

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	June 25, 2025
AGENDA ITEM	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input checked="" type="checkbox"/> Regular Business <input type="checkbox"/> Informational
AGENDA TITLE	IV. D. Resolution 848-25 Authorizing Executive Director to Apply for Federal Economic Development Administration Disaster Supplemental Grant Funding to Support the Boat Haven Western Boat Yard Expansion Project to Retain Existing Jobs in the Marine Trades Economic Sector, Create New Job Opportunities, Improve the Port’s Emergency Preparedness, Response and Recovery Capabilities, and Expressing the Port’s Commitment to Providing Local Grant Matching Funds.
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
ATTACHMENTS	Informational Memo Resolution 848-25 (Revised)

If adopted as part of the consent agenda, no further action is needed. Approval of this item on the Consent Agenda authorizes the Executive Director to Apply for Federal Economic Development Administration Disaster Supplemental Grant Funding to Support the Boat Haven Western Boat Yard Expansion Project.

Alternative action: Remove from consent for discussion. Move to approve Resolution 848-25 Authorizing the Executive Director to Apply for Federal Economic Development Administration Disaster Supplemental Grant Funding to Support the Boat Haven Western Boat Yard Expansion Project

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 6/23/2025
TO: Port Commission
FROM: Eric Toews, Deputy Director
SUBJECT: EDA Disaster Recovery Program Grant Authorizing Resolution No. 848-25 – Boat Haven Western Boat Yard Expansion Project

ISSUE: Should the Executive Director be authorized to apply for, and if awarded, to execute such documents as may be necessary with the federal Economic Development Administration to secure up to \$4,860,000 in Disaster Recovery Program monies to partially fund the Western Boat Yard Expansion Project at Boat Haven?

BACKGROUND & DISCUSSION: The Port has been working to advance the Western Boat Yard Expansion Project for several years. In early 2024, the Port concluded a year-long Feasibility Study for the proposed Western Boat Yard Expansion Project funded by the Community Economic Revitalization Board (CERB). In spring of last year, the project was also included in a project array submitted by the North Olympic Peninsula Recompete Coalition (the “Coalition”) seeking funding support via the Distressed Area Recompete Pilot Program (Recompete) administered by the Economic Development Administration (EDA) of the US Department of Commerce. Although the Coalition was successful in obtaining funding, the Port’s Western Boat Yard Expansion Project was not included in the final project array.

Subsequently, the Port has been exploring other project-funding avenues, including EDA’s Public Works and Economic Adjustment Assistance (PWEAA) program, as well as Local Community Projects (LCP) funding via the State of Washington. While the Port was successful in obtaining partial funding (\$500,000) via LCP during the recently concluded legislative session in Olympia, the project is estimated to require up to \$6,075,000 to complete, and substantial additional funding assistance is needed.

In early June, the EDA announced the FY 2025 Disaster Supplemental Notice of Funding Opportunity. This program provides a more advantageous path to securing funding support than the PWEAA program (i.e., larger project awards are possible (\$20M versus \$5M), as well as a lower local match requirement (20% versus 40%). The program is administered by EDA pursuant to the Stafford Act (42 U.S.C. §5121 *et seq.*) and is intended to help communities and regions devise and implement long-term economic recovery strategies through a variety of non-construction and construction projects to address economic challenges in areas where a Presidential declaration of a major disaster was issued under the Stafford Act. The FY 2025 EDA Disaster Supplemental Funding addresses economic challenges in areas subject to declarations of natural disasters made in 2023 and 2024. Jefferson County was affected by one (1) such

Presidential declaration during the relevant period (DR-4775-WA), and is therefore, eligible to apply.

As the Commission is aware, the Boat Haven Boat Yard provides critical workspace, supporting infrastructure and equipment necessary for the Port's tenants, and many independent contractors, to thrive. Ballasted workspace accessible to the 300-ton lift, which is also served by the Port's stormwater collection and treatment system and other utilities, is essential to the current and future success of the marine trades, as well as the Port.

