 385-4916 shall be the Lessee's designated representative who shall be primarily responsible (1) for Lessee's compliance with the provision of this Rider, (2) for handling contact with Lessor pertaining to environmental compliance, and (3) for signing on behalf of Lessee the annual declaration of compliance pursuant to Paragraph 12 above. Lessee shall promptly notify Lessor of any changes in the identity or telephone numbers of the designated representative.
15. **ADDITIONAL PROVISIONS.** Lessee agrees to (a) follow the provisions of the Port's Best Management Practices and (b) provide a copy of Lessee's National Pollution Disclosed Elimination System Boatyard Permit or suitable waiver from the Washington State Department of Ecology within 30 days of the effective date of this lease.

LESSOR:

LESSEE:

 Title: General Manager
 Date: 1-14-2000

 Title: owner
 Date: 18 Jan 00

(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: ZNS)2. Indication(s) of Contamination at Premises:(If none, initial here: ZNS)3. Lessee Violation(s) of Environmental Regulations:(If none, initial here: ZNS)4. Environmental Claims or Litigation Against Lessee:(If none, initial here: ZNS)Lessee: L. Neil SlaterBY: LEO H LANDRY

(Printed Name)

(Signature)

Title: _____

/Date: _____

(Attachment No. 2 to Hazardous Substances Rider)

DECLARATION OF COMPLIANCE

L. Neil Slater, as the designated representative of Lessee primarily responsible for environmental compliance pursuant to Paragraph 12 of the Hazardous Substances Warranty and Agreement dated: 1/14/00, hereby declares and represents as follows on behalf of Lessee:

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

Lessee: L. Neil SlaterBy: Leo H Landry

Signature

Title: _____

/Date: 1-14-00

js/alport/leases/haz-dibs

ASSIGNMENT OF LEASE

Leon H. Landry and L. Neil Slater, herein referred to as Assignor, hereby assigns all of their right, title and interest in and to that certain lease from the **Port of Port Townsend**, dated **January 14, 2000**, and described in the attached twelve-page document "A" to **David and Susan Holt Living Trust**, herein referred to as Assignee. The said Assignee hereby assumes and agrees to do and perform and be bound by all covenants, conditions, terms, stipulations, agreements, and amendments of said lease dated **January 14, 2000**.

CONCURRENT with this Assignment, the following revisions shall be made:

1. **Article 29, Notices**, shall be amended to read:

To Lessee:

David and Susan Holt Living Trust
PO Box 1512
Bend, OR 97709

2. **Article 2a, Term of Lease**, shall be amended to read: "**This lease shall be for a term of fifty (50) years, beginning upon the date the option was exercised, (October 8, 2000) and ending on October 8, 2050.**"

3. **Article 4. Deposit.**

The Assignee shall pay the Port of Port Townsend three hundred ninety-four dollars and ninety-four cents (\$394.94) upon the completion of Assignment. The Port will reimburse the same amount to the Assignors.

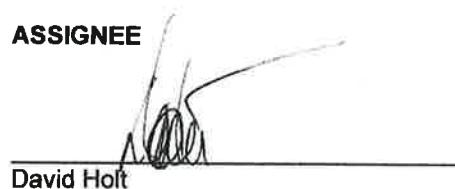
APPROVED this 14th day of February 2001 by the Commission of the **Port of Port Townsend** and duly authenticated in open session by the signature of the General Manager of the **Port of Port Townsend**.

ASSIGNORS


Leon H. Landry


L. Neil Slater

ASSIGNEE


David Holt

PORT OF PORT TOWNSEND


Larry C. Crockett, General Manager

APPROVED AS TO FORM:


Malcolm S. Harris, Port Attorney

**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

I certify that I know or have satisfactory evidence that **Leon H. Landry**, signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 3/29/04
 Notary Public: *Donald G. Taylor*
 Donald G. Taylor
 Residing at: Port Ludlow, WA
 My Appointment Expires: 6/10/04



**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

I certify that I know or have satisfactory evidence that **L. Neil Slater**, signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 3/29/04
 Notary Public: *Donald G. Taylor*
 Donald G. Taylor
 Residing at: Port Ludlow, WA
 My Appointment Expires: 6/10/04



**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

I certify that I know or have satisfactory evidence that **David Holt**, signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 3/29/04
 Notary Public: *Donald G. Taylor*
 Donald G. Taylor
 Residing at: Port Ludlow, WA
 My Appointment Expires: 6/10/04



STATE OF WASHINGTON
COUNTY OF JEFFERSON

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

Dated: 4/2/01

Notary Public: Donald G. Taylor
Donald G. Taylor

Residing at: Port Ludlow, WA

My Appointment Expires: 6/10/2004



PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	September 28, 2022		
Agenda Item	<input checked="" type="checkbox"/> Consent Agenda		
AGENDA TITLE	IV. D. Authorize Agreement with Tom Coultas Construction Management for Resident Engineering Services Supporting the Construction of the Point Hudson Breakwater Project		
STAFF LEAD	Matt Klontz, Director of Capital Projects and Port Engineer		
REQUESTED	<input checked="" type="checkbox"/> Motion	<input checked="" type="checkbox"/> Action	<input type="checkbox"/> Discussion
ATTACHMENTS	A. Info Memo B. Draft Professional Services Agreement		

Recommendation: Motion to authorize the Port's Executive Director to enter into an agreement with Tom Coultas Construction Management for resident engineering services supporting the construction of the Point Hudson Breakwater project.

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 9/28/2022
TO: Commissioners
FROM: Matt Klontz
CC: Eron Berg, Eric Toews, Abigail Berg
SUBJECT: Execution of Resident Engineering Agreement: for
Point Hudson Breakwater Replacement project

ISSUE

Should the Port Commission execute a professional services agreement with Tom Coultas Construction Management to serve as the Port's resident engineer overseeing the construction of the Point Hudson Breakwater Replacement project?

BACKGROUND

Construction of the Point Hudson Breakwater Replacement project will occur over two successive years, 2022/23 and 2023/24, between September and March. It is in Port's best interest to have a resident engineer administer the construction contract to manage risks associated with schedule, quality, budget, the environment, and other contractual matters. The Port currently has many projects underway and does not have the staff capacity to dedicate to filling the resident engineer role. However, Port staff will still be very much involved during construction to provide overall project management.

DISCUSSION

In July 2022, Port staff used a qualification-based selection process for non-architectural/engineering services following state statutory requirements and the Port's procurement practices. It concluded with Tom Coultas Construction Management as the top-ranked firm.

FISCAL IMPACT

The agreement is a negotiated hourly rate with a not-to-exceed limit of \$245,000. The US Economic Development Agency and the Port's Industrial Development District are funding the construction phase, which includes resident engineering.

ATTACHMENTS

1. Draft Professional Services Agreement

RECOMMENDATION

Motion to authorize the Port's Executive Director to enter into an agreement with Tom Coultas Construction Management for the resident engineering services supporting the construction of the Point Hudson Breakwater project.

PORT OF PORT TOWNSEND:

STANDARD PROFESSIONAL SERVICES AGREEMENT (NON-ARCHITECTURAL & ENGINEERING)

This Standard Agreement for Professional Services not involving architectural, engineering or surveying work (the "Agreement") is made and entered into on _____, 2022, by the Port of Townsend, a Washington municipal corporation (the "Port"), and the consultant listed below (the "Consultant") for the scope of work outlined in this Agreement.

The Port:	Port of Port Townsend 2701 Jefferson Street P.O. Box 1180 Port Townsend, WA 98368
Port Contact:	Matthew Klontz, Director of Capital Projects & Port Engineer Telephone: 360-385-0656, ext. #112 Email: matt@portofpt.com
Consultant	Coultas Construction Management Solutions, LLC 24769 Norman Rd NE Kingston, Washington 98346 UBI No. 604-467-080
Consultant Contact:	Tom Coultas, President Telephone: 360-620-0079 Email: coultas_tom@yahoo.com
Project:	Resident Engineering/Construction Management
Project No:	PH-01-001

1. Scope of Work. Consultant shall provide the services as agreed upon with Port management and outlined in Exhibit "A" to this Agreement. **Exhibit "A"** outlines a general Scope of Services. Additional task orders may be negotiated for additional work.

2. Compensation. The Consultant shall be compensated for services provided and for expenses based on the attached "Fee Schedule" attached hereto as **Exhibit "B"**. The total expenditure by the Port for this Agreement shall not exceed \$ 245,000.00 (TWO HUNDRED FORTY-FIVE THOUSAND DOLLARS AND NO CENTS.)

3. Term of the Agreement. The Agreement shall become effective upon mutual execution by the parties, and shall be enforceable, nunc pro tunc, to August 1, 2022. This Agreement will terminate when all tasks associated with the scope of services herein (as hereafter may be modified in writing) have been completed by the Consultant but in no event later than _____, 202__.

4. Incorporation of Exhibits and General Provisions. Services covered by this Agreement shall be performed in accordance with the General Provisions and any attachments or schedules. This Agreement supersedes all prior agreements and understandings and may only be changed by written amendment executed by both parties.

THIS AGREEMENT CONTAINS AN INDEMNIFICATION FROM THE CONSULTANT TO THE PORT AND A LIMITED WAIVER OF IMMUNITY UNDER TITLE 51, THE WASHINGTON WORKERS COMPENSATION ACT. THIS AGREEMENT INCLUDES THE EXHIBITS ATTACHED HERETO AND THE GENERAL PROVISIONS.

PORT OF PORT TOWNSEND

CONSULTANT

Eron Berg, Executive Director

Name:
Title:

APPROVED TO FORM

Eric Toews, Port Attorney

GENERAL PROVISIONS

1. Selection. The professional services to be provided under this Agreement are exclusively connected with public works projects outside the scope of “personal services” as defined by RCW 53.19.010(6) and none of the work to be completed involves the provision of architectural, engineering, or surveying services within the scope of Chapter 39.80 RCW. Accordingly, the Consultant was chosen in accordance with the Port’s applicable policies and procedures following a qualifications-based evaluation of selected construction management professionals whose Statements of Qualifications were listed on the Municipal Research and Services Center (MRSC) roster.

2. Termination for Cause. This Agreement may be terminated by either party upon seven (7) days' written notice should one party fail to perform in accordance with its terms through no fault of the other. In the event the party that fails to perform is the Consultant, the determination of "fail to perform in accordance with its terms" shall be in the sole judgment of the Port. In the event of termination, the Consultant shall be compensated for satisfactory services performed to the termination date. In no case, however, shall such compensation exceed the original amount of the Agreement as approved or as amended by the Port. Any work product generated by the Consultant prior to such termination shall be the sole property of the Port, and the Consultant agrees to provide the Port with all such materials.

3. Termination Without Cause. Further, this Agreement may be terminated by the Port at any time for any reason whatsoever, at the sole discretion of the Port, with seven (7) days' written notice. In the event of such termination, compensation shall be paid as provided in Paragraph 2 above.

4. Consultant Services. Consultant’s services shall meet or exceed the standard for similar services performed by professionals in the State of Washington.

5. Charges for Additional Services. The Consultant shall obtain the written approval of the Port for any charges for additional services performed by the Consultant, the additional services of others retained by Consultant or the furnishing of additional supplies, materials or equipment. The Consultant shall not be entitled to compensation for any such additional charges incurred in violation of this paragraph without prior written Amendment to the Agreement.

6. Monthly Progress Statements. The Consultant shall submit monthly statements of services rendered and expenses incurred to the Port in a form acceptable to the Port. The Port shall make prompt monthly payments for work completed to the Port's satisfaction and expenses incurred. In no event shall the Port be charged interest on payments due under this Agreement.

7. Applicable Law. All federal, state, and local laws applicable in the rendering of the services by the Consultant shall be complied with in all respects by the Consultant as shall all rules and regulations of the Port and any other governmental agency. By executing this Agreement, Consultant further certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, or declared ineligible or voluntarily excluded from participation in this transaction by any Federal department or agency. It further agrees by submitting this proposal or acceptance of this Agreement that it will include this clause without modification in all lower tier transactions, solicitations, proposals, agreements, contracts, and subcontracts. Where the offeror/consultant

or any lower tier participant is unable to certify to this statement, it shall attach an explanation to this Agreement. The Port reserves the right to require Consultant to replace a sub-consultant or lower tier participant who cannot meet the foregoing certification requirements.

8. Deviations from Scope of Work. The Port may at any time issue written directions within the general scope of this Agreement. If any such direction causes an increase or decrease in the cost of this Agreement or otherwise affects any other provision of this Agreement, the Consultant shall immediately notify the Port. The Port may modify the amount spent for identified tasks within the scope of work providing the total amount of the Agreement, or as modified by written Amendment, is not exceeded. Any work done in violation of this paragraph shall be at the sole expense of the Consultant.

9. Port Review of Title Documents and Permit Documents. Prior to the submission of any documents related to any permits or the execution or recordation of any documents effecting title to any property, the said document shall be reviewed by the Port. The Port shall be responsible for all costs associated with such review.

10. Conflict of Interest. Consultant covenants that it presently has no interest and shall not acquire an interest, directly or indirectly, which would conflict in any manner or degree with its performance under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having such interest shall be employed by it or any of its sub-consultants.

11. Insurance. Consultant, concurrently with the execution of this Agreement, shall provide the Port with evidence that Consultant has obtained and is maintaining the insurance listed as follows:

(a) Workers' Compensation Insurance as required by law;

(b) Employers' Liability Insurance (bodily injuries) with a limit of One Hundred Thousand Dollars (\$100,000) per occurrence with an insurance company authorized to write such insurance in all states where the Consultant will have employees located in the performance of its work covering its common law liability to such employees;

(c) Comprehensive General Liability Insurance and Automobile Liability Insurance covering all owned and non-owned automobiles or vehicles used by or on behalf of Consultant with a Five Hundred Thousand Dollar (\$500,000) combined single limit for bodily injury and/or property damage per occurrence and an annual aggregate limit of One Million Dollars (\$1,000,000);

(d) Each of the policies required herein shall name the Port as an additional insured. Furthermore, each policy of insurance required herein shall (i) be written as a primary policy; (ii) expressly provide that such insurance may not be materially changed, amended or canceled with respect to the Port except upon forty-five (45) days' prior written notice from the insurance company to the Port; (iii) contain an express waiver of any right of subrogation by the insurance company against the Port and its elected officials, employees, or agent; (iv) expressly provide that the insurance proceeds of any loss will be payable notwithstanding any act or negligence of Consultant which might otherwise result in a forfeiture of said insurance; and (v) in regard to physical property damage coverage, expressly provide that all proceeds shall be paid jointly to Consultant and Port;

(e) With regard to Professional Liability Insurance, the Consultant shall maintain the same in full force and effect during the term of this Agreement and for a period of one year thereafter; and

(f) The Consultant shall furnish the Port with two (2) copies of Certificates of Insurance

evidencing policies of insurance required herein. The Consultant shall maintain these policies as identified above for itself and its sub-consultants for the term of this Agreement and for a period of one year thereafter. Such Certificates shall specifically state that the insurance company or companies issuing such insurance policies shall give the Port at least forty-five (45) days' written notice in the event of insurance company's or companies' cancellation or material changes in any of the policies.

12. Indemnification. The Consultant shall defend (with legal counsel satisfactory to the Port), indemnify and hold the Port, its elected officials, agents and employees harmless from and against all liabilities, obligations, fines, claims, damages, penalties, lawsuits, governmental proceedings, judgments, costs and expenses (including, without limitation, all attorneys' fees, costs and expenses of litigation):

- Arising out of any act or omission of Consultant, its directors, officers, consultants, agents and/or employees in connection with the services provided pursuant to this Agreement; and/or
- Arising from a breach of this Agreement by Consultant; and/or
- Arising out of or due to any failure on the part of Consultant to perform or comply with any rule, ordinance or law to be kept and performed.

