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**Port of Port Townsend  
2<sup>nd</sup> Monthly Regular Meeting Agenda  
Wednesday, July 27, 2016, 5:30 PM  
Port Commission Building  
333 Benedict Street, Port Townsend, WA**

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Consent Agenda
  - A. Approval of Public Workshop Minutes – July 13, 2016.....1-2
  - Approval of Meeting Minutes – July 13, 2016.....3-5
  - B. Resolution No. 648-16 – Cancellation of Warrants.....6
  - C. Approval of Warrants
- IV. Public Comments (not related to Agenda)
- V. Second Reading (action items)
  - A. 2017 Operating & Capital Budget Development Schedule.....7-8
  - B. Johnson Fabrication, LLC, Lease.....9-33
- VI. First Reading (discussion only)
  - A. Port Townsend Boat Haven Reserve.....34-35
  - B. Resolution Establishing Port SEPA Policies, Procedures and Implementing Rules.....36-48
- VII. Potential Immediate Action Items (unanimous Commission approval required)
- VIII. Other Business
  - A. August 24 Commission Workshop and Meeting.....49
- IX. Staff Comments
- X. Public Comments
- XI. Commissioner Comments
- XII. **Next Public Workshop/ Meeting: Date: Wednesday, August 10, 2016 – workshop at 9:30 AM, meeting at 1:00 PM, Port Commission Building, 333 Benedict Street, Port Townsend, WA.**
- XIII. Executive Session (if called)
- XIV. Adjournment

**PORT COMMISSION PUBLIC WORKSHOP – July 13, 2016**

The Port of Port Townsend Commission met for the Public Workshop session in the Commission Building, 333 Benedict Street, Port Townsend, WA.

Present: Commissioners Tucker, Clinefelter and Hanke  
Executive Director – Gibboney  
Auditor – Berg  
Director of Planning, Properties & Environmental - Toews  
Minutes – Nelson  
Attorney - O'Malley

I. CALL TO ORDER:

The Workshop was called to order at 9:30 a.m.

II. AGENDA:

Refer to attached workshop agenda for items discussed.

IV. ADJOURNMENT:

The Workshop reconvened and adjourned at 11:03 a.m.

ATTEST:

\_\_\_\_\_  
Peter W. Hanke, President

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Brad A. Clinefelter, Secretary

\_\_\_\_\_  
Stephen R. Tucker, Vice President

**Port of Port Townsend  
Public Workshop  
Wednesday, July 13, 2016, 9:30 a.m.  
Commission Building  
333 Benedict Street  
Port Townsend, WA**

**AGENDA**

➤ **Capital Improvements:**

Discussion with the commissioners to focus on:

- Priorities
- Funding
- Strategy

Note: This is a Public Port Commission Workshop. Workshops are for information sharing only and no decisions will be made during the session. Public input may be taken at the Commissions' discretion.

**PORT COMMISSION REGULAR MEETING-- July 13, 2016**

The Port of Port Townsend Commission met in regular session at the Commission Building, 333 Benedict Street, Port Townsend, WA

Present: Commissioners – Tucker, Clinefelter and Hanke  
Executive Director – Gibboney  
Auditor – Berg  
Director of Planning, Properties & Environmental – Toews  
Attorney – O'Malley  
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Hanke called the meeting to order at 1:00 p.m.

II. APPROVAL OF AGENDA:

Mr. Toews proposed an Executive Session on Litigation, ten minutes, no action.

**Commissioner Tucker moved to approve the Agenda as amended.**

**Commissioner Clinefelter seconded the motion.**

**Motion carried by unanimous vote.**

III. CONSENT AGENDA (0:54):

A. Approval of Public Workshop Minutes – June 22, 2016

Approval of Meeting Minutes – June 22, 2016

B. Operations Reports – June 2016

C. Approval of Warrants

Warrant #056332 through #056344 in the amount of \$53,670.78 for Payroll & Benefits

Electronic Payment in the amount of \$82,685.01 for Payroll & Benefits

Warrant #056345 through #056409 in the amount of \$145,500.79 for Accounts Payable

**Commissioner Tucker moved to approve the Consent Agenda as presented.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

IV. PUBLIC COMMENTS (Not related to agenda) (1:02):

George Yount discussed the FEMA open house he attended in Quilcene, which led to his question, does the Port's insurance include flood coverage?

(Commissioner Hanke welcomed new Leader reporter, Libby Wennstrom, who replaced Robin Dudley.)

V. SECOND READING (Action Items):

VI. FIRST READING (Discussion Only):

A. Johnson Fabrication, LLC, Lease (2:29):

Mr. Toews explained this lease space is the NE corner of the former J&S Building and is the same space Mr. Johnson leased last year. He added this is the only area (of the building) that has not had a roof replacement and pointed out it is listed in the CRRP as an urgent project. He explained the water leaks are damaging the trusses, as reported by Port Engineer, Harold Andersen. Mr. Toews stated the lease term is five-years, unless terminated early by the Port, as stated in the lease. Mr. Johnson is being charged \$0.41/sq. ft. If the roof is replaced the lease rate would increase to the standard rate of \$0.67/sq. ft.

Discussion ensued on the urgency of this roof replacement, whether temporary repairs could be done, and whether the Port has received bids on this project.

B. Draft Budget Schedule (9:29):

Ms. Berg stated the County Assessor has agreed to attend the September 7, 2016 budget workshop.

She pointed out this budget schedule is similar to last year's.

Ms. Berg reported Cynthia Weed would attend the August 10, 2016 workshop, along with staff from the County Treasurer and Assessor's offices.

Commissioner Clinefelter asked about the budget meetings with Department Managers on August 15-18. Ms. Gibboney explained managers would bring their projected expenses and potential revenue generator ideas to the table. She stated she has discussed with staff about setting target goals and added budget planning is very much a participatory process.

Ms. Gibboney suggested incorporating a tour of capital projects into the budget schedule. Discussion ensued on an Open House Tour vs. one-on-one commission inspections. Ms. Gibboney discussed the value of public involvement with an open house. Staff would bring back proposed dates to the commission.  
Ms. Berg informed that the budget schedule would be on the July 27, 2016 meeting agenda for approval.

VII. POTENTIAL IMMEDIATE ACTION ITEMS):

VIII. OTHER BUSINESS:

(Commissioner Hanke asked about PUD work happening near the yard along Sims Way. Commissioner Tucker wanted to recognize that the Port of Port Angeles airport – Fairchild - received unused FAA funds awarded to the Port of PT for the Jefferson County Airport that were left over from a previous project.)

IX. STAFF COMMENTS (26:03):

Ms. Gibboney informed she met with airport tenants on site and discussed some of their projects she observed.

She stated she attended the ACI boat launching ceremony on Saturday and thanked the yard staff – Sean and Chris, for working on a Saturday. She said ACI is looking at possible additional lease space but their biggest challenge is parking. Ms. Gibboney will approach Port staff for their ideas on parking alternatives.

Ms. Gibboney briefed the commission on a recent meeting she had with Peninsula Trails Coalition board members. They discussed potential alternatives to reroute trail traffic away from the busy shipyard, including repositioning the trailhead to the Park and Ride. The group will meet again late in 2016. Ms. Gibboney added the Port would like to accommodate trail users without affecting core business at the Port.

Mr. Toews informed agricultural uses in the airport vicinity are not consistent with Jefferson County Code. The Port will address this issue with the County. He explained the Letter of Intent with the Coppenraths would be on hold until the County completes their Comp Plan update next year. He stated the County might be able to amend the Code. Discussion ensued on this subject.

Ms. Berg reported she continues working on the Annual Report and once that is completed, she will work on monthly financial reports, which she said, are important for the start of the budget process. She added she will begin work on insurance renewals at each marina and general liability insurance for the Port itself.

Ms. Nelson informed the deposit due date is coming up for the 2017 Seattle Boat Show. Ms. Gibboney asked the commission for feedback and they all agreed the Port should continue participating. She also informed the commission that she and staff are working on marketing strategies and is researching what our return is on advertising.

Commissioner Tucker spoke about eelgrass signage that directs boaters to call the City for tie-ups (City Dock/Union Wharf) and said wording needs to be corrected. Ms. Gibboney reported she tasked staff to rethink signage around the Port.

Attorney O'Malley said he has noticed a level of excitement and energy with a new director on staff and he is excited to see Ms. Gibboney here.

X. PUBLIC COMMENTS:

XI. COMMISSIONER COMMENTS (47:51):

Commissioner Tucker discussed the recent NODC meeting he attended. Among items discussed there were CEDs funding and the creation of the “vibrant and active” Chimacum Corners that received a fusion of money. Commissioner Tucker added he would like to see the Port, somehow, become a type of active partner in the Chimacum Corners project.

He then discussed a meeting he recently attended on Ocean Acidification where he learned a group is raising kelp on rafts as an experiment to remove excess carbon dioxide from our waters. Commissioner Tucker suggested a good possible place for this experimental project might be Quilcene Bay.

Commissioner Clinefelter reported he and Ms. Gibboney met with Betsy Davis and Sean of the Northwest School of Wooden Boats at their site where they reviewed the School’s new Strategic Plan. He added the School might approach the Port in the future for partnership possibilities. Commissioner Clinefelter suggested adding to Tier 3 of the CRRP – the repair of the rotting Port Hadlock piling and the dock, which needs securing.

He said the School has in their long-term plans to build a new dock, which, he added may be something the Port and the school could collaborate on. Commissioner Tucker discussed the problem the Port faced in the past with the unavailability of parking at the Port Hadlock ramp. Commissioner Clinefelter believes continued discussions between the Port and the School should take place in the future.