If successfully funded, the proposed project would provide for a total of 5.3 acres of upland yard space. About 4 acres would be added to the Yard, with a further 1.3 acres of existing Yard being redeveloped. The project would include minor demolition, site clearing and grading, subgrade preparation, new utility services, gravel surfacing, fencing, and appurtenances. No new buildings are included in the proposed project scope. Together with the North Boat Yard Expansion, the Western Boat Yard Expansion Project would complete the potential for enlargement of the Yard. It would also maximize efficient use of the only industrial land zoned for larger-scale, more intensive, marine industrial uses in Jefferson County. Most crucially, the project will support job retention and creation and provide opportunities for existing Port tenants to grow their businesses.

Accordingly, staff recommends that EDA Disaster Supplemental grant monies be sought to help fund the Western Boat Yard Expansion Project. The Commission's adopted Capital Improvement Program 2025-2029 anticipates this project, as does the North Olympic Development Council's Comprehensive Economic Development Strategy (CEDS).

FISCAL IMPACT: The estimated project cost is \$6,075,000. Of this total, we would be requesting EDA funding of 80%, or **\$4,860,000**. The remaining 20%, or \$1,215,000, would be a combination of State (\$500,000) and Port (\$715,000) match.

Staff has prepared a draft of Port Commission Resolution No. 848-25, authorizing application to EDA for EDA-2025-DISASTER SUPPLEMENTAL funding for this capital project. The source of Port matching funds is anticipated to be the Port-Wide Capital Reserves Fund. There is no submission deadline for the application. EDA will be accepting applications on an ongoing basis until all available funds have been awarded, or a new Disaster Supplemental Notice of Funding Opportunity has been published, whichever comes first. Port staff are highly motivated to prepare and submit this grant application as soon as possible.

MOTION: None required. Port Commission adoption of the Consent Agenda operates to approve the attached Resolution 848-25 authorizing the Executive Director to submit a grant application to the EDA's Economic Adjustment Assistance (EAA) Disaster Recovery Program seeking funding support for the Western Boat Yard Expansion Project.

ATTACHMENTS: Resolution No. 848-25, consisting of three (3) pages.

RESOLUTION NO. 848-25

A Resolution of the Commission of the Port of Port Townsend

AUTHORIZING THE EXECUTIVE DIRECTOR OF THE PORT OF PORT TOWNSEND TO APPLY FOR FEDERAL ECONOMIC DEVELOPMENT ADMINISTRATION DISASTER SUPPLEMENTAL GRANT FUNDING TO SUPPORT THE BOAT HAVEN WESTERN BOAT YARD EXPANSION PROJECT TO RETAIN EXISTING JOBS IN THE MARINE TRADES ECONOMIC SECTOR, CREATE NEW JOB OPPORTUNITIES, IMPROVE THE PORT'S EMERGENCY PREPAREDNESS, RESPONSE AND RECOVERY CAPABILITIES, AND EXPRESSING THE PORT'S COMMITMENT TO PROVIDING LOCAL GRANT MATCHING FUNDS.

WHEREAS, the Port of Port Townsend is a municipal corporation established in 1924 under Title 53 of the Revised Code of Washington; and

WHEREAS, under RCW 53, the Port of Port Townsend is responsible for developing and maintaining infrastructure that fosters economic development and providing transportation facilities and capital equipment that support commerce and communities within Jefferson County; and

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

WHEREAS, from January 5 to 29, 2024, portions of Western Washington experienced severe winter storms, straight-line winds, flooding, landslides, and mudslides which resulted in a Presidential Disaster Declaration for seventeen counties, including Jefferson County (DR-4775-WA); and

WHEREAS, the winter storms cited above damaged public and private property throughout Jefferson County and the region, and caused economic harm to the community; and

WHEREAS, the winter storms cited above also revealed the vulnerability of operations at the Port's Boat Haven Boat Yard facility, underscoring the need to further expand and develop the facility with infrastructure that is resilient and capable of withstanding and mitigating the effects of future disasters, while ensuring the economic stability and recovery of the region by sustaining and growing marine trades employment opportunities;

WHEREAS, the Economic Development Administration of the U.S. Department of Commerce (EDA) administers the Economic Adjustment Assistance (EAA) Disaster Recovery Program which makes 80% matching grant funds available to help communities devise and implement long-term economic development recovery strategies in areas where a Presidential Declaration of a major disaster has been issued; and