The Port will inform Consultant of any such claim or demand that alleges liability based in whole or in part on any act or omission of Consultant, its directors, officers, agents, or employees. Thereafter the Consultant shall (i) reasonably cooperate in the defense of such claim and (ii) pay its defense of such claim as incurred, whether or not such claim is ultimately successful. In this regard, the Port will reasonably cooperate with Consultant in allowing Consultant to jointly select, with the Port, attorneys to defend the Port and Consultant provided that Consultant confirms its

obligation to pay the Port's defense costs.

12.1 In the event of concurrent negligence by the Port and Consultant, then at the conclusion of the action (e.g., judgment, arbitration award or settlement), the attorneys' fees and costs incurred in defending the Port shall be apportioned to the parties based on their respective fault as provided by RCW 4.24.114.

12.2 The foregoing indemnification obligation shall include, but is not limited to, all claims against the Owner by an employee or former employee of the Consultant or any sub-consultant or service provider. For this purpose, the Consultant expressly waives, as respects the Owner only, all immunity and limitation on liability under any industrial insurance Act, including Title 51 RCW, or other workers compensation act, disability act, or other employees benefits of any act of any jurisdiction which would otherwise be applicable in the case of such a claim.

13. Confidentiality. Any reports, documents, questionnaires, records, information, or data given to or prepared or assembled under this Agreement shall be kept confidential unless a specific written waiver is obtained from the Port and shall not be made available by the Consultant to any individual or organization without prior written approval of the Port except as may be ordered by a court of competent jurisdiction. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

14. Plans, etc. Property of Port. All original plans, drawings and specifications prepared by the Consultant and any and all sub-consultants for the Port and funded by the Port are and shall remain the property of the Port whether or not the Project for which they are made is executed. This shall not apply to proprietary software or

documentation that may be provided to the Port and that was developed independent of funding by the Port. The Consultant assumes no liability for any use of the Drawings and Specifications other than that originally intended for this Project. Originals, including electronic forms of the data prepared by the Consultant and funded by the Port shall become the property of the Port. No reports, records, questionnaires, software programs provided by Port or other documents produced in whole or in part by the Consultant under this Agreement shall be the subject of an application for copyright by or on behalf of the Consultant. When Consultants work results in the preparation of plans and specifications for bidding purposes, the Port will provide the Consultant with five (5) completed sets of bid documents. Additional sets will be the responsibility of the Consultant.

15. Public Disclosure Request. Correspondence, reports and other written work that is generated during the course of the relationship created by this Agreement may be requested from the Port by third parties pursuant to the Washington State Public Disclosure Act (RCW 42.17.250 *et. seq.*). The Port shall be solely responsible for making a good faith determining of its obligation to release its public records and not be liable to the Consultant for any such release. This clause shall survive the termination or expiration of this Agreement.

16. Electronic File Compatibility. All electronically transmitted output must be compatible with existing Port software. Consultants shall check with the Port for software application and system compatibility.

17. Pollution. Port acknowledges that the Consultant is not responsible for the creation or presence of contamination or pollution, if any, at the property except to the extent that such a discharge, release or escape is caused by the negligent act or failure to act of the Consultant.

For the purpose of this clause, contamination conditions shall mean the actual or alleged existence, discharge, release or escape of any irritant, pollutant, contaminant, or hazardous substance into or upon the atmosphere, land, groundwater, or surface water of or near the property. The Consultant will promptly notify the Port of contamination conditions, if identified. Notwithstanding the foregoing, the Port does not herein waive any cause of action for damages resulting from the Port's reliance on any misrepresentation (made either knowingly or negligently) by the Consultant with regard to the presence of any contamination or pollution.

18. Payment of Sub-Consultants. The Port may request the Consultant certify that it has paid its sub-consultants in full for all work encompassed by invoices that the Port has paid. The Consultant shall be solely responsible for the performance of and payment to its sub-consultants. All such sub-consultants shall possess all licenses and insurance as required by the laws of the State of Washington.

19. Non-Discrimination. In connection with the performance of this Agreement, the Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, marital status, or being handicapped, a disadvantaged person, or a disabled or Vietnam-era veteran.

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

21. Notices. All notices, demands, requests, consents and approvals which may, or are required to be given by any party to any other party hereunder, shall be in writing and shall be deemed to have been duly given if delivered personally, sent by electronic mail to the email address provided above with confirmation of

receipt, sent by a nationally recognized overnight delivery service, or sent by United States registered or certified mail, return receipt requested, postage prepaid to the address provided on the first page of the Agreement.

22. Time of Performance. Time is specifically declared to be of the essence of this Agreement and of all acts required to be done and performed by the parties hereto.

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

24. Counterparts and Authority. This Agreement may be signed in counterparts. Each person signing below represents and warrants that they have complete authority to execute this Agreement.

25. Facsimile or Electronic PDF File Transmission. This Agreement and all subsequent notices or modifications may be executed by the parties and transmitted by facsimile or electronic transmission of a PDF file and, if so executed and transmitted this and all subsequent notices or modifications will be for all purposes as effective as if the parties had delivered an executed original.

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

27. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

28. Waiver. No failure by either party to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or any other covenant, agreement, term or condition.

29. Law and Jurisdiction. This Agreement is made and delivered in Jefferson County, Washington in the county wherein the Port is located and shall be construed and enforced in accordance with Washington law. Exclusive jurisdiction and venue for any disputes under this Agreement shall be solely in the Superior Court of Jefferson County, Washington, and not in any federal court.

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

31. Additional Requirements for Federally Funded Projects. In addition to the foregoing General Provisions, and in accordance with 2 C.F.R. § 200.236, Consultant agrees that it will comply with all applicable provisions of Appendix II to 2 C.F.R. part 200, which attached hereto as Exhibit "C", and incorporated herein by way of this reference.

32. Entire Agreement. This is the entire agreement between the parties. It may not be altered or modified except by a written amendment to this Agreement that references the intent of the parties to amend this Agreement. There is no other oral or written understanding between the parties concerning this matter. The Consultant specifically understands that no Port employees other than the designated Port representative or his/her supervisors are authorized to direct the work of the Consultant.

EXHIBIT “A”: SCOPE OF SERVICES

The principal objective of the work to be performed under this contract is to provide resident engineering and construction management services for the Point Hudson Breakwater Project. The following lists task and responsibilities assigned under this contract:

- Contract Compliance and Quality Assurance Inspections
- Change Order Administration
- Request for Information and Submittal Processing
- Request Material for Approval Processing
- Preparation of Daily Inspection Reports
- Tracking and Measurement of Materials Quantities
- Monitoring Contractor’s Materials Testing
- Preparation of Pay Estimates
- Wage Rate Interviews
- Request to Sublet Approval
- Coordination/Communications with Stakeholder Groups
- Other Construction Management Tasks as necessary.

The Consultant is required to continually coordinate with the Port to support the work effort involved in all tasks under this Agreement. Coordination includes providing one-on-one liaison between the Port and Consultant team and informing the Port and Consultant team of ongoing progress, delays or problems, at least weekly and more frequently if necessary.

EXHIBIT “B”: FEE SCHEDULE

Fees and expenses will be charged to the Port by the Consultant for the Scope of Services as set forth on the attached page.

Point Hudson Breakwater Replacement

Resident Engineer									
Task No.	Task	Labor Hours by Job Classification						By Task	
		Construction Manager/ Resident Engineer						Labor Hours (Hrs)	Loaded Cost
1	Admin/Construction Meeting	370						370	\$48,100
1	PayEst/C.O./Notes	739						739	\$96,070
1	Site Inspection	739					739	\$96,070	
Estimated Labor Hours		1848	0	0	0	0	Subtotal	1848	\$240,240
Fully Burdened Rate Range		\$130	\$150-\$100.00	\$210.00-\$160.00	\$105.00-\$135.00	\$105.00-\$135.00			
Estimated Fully Burden Billing Rate		\$130.00	\$100.00	\$160.00	\$145.00	\$100.00			
Subtotal		\$240,240	\$0	\$0	\$0	\$0			
Direct Expenses (Per OFM 2022)									\$0
Management Reserve									\$4,000
								Total Cost	\$244,240
								USE	\$245,000

EXHIBIT "C"

Appendix II to 2 C.F.R. part 200

[RESERVED – INSERT APPENDIX II HERE IN ITS ENTIRETY/WITHOUT MODIFICATION]

This content is from the eCFR and is authoritative but unofficial.

Title 2 - Grants and Agreements

Subtitle A - Office of Management and Budget Guidance for Grants and Agreements

Chapter II - Office of Management and Budget Guidance

Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Authority: 31 U.S.C. 503

Source: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

Source: 85 FR 49543, Aug. 13, 2020, unless otherwise noted.

Source: 85 FR 49539, Aug. 13, 2020, unless otherwise noted.

Appendix II to Part 200 - Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

- (A) Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
- (B) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.
- (C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
- (D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by

Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

- (E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
- (F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.
- (G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended - Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- (H) Debarment and Suspension (Executive Orders 12549 and 12689) - A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
- (I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) - Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(J) See § 200.323.

(K) See § 200.216.

(L) See § 200.322.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75888, Dec. 19, 2014; 85 FR 49577, Aug. 13, 2020]

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	September 28, 2022		
AGENDA ITEM	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input type="checkbox"/> Regular Business <input type="checkbox"/> Informational		
AGENDA TITLE	IV. E Quilcene Harbor Yacht Club – Herb Beck Marina Building Lease		
STAFF LEAD	Eric Toews, Deputy Director		
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion		
ATTACHMENTS	<ul style="list-style-type: none"> • Info Memo • Term Sheet • Building Lease, Quilcene Harbor Yacht Club • Exhibit 'A', Premises, Quilcene Harbor Yacht Club • Exhibit 'B', In-kind Non-Monetary Consideration, Quilcene Harbor Yacht Club • Exhibit 'C', In-kind Labor Log, Quilcene Harbor Yacht Club 		

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 9/22/2022
TO: Port Commission
FROM: Eric Toews, Deputy Director & Sue Nelson, Lease & Contracts Administrator
SUBJECT: Quilcene Harbor Yacht Club Lease Agreement

ISSUE: Should the Commission authorize the Executive Director to execute a term lease agreement substantially in the form presented with the Quilcene Harbor Yacht Club (QHHC, or “Yacht Club”) for the building and associated storage shed they presently rent from the Port?

BACKGROUND & DISCUSSION: In July of 1997, the Port and Yacht Club entered into a two-year lease agreement for the former barracks building situated at the north end of the Port’s Quilcene Boat Haven facility (the “prior lease”). Rent was originally established at \$150.00 per month, together with the Yacht Club providing a range of public and community services (e.g., boating safety classes) as implied consideration. The Yacht Club was also responsible for upgrading and maintaining the building and adjoining areas. The prior lease expired on November 30, 2019. The lease has been in holdover status since that time, with a current monthly rent of \$227.92.

Port staff have negotiated mutually agreeable terms with the Yacht Club for a new term lease which would allow their continued use of the building, while at the same time ensuring that the Port is fairly compensated for the exclusive use of publicly owned property. Under the terms of the proposed new lease, market value of the premises is established at \$9,360.00 per year, or \$780.00 per month. Consideration for exclusive use of the premises would consist of both monetary rent as well as nonmonetary (in-kind labor) services. Monthly rent payments of \$515.00 would be provided, together with \$3,180.00 in labor value provided as nonmonetary consideration annually (i.e., 106 hours per year valued at \$30.00 per hour, avg. of \$265.00 per month). The in-kind labor component of consideration would require the yacht club to maintain and repair the leased buildings. The Port would bear no maintenance or repair obligations whatsoever with respect to the premises. Additionally, the Yacht Club would repair and maintain all areas outside the leased premises lying north of the Coast Seafoods leasehold (e.g., grounds, parking lot, adjoining deck, picnic areas, septic system, etc.).

The combination of monetary rent and non-monetary “in-kind” services ensures the provision of adequate consideration to the Port and public. It also allows an important community organization to continue its occupancy and use while easing the Port’s building and facility maintenance obligations.

RECOMMENDATION: Staff recommends that the Commission authorize the Executive Director to execute a lease with the Quilcene Harbor Yacht Club substantially in the form presented.

MOTION: None required. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the lease with the Quilcene Harbor Yacht Club. The form will be in all material respects identical to the draft presented to the Commission under this agenda item.

ATTACHMENTS

- Summary of Key Terms, consisting of two (2) pages; and
- Quilcene Harbor Yacht Club Lease, including attached Exhibits “A,” “B,” and “C” together consisting of eighteen (18) pages.

PORT OF PORT TOWNSEND
Key Lease Terms
Quilcene Harbor Yacht Club – Herb Beck Marina Building Lease
(September 22, 2022)

1. **TENANT:** Quilcene Harbor Yacht Club, a Washington Nonprofit Corporation
2. **LEASED PREMISES:** Building(s) only; no exclusive use/control of appurtenant deck, adjacent lawn, or parking areas. Two structures to be included in the leasehold, both located at the northeastern corner of the Port's Herb Beck Marina facility:
 - 1,400 sf main QHYC building
 - 320 sf storage shed
 - Total building space = 1,720 sf
3. **PROPOSED TERM:** Five (5) years, beginning on November 1, 2022, and ending on October 31, 2027. Option to extend the lease term by one (1) additional five (5) year term. Notification to extend the Lease to be done in writing ninety (90) days prior to the end of the initial lease term.
4. **PROPOSED RENT & NONMONETARY CONSIDERATION:** Consideration composed of monetary rent and nonmonetary "in-kind" labor.¹ "Market rent value" of premises established at \$780.00 per month, calculated as follows:
 - Main Building: 1,400 sf x \$0.50 psf = \$700.00
 - Storage Shed: 320 sf x \$0.25 psf = \$80.00
 - Monthly market rent value: \$700.00 + \$80.00 = **\$780.00 (\$9,360.00 per year)**

Consideration equivalent to market rent value to be provided to the Port as follows:

- \$515.00 per month in monetary rent consideration (\$6,180.00 annually)
- A minimum of 106 hours (8.83 per month, avg.) of labor calculated at \$30.00 per hour to be provided annually (i.e., \$3,180.00 per year)
- Annual cumulative monetary and nonmonetary consideration equivalent to \$9,360.00 per year (i.e., \$6,180.00 + \$3,180.00 = \$9,360.00)
- Leasehold Excise Tax (LET) to be collected on market rent value, rather than monetary rent paid (i.e., \$780.00 x 12.84% = \$100.15)
- Based on the foregoing:
 - **\$615.15 in rent + LET to be paid monthly** (i.e., \$515.00 monetary rent + LET on the market rent "value" of \$780.00)
 - Quarterly reports to be submitted to Port documenting tasks and hours of in-kind labor to be provided as non-monetary consideration – **annual total to meet or exceed 106 hours**

In addition to the foregoing, monetary rent will be adjusted to CPI-U beginning year 2 and each-and-every year thereafter; if the option is exercised and the lease term extended for an additional 5 years, a market rent adjustment will also be applied at the beginning of year 6.

¹ Lessee to provide landscape maintenance to all Port-owned areas north of Coast Seafoods, assume all leased building repair/maintenance, repair/maintain adjoining deck, and inspect, pump, and maintain septic system serving the premises as "in-kind" compensation.