Commissioner Clinefelter asked for an update on the vessel, John Cobb. Ms. Gibboney added the situation with this vessel will cause for a change in policies and operations in order to avoid an occurrence like this in the future. Commissioner Clinefelter said the Yard should require owners to supply their work plans prior to hauling out. Mr. Toews answered this is included in the R&Rs.

Commissioner Hanke stated staff should schedule a meeting with Vessel Assist (in regards to dropping vessels off at the Port without prior authorization).

Commissioner Hanke requested one of the August commission meetings to take place in Quilcene. (Staff will research.)

XII. NEXT PUBLIC WORKSHOP/REGULAR MEETING:

Wednesday, July 27, 2016. Workshop at 3:00 p.m., meeting at 5:30 p.m. in the Port Commission Building, 333 Benedict St, Port Townsend.

XIII. EXECUTIVE SESSION:

The regular session recessed into Executive Session at 2:12 p.m. to discuss litigation, pursuant to RCW 42.30.110 (i), duration of ten minutes with no action.

XIV. RECONVENING AND ADJOURNMENT OF REGULAR MEETING:

The meeting reconvened and adjourned at 2:23 p.m. there being no further business to come before the Commission.

ATTEST:

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Brad A. Clinefelter, Secretary

\_\_\_\_\_  
Peter W. Hanke, President

\_\_\_\_\_  
Stephen R. Tucker, Vice President

RESOLUTION NO. 648-16

A Resolution of the Commission of the Port of Port Townsend

CANCELLING WARRANT NUMBERS 53876 & 54429

**WHEREAS:** under RCW 36.22.100 registered or interest bearing warrants not presented within one year of the date of their call must be cancelled by the legislative authority to leave the funds as if such warrants had never been drawn;

**NOW, THEREFORE BE IT HEREBY RESOLVED** by the Port of Port Townsend Commission that the warrants identified below are hereby cancelled:

| Warrant Number | Issue Date | Amount  | Claimant        |
|----------------|------------|---------|-----------------|
| 53876          | 12/8/2014  | \$25.00 | Joseph Lockhoff |
| 54429          | 4/22/2015  | \$4.09  | Vernon Brisley  |

**ADOPTED** this 27<sup>th</sup> day of July, 2016, 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:**

\_\_\_\_\_  
Peter W. Hanke, President

\_\_\_\_\_  
Stephen R. Tucker, Vice-President

\_\_\_\_\_  
Brad A. Clinefelter, Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Port Attorney

**PORT OF PORT TOWNSEND**

**MEETING OF:** July 27, 2016

**AGENDA ITEM:** V. Second Reading  
A. 2017 Operating & Capital Budget Development  
Schedule

**BACKGROUND:**

Review of the suggested 2017 Budget Schedule.

**Executive Director's Recommendation:**

The Commission approves this 2017 Budget Schedule.



## Port of Port Townsend 2017 Operating & Capital Budget Development Schedule

|   |                     |      |   |
|---|---------------------|------|---|
| * | July 13, 2016       | 1:00 | Draft 2017 Budget Schedule and process discussed at Commission workshop.  |
| * | July 27, 2016       | 5:30 | Revised Budget Schedule reviewed & approved by Commission.  |
| * | August 10, 2016     | 9:30 | Workshop session - discuss issues, goals & assumptions, with review of preliminary 2016 mid-year operating results. Presentation by Cynthia Weed, Bond Counsel, with County Assessor and Treasurer in attendance. |
|   | August 15-18, 2016  | TBD  | Individual work sessions with Department Managers and Port Directors.   |
|   | August 17, 2016     | 8:00 | Public tour of Tier I projects, open to public, not a Commission meeting  |
| * | August 24, 2016     | 3:00 | Workshop session - budget for possible discussion   |
|   | August 30, 2016     | 9:00 | Group work session with Department Managers and Port Directors to discuss budget - as needed.   |
| * | September 14, 2016  | 9:30 | Workshop session - continue discussion of 2017 Budget issues, and review revenue projections. County Assessor will be in attendance to provide presentation of budgeted tax levy.                                 |
| * | September 28, 2016  | 5:30 | 1st draft of budget and cash flow presented to Commissioners and public.  |
|   | September 28, 2016  |      | 1st draft of budget posted on Port website, for public comment.   |
| * | October 12, 2016    | 1:00 | 2nd review of draft 2017 Budget and Cash Flow projection.   |
|   | October 12-26, 2016 |      | Advertise budget hearings in Leader & PDN per RCW 53.35.020   |
| * | October 26, 2016    | 5:30 | 1st public hearing and public comment period on 2017 Budget   |
| * | November 9, 2016    | 1:00 | 2nd public hearing and public comment period on 2017 Budget - if needed. Adoption of budget.  |
|   | November 30, 2016   |      | Tax levy resolutions due to Jefferson County, per RCW.  |

\* Commission Meetings

All work shops & meetings held in the Commission Room

## PORT OF PORT TOWNSEND

**MEETING OF:** July 27, 2016

**AGENDA ITEM:** V. Second Reading  
B. Johnson Fabrication, LLC, Lease

### **BACKGROUND:**

Michael Johnson, owner of Johnson Fabrication, LLC, has been working with Port staff to outline the terms and conditions of a new lease for his business located at the Port Townsend Boat Haven in the "C&S/Law/Johnson" building (formerly the "J&S" building) located at 810 Haines Place at the Boat Haven. Mr. Johnson's business focuses on marine composite fabrication, repair and maintenance.

Mr. Johnson presently occupies 750 square feet of building space under a one-year lease that will expire on July 31<sup>st</sup>. The portion of the building leased by Johnson Fabrication has a seriously compromised roof structure and will likely require renovation or reconstruction within the next five to ten years. The December 2015 draft of the Port's Capital Repair & Replacement Plan (CRRP) identified this roof replacement as a "Priority 1" project. The estimated cost of renovation of the roof structure alone is \$103,508.63 (i.e., \$82,500 as outlined in the draft CRRP (see attached detail), plus 9.1% WSST and 15% contingency).

Due to the condition of the roof, this space is currently leased at 41¢ per square foot, below the market rate of 67¢ per square foot paid by other tenants in portions of the building where the roof has been repaired or replaced (e.g., Lance Warren). The central terms of the proposed lease are as follows:

- Premises (Paragraph 1): 750 square feet of building space located at 810 Haines Place;
- Term (Paragraph 2): 5 years (due to the condition of the roof, no options for extending the initial lease term are proposed);
- Rent (Paragraph 3): 41¢ per square foot, or \$307.50 per month; in the event the Port renovates or replaces the roof structure, the monthly rent will escalate to 67¢ per square foot, or \$502.50 per month;
- Damage, Destruction or Hazardous Condition (Paragraph 12(c)): Language has been incorporated which would permit the Port, upon consultation with a structural engineer, to early terminate the lease if it concludes that all or a portion of the premises would constitute a hazard to the Lessee and its employees.

In all other respects, the terms and conditions of the Port's standard lease agreement apply, including the Port's standard Hazardous Substances Warranty and Agreement.

At the July 13 Commission meeting, staff was asked to further investigate whether or not a near-term lower cost roof repair or renovation might be possible to enable a market rate rent to be charged for the space in the near term. Following the meeting,

Port Planning Director Eric Toews posed the question to Port Maintenance Supervisor, Larry Aase. Mr. Aase stated that the roof in question has already been repaired to the extent feasible without complete renovation and replacement, as outlined in the draft CRRP (see attached detail). Further, he stated that the existing poor design, coupled with decay of the roof structure, will likely require complete replacement of the roof trusses and covering within the next decade.

In staff's judgment, the proposed terms and conditions enable Johnson Fabrication, LLC, to continue to fill its important marine trades niche at the Boat Haven, and aides the Port in supporting the local economy while serving the long-term fiduciary interests owed by to the taxpayers of Jefferson County.

**EXECUTIVE DIRECTOR'S RECOMMENDATION:**

Authorize Executive Director to approve the new five (5) year lease with Johnson Fabrication, LLC.

## PORT OF PORT TOWNSEND BUILDING LEASE

**THIS LEASE AGREEMENT** made this 1st day of August 2016, 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 Michael Johnson, doing business as (dba) JOHNSON FABRICATION LLC, a Washington Limited Liability Corporation, 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, certain real property (hereinafter "the premises") located in Jefferson County, Washington, more particularly delineated in Exhibit "A" which is attached hereto and incorporated herein by this reference, and which is briefly described as follows:  
  
**750 square feet of a 1,500 building space located at 810 Haines Place, Port Townsend, WA in the Port's Boat Haven Facility.**
2. **TERM:** The term of this Lease is five (5) years, beginning August 1, 2016 and ending at midnight, July 31<sup>st</sup>, 2021 unless sooner terminated as provided in this Lease.
3. **RENT:**
  - a. Lessee agrees to pay as rental for the leased premises the sum of **Three Hundred Seven Dollars and Fifty Cents (\$307.50)** plus all applicable taxes.<sup>1</sup>
  - b. In the event the roof structure of the leased premises is substantially renovated or replaced by Lessor during the term of the Lease, the rental rate shall be adjusted to the sum of **Five Hundred and Two Dollars and Fifty Cents (\$502.50)** plus all applicable taxes beginning on August 1 of the year following roof renovations or replacement.
  - c. 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

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<sup>1</sup> Due to the seriously deteriorated condition of the roof structure on this space, the rent has been established at \$307.50 per month (i.e., 41¢ per square foot). In the event that the Port substantially renovates or replaces the roof structure for the premises, the market rent for this space will be increased to \$502.50 per month (i.e., 67¢ per square foot).

consumers (CPI-U) for Seattle-Tacoma-Bremerton, which is compiled by the Department of Labor, Bureau of Statistics.