WHEREAS, the Port of Port Townsend qualifies to apply for EAA Disaster Recovery Program grant assistance (funding opportunity number EDA-DISASTER-2025) in that:

- Jefferson County, Washington was included in major disaster Presidential declarations under the Robert T. Stafford Disaster Relief and Emergency Assistance Act as a result of storms in calendar year 2024 (DR-4775); and
- The Western Boat Yard Expansion Project aligns with Investment Priorities identified by the EDA in that:
 - It facilitates economic recovery and resilience and strengthens the ability of the community to withstand future natural disasters and economic shocks; and
 - It encourages and supports job creation, business expansion, facilitates other technology and capital upgrades, and productivity growth in manufacturing at Boat Haven; and
 - It will help to attract private investment and retain and grow jobs within a designated Opportunity Zone; and
- The proposed Western Boat Yard Expansion Project is consistent with, and helps to implement the North Olympic Development Council’s 2021-2025 Comprehensive Economic Development Strategy (CEDS) in that it will sustain and expand the strength of the marine trades economic sector, leading to a more diverse and resilient economy; and
- The Western Boat Yard Expansion Project is also reflected in the Port of Port Townsend’s 2025-2029 Capital Improvement Program (CIP) as infrastructure development necessary to support the health and resilience of the Port’s Boat Haven operations and Jefferson County’s marine trades economic sector; and

WHEREAS, the total cost for engineering design, permitting, construction, and construction management and administration for the Boat Haven Western Boat Yard Expansion Project is estimated to be ~~\$6,020,000~~ \$6,075,000 and

WHEREAS, the Western Boat Yard Expansion project described herein is eligible for EDA funding support as described above, with EDA responsible for an eighty percent (80%) share (~~\$4,816,000~~ \$4,860,000), with a non-federal match of twenty percent (20%) (~~\$1,204,000~~ \$1,215,000), which will be comprised, respectively, by \$500,000 (~~8.3%~~ 8.2%) in funding support from the State of Washington and ~~\$704,000~~ \$715,000 (~~11.7%~~ 11.8%) in direct funding from the Port; and

WHEREAS, as of May 31, 2025, the Port had reserved and unreserved cash balances in excess of the amounts necessary to meet its grant match share, and therefore, has the funds available to proceed with this capital infrastructure development project if successful in obtaining EDA funding support;

NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Port Townsend, as follows:

- 1. Application for Disaster Recovery Program Grant Assistance Confirmed:** The Commission for the Port of Port Townsend, Jefferson County, Washington, supports preparation and submission of an EDA Disaster Supplemental Grant Program application for \$4,816,000 to assist in funding the engineering design, permitting, construction of the Boat Haven Western Boat Yard Expansion Project support, and grow the Port’s Boat Haven Boat Yard operations.

- 2. Executive Director Authorized to Execute All Necessary Documents & Agreements:** The Port Commission authorizes its Executive Director, Eron Berg, or his designee, to sign and submit all necessary documents to both apply for, and enter into, a project agreement with the EDA, if the requested funding is awarded.

- 2. Port of Port Townsend Match Commitment:** Upon consultation with the Port’s Director of Finance and Administration, the Commission of the Port of Port Townsend has concluded, and hereby assures EDA, that local and state matching funds totaling up to \$1,204,000 (i.e., \$500,000 approved in the State’s adopted Capital Budget and \$704,000 in Port reserves) are available and have been authorized for the above-referenced capital equipment acquisition.

- 4. Adequacy of Process Confirmed:** The Port of Port Townsend certifies that appropriate public notice and opportunity for comment on this application has been provided, and further, that this application authorization was properly and lawfully adopted following the requirements of the Port of Port Townsend and all applicable laws.

ADOPTED this 25th day of June 2025, by the Commission of the Port of Port Townsend and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.

ATTEST:

Carol L. Hasse, President

Pamela A. Petranek, Vice President

Peter W. Hanke, Secretary

APPROVED AS TO FORM:

Port Attorney