5. **HOLDING OVER:** In the event Lessee allows the lease to expire without negotiating a new agreement with the Port, the tenancy will roll over into a month-to-month basis, with all other provisions of the lease agreement remaining in effect, except that the monetary rent will increase to 125% of the monetary rent due in the month preceding the holdover (e.g., if the rent was \$515.00 + LET at the time of lease expiration, the rent in holdover status would be + 25% (+ \$128.75), or \$643.75 + LET on the adjusted market rent value).
6. **USE OF PREMISES:** Building space for a private recreational boating club; use of the premises for normal social and business activities of the club and its members as well as the rental of its building on a day-by-day basis and for no other use.
7. **SECURITY DEPOSIT:** Three month's security + LET on market rent value required at lease inception (\$2,640.46). Because the QHYC has a deposit on file of \$338.52, a deposit balance of \$2,301.94 would be due at inception.
8. **UTILITIES:** All utilities are the responsibility of the Lessee.
9. **MAINTENANCE & REPAIR:** All building maintenance and repairs are the Lessee's responsibility, including roof, floors, sub-floors, foundations, load-bearing walls, as well as exposed and unexposed plumbing and electrical. Buildings to be repaired and well-maintained throughout the initial, or any extended, lease term, and returned to the Port at the end of the lease in the same (or better) condition as at inception. Lessee also responsible for maintenance and repairs to adjoining deck and the septic system serving the leased building premises. Maintenance and upkeep of the adjoining lawn and picnic area north of Coast Seafoods is also required and is the "non-monetary" component of consideration addressed under paragraph #4, above.
10. **INSURANCE:** Commercial General Liability of \$1,000,000 combined single limit; Workers Compensation Insurance of not less than \$1,000,000 per occurrence; insurance certificates naming the Port as an additional insured; proof of insurance must be provided prior to occupancy.
11. **ASSIGNMENT/SUBLEASE:** Permitted only by prior written consent of the Port.
12. **DEFAULTS/TERMINATION:** Time is of the essence. Failure to pay rent, or to abide by the covenants/agreements contained in the lease, may serve as a basis for termination. Lessee will be provided with fifteen (15) days' written notice to cure defaults. Port may also terminate upon one-hundred and twenty (120) days' written notice, at its sole discretion, for public or private use in connection with the operation of the business of the Port.

PORT OF PORT TOWNSEND QUILCENE BUILDING LEASE

THIS LEASE AGREEMENT made this ____ day of ~~September~~October 2022, by and between the PORT OF PORT TOWNSEND, a municipal corporation organized and existing under the laws of the State of Washington, Lessor, hereinafter referred to as "the Port," and **QUILCENE HARBOR YACHT CLUB**, a Washington non-profit corporation (UBI #603-099343), hereinafter referred to as "Lessee,"

WITNESSETH:

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

1. **PRIOR EXPIRED LEASE SUPERSEDED:** The July 24, 1997, Building Lease (as later amended) and all other prior agreements between the parties concerning any portion of the Leased Premises described herein, are entirely replaced, and superseded by this Lease Agreement.
2. **LEASED PREMISES:** The Port hereby leases to Lessee, and Lessee hereby hires and leases from the Port, the following described premises situated in Jefferson County, State of Washington:

An approximately 1,400 sf main building and an approximately 320 sf storage shed located at 1511 Linger Longer Road at the Herb Beck Marina & Industrial Park, in Quilcene, Jefferson County, Washington,

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

3. **TERM:** The term of this Lease is five (5) years, beginning on ~~October~~November 1, 2022, and ending at midnight, ~~September~~October 30~~1~~, 2027, unless sooner terminated as provided in this Lease. The Lessee shall also have an option to extend the lease term by one (1) additional five (5) year term. Lessee's notification to extend the Lease shall be delivered to the Port in writing at least ninety (90) days prior to the end of the initial lease term.

4. RENT AND NONMONETARY CONSIDERATION:

- a. **Rent – Monetary Consideration:** Lessee agrees to pay as monetary rent for the leased premises \$515.00¹ per month, plus Leasehold Excise Tax (LET) on the total market rent value of \$780.00.²
- i. If the Lease term is extended for an additional five (5) years, beginning in year six (6) (October 1, 2028), 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 premises in the Western Washington area, bearing in mind all allowable uses of the property and all services and amenities available to the premises by virtue of its location. In the event the parties are unable to reach agreement on the fair market rate adjustment, the rate shall be determined by arbitration before a single arbitrator who shall be jointly selected by the parties or by the Jefferson County Court if the parties cannot agree.
 - ii. Except in years when a fair market rate adjustment is made as set forth in subparagraph 4(a)(i), 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.
 - iii. In no event shall any rent adjustment under this Paragraph 4 result in a reduction in rent from the rate paid in the prior year.
 - iv. The rent for each month shall be paid to the Port in advance on or before the first day of every month of the lease term and shall be payable at the accounting office of the Port or at such place as the Port may hereafter designate.
- b. **“In-kind Labor” – Non-monetary Consideration:** In addition to the rent set forth in subparagraph 4(a), above, Lessee shall, throughout the initial or any extended term of this Lease, provide a minimum of One Hundred and Six (106) hours of in-kind labor per year to the Port (an average of 8.83 hours per month) for maintenance and repair of the leased premises, together with repairs, groundskeeping and maintenance for that portion of the Port’s property lying outside the leased premises and north of Coast Seafoods’ leased premises (see Exhibit “B”, attached hereto). Lessee’s maintenance and repair obligations relative to the septic system serving the premises and the leased building premises are set forth in Paragraphs 11 and 12, below. In-kind labor activities for those areas outside of the leased premises may include, but are not necessarily limited to, the following: mowing, weeding, brush removal, pruning, cultivating of flowers and landscape trees, litter removal, parking lot re-graveling and grading. To substantiate that the requirements of this subparagraph 4(b) have been satisfied, Lessee agrees to furnish a Quarterly Report describing the services provided and

¹ Main Building market rent value: 1,400 sf x \$0.50 psf = \$700.00; Storage Shed market rent value : 320 sf x \$0.25 psf = \$80.00. Cumulative annual “market rent value: \$700.00 + \$80.00 = \$780.00 x 12 months = \$9,360.00 per year. “In-kind labor” valued at \$30.00 per hour x 106 hours = \$3,180.00 per year (\$265.00 per month). “Market rent value” of \$9,360.00, less in-kind services of \$3,180.00 = \$6,180.00 in monetary rent (\$515.00 per month).

² LET calculated as follows: \$780.00 per month “market rent value” x 12.84% = \$100.15; total monthly amount due = \$615.15 (i.e., \$515.00 + \$100.15).

containing a log of the hours worked in a form acceptable to the Port's Auditor and substantially in the form which is attached hereto as Exhibit "C".

5. **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.
6. **DEPOSIT:** Lessee shall deposit with the Port, security in the amount of **Two Thousand Six Hundred Forty Dollars and Forty-Six Cents (\$2,640.46)**.³ Lessee has an existing deposit of Three Hundred Thirty-Eight Dollars and Fifty-Two Cents (\$338.52) currently on file with the Port from the expired and superseded lease agreement referenced in Paragraph 1, above. Accordingly, Lessee shall deposit an additional **Two Thousand Three Hundred and One Dollars and Ninety-Four Cents (\$2,301.94)** at inception of this lease. The deposit shall be held by the Port as security for Lessee's faithful performance of all its obligations under this Lease. Any interest earned on amounts deposited shall be retained by the Port. The deposit shall be returned to Lessee upon termination of this Lease, less any charges owing to the Port or expenses incurred by the Port in repairing damage caused by Lessee or restoring the leased premises to the condition required upon termination of this Lease.
7. **USE OF PREMISES:** Lessee shall use the premises for its activities as a private recreational boating club, for normal social and business activities of the club and its members as well as for daily rentals to outside groups insofar as may be permitted consistent with the Jefferson County Unified Development Code. Except as outlined above, no other use may be permitted without the prior written consent of the Port. Lessee shall use the entire premises for the conduct of said business in a first-class manner continuously during the entire term of this Lease except for temporary closures for such periods as may reasonably be necessary for repairs or for reasons beyond Lessee's reasonable control. Lessee agrees that it will not disturb the Port or any other tenant of the Port's by making or permitting any disturbance or any unusual noise, vibration, or other condition on or in the premises.
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.

³ Required security for all Port leases is an amount equivalent to three (3) months' market rent value together with applicable taxes (i.e., at lease inception, \$780.00 month x 3 = \$2,340.00; \$2,340.00 x 12.84% LET = \$300.46; \$2,340.00 + \$300.46 = \$2,640.46). Beginning in year three (3) and every three (3) years thereafter, the deposit amount may be adjusted to ensure that an amount equivalent to three (3) months of the then current rent (i.e., as may be adjusted for as set forth in Paragraph 4(a)) is on file with the Port.

9. **UTILITIES:** Lessee shall be liable for, and shall pay throughout the term of this Lease, all utility services furnished to the premises, including, but not limited to light, heating, electricity, communications (including WiFi), gas (propane), water, sewerage, garbage disposal, and janitorial services.
10. **ACCEPTANCE OF PREMISES:** Lessee has examined the leased premises and accepts them in their present condition “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. **ON-SITE SEPTIC SYSTEM MAINTENANCE AND REPAIR:** The leased premises are served by a septic system that is of undocumented age, condition, and capacity. Lessee understands and expressly agrees that the Port shall have no responsibility for septic system inspections, maintenance, or repairs during the term of this Lease. Furthermore, throughout the term of this Lease Lessee shall at Lessee’s sole cost and expense, ensure that the system is inspected, and the septic tank pumped, at regular intervals (e.g., every three (3) years), and repaired as may reasonably be necessary. However, in the event of septic system failure, Lessee at its discretion may replace the system at its sole cost and expense or opt to terminate this Lease Agreement upon at least twenty (20) days’ written notice delivered or mailed to the Port.
12. **MAINTENANCE AND REPAIR:** Maintenance and repair of the leased building premises and the adjoining deck 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 extend to all structural parts of the building, including the foundations, bearing and exterior walls, subflooring and roofs, the electrical, plumbing and sewerage systems (including those portions of the systems lying outside the premises as set forth in Paragraph 11, above, exterior siding, adjoining decks, doors, window frames, gutters, downspouts, and the heating system serving the premises; and, for repairing all interior walls, floors, ceilings, doors, interior and exterior window frames and window panes and fixtures, and for repairing damage caused to any portion of the leased premises. Lessee shall, at its’ own expense, and always:
- a. Keep the premises, and the adjoining deck and walkways, neat, clean, safe, and sanitary condition; and
 - b. Maintain and keep the leased building premises in a good state of repair; and
 - c. Not commit waste of any kind.

- 13. ALTERATIONS AND IMPROVEMENTS:** Lessee shall make no alterations or improvements to or upon the premises or install any fixtures (other than trade fixtures which can be removed without injury to the premises) without first obtaining written approval from the Executive Director of the Port. When seeking the Port's approval, Lessee shall submit full plans and specifications for any proposed alterations and shall furnish proof of compliance with all applicable building codes and other regulations and shall apply for and obtain all necessary permits for such work. If the proposed improvements are estimated to cost more than \$25,000, the Port may require the posting of a completion bond as security for the completion of the improvements. Upon conclusion of the alterations, Lessee shall furnish "as-built" drawings of all improvements and alterations. The Port's approval of alterations shall also include agreement for disposition of the improvements upon termination of this Lease.
- 14. INSPECTION - "FOR RENT" SIGNS:** The Port reserves the right to inspect the leased premises at any and all reasonable times throughout the term of this Lease, PROVIDED, that it shall not interfere unduly with Lessee's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the premises and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the premises for thirty (30) days prior to the expiration or sooner termination of this Lease.
- 15. DAMAGE OR DESTRUCTION:** In the event the improvements upon the leased premises are partially damaged by fire or other casualty, Lessee shall have the option to terminate this Lease upon at least twenty (20) days' written notice delivered or mailed to the Port or continue the Lease and commence and prosecute any work to restore such improvements at Lessee's sole cost and expense. In the event the improvements upon the premises are completely destroyed by fire or other casualty, this Lease Agreement shall automatically terminate.
- 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. 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.
- 18. INSURANCE:** Lessee agrees to maintain during the lease term liability insurance as set forth below, at Lessee's sole expense. All such insurance shall name the Port of Port Townsend as an additional insured and shall be with insurance companies acceptable to the Port.
- a. Comprehensive General Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of \$1,000,000.00 combined single limit for each occurrence. Such insurance shall include but not be limited to bodily injury liability, personal injury liability, property damage liability, broad form property damage liability, contractual liability, and products/completed operations liability.
 - b. Workers Compensation Insurance as will protect tenant's employees from claims under Washington Workers Compensation Act as well as all Federal Acts applicable to the tenant's operations at the site such as but not limited to U.S. Longshoremen and Harborworkers Act, Jones Act, and Federal Employers Liability section of the Washington Workers Compensation Policy and all Federal Acts Insurance shall not be less than \$1,000,000.00 for each occurrence.
- The Lessee agrees to supply the Port with appropriate evidence to establish that its insurance obligations have been met, and that the insurance policy or policies are not subject to cancellation without at least thirty (30) days advance written notice to the Port. The conditions set forth in subparagraphs a and b of this Paragraph 18 shall be met prior to inception of this Lease Agreement.
- 19. 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 19 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.
- 20. INCREASE IN COST OF INSURANCE:** Lessee shall not use the demised premises in such a manner as to increase the existing rates of insurance applicable to the buildings or structures of which the premises are a part. If it nevertheless does so, then, at the option of the Port,

the full amount of any resulting increase in premiums paid by the Port with respect to the buildings or structures of which the leased premises are a part, and to the extent allocable to the term of this Lease, may be added to the amount of rental hereinabove specified and shall be paid by Lessee to the Port upon the monthly rental day next thereafter occurring.

- 21. 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.
- 22. COMPLIANCE WITH PORT REGULATIONS AND WITH ALL LAWS:** Lessee agrees to comply with all applicable rules and regulations of the Port pertaining to the building or other realty of which the premises are a part now in existence or hereafter promulgated for the general safety and convenience of the Port, its various tenants, invitees, licensees, and the general public. Lessee also agrees to comply with all applicable federal, state, and municipal laws, ordinances, and regulations. Lessee further agrees that all buildings, structures, or other improvements, approved by the Port, will be properly permitted by Jefferson County. Any fees for any inspection of the premises during or for the lease term by any federal, state, or municipal officer and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.
- 23. ASSIGNMENT OR SUBLEASE:** Lessee shall not assign or transfer this Lease or any interest therein nor sublet the whole or any part of the premises, nor shall this Lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, otherwise, without the written consent of the Port first had and obtained. If Lessee is a corporation, Lessee further agrees that if at any time during the term of this Lease more than one-half (1/2) of the outstanding shares of any class of stock of Lessee corporation shall belong to any stockholders other than those who own more than one-half (1/2) of the outstanding shares of that class of stock at the time of the execution of this Lease or to members of their immediate families, such change in the ownership of the stock of the Lessee shall be deemed an assignment of this Lease within the meaning of this paragraph. If the Port shall give its consent to any assignment or sublease, this paragraph shall nevertheless continue in full force and effect and no further assignment or sublease shall be made without the Port's consent. The Port's consent will not unreasonably be withheld.
- 24. DEFAULTS:** Time is of the essence of this Lease Agreement, and in the event of the failure of Lessee to pay the rentals or other charges at the time and in the manner herein specified, or to keep any of the covenants or agreements herein set forth to be kept and performed, the Port may elect to terminate this Lease and reenter and take possession of the premises with or without process of law, PROVIDED, however, that Lessee shall be given fifteen (15) days' notice in writing stating the nature of the default in order to permit such default to be remedied by Lessee within said fifteen (15) day period. If upon such reentry there remains any personal property of Lessee or of any other person upon the leased premises, the Port

may, but without the obligation so to do, remove said personal property and hold it for the owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Lessee shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Lessee, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Lessee to the Port, and the balance, if any, shall be paid to Lessee. Notwithstanding any such reentry, the liability of Lessee for the full rental provided for herein shall not be extinguished for the balance of the term of this Lease, and Lessee shall make good to the Port any deficiency arising from a re-letting of the leased premises at a lesser rental than that hereinbefore agreed upon. Lessee shall pay such deficiency each month as the amount thereof is ascertained by the Port. Any failure by the owners, officers, or principals of Lessee to pay rentals, storage fees, moorage or any other charges owed to the Port under separate contract(s) shall constitute default under provisions of this Lease Agreement.