- d. In no event shall any rent adjustment under Subparagraphs (b) or (c) of this Paragraph 3 result in a reduction in rent from the rate paid in the prior year.
  - e. The rent for each month shall be paid to the Port in advance on or before the first day of each and every month of the lease term, and shall be payable at the main office of the Port or at such place as the Port may hereafter designate.
4. **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.
  5. **SECURITY DEPOSIT:** Upon the execution of this Lease, Lessee shall deposit with the Port two month's rent in the amount of **Six Hundred and Fifteen Dollars and Zero Cents (\$615.00)** plus all applicable taxes in order to guarantee performance under this Lease. This Lease shall not be effective until full deposit of the required amount is made with the Port. In the event the rental amount is increased pursuant to Paragraph 3(b), above, the amount of such security deposit shall be increased in the same proportion as the annual rental is increased above the rent charged at the inception of the lease term. The deposit shall be held by the Port as security for Lessee's faithful performance of all of their obligations under this Lease. The Port shall retain any interest earned on amounts deposited. 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.
  6. **USE OF PREMISES:** Lessee shall use the premises for marine fabrication, repair and maintenance and shall not use them for any other purpose without the prior written consent of the Port. Lessee shall use the entire premises for the conduct of said business continuously during the entire term of this Lease, with the exception of temporary closures for such periods as may reasonably be necessary for repairs or for reasons beyond Lessee's reasonable control. 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.
  7. **UTILITIES:** Lessee shall be liable for, and shall pay throughout the term of this Lease, all utility services furnished to the premises, including, but not limited to, light, heat, electricity, gas, water, sewerage, garbage disposal.

8. **ACCEPTANCE OF PREMISES – “AS IS” – NO WARRANTIES:** Lessee has examined the leased premises and accepts them in their present condition. The Port makes no representations or warranties with respect to the condition 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.
9. **MAINTENANCE AND REPAIR:** At the expiration or sooner termination of this Lease, 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 shall, at it's own expense, and at all times:
  - a. Keep the premises, and the adjoining roadways and sidewalks, neat, clean and in a safe and sanitary condition;
  - b. Maintain and keep the leased premises in a good state of repair; and
  - c. Not commit waste of any kind.
10. **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. Such written approval shall also include agreement for disposition of the improvements upon termination of this Lease.
11. **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.
12. **DAMAGE, DESTRUCTION OR HAZARDOUS CONDITION:**
  - a. Should the premises or the buildings or structures of which the premises are a part be damaged by fire or other casualty, and if the damage is repairable within four (4) weeks from the date of the occurrence (with the repair work and the preparations therefore to be done during regular working hours on regular work days), the premises shall be repaired with due diligence by the Port, and in the meantime the monthly minimum rental

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

- b. Should the premises or any buildings or structures of which the premises are a part be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot be repaired within four (4) weeks of the occurrence, the Port shall have the option to terminate this Lease on thirty (30) days' notice, effective as of any date not more than sixty (60) days' after the occurrence. In the event that this paragraph shall become applicable, the Port shall advise Lessee within thirty (30) days after the happening of any such damage whether the Port has elected to continue the lease in effect or to terminate it. If the Port shall elect to continue this Lease in effect, it shall commence and prosecute with due diligence any work necessary to restore or repair the premises. If the Port shall fail to notify Lessee of its election within said thirty (30) day period, the Port shall be deemed to have elected to terminate this Lease, and the lease shall automatically terminate sixty (60) days after the occurrence of the damage. For the period from the occurrence of any damage to the premises to the date of completion of the repairs to the premises (or to the date of termination of the lease if the Port shall elect not to restore the premises), the monthly minimum rental shall be abated in the same proportion as the untenable portion of the premises bears to the whole thereof.
- c. Should the Port, upon its own initiative and following consultation with a structural engineer, conclude that the condition of all or a portion of the premises constitutes a hazard to the Lessee and its employees, guests and invitees and that the cost of remedying such hazardous condition is prohibitive, which shall be within the Port's sole discretion to determine, the Port shall have the option to terminate this Lease on one-hundred and twenty (120) days' notice. In the event that this paragraph shall become applicable, the Port shall immediately advise Lessee upon receipt of written findings from a structural engineer regarding the existence of a hazardous condition and the Port's decision to terminate this Lease. For the period from the time of the engineer's finding of the existence of a hazardous condition to the date of termination of the Lease, the monthly minimum rental shall be abated in the same proportion as the untenable portion of the premises bears to the whole thereof. Lessee shall not be entitled to any damages or compensation for business interruption or loss of revenue for early termination of the Lease under this provision.

- 13. INDEMNIFICATION AND HOLD HARMLESS:** The Port, its employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property, regardless of how such injury or damage be caused, sustained, or alleged to have been sustained by the Lessee or by others as a

result of any condition (including existing or future defects in the premises) or occurrence whatsoever related in any way to the premises and the areas adjacent thereto or related in any way to Lessee's use or occupancy of the premises and of the areas adjacent thereto. 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.

- 14. 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. Comprehensive Business Automobile Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of \$1,000,000.00 combined single limit for each occurrence. Such insurance shall include but not be limited to bodily injury liability, property damage liability, hired car liability, and non-owned auto liability.
  - c. Workers Compensation Insurance as will protect 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, b and c of this Paragraph 14 shall be met prior to occupancy.

- 15. 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 15 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.



16. **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.
17. **HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT:** Lessee has examined the Hazardous Substance Warranty and Agreement (Exhibit "B"), consisting of six (6) pages, which is attached hereto and which by this reference is incorporated herein as fully set forth herein, and acknowledges full understanding of its obligations under said Hazardous Substances Warranty and Agreement.
18. **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.
19. **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 the City of Port Townsend. Any fees for any inspection of the premises during or for the lease term by any federal, state or municipal officer and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.
20. **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(s), 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's 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.

- 21. DEFAULTS:** Time is of the essence of this Lease Agreement, and in the event of the failure of Lessee to pay the rentals or other charges at the time and in the manner herein specified, or to keep any of the covenants or agreements herein set forth to be kept and performed, the Port may elect to terminate this Lease and reenter and take possession of the premises with or without process of law, PROVIDED, however, that Lessee shall be given fifteen (15) days' notice in writing stating the nature of the default in order to permit such default to be remedied by Lessee within said fifteen (15) day period. If upon such reentry there remains any personal property of Lessee or of any other person upon the leased premises, the Port may, but without the obligation so to do, remove said personal property and hold it for the owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Lessee shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Lessee, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Lessee to the Port, and the balance, if any, shall be paid to Lessee. Notwithstanding any such reentry, the liability of Lessee for the full rental provided for herein shall not be extinguished for the balance of the term of this Lease, and Lessee shall make good to the Port any deficiency arising from a re-letting of the leased premises at a lesser rental than that hereinbefore agreed upon. Lessee shall pay such deficiency each month as the amount thereof is ascertained by the Port. Any failure by the owners, officers, or principals of Lessee to pay rentals, storage fees, moorage or any other charges owed to the Port under separate contract shall constitute default under provisions of this Lease Agreement.
- 22. 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 **sixty (60)** or more days before the termination date specified in the notice. Lessee and the Port Executive Director will agree compensation to Lessee for loss of use, cost of relocation, and/or cost of improvement.
- 23. 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.

- 24. 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.
- 25. 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.
- 26. 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.
- 27. 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 21 hereof.

28. **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.
29. **SURRENDER OF PREMISES - ATTORNEYS' FEES:** At the expiration or sooner termination of this Lease, Lessee shall promptly vacate the premises or re-negotiate a lease for the premises with the Port. 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.
30. **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.
31. **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.
32. **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.
33. **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:  
Michael Johnson  
JOHNSON FABRICATION, LLC  
4606 Magnolia Street  
Port Townsend, WA 98368

or to such other respective addresses as the parties 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.

34. **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.
35. **"LESSEES" INCLUDES LESSEE, ETC.:** It is understood and agreed that for convenience the word "Lessees" and verbs and pronouns in the plural 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 Lessees or Lessee under this Lease Agreement.
36. **CAPTIONS:** The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.
37. **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.
38. **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.

- 39. 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.
- 40. 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 their 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.

Lease Agreement dated this 1<sup>st</sup> day of August 2016 is hereby approved by the Port of Port Townsend, on this 1<sup>st</sup> day of August 2016 and effective upon the receipt of a deposit and liability insurance documentation from the Lessee.

**LESSEE**

\_\_\_\_\_  
Michael Johnson  
JOHNSON FABRICATION, LLC  
**ATTEST:**

**PORT OF PORT TOWNSEND**

**APPROVED AS TO FORM**

\_\_\_\_\_  
Sam Gibboney, Executive Director

\_\_\_\_\_  
Port Attorney

**STATE OF WASHINGTON  
COUNTY OF JEFFERSON**

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

Dated: \_\_\_\_\_

Signature of  
Notary Public: \_\_\_\_\_

My Appointment Expires: \_\_\_\_\_

**EXHIBIT "B"**  
**HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT**

RIDER TO LEASE AGREEMENT DATED: AUGUST 1 2016, BETWEEN THE PORT OF PORT TOWNSEND and MICHAEL JOHNSON, DBA JOHNSON FABRICATION LLC ("LESSEE").

**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 the Port, Lessee shall not store, use or have present on or adjacent to the premises any Hazardous Substances. Hazardous Substances means a reportable quantity of any hazardous, toxic, dangerous or extremely dangerous substance, material, vapor, or waste, pollutant, or pollution, which is or becomes regulated by the United States Government, the State of Washington, or any local governmental authority applicable to the leased property. The term includes, without limitation, any substance containing constituents of the foregoing.