25. TERMINATION BY PORT:

- a. 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. Lessee and the Port Executive Director will agree upon compensation to Lessee for loss of use, cost of relocation, and/or cost of improvement.
- 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.

26. 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.

27. 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.

28. **SIGNS:** No signs or other advertising matter, symbols, canopies, or awnings shall be attached to or painted or within the leased premises, including the windows and doors thereof, without the approval of the Executive Director of the Port first had and obtained. At the termination or sooner expiration of this Lease, all such signs, advertising matter, symbols, canopies, or awnings attached to or painted by Lessee shall be removed by Lessee at its own expense, and Lessee shall repair any damage or injury to the premises, and correct any unsightly condition, caused by the maintenance and removal of said signs, etc.
29. **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.
30. **WAIVER:** The acceptance of rental by the Port for any period or periods after a default by Lessee hereunder shall not be deemed a waiver of such default unless the Port shall so intend and shall so advise Lessee in writing. No waiver by the Port of any default hereunder by Lessee shall be construed to be or act as a waiver of any subsequent default by Lessee. After any default shall have been cured by Lessee, it shall not thereafter be used by the Port as a ground for the commencement of any action under the provisions of Paragraph 24 hereof.
31. **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.
32. **SURRENDER OF PREMISES – ATTORNEY'S FEES:**
 - a. At the expiration or earlier termination of the term, Lessee shall surrender to the Port the possession of the premises and all improvements. Surrender or removal of fixtures, trade fixtures and improvements shall be as directed in Paragraph 13 of this Lease on ownership of improvements at termination. Lessee shall leave the surrendered premises and any other property in broom-clean condition except as provided to the contrary in provisions of this Lease on maintenance and repair of

- improvements. All property that Lessee is required to surrender shall become the Port's property at termination of this Lease. All property that Lessee is not required to surrender but that Lessee does abandon shall, at the Port's election, become the Port's property at termination. If Lessee fails to surrender the premises at the expiration or sooner termination of this Lease, Lessee shall defend and indemnify the Port from all liability and expense resulting from the delay or failure to surrender, including, without limitation, claims made by any succeeding tenant founded on or resulting from Lessee's failure to surrender.
- b. In the event either party shall commence legal action to interpret or to enforce any of the provisions of this Lease, the substantially prevailing party shall be entitled to an award for all reasonable costs and attorney fees incurred in any such action. Any action brought under the terms of this Lease shall be maintained in Jefferson County, Washington.
- 33. 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 (e.g., if the rent was \$515.00 + LET at the time of lease expiration, the rent in holdover status would be + 25% (+ \$128.75) or \$643.75 + LET). Acceptance by the Port of rent after such termination shall not constitute a renewal.
- 34. 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.
- 35. LIENS AND ENCUMBRANCES:** Lessee shall keep the leased premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the said premises by Lessee. At the Port's request, Lessee shall furnish the Port with written proof of payment of any item which would or might constitute the basis for such a lien on the leased premises if not paid.
- 36. NOTICES:** All notices hereunder may be delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

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

To Lessee:

QUILCENE HARBOR YACHT CLUB
 Attn: Commodore
 PO Box 208
 Quilcene, WA 98376
 Email: jmihlen@gmail.com

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

- 37. JOINT AND SEVERAL LIABILITY:** Each and every party who signs this Lease, other than in a representative capacity, as Lessee, shall be jointly and severally liable hereunder.
- 38. "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 Lease Agreement.
- 39. CAPTIONS:** The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.
- 40. 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.
- 41. 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 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.
- 42. NON-DISCRIMINATION EMPLOYMENT:** The Lessee covenants and agrees that in all matters pertaining to the performance of this Lease, Lessee shall at all times conduct its business in a manner which assures fair, equal and non-discriminatory treatment of all persons without respect to race, creed or national origin and, in particular:

- a. Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities, and
- b. Lessee will comply strictly with all requirements of applicable federal, state, or local laws or regulations issued pursuant thereto relating to the establishment of non-discriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination as to any person's race, creed, color, sex, sexual orientation, or national origin.

43. EASEMENTS: The Parties recognize that the Port facilities are continuously being modified to improve the utilities and services used and provided by the Port. The Port or its agents shall have the right to enter the demised premises of the Lessee, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair, and operate the sewer, water, and drainage lines, and the electrical service, and all other services required by the Port for its use. The Port is hereby granted a continuous easement or easements that the Port believes is necessary within the lease premises of the Lessee, without any additional cost to the Port for the purposes expressed hereinabove; PROVIDED however, that the Port by virtue of such use does not permanently deprive the Lessee from its beneficial use or occupancy of its leased area.

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

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

Lease Agreement dated this ____ day of ~~September~~October 2022 as ~~approved~~authorized by the Port of Port Townsend Port Commission, on the 28th-day of September 2022 and effective upon the receipt of a deposit and liability insurance documentation from the Lessee.

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

LESSEE – QUILCENE HARBOR YACHT CLUB

Jory Ihlen, Commodore

ATTEST:

LESSOR - PORT OF PORT TOWNSEND

APPROVED AS TO FORM

Eron Berg, Executive Director

Port Attorney

**STATE OF WASHINGTON
COUNTY OF JEFFERSON**

I certify that I know or have satisfactory evidence that Jory Ihlen 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: _____

Signature of
Notary Public: _____

My Appointment Expires: _____

Exhibit 'A'
Quilcene Harbor Yacht Club



Exhibit 'B'
Quilcene Harbor Yacht Club



EXHIBIT "C"

QUILCENE HARBOR YACHT CLUB - IN-KIND LABOR – ACTIVITY & HOURS LOG:			
Quarterly Report for Q____, 202____			
Date of Work	Sign or Initial	Description of Work Activities Performed	Hours
TOTAL HOURS¹			

I, _____, do hereby certify that the foregoing information is true
 (Print Name)
 and correct.

Date: _____

¹ Paragraph 4(b) of the Lease Agreement between the Port and QHYC requires a minimum of 106 hours of in-kind labor annually (i.e., approx. 8.83 per month).

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	September 28, 2022		
AGENDA ITEM	<input type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input checked="" type="checkbox"/> Regular Business <input type="checkbox"/> Informational		
AGENDA TITLE	VI. A 1st Draft of 2023 Budget with Capital Improvement Program (CIP) and Proposed Rates		
STAFF LEAD	Abigail Berg, Director of Finance and Administration		
REQUESTED	<input checked="" type="checkbox"/> Information <input type="checkbox"/> Motion/Action <input checked="" type="checkbox"/> Discussion		
ATTACHMENTS	<ul style="list-style-type: none"> • Info Memo • Operating Budget • CIP • Rate 		

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 9/28/2022
TO: Port Commission
FROM: Abigail Berg, Director of Finance & Administration & Eron Berg, Executive Director
SUBJECT: 1st Draft of 2023 Budget with Capital Improvement Program (CIP), and Proposed Rates

ISSUE

What direction does the Commission have following its initial review of the first draft of the 2023 Budget, including assumptions, the 5 Year CIP, and the proposed 2023 Rate Cards.

BACKGROUND

The Commission adopted the 2023 Budget schedule on June 22, 2022, which included a subsequent workshop to discuss potential issues, goals, and assumptions to consider when developing the budget. The approved schedule included the 1st Draft of the 2023 Budget to be presented at this meeting. Underlying assumptions and key objectives were discussed at the last two Commission meetings.

DISCUSSION

2023 Budget Assumptions

This coming year's budget is being developed following the COVID-19 pandemic and related governmental interventions with the backdrop of global uncertainty and a rapidly changing energy, climate, and economic environment. The pandemic resulted in an immediate drop in port revenue followed by a surprisingly strong boomerang of increased business and demand for port services. As we look to 2023, we begin with the longest moorage waitlists in port history, two years of unprecedented yard activity, at times so full as to limit lift access and the need to turn customers away, as well as continued 100% occupancy of leased properties. Our recommendation to the Commission for the 2023 budget is to continue to maintain a conservative approach, assume no significant changes in course but be alert for mid-year course adjustments and be prepared to move with alacrity, if needed.

Staff's primary focus for 2023 is to continue to build the projects that are in the queue for construction phase work while simultaneously planning, designing, permitting, and funding projects for 2024, 2025 and 2026. Your port staff team is known for saying, "That's a great idea, let's do it!". While we will undoubtedly continue with that motto, we do need to temper our appetite with the reality of managing an increased volume of projects, increased complexity in planning and permitting those projects and limited staff time. Our primary objectives for operations in the coming year are to continue to improve customer service, improve processes that better serve our tenants and customers all while maintaining our steady path to a higher level of service across the board. In both cases, it is our clear intent to spend more money, investing in capital projects to carry port facilities to future generations and in operations to improve the port's level of service. We remain laser focused on generational viability of these remarkable and unique port facilities that are essential to the culture of this place.

OPERATING BUDGET

The attached is a newly formatted budget which was built to easily allow escalators (percentage increases) for projection purposes. The revenues are similar to prior budgeted formats, though the expenditures are presented based on their account codes in the accounting system. Also new is a two (2) year projection (2023 and 2024) and doesn't include any variance columns; these can be added if the Commission would like. The revenue and expenditure escalators used for 2023 and 2024 are both 5%.

OPERATING REVENUES:

1. As discussed at the last Commission meeting, we've implemented a 5% increase on most revenues port wide despite a CPI of 10.1%. More detailed discussion is included with the Rate Cards later in this memo.
2. The good news is we're moving forward on the Point Hudson Jetty replacement; however, this will impact operating revenues for Point Hudson. These revenues will be impacted not just as we roll into the fall and winter of 2022, but in early 2023 as the 1st phase is completed and in mid-September 2023 as the 2nd phase commences.
3. The Point Hudson revenues most impacted will be Moorage, however, the RV revenues will also be affected. These Point Hudson revenues could be offset by Back 40 parking, if a plan is approved to lease some parts of that area and/or implementing parking fees that aren't just for special events.
4. Recently the commission decided to cease the small boat yard discount as of March 31, 2022. As we move into the coming season for boat repairs, we can anticipate an increase in revenues for vessels stored while being worked on. Initially, we thought this may result in not having a full yard, however, the current projections are that both yards will be full within the next few weeks (300T yard projected at capacity on 9/30 and the 75T yard following in mid-October).
5. At this juncture, there are no other significant operating revenues initiatives or changes we foresee.

OPERATING EXPENSES:

1. A 5% increase has been built into the operating expenditure budget port wide (note that the 10-year average annual increase in operating expenses is 6.3%).
2. In accordance with the 2022 budget, the Port has staffed up for the various initiatives important to our Commission, the community, and our customers. These include an added CSR position, an additional Custodial position, and part-time Accounting position. For 2023, we'd like to continue this by hiring two (2) additional FTEs for primarily capital work in the Maintenance department, making the part-time Accounting position full time and creating a new position of Assistant Harbormaster within our current moorage/yard FTE count.
3. As mentioned above, we can anticipate increased costs across the board for regular, and recurring operating costs, as well as capital costs. Much of this can be expected due to the increased cost of energy, construction materials, operating supplies, shipping materials, and

travel costs for contractors. The port is also experiencing larger than typical increases in costs for insurance and other services.

CAPITAL PROJECTS:

The draft updated capital program is attached and includes the estimated projects and costs for 2023 to 2027 as well as the anticipated funding of those projects. There's a small variance of between \$5,000 and \$25,000 in years 2023-2025 for costs compared to funding which will be reconciled in the next draft presented October 12th.

EQUIPMENT/VEHICLES:

These are part of the CIP and include two (2) more ½ ton pick-up trucks, a 1-ton pick-up truck, a dump trailer, and another gator with an enclosed cab for Point Hudson Moorage staff. In addition, we are researching the possibility of moving to card-based access system for showers, and laundry thereby eliminating the use of quarters which is time consuming to manage (and uses antiquated equipment that is increasingly a challenge to maintain).

PORT RATES

In the packet are the comparative rate cards for all Port locations that show the current rates alongside the proposed 2023 rates. Even with the record CPI increases over the last year, the Commissions' first choice was to go with a lower CPI rate increase of 5%, rather than 7.5% or 10.1%. Most rates were increased by that amount, though there are some exceptions due to the use of cash drops for parking, for instance, or marina temporary tie up fees. On the rate cards we've highlighted **new rates in blue** and **rates that were removed in red**. The following are the changes by location:

BOAT HAVEN:

1. During the 2022 budget development, the Port planned a consistent 3% annual increase for permanent moorage tenants for three (3) years, instead of the 5% CPI increase applied to most other revenues. Due to the significant increase in the CPI in the last year (10.1%), the recommendation is that permanent moorage tenants also pay the 5% CPI increase as proposed with most other Port rates for 2023. The attached rate card reflects this increase.
2. Temporary Tie Ups were kept at the same rate as the prior year.
3. The "annual" has been removed from the Background Check Fee.
4. Added to this card is a "Storage Only" section, similar to Point Hudson, for kayaks, dory on docks, and the recently added wherry parking, which is only at Boat Haven.

YARD:

1. We're proposing an additional \$150.00 charge to the Roundtrip Rate for Hang Overnight. This is to account for the additional sling time beyond normal inspection and is an approximate 1-hour delay in lift charges. This is for both yards.
2. We'd like to suggest a discussion regarding the "Owner Wash Down" option in the 75 Ton yard, specifically eliminating the do-it-yourself washdown. This change would allow staff to move vessels more quickly and efficiently since they're accustomed to this process and complete the job more quickly. In turn, this allows vessels to be hauled out, and splashed more efficiently, thereby increasing customer satisfaction. This is not suggested for the 300 Ton yard because those larger vessels take longer to wash down, and they can only haul about 2-3 per day, whereas in the smaller yard with 3 Travelifts, we have the ability to haul a larger volume.
3. As per Commission decision for the 75 Ton yard, the seasonal discount rate has been removed as of March 31, 2022, and the rate is the same as the current monthly rates.
4. Maintaining the same fee for Covered Storage because the usage doesn't appear to be as frequent as initially contemplated. A second year at the same rate provides the opportunity to market the option.
5. We've removed the "Non-Working Long-term" storage rates. Due to the shortage of vessel repair options in the Puget Sound, our yards are busier than ever, and we've plans to start using this area for working repair.
6. Under "Other Fees", the Storage Boxes were removed since there hasn't been time for these to be built.
7. Bilge Water fees were moved from the Miscellaneous Rates & Fees card to the Yard and increased to reflect the cost more accurately.
8. Off Port Property Tarp fees were adjusted to be in alignment with the size availability and the cost.

POINT HUDSON

1. Temporary Tie Up charges were maintained at the same rate, as previously noted.
2. The "annual" was removed from Live-aboard Background Check Fees.
3. Under "RV Park – Winter Guest Monthly", the timeframe for the winter was adjusted from Oct. 1 to April 30 (not June 1), and states "back row loop", not back row only.
4. Similar to item 3 for Point Hudson, the timeframe was changed from Nov. 1 to March 31 (not April 1), and to "front row loop", not front row.
5. "Event Parking – Back 40 Lot" was changed to "Parking – Back 40".
6. Flagged for discussion is for whether we add a "Boat on Trailer" option in the Back 40, and what that monthly cost might be.
7. The "Landfall Site" Parking was changed from a timeframe of April 1 – September 30, to year-round. Parking usage in general at Point Hudson will be on your agenda for discussion on October 12th.

HERB BECK MARINA

1. In the top portion of this rate card, under the Commission approval date, is language that was changed to align with Point Hudson and Boat Haven Marinas. Currently the charge for

moorage in Quilcene is only based on the overall length of the vessel. The change would be to “Moorage Rate is based on overall length, or slip length, whichever is greater.”

2. Temporary Tie Up was increased, but not at the other marinas’ rates since Quilcene is already 50% less than the others.
3. In another effort to be in alignment with the other marinas, we’ve flagged for discussion adding “Guest Monthly” moorage at Quilcene. This would allow us to rent out permanent moorage tenant slips and let them be part of a credit system. This will only work if we have the language change sited in item 1, and include a rate based on the CURRENT permanent rate at Quilcene with a 30% mark-up as listed in the attached rate card.

JCIA

1. There were no significant, new, or removed charges from this rate card. Tie downs were maintained for overnight, and other rates were increased 5% and, in some cases, rounded.

UNION WHARF, CITY DOCK & EVENT FACILITIES

1. For rental of the Marina Room, we removed the hourly fee and Damage & Cleaning Deposit fees, and the daily rate is maintained. Even though Damage & Cleaning is standard practice for facility rentals, there’s been little need to use these fees at this location, and the room may transition to exclusively leased space in 2023.
2. The Pavilion rental fees were maintained since the facility is just now nearing readiness for such use. Added to these is the option for RV and Yacht Club user groups renting more than half of the marina or RV park, they can rent the Pavilion at 50% of the regular rental rates.
3. Staff propose to continue to allow intergovernmental use of the Pavilion at no charge, as approved by the Executive Director.

MISCELLANEOUS RATES & FEES

1. Bilge Water charges were removed and properly included on the Yard Rate Card.
2. There’s some discussion of increasing the Miscellaneous Storage (with agreement) fees, as \$0.27/sq. foot is very low.
3. Wherry Parking – Boat Haven was added to this rate card.

RECOMMENDATION

Please provide any feedback on the draft budget, CIP, and Rate Cards for inclusion in the 2nd draft which will be presented for your consideration on October 12th.

Port of Port Townsend
Budget Projections - 2023 and 2024

	Actual 2020	Actual 2021	Budgeted 2022	Bdgt/Actual YTD July	Budgeted 2023	Projected 2024
<u>OPERATING REVENUES</u>						
02- Boat Haven Moorage	\$ 1,812,329	\$ 1,917,908	\$ 2,023,336	\$ 1,976,355	\$ 2,075,173	\$ 2,187,232
05 - Yard Operations	\$ 1,828,964	\$ 2,342,906	\$ 2,237,271	\$ 2,455,799	\$ 2,578,589	\$ 2,717,833
17 - PTBH Properties	\$ 746,943	\$ 819,709	\$ 853,258	\$ 886,029	\$ 918,167	\$ 951,802
18 & 19 - Point Hudson	\$ 1,398,446	\$ 1,690,255	\$ 1,315,730	\$ 1,426,009	\$ 1,490,881	\$ 1,562,960
20 - Quilcene	\$ 174,570	\$ 172,257	\$ 163,935	\$ 168,204	\$ 175,568	\$ 183,677
21 - Ramps	\$ 50,739	\$ 52,437	\$ 58,271	\$ 49,873	\$ 52,367	\$ 55,194
22 - JCIA	\$ 151,952	\$ 166,996	\$ 164,133	\$ 172,615	\$ 181,246	\$ 188,457
Total Operating Revenues	\$ 6,163,943	\$ 7,162,468	\$ 6,815,934	\$ 7,134,884	\$ 7,471,990	\$ 7,847,156
<u>OPERATING EXPENDITURES</u>						
Salaries and Wages	2,171,658	2,339,532	2,647,856	2,630,931	2,905,173	2,924,971
Taxes & Benefits	1,065,777	1,055,801	1,204,926	1,168,618	1,227,049	1,299,419
Contract Services	340,526	362,026	353,486	325,459	341,732	360,338
Materials, Supplies, Fuel	245,222	230,247	264,357	319,440	335,412	355,911
Equipment Purchase & Rental	29,601	75,080	70,433	175,865	184,658	196,292
Repair & Maintenance	110,992	152,250	54,102	93,016	97,667	103,820
Advertising, Travel/Training, Econ Developm	74,537	119,292	162,795	158,351	166,269	175,431
Insurance	313,261	365,551	410,000	411,458	432,031	458,915
Bank Charges	93,905	134,944	125,500	150,342	157,859	167,804
Utilities	563,319	642,190	600,698	633,117	664,773	706,462
Miscellaneous	43,271	34,825	19,825	26,489	27,813	29,492
Total Operating Expenditures	\$ 5,052,069	\$ 5,511,738	\$ 5,913,978	\$ 6,093,086	\$ 6,540,436	\$ 6,778,854
<u>Other Increases in Fund Resources</u>						
Deposits & Retainage Collected	92,930	118,803	80,640	58,432	61,354	64,421
Taxes Collected	595,331	673,889	661,623	643,499	675,674	709,458
Capital Contributions/Grants	3,490,128	571,576	6,672,860	4,707,747	4,464,322	4,895,332
Interest	25,983	52,859	34,530	56,847	59,689	62,674
Debt Proceeds	1,650,000	-	-	-	-	-
Property & Other Taxes	1,992,409	2,764,518	3,748,861	3,752,334	3,939,951	4,136,948
Miscellaneous Increases in Fund Resources	130,152	56,324	20,053	65,529	68,805	72,246
Total Other Increases in Fund Resources	\$ 7,976,933	\$ 4,237,969	\$ 11,218,567	\$ 9,284,388	\$ 9,269,795	\$ 9,941,079
<u>Other Decreases in Fund Resources</u>						
Deposits & Retainage Paid	65,706	26,311	33,061	96,645	101,477	106,551
Taxes Remitted	571,092	672,858	652,734	687,632	722,014	758,114
Bond Principal & Interest	2,433,680	1,249,728	1,025,338	1,025,338	1,076,605	1,130,435
Bond Mgmt, Issuabce, Investment	10,938	60,302	1,475	1,382	1,451	1,524
Capital Project Expenses	4,491,246	1,847,887	11,374,800	6,548,936	10,094,000	10,194,000
Miscellaneous Decr. In Fund Resources	15,674	14,698	2,000	42,288	44,402	46,623
Total Other Decreases in Fund Resources	\$ 7,588,336	\$ 3,871,784	\$ 13,089,408	\$ 8,402,221	\$ 12,039,949	\$ 12,237,247
Net Other Incr./Decr. in Fund Resources	\$ 388,597	\$ 366,185	\$ (1,870,841)	\$ 882,167	\$ (2,770,154)	\$ (2,296,168)
Total Revenues net Expenditures	\$ 1,500,471	\$ 2,016,915	\$ (968,885)	\$ 1,923,965	\$ (1,838,600)	\$ (1,227,867)

5 Year Capital Improvement Program
years 2023-2027
as of September 21, 2022

	note	2023 estimate	2024 estimate	2025 estimate	2026 estimate	2027 estimate	Total 5 year estimate
JEFFERSON COUNTY INTERNATIONAL AIRPORT (JCIA)							
Airport Terminal	a	133,000	-	-	-		133,000
Fuel System Improvement			-	-	-		-
<i>Phase 1 Design</i>		100,000	-	-	-	-	100,000
<i>Phase 2 Construction</i>		-	561,000	-	-	-	561,000
Renovate Port Owned Hangars	a	-	-	-	-	222,000	222,000
Connector Taxiway A2 and Sign Improvements							
<i>Phase 1 Design</i>		90,000	-	-	-	-	90,000
<i>Phase 2 Construction</i>		556,000	-	-	-	-	556,000
Airport Master Plan Update		-	333,000	-	-	-	333,000
Airport Wide Rehabilitate Apron, Taxiways, and Taxilanes (Crack/Slurry Seal)		-	-	556,000	-	-	556,000
Shift/Widen Parallel Taxiway							
<i>Phase 1 Enviromental Assessment</i>		-	-	-	333,000	-	333,000
<i>Phase 2 Design</i>		-	-	-	-	167,000	167,000
<i>Phase 3 Construction (2028 - \$6.1M)</i>		-	-	-	-	-	-
Maintenance Storage Building/County Building relocate	a	-	200,000	-	-		200,000
JCIA Stormwater Management	a	25,000	25,000	25,000	25,000	25,000	125,000
BOAT HAVEN							
BH Main Breakwater Repairs - Construction		400,000	-	-	-	-	400,000
BH Stormwater Treatment Compliance Upgrade		450,000	2,200,000	-	-	-	2,650,000
Moorage/Yard Office	a	150,000	-	-	-	-	150,000
70/75 Ton & 300 Ton Yard Electrical Upgrades		-	-	100,000	100,000	100,000	300,000
Northwest Boat Yard Expansion (along Sims Way)		200,000	800,000	-	-	-	1,000,000
Southwest Boat Yard Expansion and Structures (near shipyard)		80,000	50,000	50,000	400,000	10,000,000	10,580,000
Sperry Buildings Capital Maintenance (estimated 2 buildings/year)	a	50,000	50,000	75,000	-	-	175,000
BH Building/Facility Preservation	a	25,000	25,000	25,000	100,000	100,000	275,000
BH Linear Dock Replacement							
<i>Design</i>		125,000	275,000	125,000	-	-	525,000
<i>Construction</i>		-	-	1,000,000	1,200,000	-	2,200,000
BH Navigation Channel Marina Dredging		25,000	25,000	25,000	550,000	-	625,000
POINT HUDSON							-
PH Building/Facility Preservation (incl. roof replacements)		450,000	450,000	450,000	450,000	450,000	2,250,000
Replacement of North & South Jetties							-
<i>Construction</i>		6,000,000	3,000,000	-	-	-	9,000,000
PH-RV Park Restoration	a	200,000	250,000	-	-	-	450,000
PH Cantilevered Esplanade		-	-	-	350,000	3,000,000	3,350,000
PH Pavement Preservation (Grind & Overlay)		-	-	-	500,000	-	500,000
QUILCENE							-
Quilcene Marina Dredging		20,000	80,000	650,000	-	-	750,000
Quilcene Ramp Upgrade		25,000	275,000	950,000	-	-	1,250,000

Port of Port Townsend

5 Year Capital Improvement Plan

5 Year Capital Improvement Program
years 2023-2027
as of September 21, 2022

		2023	2024	2025	2026	2027	Total 5 year
	note	estimate	estimate	estimate	estimate	estimate	estimate
Quilcene Bathroom Remodel	a	-	20,000	180,000	-	-	200,000
OTHER CAPITAL							-
San Juan Property(s) Clean-up Assessment		100,000	-	-	-	-	100,000
Gardiner Launch Ramp w/Seasonal Float		110,000	800,000	-	-	-	910,000
Mats Mats Bay Boat Ramp Rehabilitate		30,000	-	-	-	300,000	330,000
Port Wide - Piling Replacement		150,000	150,000	150,000	150,000	150,000	750,000
Port Wide - Dock Rennovations	a	250,000	250,000	250,000	250,000	250,000	1,250,000
Port Wide - Yard/Parking/RV Resurfacing	a	75,000	75,000	75,000	75,000	75,000	375,000
Port Wide - Small Capital Projects	a	100,000	100,000	100,000	100,000	100,000	500,000
Port Equipment/Vehicle Replacement		175,000	200,000	170,000	175,000	2,680,000	3,400,000
Total Estimated Project Expenses		10,094,000	10,194,000	4,956,000	4,758,000	17,619,000	47,621,000
		2023	2024	2025	2026	2027	Total 5 year
FUNDING SOURCES	note	estimate	estimate	estimate	estimate	estimate	estimate
GRANTS -- Secured							
US Fish/RCO - PH North & South Jetties Replacement - Construction		(150,000)	(100,000)	-	-	-	(250,000)
Fed EDA - PH North & South Jetties Replacement - Construction		(2,925,000)	(1,450,000)	-	-	-	(4,375,000)
State Commerce - PH North & South Jetties Replcmt - Construction - ALL 2022		-	-	-	-	-	-
Fed/State - Stormwater Treatment Compliance Upgrade		(338,045)	(1,650,455)	-	-	-	(1,988,500)
FAA NPE - Connector Taxiway A2 and Sign Improvement		-	-	-	-	-	-
Phase 1 Design (FAA NPE fund)		(81,000)	-	-	-	-	(81,000)
Phase 1 Design (WSDOT funds)		(4,500)	-	-	-	-	(4,500)
Phase 2 Construction (FAA NPE fund)		(150,000)	-	-	-	-	(150,000)
Phase 2 Construction (FAA ST/DI fund)		(350,000)	-	-	-	-	(350,000)
Phase 2 Construction (WSDOT fund)		(27,777)	-	-	-	-	(27,777)
Fuel System Improvement		-	-	-	-	-	-
Phase 1 Design (FAA BIL Funds)		(90,000)	-	-	-	-	(90,000)
Phase 2 Construction (FAA BIL Funds)		-	(505,000)	-	-	-	(505,000)
FAA NPE - Airport Master Plan Update		-	(300,000)	-	-	-	(300,000)
FAA NPE - Airport Wide Rehabilitate Apron, Taxiways, and Taxilanes (Crack/Slurry Seal)		-	-	(528,200)	-	-	(528,200)
Shift/Widen Parallel Taxiway		-	-	-	-	-	-
Phase 1 Enviromental Assessment (FAA NPE funds)		-	-	-	(300,000)	-	(300,000)
Phase 2 Design (FAA NPE funds)		-	-	-	-	(150,000)	(150,000)
Phase 3 Construction (2028 - \$5.5M)		-	-	-	-	-	-
Jefferson County PIF Grant - Northwest Boat Yard Expansion (along Sims Way)		(40,000)	(350,000)	-	-	-	(390,000)
CERB grant - Southwest Boat Yard Expansion and Structures		(80,000)	-	-	-	-	(80,000)
Ecology - San Juan Property(s) Clean-up Assessment		(100,000)	-	-	-	-	(100,000)
RCO -Gardiner Launch Ramp		(88,000)	(451,877)	-	-	-	(539,877)

5 Year Capital Improvement Program
years 2023-2027
as of September 21, 2022

	2023	2024	2025	2026	2027	Total 5 year
note	estimate	estimate	estimate	estimate	estimate	estimate
RCO - BH Linear Dock Replacement	(40,000)	(88,000)	(360,000)	(384,487)		(872,487)
Renovate Port Owned Hangars (FAA BIL Funds)	-	-	-	-	(200,000)	(200,000)
TOTAL PROJECTED GRANT FUNDS USE	(4,464,322)	(4,895,332)	(888,200)	(684,487)	(350,000)	(11,282,341)
PORT WIDE CAPITAL RESERVE						-
PH Building Preservation (including roofs)	-	-	-	-		-
BOAT HAVEN RESERVE						-
BH Main Breakwater Repairs - Construction	(400,000)	-	-	-		(400,000)
IDD LEVY RESERVE						-
PH North & South Jetties Replacement						-
Construction	(2,925,000)	(1,450,000)	-	-		(4,375,000)
Fuel System Improvement	-	-	-	-		-
Phase 1 Design (match to FAA BIL funds)	(10,000)	-	-	-	-	(10,000)
Phase 2 Construction (Match to FAA BIL funds)	-	(56,000)		-	-	(56,000)
Port Wide - Piling Replacement	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(750,000)
Sperry Buildings Capital Maintenance (estimated 2 buildings/year)	(50,000)	(50,000)	(75,000)	-	-	(175,000)
70/75 Ton & 300 Ton Yard Electrical Upgrades	-	-	(100,000)	(100,000)	(100,000)	(300,000)
Northwest Boat Yard Expansion (along Sims Way)	(100,000)	(450,000)	-	-	-	(550,000)
BH Stormwater Treatment Compliance Upgrade	(111,955)	(549,545)	-	-	-	(661,500)
BH Linear Dock Replacement	(85,000)	(187,000)	(765,000)	(815,513)	-	(1,852,513)
BH Navigation Channel Marina Dredging	(25,000)	(25,000)	(25,000)	(550,000)	-	(625,000)
Moorage/Yard Office	(150,000)	-	-	-	-	(150,000)
Maintenance Storage Building/County Building relocate	-	(200,000)	-	-	-	(200,000)
Mats Mats Bay Boat Ramp Rehabilitate	(30,000)	-	-	-	(300,000)	(330,000)
Quilcene Ramp Upgrade (match to unsecured RCO funds)	-	-	(250,000)	-	-	(250,000)
Quilcene Bathroom Remodel (match to unsecured RCO funds)	-	(20,000)	(180,000)	-	-	(200,000)
Quilcene Marina Dredging (match to unsecured RCO funds)	(20,000)	(80,000)	(650,000)	-	-	(750,000)
PH Building Preservation (including roofs)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(2,250,000)
PH Pavement Preservation (Grind & Overlay)	-	-	-	(500,000)	-	(500,000)
Renovate Port Owned Hangars (match to FAA BIL Funds)	-	-	-	-	(22,000)	(22,000)
TOTAL PROJECTED IDD LEVY FUNDS USE	(4,106,955)	(3,667,545)	(2,645,000)	(2,565,513)	(1,022,000)	(14,007,013)
NET OPERATING INCOME (NOI)						-
FAA NPE - Connector Taxiway A2 and Sign Improvement						-
Phase 1 Design (match to FAA NPE fund)	(4,500)	-	-	-	-	(4,500)
Phase 2 Construction (match to FAA NPE fund)	(28,223)	-	-	-	-	(28,223)
Airport Master Plan Update (match to FAA NPE funds)	-	(33,000)	-	-	-	(33,000)
Airport Wide Rehabilitate Apron, Taxiways, and Taxilanes (match to FAA NPE funds)	-	-	(27,777)	-	-	(27,777)
JCIA Airport Terminal	(133,000)	-	-	-	-	(133,000)
Shift/Widen Parallel Taxiway	-	-	-	-	-	-
Phase 1 Environmental Assessment (match to FAA NPE funds)	-	-	-	(33,000)	-	(33,000)