Except that Lessee may store, use, or have present on the premises the following:

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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 the Port may, in its sole discretion, approve in writing upon request by Lessee.
3. **HANDLING AND DISPOSAL.** The Lessee agrees to use said substances identified in Paragraph 2 only on areas which have impermeable surfaces and or other means for preventing accidental contact by such substances with the soils upon the leasehold or its surrounding area.
4. **RELEASES OF HAZARDOUS SUBSTANCES PROHIBITED.** Lessee, its officers, employees, contractors, agents, licensees, invitees, and assigns, shall not Release, dispose of, or permit a Release of any Hazardous Substances onto the premises or into the environment surrounding the premises, whether said Release is caused by intentional or unintentional acts, omissions, negligence, or otherwise. As used in

this Lease, the term "Release" shall be defined as provided in 42 U.S.C. 9601 and RCW 70.105D.020. In the event a conflict exists between the two definitions, the broader definition shall apply. For purposes of this lease, the term Release shall also include a threatened Release.

5. **REGULATORY COMPLIANCE.** Lessee warrants and agrees that, during the term of this Lease and any extensions thereof, it will take all steps necessary to comply with all applicable federal, state and local requirements, including without limitation laws, rules, regulations, ordinances, permits and permit requirements, orders, decrees, and other governmental requirements regarding the proper and lawful generation, use, sale, transportation, storage, treatment and disposal of Hazardous Substances, (hereinafter "Laws"), on or in any manner which affects the premises. Lessee shall, at its sole cost and expense, comply with all Laws. Lessee shall obtain any required federal or state hazardous waste generator or transporter identification numbers. Lessee shall provide to the Port 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 (7) days of receipt by Lessee.
6. **DISPOSAL OF HAZARDOUS WASTES.** In the event Lessee has occasion or need to dispose of Hazardous Substances or wastes, and unless otherwise agreed in writing, Lessee shall retain an independent hazardous waste disposal firm to dispose of any and all such substances at an off-site facility which has been properly approved, licensed and authorized to accept such substances. Lessee shall ensure that the disposal firm is properly licensed and in good standing with the applicable regulatory authorities for such work, and that it has all required transporter identification numbers.
7. **LESSEE'S WARRANTY OF NO CONTAMINATION.** Except as may be disclosed in Attachment No. 1 hereto, Lessee warrants and represents that it has (1) 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, (2) 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 (3) 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 Substances. 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 the Port in writing within seven (7) days of such event, and shall provide the Port with a copy of each document reflecting such event.
8. **INDEMNIFICATION AND HOLD HARMLESS.** Lessee shall indemnify and hold the Port 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 the Port which result from (1) Lessee's breach of provision of this Rider, (2) claims, actions, suites, proceedings, judgments, fines or remedial orders (including orders to clean up contamination at the premises) which arise because of Lessee's breach of this Rider, (3) Lessee's violation of environment laws or regulations, or (4) Lessee's Release of Hazardous Substance onto the premises or into the surrounding environment. This obligation shall include, but shall not be limited to, environmental response and remedial costs, other cleanup costs, environmental consultants' fees, attorneys' fees, fines and penalties, laboratory testing fees, claims by third parties and governmental authorities for death, personal injuries, property damage, business disruption, lost profits, natural resource damages and any other costs for environmental assessments, monitoring, government compliance, or otherwise related to a Release or threatened Release of Hazardous Substances. This obligation by the Lessee shall survive the expiration or termination of this Lease Agreement and the sale of the property. If the Port so requests, Lessee shall accept the tender of defense of, and shall retain counsel of the Port's selection and at Lessee's expense to defend any third party claim asserted against the Port in connection with alleged conduct by Lessee which, if true, would be in breach of the provision of this Rider. Lessee shall have no obligation under this Paragraph 8, if Lessee can establish that the Release or threatened of Release of a Hazardous Substance and the damages resulting therefrom were caused solely by:

- a. An act of God;
- b. An act of war;
- c. An act or omission of a third party other than (i) an employee or agent of the Lessee, or (ii) any person whose act or omission occurs in connection with a contractual relationship existing, directly or indirectly, with the Lessee, if the Lessee establishes by a preponderance of the evidence that Lessee (a) exercised due care with respect to the Hazardous Substance concerned, taking into consideration the characteristics of such Hazardous Substance, in light of all relevant facts and circumstances, and (b) took reasonable precautions against foreseeable acts or omissions of any such third party and the foreseeable consequences of such acts or omissions;  
or
- d. Any combination of the foregoing paragraphs.

9. **NOTIFICATION TO THE PORT OF CHANGES IN OPERATION.** Lessee agrees to notify the Port 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 or threatened Release of Hazardous Substances into the environment, including but not limited to material changes in Lessee's methods of hazardous waste disposal, material increases in the volume of Lessee's hazardous waste

disposal, or material changes in the nature of any hazardous wastes which Lessee anticipates it will generate.

10. **COPIES OF ENVIRONMENTAL CORRESPONDENCE.** Lessee agrees to provide the Port with copies of all past and future correspondence to or from the Washington Department of Ecology, the U.S. Environmental Protection Agency, and any other government agency which has had or may have contact with Lessee regarding environmental concerns pertaining to the premises.
11. **NOTIFICATION OF SPILLS OR RELEASES.** Lessee shall comply with all notification requirements under the applicable federal, state and local environmental statutes and regulations, including but not limited to the timely notification of the appropriate government authorities of any spills or Releases of Hazardous Substances into the environment or onto the premises. Lessee shall notify the Port 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 the Port with seven (7) days after receipt or creation, as the case may be.
12. **PORT'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, the Port shall be entitled (1) to terminate this Lease Agreement immediately, (2) to require Lessee to cease all operation which pose a risk or threat 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. The Port 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 the Port under applicable law.
13. **ANNUAL DECLARATION OF COMPLIANCE.** Within ten (10) days of receipt of a written request by the Port, 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. The Port anticipates that it will request such a declaration annually, approximately on the anniversary date of this Rider.
14. **INSPECTION OF PREMISES.** Lessee agrees to permit and cooperate with any on-site inspections and testing requested by the Port, including inspections and testing conducted by consultants or engineers hired by the Port to evaluate Lessee's compliance with the applicable environmental requirements and the provisions of this Rider. The Port shall provide Lessee within 24 hours advance notice of the Port's intent to conduct such inspection or testing.

**15. DESIGNATED REPRESENTATIVE RESPONSIBLE FOR COMPLIANCE.**

\_\_\_\_\_ whose work telephone number is \_\_\_\_\_ and whose home telephone number is \_\_\_\_\_ shall be the Lessee's designated representative who shall be primarily responsible (1) for Lessee's compliance with the provision of this Rider, (2) for handling contact with the Port 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 the Port of any changes in the identity or telephone numbers of the designated representative.

**16. ADDITIONAL PROVISIONS.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PORT OF PORT TOWNSEND:**

**LESSEE:**

\_\_\_\_\_  
Sam Gibboney

\_\_\_\_\_  
Michael Johnson

Title: Executive Director

Title: Owner, Johnson Fabrication LLC

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**(Attachment No. 1 to Hazardous Substances Rider)**

**DISCLOSURE BY LESSEE**

The Lessee makes the following disclosure pursuant to Paragraph 7 of the Hazardous Substances Warranty and Agreement (Attach Additional page(s) if necessary):

1. Release(s) of Hazardous Substances by Lessee:  
(If none, initial here: \_\_\_\_\_)
  
2. Indication(s) of Contamination at Premises:  
(If none, initial here: \_\_\_\_\_)
  
3. Lessee Violation(s) of Environmental Regulations:  
(If none, initial here: \_\_\_\_\_)
  
4. Environmental Claims or Litigation Against Lessee:  
(If none, initial here: \_\_\_\_\_)

Lessee: MICHAEL JOHNSON, DBA JOHNSON FABRICATION LLC

By: \_\_\_\_\_ / \_\_\_\_\_  
(Printed Name) (Signature)

Title: \_\_\_\_\_ /Date: \_\_\_\_\_

(Attachment No. 2 to Hazardous Substances Rider)

DECLARATION OF COMPLIANCE

\_\_\_\_\_, as the designated representative of Lessee primarily responsible for environmental compliance pursuant to Paragraph 13 of the Hazardous Substances Warranty and Agreement dated: \_\_\_\_\_, 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 7 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 Substances except those that have been disclosed in writing to lessor.
5. Lessee has not Released, disposed of, or permitted the Release of any Hazardous Substances onto the premises or into the environment surrounding the premises, except as has been disclosed in writing to Lessor.

Lessee: MICHAEL JOHNSON, DBA JOHNSON FABRICATION LLC

By: \_\_\_\_\_  
Signature

Title: \_\_\_\_\_ /Date: \_\_\_\_\_



#6: C&S, LAW ENT, JOHNSON FAB; COST ESTIMATE

Three Joined Buildings: 40'x60' C&S, 30'x60' Johnson & 25'x60' LAW; eaves vary

Revised 8-24-15

| Item Description  | Quantity | Units | Unit Cost   | Amount    |
|---|----------|-------|-------------|-----------|
| New 55'x60' Corugated Aluminum Roof over Exist Joists for LAW & Johnson portion of bldg | 3300     | SF    | \$25.00     | \$82,500  |
| Rusted Wall Repair  | 1        | LS    | \$5,000.00  | \$5,000   |
| Door Replacement  | 1        | LS    | \$15,000.00 | \$15,000  |
| Window Replacement  | 1        | LS    | \$15,000.00 | \$15,000  |
| Exterior Lighting   | 1        | LS    | \$5,000.00  | \$5,000   |
|   |          |       |             |           |
| SUBTOTAL  |          |       |             | \$122,500 |
| 9.1% WSST   |          |       |             | \$11,148  |
| 9% ENGINEERING  |          |       |             | \$11,025  |
| 15% CONTINGENCY   |          |       |             | \$18,375  |
| TOTAL   |          |       |             | \$163,048 |

#6: C&S, LAW ENT, JOHNSON FAB; COST ESTIMATE

Three Joined Buildings: 40'x60' C&S, 30'x60' Johnson & 25'x60' LAW; eaves vary

Revised 8-24-15

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| 9% ENGINEERING  |          |       |             | \$11,025  |
| 15% CONTINGENCY   |          |       |             | \$18,375  |
| TOTAL   |          |       |             | \$163,048 |

## PORT OF PORT TOWNSEND

**MEETING OF:** July 27, 2016

**AGENDA ITEM:** VI. First Reading  
A. Port Townsend Boat Haven Reserve

Background:

On November 29, 2004 Port Commissioners adopted Res. 433-04 adopting a progressive moorage rate plan and establishing the Port Townsend Boat Haven (PTBH) renovation reserve fund. The "progressive moorage rate plan" was developed as part of the 2005 Budget process and included a three (3) year implementation schedule. The resolution states the Port will restrict all new revenue generated from this plan in excess of that generated from current (2005) and future (through 2007) projected CPI increases to be held in reserve for the future PTBH design, engineering, permitting and renovation work. These excess revenues were to be transferred monthly into the reserve. During this three (3) year period, the transfers annually totaled \$25,000, \$47,000 and \$87,600 for 2005, 2006 and 2007, respectively, which were based on budgeted amounts.

Subsequently, on March 26, 2008 Port Commissioners adopted Res. 505-08 revising the *budgeted* transfer of funds for the PTBH Renovation Reserve Fund for 2008. It was originally established in the 2008 budget at \$80,000 for the year and changed to \$250,000 in this resolution. There have been no additional resolutions regarding these annual transfers into the PTBH renovation reserve fund except as part of the annual budgeting process.

Current balance: \$777,849.53\*  
Monthly transfer: \$ 10,000.00

*\*This is as of March 31, 2016 financial report date, as prepared on 5/28/16. Balance transfers occur when monthly financial reports are prepared and as such, no transfers have been made since May.*

Analysis:

It appears the original resolution establishing the PTBH renovation reserve fund was only for a three (3) year period as it followed the progressive moorage rate plan and there were no subsequent resolutions except to amend the budget for the reserve funding.

The Port is currently in the process of reviewing and adopting a vital Capital Facilities Plan for Port infrastructure. The PTBH reserve fund is a set-aside for PTBH

renovations, though there is much more capital repair and maintenance required Port-wide.

**Executive Director's Recommendation:**

We propose that the 2016 budget be amended in such a manner as to fund a new capital reserve fund that is for Port-wide use as of August 2016. The PTBH renovation reserve fund would receive no additional funding, and would be maintained specifically for future capital projects at PTBH. The new capital reserve fund could be used Port-wide as determined by Commission approval of a capital projects budget.

An amended 2016 budget could be presented for this change at the next Commission meeting for review and potential adoption.

## PORT OF PORT TOWNSEND

**MEETING OF:** July 27, 2015

**AGENDA ITEM:** VI. First Reading  
B. Resolution Establishing Port SEPA Policies, Procedures and Implementing Rules

### **BACKGROUND:**

SEPA is the abbreviation or acronym for the State Environmental Policy Act, Chapter 43.21C RCW. Enacted in 1971, it provides the framework for agencies, including Ports, to consider the environmental consequences of a proposal before taking action. It also gives agencies the ability to condition or deny a proposal due to identified likely significant adverse impacts. The Act is implemented through the SEPA Rules, Chapter 197-11 WAC, and also through policies and procedures adopted by local government agencies like the Port of Port Townsend.

Environmental review is required for any proposal which involves a government "action," as defined in the SEPA Rules (WAC 197-11-704), that is not categorically exempt (WAC 197-11-800 through 890). **Project actions** involve an agency decision on a specific project, such as a construction project (e.g., boat ramp). **Non-project actions** involve decisions on policies, plans, or programs (e.g., adoption of the Port's Comprehensive Plan of Harbor Improvements or Capital Repair and Replacement Plan).

Under SEPA, one agency is identified as the "lead agency" and is responsible for conducting the environmental review for a proposal and documenting that review in the appropriate SEPA documents (determination of non-significance (DNS), determination of significance (DS), Environmental Impact Statement (EIS), etc.). In order for a local government, including the Port of Port Townsend, to assume "lead agency" status and conduct its own SEPA review of proposals, it must adopt its own SEPA implementing policies and procedures.

The City of Port Townsend and Jefferson County typically assume "lead agency" status and conduct SEPA review of most project-related Port proposals. However, in certain limited circumstances (e.g., non-project actions like the Port's Capital Repair & Replacement Plan), it would more efficient and appropriate for the Port to conduct its own SEPA review and threshold determination.

The proposed Resolution now before the Commission would, if approved, establish new Port of Port Townsend Policies, Procedures and Implementing Rules, in conformance with the recently revised State Environmental Policy Act

(SEPA) rules (WAC 197-11). The proposed new policies, procedures and rules address changes in the state rules, and are based largely on similar resolutions adopted by other Washington Ports, including the Ports of Olympia and Kennewick. The proposed rules adopt and incorporate by reference many provisions of the Department of Ecology's Rules set forth in Chapter 197-11 WAC. They also detail the procedures to be employed by the Port in handling any potential future appeals of Port environmental decisions.

**Executive Director's Recommendation:**

This is a first reading. Accordingly, it is recommended that the Commission schedule a public hearing for either the first or second public meeting in August to accept public testimony on the proposed Resolution and attached Appendix (i.e., containing the proposed policies, procedures and implementing rules).

**RESOLUTION NO. \_\_\_\_-16**

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

**A RESOLUTION ADOPTING PORT POLICIES, PROCEDURES & IMPLEMENTING RULES  
IN COMPLIANCE WITH THE PROVISIONS AND REQUIREMENTS OF THE STATE  
ENVIRONMENTAL POLICY ACT, RCW 43.21C.**

**A RESOLUTION** of the Port Commission of the Port of Port Townsend, Jefferson County, Washington, adopting the Port's policies and procedures under the State Environmental Policy Act and implementing rules, Chapter 43.21C RCW and Chapter 197-11 WAC.

**WHEREAS**, the State Environmental Policy Act (SEPA) sets forth an environmental policy for Washington State and requires that the environmental impacts of proposals be analyzed and, where appropriate, mitigated; and

**WHEREAS**, SEPA applies to state agencies, counties, and municipal and public corporations, including port districts; and

**WHEREAS**, SEPA has been amended to require the State Department of Ecology to issue updated uniform statewide rules for carrying out SEPA; and

**WHEREAS**, the Port is required to adopt SEPA policies and procedures that are consistent with the new rules adopted by the Department of Ecology (WAC 197-11) and may adopt by reference any or all of these rules; and

**WHEREAS**, the Port has provided public notice and opportunity for public hearing on this resolution;

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, by the Port Commission of the Port of Port Townsend, Jefferson County, Washington, that the Port SEPA Environmental Administrative Rules and Procedures, as shown in the attached "Appendix A" shall be adopted and incorporated herein by this reference.

**ADOPTED** this \_\_\_\_\_ day of August 2016, 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:**

\_\_\_\_\_  
Peter W. Hanke, President

\_\_\_\_\_  
Stephen R. Tucker, Vice President

\_\_\_\_\_  
Brad A. Clinefelter, Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Carolyn A. Lake, Goodstein Law Group, PLLC  
Port Attorney



## APPENDIX A

The Port SEPA Environmental Administrative Rules and Procedures set forth on pages 1-8 of this Appendix "A" have been adopted by Resolution \_\_-16. Any changes or deletions will require an amendment to the Resolution.

### Sections:

1. Adoption of SEPA rules.
2. Authority.
3. Purpose, applicability, and intent.
4. Environmental policy.
5. Additional definitions.
6. Timing of the SEPA process.
7. Public Notice.
8. Comments.
9. Appeals of SEPA threshold determination and adequacy of final environmental Impact statement.
10. Flexible thresholds for categorical exemptions.
11. Emergencies.
12. Responsibility of the Port's SEPA public information center (SEPA PIC).
13. Critical areas.
14. Lead agency – Responsibilities.
15. Severability.
16. Repealer.
17. Effective Date.

### **Section 1. Adoption of SEPA rules.**

The Port of Port Townsend hereby adopts by reference the following sections or subsections of Chapter 197-11 of the Washington Administrative Code ("WAC" or SEPA Rules): WAC 197-11-010 through 197-11-990, except as specifically provided herein. Where conflict exists between a permissive, optional or guidance section of the WAC adopted by reference herein and the specific local agency SEPA procedures adopted in this Resolution, the language of this Resolution shall apply. The decision on whether to apply an optional SEPA provision rests with the Responsible Official.

### **Section 2. Authority.**

The following regulations concerning environmental policies and procedures are hereby established and adopted pursuant to Washington State law, Chapter 109, Laws of 1971, Extraordinary Session (Chapter 43.21C RCW) as amended, entitled the "State Environmental Policy Act of 1971," (SEPA), and Washington State Administrative Code regulations, Chapter 197-11, entitled "SEPA Rules."

**Section 3. Purpose, applicability, and intent.**

3.1 The purpose of this Resolution is to provide Port policies and regulations implementing Chapter 43.21C RCW, the State Environmental Policy Act of 1971 (SEPA), which are consistent with the SEPA rules.

3.2 This Resolution is applicable to all Port of Port Townsend departments/divisions, committees, and to the Port Commission.