5 Year Capital Improvement Program
years 2023-2027
as of September 21, 2022

	note	2023 estimate	2024 estimate	2025 estimate	2026 estimate	2027 estimate	Total 5 year estimate
Phase 2 Design (match to FAA NPE funds)		-	-	-	-	(17,000)	(17,000)
Phase 3 Construction (2028 - \$610K)		-	-	-	-	-	-
Port Wide - Dock Rennovations		(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(1,250,000)
Port Wide - Yard/Parking/RV Resurfacing		(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(375,000)
70/75 Ton & 300 Ton Yard Expansion Southwest		-	-	-	-	-	-
PH-RV Park Restoration		(200,000)	(250,000)	-	-	-	(450,000)
BH Building/Facility Preservation		(25,000)	(25,000)	(25,000)	(100,000)	(100,000)	(275,000)
BH Navigation Channel Marina Dredging		(25,000)	(25,000)	(25,000)	-	-	(75,000)
Gardiner Launch Ramp w/Seasonal Float		(22,000)	(348,123)	-	-	-	(370,123)
Southwest Boat Yard Expansion and Structures (near shipyard)		(40,000)	(50,000)	(50,000)	-	-	(140,000)
JCIA Stormwater Management		(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(125,000)
Port Wide Small Capital Projects		(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(500,000)
Port Equipment/Vehicle Replacement		(175,000)	(200,000)	(170,000)	(175,000)	(2,680,000)	(3,400,000)
TOTAL PROJECTED NOI FUNDS USE		(1,102,723)	(1,381,123)	(747,777)	(758,000)	(3,247,000)	(7,236,623)
Total Funding Sources Secured		(10,074,000)	(9,944,000)	(4,280,977)	(4,008,000)	(4,619,000)	(32,925,977)
Unsecured Anticipated Grants and other funding							-
Quilcene Ramp Upgrade (pursuing BFP RCO funds)		(25,000)	(275,000)	(700,000)	-	-	(1,000,000)
PH Cantilevered Esplanade		-	-	-	(350,000)	(3,000,000)	(3,350,000)
Southwest Boat Yard Expansion and Structures (near shipyard)		-	-	-	(400,000)	(10,000,000)	(10,400,000)
Total Unsecured Anticipated Grants		(25,000)	(275,000)	(700,000)	(750,000)	(13,000,000)	(14,750,000)
Total Funding Sources Secured & Unsecured		(10,099,000)	(10,219,000)	(4,980,977)	(4,758,000)	(17,619,000)	(47,675,977)

5 Year Capital Improvement Plan Notes:
a.) Port maintenance staff will be involved in the project.

Port of Port Townsend		
2022 Rate Schedule - FINAL		
BOAT HAVEN		
360.385.6211		
Service Rates – Effective January 1, 2022		
Approved by Port Commission on 11/10/2021		
MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.		
	2022 Rates	
<u>YEAR-ROUND NIGHTLY MOORAGE</u>		
Vessels Under 18' Wide	\$ 1.43	/ft/nt
Over Wide Vessels (18' +)	\$ 1.96	/ft/nt
<u>TEMPORARY TIE-UP</u>		
	under 35'	over 35'
up to 4 hours	\$ 15.00	\$25.00
<u>PERMANENT MOORAGE</u>		
<i>(Assumes annual increases of 3% for 2023 and 2024)</i>		
25' slip	\$ 234.66	/mo*
27' slip	\$ 260.00	/mo*
30' slip	\$ 293.87	/mo*
34' slip	\$ 333.04	/mo*
35' slip	\$ 359.12	/mo*
40' slip	\$ 411.31	/mo*
42' slip	\$ 432.17	/mo*
45' slip	\$ 489.63	/mo*
50' slip	\$ 544.59	/mo*
Linear Rate Under 25'	\$ 9.38	/ft/mo*
Linear rate 51'+	\$ 11.73	/ft/mo*
<i>Note: Receive 5% discount on annual permanent tenancy if total year is prepaid in cash or check before Jan. 15, 2022.</i>		
<u>ACTIVE COMMERCIAL FISHING</u>		
Up to 70'	\$ 7.89	/ft/mo*
71'+	\$ 8.98	/ft/mo*
<u>OTHER MOORAGE</u>		
Limited Access	\$ 7.81	/ft/mo*
Undesirable	\$ 6.77	/ft/mo*
Business	same as perm. rate /ft/mo*	
Overwide Vessels (18'+ wide)	length + 1/2 beam x estab. rate*	
<u>FEES</u>		
Liveaboard Fee	\$ 100.00	/month*
Annual Background Check Fee	\$ 60.00	

Port of Port Townsend

2023 Rate Schedule - 1st DRAFT

BOAT HAVEN

360.385.6211

Service Rates – Effective January 1, 2023

Approved by Port Commission on xx/xx/2022

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

2023 Rates

increase

YEAR-ROUND NIGHTLY MOORAGE

Vessels Under 18' Wide

Over Wide Vessels (18' +)

TEMPORARY TIE-UP

up to 4 hours

PERMANENT MOORAGE

25' slip

27' slip

30' slip

34' slip

35' slip

40' slip

42' slip

45' slip

50' slip

Linear Rate Under 25'

Linear rate 51'+

ACTIVE COMMERCIAL FISHING

Up to 70'

71'+

OTHER MOORAGE

Limited Access

Undesirable

Business

Overwide Vessels (18'+ wide)

FEES

Liveaboard Fee

Background Check Fee

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

**Subject to 9% WA State Sales Tax

Port of Port Townsend	
2022 Rate Schedule - FINAL	
BOAT HAVEN	
360.385.6211	
Service Rates – Effective January 1, 2022	
Approved by Port Commission on 11/10/2021	
MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.	
	2022 Rates
ELECTRICAL FEES	
Nightly Electric - under 55'	\$ 6.00
Nightly Electric - over 55'	\$ 12.00
Electric Connect Fee	\$ 30.00
Metered Electric/Base Fee	\$ 11.00 /mo + KWHs used
Electric Charges @	\$ 0.1029 per KWH
<i>(subject to change with utility increases)</i>	
Non-metered Electrical	\$ 1.64 ft/mo
WINTER GUEST MONTHLY, based on availability <i>(Oct. 1 – Apr. 30:)</i>	
25' slip	\$ 276.73 /month*
27' slip	\$ 305.88 /month*
30' slip	\$ 345.88 /month*
34' slip	\$ 391.99 /month*
35' slip	\$ 420.20 /month*
40' slip	\$ 483.40 /month*
42' slip	\$ 507.59 /month*
45' slip	\$ 572.75 /month*
50' slip	\$ 664.60 /month*
Linear Rate Under 25'	\$ 11.06 /ft/mo*
Linear Rate 51'+	\$ 14.35 /ft/mo*
SUMMER GUEST MONTHLY, based on availability <i>(May 1 – Sept. 30:)</i>	
25' slip	\$ 337.10 /month*
27' slip	\$ 371.38 /month*
30' slip	\$ 420.09 /month*
34' slip	\$ 476.21 /month*
35' slip	\$ 512.61 /month*
40' slip	\$ 585.98 /month*
42' slip	\$ 615.64 /month*
45' slip	\$ 698.69 /month*
50' slip	\$ 776.88 /month*
Linear Rate Under 25'	\$ 13.48 /ft/mo*
Linear Rate 51'+	\$ 17.35 /ft/mo*
Also see Miscellaneous Rates and Fees for other fees that apply.	
*12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.	

Port of Port Townsend		
2023 Rate Schedule - 1st DRAFT		
BOAT HAVEN		
360.385.6211		
Service Rates – Effective January 1, 2023		
Approved by Port Commission on xx/xx/2022		
MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.		
	2023 Rates	increase
ELECTRICAL FEES		
Nightly Electric - under 55'	\$ 6.00	\$ -
Nightly Electric - over 55'	\$ 12.00	\$ -
Electric Connect Fee	\$ 31.50	\$ 1.50
Metered Electric/Base Fee	\$ 11.00 /mo + KWHs used	\$ -
Electric Charges @	\$ 0.1029 per KWH	\$ -
<i>(subject to change with utility increases) - INCR. EFF. 7/5/2023 TO \$0.1082</i>		
Non-metered Electrical	\$ 1.72 ft/mo	\$ 0.08
WINTER GUEST MONTHLY, based on availability (Oct. 1 – Apr. 30:)		
25' slip	\$ 290.56 /month*	\$ 13.84
27' slip	\$ 321.17 /month*	\$ 15.29
30' slip	\$ 363.18 /month*	\$ 17.29
34' slip	\$ 411.59 /month*	\$ 19.60
35' slip	\$ 441.21 /month*	\$ 21.01
40' slip	\$ 507.57 /month*	\$ 24.17
42' slip	\$ 532.97 /month*	\$ 25.38
45' slip	\$ 601.39 /month*	\$ 28.64
50' slip	\$ 697.83 /month*	\$ 33.23
Linear Rate Under 25'	\$ 11.61 /ft/mo*	\$ 0.55
Linear Rate 51'+	\$ 15.07 /ft/mo*	\$ 0.72
SUMMER GUEST MONTHLY, based on availability (May 1 – Sept. 30:)		
25' slip	\$ 353.96 /month*	\$ 16.86
27' slip	\$ 389.95 /month*	\$ 18.57
30' slip	\$ 441.09 /month*	\$ 21.00
34' slip	\$ 500.02 /month*	\$ 23.81
35' slip	\$ 538.24 /month*	\$ 25.63
40' slip	\$ 615.28 /month*	\$ 29.30
42' slip	\$ 646.42 /month*	\$ 30.78
45' slip	\$ 733.62 /month*	\$ 34.93
50' slip	\$ 815.72 /month*	\$ 38.84
Linear Rate Under 25'	\$ 14.15 /ft/mo*	\$ 0.67
Linear Rate 51'+	\$ 18.22 /ft/mo*	\$ 0.87
STORAGE ONLY		
Kayak or rowing shell storage	\$ 29.77 /mo*	
Top rack kayak storage	\$ 22.05 /mo*	
Dory on dock	\$ 71.66 /mo*	
Wherry parking	\$ 45.00 /mo*	
Also see Miscellaneous Rates and Fees for other fees that apply.		
*12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.		

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

**Subject to 9% WA State Sales Tax

Port of Port Townsend	
2022 Rate Schedule - FINAL	
YARD RATES	
360.385.6211	
Service Rates – Effective January 1, 2022	
Approved by Port Commission on 11/10/2021	
	2022 Rates
70/75 TON LIFTS	
31' or less	\$ 9.83 /ft**
32'-41'	\$ 10.92 /ft**
42'-51'	\$ 12.02 /ft**
52'-61'	\$ 13.11 /ft**
62'+	\$ 15.29 /ft**
Minimum Hoist	\$ 231.00 **
Off-Port Blocking (subject to Tarp Fee)	\$ 2.42 /ft/mo*, **
One-way Haul Out	75% RT or Min. Hoist**
One-way Launch	50% RT or Min. Hoist**
Re-block Fee	75% RT or Min. Hoist**
Inspections	Roundtrip Rate**
Hang Overnight	Roundtrip Rate
Owner Wash Down	\$ 2.42 /ft/30 minutes**
If Port staff does the washdown, above rate is taxed** and hourly labor rate added. (See Port Labor rate**)	
Environmental Fee	\$ 0.79 /ft/haul/mo or min. \$21
Delay of Lift	\$ 71.40 /half hour
Labor Rate	\$ 72.45 /person/hour **
Overtime Rate & Call-in Labor Rate	\$ 109.20 /person/hour **
70/75 TON REPAIR STORAGE	
Daily	\$ 0.82 /ft/day
Monthly	\$ 0.66 /ft/day*
Covered Storage	
70' Covered Shed	\$ 75.00 /day*
Electrical Rate:	\$ 5.00 /day
Non-working Long-term	
3-month minimum, no power	\$ 8.74 /ft/mo*
6-month minimum, no power	\$ 7.11 /ft/mo*
Trailer Vessel (storage only)	\$ 7.11 /ft/mo*
Electrical Rate:	
(applicable year-round)	\$ 1.60 /day
	\$ 31.82 /mo*
300 TON TRAVEL LIFT	
70' or less	\$ 19.51 /ft**
71'-89'	\$ 21.00 /ft**
90' or over	\$ 25.95 /ft**
Minimum Hoist	\$ 873.85 *
Off-Port Blocking (subject to Tarp Fee)	\$ 3.15 /ft/mo*, **
Trimaran hulls	150% RT or minimum**
One-way Haul Out/Reblock	75% RT or minimum**
Inspections	Roundtrip Rate**
Hang Overnight	Roundtrip Rate
Owner Wash Down	\$ 3.47 /ft/hr
If Port staff do the washdown, above rate is taxed** and hourly labor rate added. (See Port Labor rate**)	
Delay of Lift	\$ 71.40 /half hour
Labor Rate	\$ 72.45 /person/hour**
Overtime & Call-in Labor Rate	\$ 109.20 /person/hour**
300 TON REPAIR YARD	
Daily	\$ 1.25 /ft/day
Monthly	\$ 1.01 /ft/day*
300 TON ELECTRIC	