3.3 The intent of this Resolution is to govern compliance by all Port departments/divisions, committees, and the Port Commission with the procedural and substantive requirements of Chapter 43.21C RCW, the State Environmental Policy Act of 1971.

3.4 This Resolution is not intended to govern compliance by the Port with respect to the National Environmental Policy Act of 1969 (NEPA). In those situations in which the Port is required by Federal law or regulations to perform some element of compliance with NEPA, such compliance will be governed by the applicable Federal statute and regulations and not by this Resolution.

**Section 4. Environmental policies adopted.**

The environmental policies of the Port of Port Townsend are the policies set forth in the following documents and statutes: the Port's Comprehensive Scheme of Improvements, as it is now identified and as it may be re-named and/or amended in the future, including all of its elements; the Port's Strategic Plan as it is now identified and as it may be re-named and/or amended in the future; the Port's Rules, Regulations and Procedures as they are now identified and as they may be renamed and/or amended in the future; and Chapter 43.21C RCW.

**Section 5. Additional definitions.**

In addition to those definitions contained within WAC 197-11-700, the following terms shall have the following meanings, unless the context indicates otherwise:

5.1 "Department" means any division, or organizational unit of the Port.

5.2 "SEPA Rules" means WAC Chapter 197-11 adopted by the Department of Ecology, as it now exists and may be hereafter amended.

5.3 "Responsible Official" means the Port's Executive Director or his/her designee. The Responsible Official's duties may be delegated to appropriate staff persons, but the Responsible Official shall approve and is responsible for the Determination of Environmental Significance (i.e., "threshold determination") and determining the adequacy of an Environmental Impact Statement.

5.4 "SEPA Public Information Center" means the Port's Public Records Officer.

**Section 6. Timing of the SEPA process.**

6.1 The SEPA process shall be integrated with Port activities at the earliest possible time to ensure that planning and decisions reflect environmental values, to avoid delays later in the process, and to seek to resolve potential environmental issues.

6.2 The Responsible Official shall prepare the threshold determination and or environmental impact statement (EIS), if required, as soon as possible after the principal features of a proposal and its environmental impacts can be reasonably identified.

6.2.1 A proposal exists when the Responsible Official is presented with a project or has a goal and is actively preparing to make a decision on one or more alternative means of accomplishing that goal and the environmental effects can be meaningfully evaluated. The fact that proposals may require future Port or other permitting approvals or environmental review shall not preclude current consideration, as long as proposed future activities are specific enough to allow some evaluation of their probable environmental impacts.

6.2.2 The environmental process shall commence upon receipt by the Responsible Official of an environmental document. The Responsible Official may also organize environmental review in phases as specified in WAC 197-11-060(5).

6.2.3 Appropriate consideration of environmental information shall be completed before the Responsible Official commits to a particular course of action (WAC 197-11-070).

## **Section 7. Public notice.**

7.1 Reasonable Means. When notice is required pursuant to this Resolution, Chapter 197-11 WAC, and or Chapter 43.21C.RCW, the Responsible Official must use reasonable methods to inform the public and other agencies that an environmental document is being prepared or is available and that public hearing(s), if any, will be held.

7.2 Notice Requirements.

7.2.1 Notice of the SEPA threshold environmental determination shall be published in a newspaper of general circulation within the area in which the project is located and sent via electronic mail or regular mail to the Port of Port Townsend's SEPA mailing list. The electronic or regular mailed notice shall include a copy of the determination and a copy of the SEPA checklist. The Port shall post all technical appendixes to the SEPA Checklist on the Port's website. All forms of notice described herein shall also inform recipients where the agency SEPA records are located and available.

7.2.2 If an administrative appeal is filed pursuant to Section 9 of this Resolution, notification of Commission action on the appeal and or the appeal hearing shall be mailed to the Appellants and to all parties who commented in writing to the Port's Public Records Officer on the Port's environmental determination for the proposed action.

7.2.3 Notice of determination of significance, scoping, and availability of draft and final EISs shall be published in a newspaper of general circulation within the area in which the project is located and sent to the Port of Port Townsend's SEPA mailing list. Parties who comment on a specific project's environmental determination shall receive notice of the draft and final EISs.

## **Section 8. Comments.**

The Port's Responsible Official will respond in writing to all written comments received on a specific SEPA environmental review or determination within ten (10) calendar days after the close of the comment period. The Port's comment response may be in the form of individual responses, or responses to all or a portion of the comments addressed cumulatively. Public

comments, Port comment responses, and any resulting subsequent amendments or addendums will be part of the Port's SEPA administrative record. The Port's written Response to Comments shall be an addendum pursuant to WAC 197-11-706. An "addendum" means an environmental document used to provide additional information or analysis that does not substantially change the analysis of significant impacts and alternatives in the existing environmental document." WAC 197-11-706. The Port shall ensure that its Response to Comments Addendum is publicly available, by posting the Addendum on the Port's website, and by mailing a copy to each person who submitted written comments to the Port for that specific SEPA determination. The Port's issuance of the Response to Comments Addendum will not re-start the administrative comment or appeal period(s) pursuant to WAC 197-11-706.

### **Section 9. Appeals of SEPA threshold determination and adequacy of FEIS.**

9.1 Appeals. Any challenge to a SEPA threshold determination and or adequacy of final environmental impact statement (FEIS) shall be initiated by filing an Appeal and paying the appropriate fee with the Responsible Official no later than close of business twenty-one (21) calendar days following the end of the comment period for the SEPA determination. The administrative requirements for an appeal (including but not limited to format, copies required, agenda cover page, etc.) shall be administered by Staff and as set forth in the Port's SEPA Guidelines, posted on the Port's web site.

9.2 Commission, Hearing Examiner Appeal. If an appeal is filed, the Commission, at its discretion, may:

9.2.1 Elect to hear the appeal, and after a public hearing, issue a Final Decision;

9.2.2 Forward the appeal to a contract Hearing Examiner, who would hold a public hearing and issue a Final Decision; or

9.2.3 Decline to hold an administrative appeal hearing. In this case, the Decision of the Responsible Official becomes the Port's Final Decision.

The procedural decision by the Commission referred to in this Section 9.2 shall take place at a regularly scheduled Port Commission meeting, or special Commission meeting called for that purpose. The Port shall provide Appellant(s) written notice of the meeting at which the Commission will consider the appeal procedural decision. The Commission may elect to ask Appellant(s) of their preferred procedural forum for the appeal (options Section 9.2.1-9.2.3). The Commission may consider but is not bound by Appellant(s)' expressed procedural option. That portion of the Commission meeting at which the procedural appeal option is considered by the Commission shall be a part of the Port's administrative appeal record. No substantive information may be presented or considered by the Commission at this time. The Commission's consideration of this procedural option is not an appeal hearing.

9.3 Administrative Appeal Procedures.

9.3.1 Administrative Appeal Procedure/Fee. To initiate an appeal, an Appellant must timely file a notice of appeal, fill out a SEPA Appeal form, and pay the required filing fee as set forth in the Port of Port Townsend's Fee Resolution to the Public Information Officer. The Public Information Officer shall process the appeal in accordance with the procedures set forth in this Resolution.

9.3.2 Appeal Deadlines/Standing.

i. Time Requirement. An appeal shall be filed no later than close of business twenty-one (21) calendar days following the end of the comment period for the SEPA determination. If the last day for filing an appeal falls on a weekend day or holiday, the last day for filing shall be the next Port working day.

ii. Standing. Only parties who submitted written comments on the Port's environmental determination have standing to file an administrative appeal.

9.3.3 Content of the Appeal. The Appeal shall contain the following:

i. The name and mailing address of the Appellant(s) and the name and address of his/her/their representative, if any;

ii. The Appellant(s)' legal residence or principal place of business;

iii. A copy of the decision, which is appealed;

iv. The grounds upon which the Appellant(s) relies;

v. A concise statement of the factual and legal reasons for the appeal;

vi. The specific nature and intent of the relief sought;

vii. A statement that the Appellant(s) has/have read the appeal and believes the contents to be true followed by his/her/their signature and the signature of his/her/their representative, if any. If any Appealing party is unavailable to sign, it may be signed by his/her representative;

viii. The appropriate fee; and

ix. If parties intend to file a combined appeal, all parties to be included in the appeal shall be specifically identified and all information related to the combined appeal shall be filed at one time. In all other cases, a separate appeal fee shall be required for each appeal filing.

9.3.4 Effect of the Appeal. The filing of a valid appeal of a threshold determination or adequacy of a final environmental impact statement (FEIS) shall stay the effect of such determination or adequacy of the FEIS and no major action in regard to a proposal may be taken during the pendency of an administrative appeal until a Final Decision is issued on the administrative appeal. A decision to reverse the determination of the Responsible Official shall further stay any decision, proceedings, or actions in regard to the proposal.

9.3.5. Appeal Withdrawal. An appeal may be withdrawn, only by the appellant(s), by written statement filed with the Port's Public Records Officer. The Port's Public Records Officer shall inform the Responsible Official of the withdrawal request. If the withdrawal is requested before any action by the Commission on the appeal, the appeal shall be dismissed with prejudice by the Port Commission, and the filing fee shall be refunded.

9.4 Public Administrative Appeal Hearing.

9.4.1 Scheduling. The public hearing on an appeal presided over by either the Port Commission or Hearing Examiner, of the Responsible Official's Final Decision, shall be expeditiously scheduled upon receipt of a valid appeal. The public hearing shall be conducted in accordance with the procedures described herein.

9.4.2 Appellant Materials. Any written materials or exhibits an Appellant wishes to be considered at the public hearing shall be delivered to the Port offices during normal working hours not less than ten (10) calendar days prior to the public hearing. These Appellant materials shall be part of the Port's administrative appeal record.