Port of Port Townsend			
2023 Rate Schedule - 1st DRAFT			
YARD RATES			5.0%
360.385.6211			
Service Rates – Effective January 1, 2023			
Approved by Port Commission on xx/xx/2022			
	2023 Rates		increase
70/75 TON LIFTS			
31’ or less	\$	10.32 /ft**	\$ 0.49
32’-41’	\$	11.47 /ft**	\$ 0.55
42’-51’	\$	12.62 /ft**	\$ 0.60
52’-61’	\$	13.76 /ft**	\$ 0.66
62’+	\$	16.06 /ft**	\$ 0.76
Minimum Hoist	\$	242.55 **	\$ 11.55
Off-Port Blocking (subject to Tarp Fee)	\$	2.54 /ft/mo*, **	\$ 0.12
One-way Haul Out	75% RT or Min. Hoist**		
One-way Launch	50% RT or Min. Hoist**		
Re-block Fee	75% RT or Min. Hoist**		
Inspections	Roundtrip Rate **		
Hang Overnight	Roundtrip Rate + \$150.00		
Owner Wash Down	\$	2.54 /ft/30 minutes**	\$ 0.12
If Port staff does the washdown, above rate is taxed** and hourly labor rate added. (See Port Labor rate**)			
Environmental Fee	\$	0.83 /ft/haul/mo or min. \$21	\$ 0.04
Delay of Lift	\$	74.97 /half hour	\$ 3.57
Labor Rate	\$	76.07 /person/hour **	\$ 3.62
Overtime Rate & Call-in Labor Rate	\$	114.66 /person/hour **	\$ 5.46
70/75 TON REPAIR STORAGE			
Daily	\$	0.82 /ft/day	NO CHANGE
Monthly	\$	0.66 /ft/day*	NO CHANGE
Covered Storage			
70' Covered Shed	\$	75.00 /day*	\$ -
Electrical Rate:	\$	5.25 /day	\$ 0.25
Removed Non-working Long-term			
Electrical Rate:	\$	1.68 /day	\$ 0.08
<i>(applicable year-round)</i>	\$	33.41 /mo*	\$ 1.59
300 TON TRAVEL LIFT			
70’ or less	\$	20.49 /ft**	\$ 0.98
71’-89’	\$	22.05 /ft**	\$ 1.05
90’ or over	\$	27.25 /ft**	\$ 1.30
Minimum Hoist	\$	917.54 *	\$ 43.69
Off-Port Blocking <i>(subject to Tarp Fee)</i>	\$	3.31 /ft/mo*, **	\$ 0.16
Trimaran hulls	150% RT or minimum**		
One-way Haul Out/Reblock	75% RT or minimum**		
Inspections	Roundtrip Rate**		
Hang Overnight	Roundtrip Rate + \$150.00		
Owner Wash Down	\$	3.64 /ft/hr	\$ 0.17
If Port staff do washdown, above rate is taxed** and hourly labor rate added. (See Port Labor rate**)			
Delay of Lift	\$	74.97 /half hour	\$ 3.57
Labor Rate	\$	76.07 /person/hour**	\$ 3.62
Overtime & Call-in Labor Rate	\$	114.66 /person/hour**	\$ 5.46
300 TON REPAIR YARD			
Daily	\$	1.31 /ft/day	\$ 0.06
Monthly	\$	1.06 /ft/day*	\$ 0.05
300 TON ELECTRIC			

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

**Subject to 9.1% WA State Sales Tax

Port of Port Townsend

2022 Rate Schedule - FINAL

YARD RATES

360.385.6211

Service Rates – Effective January 1, 2022

Approved by Port Commission on 11/10/2021

Metered Electric	\$	5.00 /day + KWH
KWH (subject to utility increases)	\$	0.1029

INCR. EFF. 7/5/2023 TO \$0.1082

OTHER STORAGE

Misc. Storage	\$	0.93 /sq ft/mo*
Mast Storage	\$	0.82 /sq ft/mo*
Storage Box Rental	\$	26.25 /week*, **

(flat fee plus tax, no prorations) Subject to LHT if rented for 30 days or more.

TARP FEES (Off Port Property)

20 x 20	\$	28.35
20 x 30	\$	38.85
20 x 40	\$	49.35
26 x 40	\$	66.15
30 x 40	\$	76.65
30 x 60	\$	110.25
40 x 60	\$	149.10

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

** Subject to WA State Sales Tax of 9.1%

Port of Port Townsend

2023 Rate Schedule - 1st DRAFT

YARD RATES

5.0%

360.385.6211

Service Rates – Effective January 1, 2023

Approved by Port Commission on xx/xx/2022

Metered Electric	\$	5.00 /day + KWH
KWH (subject to utility increases)	\$	0.1029

INCR. EFF. 7/5/2023 TO \$0.1082

OTHER FEES

Misc. Storage	\$	0.98 /sq ft/mo*
Mast Storage	\$	0.86 /sq ft/mo*
removed "Storage Boxes"		
Bilge Water	\$	1.25 /gallon

TARP FEES (Off Port Property)

16 x 20	\$	26.40
20 x 30	\$	40.79
20 x 40	\$	51.82
30 x 40	\$	80.48
30 x 50	\$	115.76
40 x 60	\$	156.56

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** Subject to WA State Sales Tax of 9.1%

Port of Port Townsend

2022 Rate Schedule - FINAL

POINT HUDSON

360.385.2828

Service Rates – Effective January 1, 2022

Approved by Port Commission on 11/10/2021

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

2022 Rates

YEAR-ROUND NIGHTLY MOORAGE

Vessels under 18' in width	\$ 1.43 /ft/nt
Overwide Vessels (18'+)	\$ 1.96 /ft/nt

TEMPORARY TIE-UP (up to 4 hours)

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

WINTER MONTHLY MOORAGE (October 1 – April 30)

25' slip	\$ 276.73 /mo*
27' slip	\$ 305.88 /mo*
30' slip	\$ 345.88 /mo*
35' slip	\$ 420.20 /mo*
40' slip	\$ 483.40 /mo*
45' slip	\$ 572.75 /mo*
50' slip	\$ 664.60 /mo*
Linear Rate Under 25'	\$ 11.06 /ft/mo*
Linear Rate 51'+	\$ 14.35 /ft/mo*

LIMITED ACCESS MOORAGE \$ 8.31 /ft/mo*UNDESIRABLE MOORAGE \$ 6.77 /ft/mo*BUSINESS MOORAGE same as Boat Haven permanent rate /ft/mo*STORAGE ONLY

Kayak or rowing shell storage	\$ 28.35 /mo*
Top rack kayak storage	\$ 21.00 /mo*
Dory on dock	\$ 68.25 /mo*

FEES

Reservation Fee	\$ 11.00 /reservation
Live-aboard Fee	\$ 100.00 /mo*
Annual Live-aboard Background Check Fee	\$ 60.00
Commercial Vessel Passenger Fee	- See Miscellaneous Rates

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

1. Sales Tax of 9.1% and Hotel/Motel Tax of 2%

Port of Port Townsend

2023 Rate Schedule - 1st DRAFT

POINT HUDSON

360.385.2828

Service Rates – Effective January 1, 2023

Approved by Port Commission on xx/xx/2022

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

5.0%

2023 Rates

increase

YEAR-ROUND NIGHTLY MOORAGE

Vessels under 18' in width	\$ 1.50 /ft/nt	\$ 0.07
Overwide Vessels (18'+)	\$ 2.06 /ft/nt	\$ 0.10

TEMPORARY TIE-UP (up to 4 hours)

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

WINTER MONTHLY MOORAGE (October 1 – April 30)

25' slip	\$ 290.56 /mo*	\$ 13.84
27' slip	\$ 321.17 /mo*	\$ 15.29
30' slip	\$ 363.18 /mo*	\$ 17.29
35' slip	\$ 441.21 /mo*	\$ 21.01
40' slip	\$ 507.57 /mo*	\$ 24.17
45' slip	\$ 601.39 /mo*	\$ 28.64
50' slip	\$ 697.83 /mo*	\$ 33.23
Linear Rate Under 25'	\$ 11.61 /ft/mo*	\$ 0.55
Linear Rate 51'+	\$ 15.07 /ft/mo*	\$ 0.72

LIMITED ACCESS MOORAGE \$ 8.73 /ft/mo*UNDESIRABLE MOORAGE \$ 7.10 /ft/mo*BUSINESS MOORAGE same as Boat Haven permanent rate /ft/mo*STORAGE ONLY

Kayak or rowing shell storage	\$ 29.77 /mo*	\$ 1.42
Top rack kayak storage	\$ 22.05 /mo*	\$ 1.05
Dory on dock	\$ 71.66 /mo*	\$ 3.41

FEES

Reservation Fee	\$ 11.55 /reservation	\$ 0.55
Live-aboard Fee	\$ 105.00 /mo*	\$ 5.00
Live-aboard Background Check Fee	\$ 63.00	\$ 3.00
Commercial Vessel Passenger Fee	- See Miscellaneous Rates	

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

1. Sales Tax of 9.1% and Hotel/Motel Tax of 2%

Port of Port Townsend

2022 Rate Schedule - FINAL

POINT HUDSON

360.385.2828

Service Rates – Effective January 1, 2022

Approved by Port Commission on 11/10/2021

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

2022 Rates

ELECTRICAL FEES

Nightly Electric	\$ 6.00
Nightly Electric over 55'	\$ 12.00
Electric Connect Fee	\$ 30.00
Electric Base Fee + KWHs Used	\$ 11.00 /mo
Electric Charges @	\$ 0.1029 /KWH
<i>(subject to change w/utility rate increases)</i>	
Non-metered Electrical	\$ 1.64 /ft/mo

RV PARK - SUMMER (May 1 – September 30)

Nightly – Premium Waterfront	\$67.00 - \$77.00 /night ¹
Nightly - Hookup	\$56.00 - \$66.00 /night ¹

RV PARK – WINTER (October 1 – April 30)

Nightly – Premium Waterfront	\$45.65 - \$55.65 /night ¹
Nightly - Hookup	\$40.30 - \$48.30 /night ¹

RV PARK – WINTER GUEST MONTHLY

Oct. 1 to June 1, back row only	\$ 666.00 /month*
Nov. 1 to Apr. 1, front row	\$ 756.00 /month*

RV PARK – YEAR ROUND

Back Row	\$ 48.30 /night ¹
Dry Camp	\$ 34.65 /night ¹
Extra Vehicle in RV Space	\$ 6.50 /night
RV Holding Tank Dump Fee	\$ 13.00

EVENT PARKING - "Back 40 Lot"

Daily:	\$ 7.00 /day
Weekly:	\$ 33.00 /week
Monthly:	\$ 75.00 /month*

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

Daily (April 1–September 30):	\$ 10.00 /day
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*12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.

1. Sales Tax of 9.1% and Hotel/Motel Tax of 2%

Port of Port Townsend

2023 Rate Schedule - 1st DRAFT

POINT HUDSON

360.385.2828

Service Rates – Effective January 1, 2023

Approved by Port Commission on xx/xx/2022

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

5.0%

2023 Rates

increase

ELECTRICAL FEES

Nightly Electric	\$ 6.00	\$ -
Nightly Electric over 55'	\$ 12.00	\$ -
Electric Connect Fee	\$ 31.50	\$ 1.50
Electric Base Fee + KWHs Used	\$ 11.00 /mo	\$ -
Electric Charges @	\$ 0.1029 /KWH	
<i>(subject to change w/utility rate increases) INCR. EFF. 7/5/2023 TO \$0.1082</i>		
Non-metered Electrical	\$ 1.72 /ft/mo	\$ 0.08

RV PARK - SUMMER (May 1 – September 30)

Nightly – Premium Waterfront (range) ¹	\$70.35	\$80.85	\$3.35	\$3.85
Nightly - Hookup (range) ¹	\$58.80	\$69.30	\$2.80	\$3.30

RV PARK – WINTER (October 1 – April 30)

Nightly – Premium Waterfront (range) ¹	\$47.93	\$58.43	\$2.28	\$2.78
Nightly - Hookup (range) ¹	\$42.32	\$50.71	\$2.02	\$2.41

RV PARK – WINTER GUEST MONTHLY

Oct. 1 to April 30, back row loop	\$ 699.30 /month*	\$ 33.30
Nov. 1 to March 31, front row loop	\$ 793.80 /month*	\$ 37.80

RV PARK – YEAR ROUND

Back Row	\$ 50.72 /night ¹	\$ 2.42
Dry Camp	\$ 36.38 /night ¹	\$ 1.73
Extra Vehicle in RV Space	\$ 6.83 /night	\$ 0.33
RV Holding Tank Dump Fee	\$ 13.00	\$ -

PARKING - BACK 40

Daily	\$ 7.35 /day	\$ 0.35
Weekly	\$ 34.65 /week	\$ 1.65
Monthly	\$ 78.75 /month*	\$ 3.75

Boat on Trailer - flag for discussion

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

Daily year-round	\$ 11.00 /day	\$ 1.00
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*12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.

1. Sales Tax of 9.1% and Hotel/Motel Tax of 2%

Port of Port Townsend	
2022 Rate Schedule - FINAL	
HERB BECK MARINA - QUILCENE	
360.765.3131 or 360.385.6211	
Service Rates – Effective January 1, 2022	
Approved by Port Commission on 11/10/2021	
	2022 Rates
NIGHTLY MOORAGE	\$ 0.90 ft/nt
TEMPORARY TIE-UP	\$ 6.00
	\$ 12.00 over 35'
PERMANENT MOORAGE	6 month Minimum
Up to 26 ft.	\$ 7.19 ft/mo*
27-29 ft.	\$ 7.75 ft/mo*
30-34 ft.	\$ 8.29 ft/mo*
35-39 ft.	\$ 8.87 ft/mo*
40-50 ft.	\$ 9.97 ft/mo*
Limited Access – Up to 18'	\$ 4.99 ft/mo*
<u>GUEST MONTHLY – NOT IMPLEMENTED IN 2022</u>	<u>1 month minimum – 6 month max</u>
Up to 26 ft.	\$ 11.06 ft/mo*
27-29 ft.	\$ 11.33 ft/mo*
30-34 ft.	\$ 11.53 ft/mo*
35-39 ft.	\$ 12.00 ft/mo*
40-50 ft.	\$ 12.73 ft/mo*
<u>ELECTRICAL FEES</u>	
Nightly Electric	\$ 6.00
over 55'	\$ 12.00
Connect Fee	\$ 30.00
Base Electric Fee	\$ 11.00 /mo
Metered Electric @	\$ 0.1029 per KWH
(subject to change with utility rate increase)	
<u>WATER FEES</u>	
Residential	
Base	\$ 34.80
Usage - Tier I (0-5,000 gal.) per 100 gallons	\$ 0.29 per gallon
Usage - Tier II (5,001-10,000 gal.), per 100 gal.	\$ 0.40 per gallon
Commercial	
Base	\$ 34.80
Usage - per 100 gallons	\$ 0.40 per gallon
(subject to change with utility rate increase)	
<u>LAUNCH RAMP</u>	
Launch ramp fee	\$ 15.00 per day**
(Daily Launch pass includes 1 day of boat trailer parking)	
Annual Ramp Pass (Rolling Calendar)	\$ 100.00 per year**
**Free with verified DVA determination	
<u>STORAGE</u>	
Empty Boat Trailer	
Daily	\$ 7.00
Weekly	\$ 33.00
Monthly	\$ 75.00
Kayak/ Rowing Shell*	\$ 28.35
Top Rack Kayak/ Rowing Shell*	\$ 21.00
* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.	
** Subject to WA State Sales Tax of 9.1%	