9.4.3 Port Materials. The Port's written materials or exhibits and response to an appeal must be provided to presiding entity (either the Hearing Examiner or the Port Commission), and Appellant, not less than five (5) calendar days prior to the public hearing. These Port materials shall be part of the Port's administrative appeal record.

9.4.4. Testimony at Appeal Hearing. Testimony shall be limited to Appellants' and the Port's Representative and their respective witnesses only.

9.4.5 Standard of Review. The Commission or Hearing Examiner may affirm the decision of the Responsible Official or the adequacy of the environmental impact statement, or remand the case for further information; or may reverse the decision. Reversal of the decision shall be based on a Hearing Examiner or Commission determination that the administrative findings, inferences, conclusions, or decisions are:

- i. In violation of constitutional provisions as applied; or
- ii. The decision is outside the statutory authority or jurisdiction of the Port; or
- iii. The Responsible Official has engaged in unlawful procedure or decision-making process, or has failed to follow a prescribed procedure; or
- iv. In regard to challenges to the appropriateness of the issuance of a determination of non-significance (DNS), clearly erroneous in view of the public policy of the Act (SEPA); or
- v. In regard to challenges to the adequacy of an EIS shown to be inadequate employing the "rule of reason."

9.4.6 Evidence – Burden of Proof. On appeal, the Appellant shall have the burden of proof, and the determination of the Responsible Official shall be presumed prima facie correct and shall be afforded substantial weight. Appeals shall be limited to the record before the Responsible Official, except as specifically provided herein.

9.4.7 Continuation of Hearing.

i. Cause. A hearing may be continued by the presiding entity (either the Port Commission or the Hearing Examiner), for the purpose of obtaining specific pertinent information relating to the project which was previously unavailable at the time of the original hearing.

ii. Notification. The presiding entity (either the Port Commission or the Hearing Examiner), shall announce the time and place of a continued hearing at the time of the initial hearing or by written notice to all parties of record.

9.4.8 Conduct of proceedings. All hearings shall be conducted in an orderly manner. The presiding entity (either the Port Commission or Hearing Examiner) shall have the authority to rule on all procedural matters, objections and motions, and power of subpoena.

9.4.9 Independent Legal Counsel. In the event the Commission elects to preside over the administrative appeal hearing, the Commission shall retain separate

independent legal counsel for purpose of access to legal counsel throughout the appeal hearing process.

9.5 Port's Final Decision.

9.5.1 Written Decision of Final Appeal. At the conclusion of the administrative appeal proceeding, if any is held pursuant, the presiding entity (either the Commission or the Hearing Examiner), shall issue a written Decision.

9.5.2 Notice of Decision Where Appeal Hearing Not Held. If the Commission elects not to hold an administrative appeal hearing pursuant to 9.3.3 herein, the Responsible Official shall provide written Notice of the Commission to the Appellant(s). The date of the Notice of the Commission's decision to not hold an appeal shall be considered the date of the Port's Final Decision for purpose of Section 9.3.3.

9.5.3 Refund Where Appellant(s) Substantially Prevail. If the presiding entity (Hearing Examiner or Commission) determines in the Final Decision that Appellant(s) substantially prevailed on appeal, the appeal fee paid shall be refunded to the Appellant(s).

9.6 Appeal of Port's Final Administrative Decision.

9.6.1 Judicial Appeal. The Port's Final SEPA Decision shall be appealable to the Jefferson County Superior Court. Any court action to set aside, enjoin, review or otherwise challenge the decision of the Port shall be filed with Superior Court and served on the Port within twenty-one (21) calendar days of the date of the Port's written Final Decision pursuant to Section 9.6 unless otherwise provided by statute.

9.6.2 Standing for Judicial Appeal. Only the parties to the Port's administrative appeal may appeal to Court.

9.6.3 Costs of Preparing Administrative Record on Appeal. The costs of preparing the Port's Administrative Record for any judicial appeal shall be borne equally by the Port and Appellant(s). Appellant(s)' portion of the costs shall be paid to the Port at or prior to the date set by the Court for filing the record, and shall be a condition precedent to perfecting the appeal. At the conclusion of the judicial appeal, if the Superior Court determines that Appellant(s) substantially prevailed on appeal, the costs paid by Appellant(s) shall be refunded to the Appellant(s).

**Section 10. Flexible thresholds for categorical exemptions.**

The Port of Port Townsend adopts the respective exempt levels for minor new construction as allowed under WAC 197-11-800(1)(c), as established by the City of Port Townsend and Jefferson County wherein the Port activity is located, as they now exist and or as amended hereafter except when undertaken wholly or partly on lands covered by water or in critical areas.

**Section 11. Emergencies.**

Actions which must be undertaken immediately, or within a time too short to allow full compliance with this Resolution, to avoid an imminent threat to public health and safety, to prevent an imminent danger to public or private property, or to prevent an imminent threat of serious environmental degradation, shall be exempt from the procedural requirements of this

Resolution. The Responsible Official shall determine on a case-by-case basis emergency actions, which satisfy the general requirements of this section.

**Section 12. Responsibility of the Port’s SEPA Public Information Center (SEPA PIC).**

12.1 The SEPA PIC shall maintain a DNS register.

12.2 The SEPA PIC shall maintain an EIS register including for each proposal the location, a brief description of the nature of the proposal, the date first listed on the register, and a contact person or office from which further information may be obtained.

12.3 The documents are required to be maintained at the information center for seven years, and shall be available for public inspection, and copies thereof shall be provided upon request. The Port may charge for copies in the manner provided by Chapter 42.17 RCW (Public Disclosure and Public Records Law) and for the cost of mailing, consistent with adopted Port fees for such service. It shall be the responsibility of the Responsible Official for responding to requests received from other local, regional, State, or Federal agencies requesting consultation and comment from a specific Port department/division.

12.4 The SEPA Public Information Center shall maintain a listing of recommended Federal, State, regional, local and private agencies/organizations and their addresses for use by the Port’s Responsible Official in making scoping requests and circulating draft EISs.

**Section 13. Critical areas.**

The Port adopts the respective designation of areas which are environmentally sensitive pursuant to WAC 197-11-908 as established by the City of Port Townsend and Jefferson County within which the Port activity is located, as those designations now exist and/or as amended hereafter.

**Section 14. Lead agency – Responsibilities.**

The Port when acting in the capacity of the lead agency shall be the only agency responsible for complying with the threshold determination procedures of WAC 197-11-300 through 197-11-390 as adopted by reference and the Responsible Official of the Port shall be responsible for the supervision, or actual preparation, of draft EISs pursuant to WAC 197-11-400 through 197-11-455 as adopted by reference, including the circulation of such statements and the conduct of any public hearings required by this Resolution. The Responsible Official shall also prepare or supervise preparation of any required final EIS pursuant to WAC 197-11-360 through 197-11-640 as adopted by reference.

**Section 15. Severability.**

If any provision of this Resolution or its application to any person or circumstance is held invalid, the remainder of this Resolution or the application of the provision to other persons or circumstances shall not be affected.

**Section 16. Repealer.**

All prior Port Resolutions dealing with compliance to the State Environmental Policy Act and particularly WAC 197-11 are hereby repealed by the adoption of this Resolution.



**Section 17. Effective Date.**

This Resolution shall be effective for all SEPA checklists filed with the Port after Commission adoption of this Resolution.

**PORT OF PORT TOWNSEND**

**MEETING OF:** July 27, 2016

**AGENDA ITEM:** VIII. Other Business  
A. August 24 Commission Workshop and Meeting

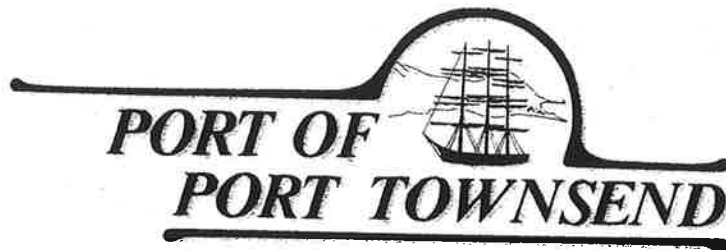
**BACKGROUND:**

At the last commission meeting, Commissioner Hanke requested that an August meeting take place in the southern part of the County.

Staff has since reserved the conference room at the Timberhouse Restaurant in Quilcene to hold a 3:00 p.m. public workshop and the 5:30 p.m. meeting. If this change in location is approved, it becomes a Special Commission Meeting.

**Executive Director's Recommendation:**

Approve the August 24, 2016 Commission Workshop and Meeting to be held at the Timberhouse Restaurant in Quilcene.



P.O. Box 1180 • Port Townsend, Washington 98368-4624

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

### 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 obligation against the Port of Port Townsend, that we are authorized to authenticate and certify to said claim and that these claims, in Warrant No 056410 through No. 056417 in the amount of \$12,109.20 and Electronic Payment in the amount of \$59,866.21, are approved for payment for a total amount of \$71,975.41 on this 27th day of July, 2016.