Port of Port Townsend		
2022 Rate Schedule - 1st DRAFT		
HERB BECK MARINA - QUILCENE		5.0%
360.765.3131 or 360.385.6211		
Service Rates – Effective January 1, 2023		
Approved by Port Commission on xx/xx/2022		
MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.		Change, in line w/BH & PH
	2023 Rates	increase
NIGHTLY MOORAGE	\$ 1.00 ft/nt	\$ 0.10
TEMPORARY TIE-UP	\$ 7.00	\$ 1.00
	\$ 13.00 over 35’	\$ 1.00
PERMANENT MOORAGE	6 month Minimum	
Up to 26 ft.	\$ 7.55 ft/mo*	\$ 0.36
27-29 ft.	\$ 8.14 ft/mo*	\$ 0.39
30-34 ft.	\$ 8.70 ft/mo*	\$ 0.41
35-39 ft.	\$ 9.31 ft/mo*	\$ 0.44
40-50 ft.	\$ 10.47 ft/mo*	\$ 0.50
Limited Access – Up to 18’	\$ 5.24 ft/mo*	\$ 0.25
GUEST MONTHLY - for discussion	1 mo. min. - 6 month max	
Up to 26 ft.	\$ 9.35 ft/mo*	
27-29 ft.	\$ 10.08 ft/mo*	
30-34 ft.	\$ 10.78 ft/mo*	
35-39 ft.	\$ 11.53 ft/mo*	
40-50 ft.	\$ 12.96 ft/mo*	
ELECTRICAL FEES		
Nightly Electric	\$ 6.00	\$ -
over 55’	\$ 12.00	\$ -
Connect Fee	\$ 31.50	\$ 1.50
Base Electric Fee	\$ 11.00 /mo	\$ -
Metered Electric @	\$ 0.1029 per KWH	
(subject to change with utility rate increase) INCR. EFF. 7/5/2023 TO \$0.1082		
WATER FEES		
Residential		
Base	\$ 40.83	\$ 6.03
Usage - Tier I (0-5,000 gal.)	\$ 0.36 /100 gallons	\$ 0.07
Usage - Tier II (5,001-10,000 gal.)	\$ 0.50 /100 gallons	\$ 0.10
Commercial		
Base	\$ 40.83	\$ 6.03
Usage	\$ 0.50 /100 gallons	\$ 0.10
(subject to change with utility rate increase)		
LAUNCH RAMP		
Launch ramp fee	\$ 15.00 per day**	\$ -
(Daily Launch pass includes 1 day of boat trailer parking)		
Annual Ramp Pass (Rolling Calendar)	\$ 105.00 per year**	\$ 5.00
**Free with verified DVA determination		
STORAGE		
Empty Boat Trailer		
Daily	\$ 7.35	\$ 0.35
Weekly	\$ 34.65	\$ 1.65
Monthly	\$ 78.75	\$ 3.75
Kayak/ Rowing Shell*	\$ 29.77	\$ 1.42
Top Rack Kayak/ Rowing Shell*	\$ 22.05	\$ 1.05
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**Subject to 9.1% WA State Sales Tax

Port of Port Townsend
2022 Rate Schedule - FINAL

JEFFERSON COUNTY
INTERNATIONAL AIRPORT

360.385.6211

Service Rates – Effective January 1, 2022
Approved by Port Commission on 11/10/2021

	2022 Rates
Prevailing Ground Lease Rate	\$ 0.07 /sq ft/mo*
TIE-DOWNS	
Overnight	\$ 6.00
Monthly Grass	\$ 45.15 *
Annual Grass (<i>must pay in advance</i>)	\$ 462.00 *
Monthly Paved	\$ 61.95 *
Monthly Hangar	\$ 250.00 *
Commercial Landing Fee /1000 # of max loaded gross weight	\$ 0.33
VEHICLE PARKING	
Weekly (7 or more days) (rate includes WA State Sales Tax)	\$ 33.00 1.
Monthly (rate includes Leasehold Tax)	\$ 75.00 *
Annual	\$ 400.00 *

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1. Subject to WA State Sales Tax of 9.1%

Port of Port Townsend
2023 Rate Schedule - 1st DRAFT

JEFFERSON COUNTY
INTERNATIONAL AIRPORT

5.0%

360.385.6211

Service Rates – Effective January 1, 2023
Approved by Port Commission on xx/xx/2022

	2023 Rates	increase
Prevailing Ground Lease Rate	\$ 0.08 /sq ft/mo*	\$ 0.01
TIE-DOWNS		
Overnight	\$ 6.00	\$ -
Monthly Grass	\$ 47.00 *	\$ 1.85
Annual Grass (<i>must pay in advance</i>)	\$ 485.00 *	\$ 23.00
Monthly Paved	\$ 65.00 *	\$ 3.05
Monthly Hangar	\$ 263.00 *	\$ 13.00
Commercial Landing Fee /1000 # of max loaded gross weight	\$ 0.34	\$ 0.02
VEHICLE PARKING		
Weekly (7 or more days) (rate includes WA State Sales Tax)	\$ 35.00 1.	\$ 2.00
Monthly (rate includes Leasehold Tax)	\$ 80.00 *	\$ 5.00
Annual	\$ 420.00 *	\$ 20.00

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1. Subject to WA State Sales Tax of 9.1%

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**Subject to 9% WA State Sales Tax.

Port of Port Townsend

2022 Rate Schedule - FINAL

**UNION WHARF,
CITY DOCK &
EVENT FACILITIES,**

360-385-2828 or 360-385-6211

Service Rates – Effective January 1, 2022
Approved by Port Commission on 11/10/2021

2022 Rates

NIGHTLY MOORAGE (3 night maximum stay)

Vessels up to 35'	\$ 30.00 /night
Vessels 35'-79'	\$ 45.00 /night
Vessels over 80' (Union Wharf only, advanced notice required)	\$ 1.96 /ft/nt

TEMPORARY TIE-UP (up to 4 hours)

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

COMMERCIAL VESSEL PASSENGER FEES - See Miscellaneous Rates**EVENT FACILITIES RENTAL – UNION WHARF & CITY DOCK**

Daily Rental Fee ¹	\$ 328.65 /day
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EVENT FACILITIES -POINT HUDSON MARINA ROOM

Daily ¹ Rental Fee	\$ 150.00 /day
Hourly Rental Fee (2-hour min.)	\$ 26.50 /hour
Damage & Cleaning Deposit (refundable)	\$ 50.00

EVENT FACILITIES - Point Hudson Pavillion

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

¹ 8:00 a.m. to 11:00 p.m.

Port of Port Townsend

2023 Rate Schedule - 1st DRAFT

**UNION WHARF,
CITY DOCK &
EVENT FACILITIES,**

####

360-385-2828 or 360-385-6211

Service Rates – Effective January 1, 2023
Approved by Port Commission on xx/xx/2022

2023 Rates

increase

NIGHTLY MOORAGE (3 night maximum stay)

Vessels up to 35'	\$ 31.00 /night	\$ 1.00
Vessels 35'-79'	\$ 47.00 /night	\$ 2.00
Vessels over 80' (Union Wharf only, advanced notice required)	\$ 2.10 /ft/nt	\$ 0.14

TEMPORARY TIE-UP (up to 4 hours)

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

COMMERCIAL VESSEL PASSENGER FEES - See Miscellaneous Rates**EVENT FACILITIES RENTAL – UNION WHARF & CITY DOCK**

Daily Rental Fee ¹	\$ 345.00 /day	\$ 16.35
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EVENT FACILITIES -POINT HUDSON MARINA ROOM

Daily ¹ Rental Fee	\$ 150.00 /day	\$ -
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EVENT FACILITIES - Point Hudson Pavillion

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

*(All Pavillion rental rates for RV & Yacht groups 50%)*¹ 8:00 a.m. to 11:00 p.m.

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Port of Port Townsend			
2022 Rate Schedule - FINAL			
MISCELLANEOUS RATES & FEES			
Service Rates – Effective January 1, 2022			
Approved by Port Commission on 11/10/2021			
PORT LABOR RATES & FEES			
Port Labor Rate	\$	72.45	/hr/person
Overtime Labor Rate	\$	109.20	/hr/person
Docking Fee	\$	1.96	/ft/day
Relocate Vessel by Hand	\$	81.90	
Relocate Vessel w/ Port Skiff	\$	164.85	
Emergency Pumps	\$	137.55	
Bail Skiff Fee	\$	55.65	
Bilge Water	\$	0.82	/gallon
MISCELLANEOUS RATES & FEES			
Miscellaneous Storage (with agreement)	\$	0.26	/sq ft*
Mini Storage Units	\$	1.11	/sq ft/mo*
Food Truck Rate (may be subject to tax)	\$	37.80	/day
Commercial Vessel Pass. Fee	\$	1.16	/person
(payable monthly in season)			
Kayak or Rowing Shell	\$	28.35	/mo*
Top rack kayak or rowing shell	\$	21.00	/mo*
WORK FLOAT MOORAGE/LIFT PIER ACCESS (Reserve with Yard Office)			
Daily Rate, includes Top Side Access	\$	2.26	/ft/day, \$50 min
Lift Pier Access/Top Side Usage	\$	52.50	2 hours
LAUNCH RAMP			
Daily Pass	\$	15.00	
(includes 1 day of boat trailer parking)			
Annual Pass (Rolling Calendar)	\$	100.00	/year
(free with DAV determination)			
COMMERCIAL TRUCK FEE			
Daily	\$	200.00	**
Monthly	\$	600.00	**
Annual (Rolling Calendar)	\$	1,515.00	**
PORT HADLOCK DOCK-DINGHY/SKIFF TIE-UP			
		Monthly	Annual
Dock	\$	27.30	\$ 158.55
Beach	\$	22.05	\$ 98.70

Port of Port Townsend			
2023 Rate Schedule - 1st DRAFT			
MISCELLANEOUS RATES & FEES			
Service Rates – Effective January 1, 2023			
Approved by Port Commission on xx/xx/2022			
PORT LABOR RATES & FEES			
Port Labor Rate	\$	76.07	/hr/person
Overtime Labor Rate	\$	114.66	/hr/person
Docking Fee	\$	2.06	/ft/day
Relocate Vessel by Hand	\$	86.00	
Relocate Vessel w/ Port Skiff	\$	173.09	
Emergency Pumps	\$	144.43	
Bail Skiff Fee	\$	58.43	
Bilge Water - MOVED TO YARD CARD			
MISCELLANEOUS RATES & FEES			
Miscellaneous Storage (with agreement)	\$	0.27	/sq ft*
Mini Storage Units	\$	1.17	/sq ft/mo*
Food Truck Rate (may be subject to tax)	\$	39.69	/day
Commercial Vessel Pass. Fee	\$	1.21	/person
(payable monthly in season)			
Kayak or Rowing Shell	\$	29.77	/mo*
Top rack kayak or rowing shell	\$	22.05	/mo*
Wherry Parking - Boat Haven	\$	45.00	/mo*
WORK FLOAT MOORAGE/LIFT PIER ACCESS (Reserve with Yard Office)			
Daily Rate, includes Top Side Access	\$	2.37	/ft/day, \$50 min
Lift Pier Access/Top Side Usage	\$	55.13	2 hours
LAUNCH RAMP			
Daily Pass	\$	15.00	
(includes 1 day of boat trailer parking)			
Annual Pass (Rolling Calendar)	\$	105.00	/year
(free with DAV determination)			
COMMERCIAL TRUCK FEE			
Daily	\$	210.00	**
Monthly	\$	630.00	**
Annual (Rolling Calendar)	\$	1,590.00	**
PORT HADLOCK DOCK-DINGHY/SKIFF TIE-UP			
		Monthly	Annual
Dock	\$	28.67	\$ 166.48
Beach	\$	23.15	\$ 103.64

increase		
\$	3.62	
\$	5.46	
\$	0.10	
\$	4.10	
\$	8.24	
\$	6.88	
\$	2.78	
\$	0.01	
\$	0.06	
\$	1.89	
\$	0.06	
\$	1.42	
\$	1.05	
\$	0.11	
\$	2.63	
\$	-	
\$	5.00	
\$	10.00	
\$	30.00	
\$	75.00	
\$	1.37	\$ 7.93
\$	1.10	\$ 4.94

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Port of Port Townsend			
2022 Rate Schedule - FINAL			
MISCELLANEOUS RATES & FEES			
Service Rates – Effective January 1, 2022			
Approved by Port Commission on 11/10/2021			
	1st Offense	2nd Offense	3rd Offense
<u>VIOLATION FEES</u>			
Best Management Practices	\$ 200.00	\$ 500.00	\$1,000.00
Chain-up Fee	\$ 150.00	\$ 250.00	\$ 400.00
Impound Fee	\$ 200.00	\$ 300.00	\$ 500.00
Non-payment of Parking	\$ 30.00	\$ 100.00	
Illegal Garbage Dump	\$ 355.00	/occurrence	
Late Payment	\$ 25.00	min. or 5%	
NSF Check	\$ 50.00	/occurrence	
<u>WAIT LIST FEES</u>			
Sign-up Fee	\$ 100.00		
Renewal Fee or Pass Fee	\$ 50.00		
Leave of Absence	\$ 100.00		
<u>GOODS & AMENITIES</u>			
Fax – first page	\$ 3.00		
Fax-Each additional page	\$ 1.50		
Notary Service	\$ 12.00		
Laundry Soap	\$ 1.00 /ea**		
Dryer Sheets	\$ 1.00 /ea**		
	Wash	Dry	
Laundry	\$ 2.75	\$ 2.00	
	90 sec.	3 mins.	
Showers	25¢	50¢	
<u>RESTROOM/LAUNDRY KEY FOBS (tenants only)</u>			
1st Fob issued	\$ 10.00		
2nd Fob issued (max. of 2)	\$ 25.00 each		
Replacement Fob	\$ 25.00 each		
<u>LEASE & LICENSE FEES</u>			
Lease Assignment Review & Approval	\$ 275.00		
Use License preparation fee	\$ 100.00		
Use License	varies by location, space & duration		

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Port of Port Townsend			
2023 Rate Schedule - 1st DRAFT			
MISCELLANEOUS RATES & FEES			
Service Rates – Effective January 1, 2023			
Approved by Port Commission on xx/xx/2022			
	1st Offense	2nd Offense	3rd Offense
<u>VIOLATION FEES</u>			
Best Management Practices	\$ 210.00	\$ 525.00	\$ 1,050.00
Chain-up Fee	\$ 157.50	\$ 262.50	\$ 420.00
Impound Fee	\$ 210.00	\$ 315.00	\$ 525.00
Non-payment of Parking	\$ 31.50	\$ 105.00	
Illegal Garbage Dump	\$ 375.00	/occurrence	\$ 20.00
Late Payment	\$ 25.00	min. or 5%	\$ -
NSF Check	\$ 50.00	/occurrence	\$ -
<u>WAIT LIST FEES</u>			
Sign-up Fee	\$ 100.00		\$ -
Renewal Fee or Pass Fee	\$ 50.00		\$ -
Removed "Leave of Absence"			
<u>GOODS & AMENITIES</u>			
Notary Service	\$ 13.00		\$ 1.00
Laundry Soap	\$ 1.00 /ea**		\$ -
Dryer Sheets	\$ 1.00 /ea**		\$ -
	Wash	Dry	
Laundry	\$ 2.75	\$ 2.00	\$ -
	90 sec.	3 mins.	
Showers	25¢	50¢	
<u>RESTROOM/LAUNDRY KEYS & FOBS (tenants only)</u>			
1st Fob issued	\$ 10.50		\$ 0.50
2nd Fob issued (max. of 2)	\$ 26.25 each		\$ 1.25
Replacement Fob	\$ 26.25 each		\$ 1.25
Replacement, Additional bldg. keys	\$ 26.25 each		\$ 26.25
<u>LEASE & LICENSE FEES</u>			
Lease Assignment Review & Approval	\$ 288.75		
Use License preparation fee	\$ 105.00		
Use License (varies by location, space, & time)			
Pay or Vacate Legal Notices	\$ 250.00		

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PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	September 28, 2022
AGENDA ITEM	<input type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input type="checkbox"/> Regular Business <input checked="" type="checkbox"/> Informational
AGENDA TITLE	Informational Items
STAFF LEAD	Executive Director Eron Berg
REQUESTED	<input checked="" type="checkbox"/> Information <input type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
ATTACHMENTS	Port Contracts Update

PORT OF PORT TOWNSEND INFORMATIONAL MEMO

DATE: September 23, 2022

TO: Commissioners

FROM: Sue Nelson, Lease & Contracts Administrator

CC: Eron Berg, Executive Director

SUBJECT: **September 28, 2022 Commission Meeting** – Commission Update: New/Amended Contracts Under \$50,000, Approved by Executive Director Eron Berg, per Delegation of Authority Resolution No. 762-22

Name	Dates	Description	Amount Not to Exceed:
Northwest Maritime Center, Dock attendant services	Services thru 9/10/22	Amend #2 extends service expiration date	