For: **Payroll and Benefits**

\_\_\_\_\_  
Commissioner Pete W. Hanke

\_\_\_\_\_  
Commissioner Stephen R. Tucker

\_\_\_\_\_  
Commissioner Brad A. Clinefelter

\_\_\_\_\_  
S. Abigail Berg, Director of Finance  
And Administration

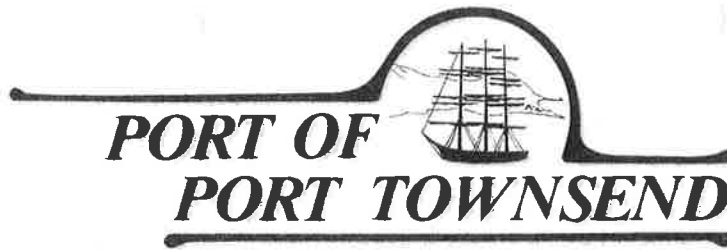
Manual Check and Payment Register  
 Journal Posting Date: 7/15/2016  
 Register Number: MC-000089

Port of Port Townsend (PTA)

Bank: K KITSAP BANK

| Check Number/<br>Invoice Number                              | Check Date<br>Invoice Date | Vendor Number | Invoice Amount           | Discount    | Distribution<br>Amount | Check Amount     |
|--|----------------------------|---------------|--------------------------|-------------|------------------------|------------------|
| W00083<br>Check Comment: DRS DC 7/15/16<br>CKW0008301        | 7/15/2016                  | WA0302        | State of Washington      |             |                        | 1,115.00         |
|  | 7/15/2016                  |               | 1,115.00                 | 0.00        |                        |                  |
|  | G/L Account: 213-5500-00   |               | EE DEFERRED COMP PAYABLE |             | 1,115.00               |                  |
| W00084<br>Check Comment: Payroll Taxes 7/15/16<br>CKW0008401 | 7/15/2016                  | INT030        | Internal Revenue Service |             |                        | 18,646.46        |
|  | 7/15/2016                  |               | 18,646.46                | 0.00        |                        |                  |
|  | G/L Account: 213-6000-00   |               | PAYROLL TAXES PAYABLE    |             |                        |                  |
|  | <b>Bank K Total:</b>       |               | <u>19,761.46</u>         | <u>0.00</u> | <u>18,646.46</u>       | <u>19,761.46</u> |
|  | <b>Report Total:</b>       |               | <u>19,761.46</u>         | <u>0.00</u> | <u>19,761.46</u>       | <u>19,761.46</u> |

|              |            |        |                        | Bank Code: W - WARRANTS PAYABLE |                |                  |                         |
|--------------|------------|--------|------------------------|---------------------------------|----------------|------------------|-------------------------|
| Check Number | Check Date | Vendor | Invoice Number         | Invoice Date                    | Invoice Amount | Discount Applied | Payment Amount          |
| 055416       | 7/15/2016  | PEJ001 | Peninsula Credit Union | 7/15/2016                       | 250.00         | 0.00             | 250.00                  |
|              |            |        | 07/15/2016             |                                 |                |                  | Check Entry Number: 001 |
| 058417       | 7/15/2016  | SPE010 | James Speer            | 7/15/2016                       | 250.00         | 0.00             | 250.00                  |
|              |            |        | 07/15/2016             |                                 |                |                  | Check Entry Number: 001 |
|              |            |        |                        | <b>Report Total:</b>            | <u>500.00</u>  | <u>0.00</u>      | <u>500.00</u>           |



P.O. Box 1180 • Port Townsend, Washington 98368-4624

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

## WARRANT APPROVAL

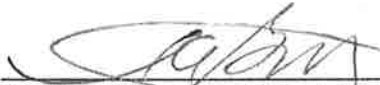
We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims is a just, 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 056418 through No. 056447, are approved for payment in the amount of \$144,874.76.

For: **Accounts Payable**

\_\_\_\_\_  
Commissioner Pete W. Hanke

\_\_\_\_\_  
Commissioner Stephen R. Tucker

\_\_\_\_\_  
Commissioner Brad A. Clinefelter

  
\_\_\_\_\_  
S. Abigail Berg, Director of Finance  
And Administration

Bank Code: W - WARRANTS PAYABLE

| Check Number | Check Date | Vendor | Invoice Number   | Invoice Date | Invoice Amount    | Discount Applied | Payment Amount          |
|--------------|------------|--------|--|--------------|-------------------|------------------|-------------------------|
| 056418       | 7/27/2016  | AIR070 | Airside Solutions, Inc<br>25071                        | 7/27/2016    | 1,043.08          | 0.00             | 1,043.08                |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056419       | 7/27/2016  | BAN005 | Bank of America<br>JUN 6 - JUL 5 2016                  | 7/27/2016    | 596.14            | 0.00             | 596.14                  |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056420       | 7/27/2016  | BAR041 | Robert Barnhart<br>BARNHART 7/19/16                    | 7/27/2016    | 40.00             | 0.00             | 40.00                   |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056421       | 7/27/2016  | BER040 | Abigail Berg<br>BERG 7/2016                            | 7/27/2016    | 62.40             | 0.00             | 62.40                   |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056422       | 7/27/2016  | BUS020 | Dennis Buschmann<br>BUSCH 7-19-16                      | 7/27/2016    | 177.84            | 0.00             | 177.84                  |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056423       | 7/27/2016  | CEN030 | CenturyLink<br>JUL 1, 2016                             | 7/27/2016    | 253.82            | 0.00             | 253.82                  |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056424       | 7/27/2016  | CEN035 | CenturyLink<br>JULY 8, 2016                            | 7/27/2016    | 1,135.27          | 0.00             | 1,135.27                |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056425       | 7/27/2016  | COO050 | Cooper Fuel & Auto Repair<br>QUIL 7-5-16               | 7/27/2016    | 1,783.15          | 0.00             | 1,783.15                |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
|              |            |        | QUIL GAS 7-5-16  | 7/27/2016    | 2,306.84          | 0.00             | 2,306.84                |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
|              |            |        | <b>Check 056425 Total:</b>                             |              | <b>4,089.99</b>   | <b>0.00</b>      | <b>4,089.99</b>         |
| 056426       | 7/27/2016  | ECO002 | EDC Team Jefferson<br>7/1/16                           | 7/27/2016    | 12,500.00         | 0.00             | 12,500.00               |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056427       | 7/27/2016  | GLO003 | Global Diving & Salvage<br>IN-129201                   | 7/27/2016    | 918.16            | 0.00             | 918.16                  |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056428       | 7/27/2016  | GOO020 | Goodstein Law Group<br>7-12-16                         | 7/27/2016    | 8,989.58          | 0.00             | 8,989.58                |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056429       | 7/27/2016  | JAC010 | JACO Analytical, Inc<br>E6FT20                         | 7/27/2016    | 11.00             | 0.00             | 11.00                   |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056430       | 7/27/2016  | KAT010 | KATIE HOLMES<br>7/13/16                                | 7/27/2016    | 100.00            | 0.00             | 100.00                  |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056431       | 7/27/2016  | MOO020 | RILEY MOODY<br>REFUND 7-16-16                          | 7/27/2016    | 50.00             | 0.00             | 50.00                   |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056432       | 7/27/2016  | MYE070 | Tracy Myers<br>REFUND 7-7-16                           | 7/27/2016    | 55.00             | 0.00             | 55.00                   |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056433       | 7/27/2016  | NAG010 | JEFF NAGLE<br>REFUND 7-19-16                           | 7/27/2016    | 272.53            | 0.00             | 272.53                  |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056434       | 7/27/2016  | NAP010 | BRIAN NAPPE<br>REFUND 7-19-16                          | 7/27/2016    | 40.00             | 0.00             | 40.00                   |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056435       | 7/27/2016  | NOR002 | Northwest Marine Trade Assn<br>BOAT SHOW 1 OF 2        | 7/27/2016    | 497.50            | 0.00             | 497.50                  |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056436       | 7/27/2016  | OLY003 | Olympic Springs, Inc.<br>90407                         | 7/27/2016    | 25.85             | 0.00             | 25.85                   |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056437       | 7/27/2016  | PEN031 | PENINSULA PAINT CENTERS - PORT TOWNSEND<br>F0128895    | 7/27/2016    | 240.78            | 0.00             | 240.78                  |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
|              |            |        | F0129266   | 7/27/2016    | 57.21             | 0.00             | 57.21                   |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
|              |            |        | <b>Check 056437 Total:</b>                             |              | <b>297.99</b>     | <b>0.00</b>      | <b>297.99</b>           |
| 056438       | 7/27/2016  | POR002 | Auditor's Revolving Fund - Kitsap Bank<br>REIM 7-12-16 | 7/27/2016    | 500.00            | 0.00             | 500.00                  |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056439       | 7/27/2016  | PUD001 | Pud District #1<br>S-7-11-16 12748000                  | 7/27/2016    | 21.50             | 0.00             | 21.50                   |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
|              |            |        | S-7-11-16 VARIOUS                                      | 7/27/2016    | 9,049.09          | 0.00             | 9,049.09                |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
|              |            |        | <b>Check 056439 Total:</b>                             |              | <b>9,070.59</b>   | <b>0.00</b>      | <b>9,070.59</b>         |
| 056440       | 7/27/2016  | SAF001 | Safeway, Inc.<br>S - 7-9-16                            | 7/27/2016    | 910.40            | 0.00             | 910.40                  |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056441       | 7/27/2016  | SPE001 | SOS Printing<br>54701                                  | 7/27/2016    | 273.49            | 0.00             | 273.49                  |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
|              |            |        | 54714  | 7/27/2016    | 519.57            | 0.00             | 519.57                  |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
|              |            |        | <b>Check 056441 Total:</b>                             |              | <b>793.06</b>     | <b>0.00</b>      | <b>793.06</b>           |
| 056442       | 7/27/2016  | TER005 | Terry's Lock & Safe<br>070516-967                      | 7/27/2016    | 39.24             | 0.00             | 39.24                   |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056443       | 7/27/2016  | TET060 | Tetra Tech, Inc.<br>51066568                           | 7/27/2016    | 674.52            | 0.00             | 674.52                  |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056444       | 7/27/2016  | WA1803 | State of Washington<br>QTR 2 2016 EXCISE               | 7/27/2016    | 100,738.71        | 0.00             | 100,738.71              |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056445       | 7/27/2016  | WAS030 | Washington Trust<br>ANNUAL MEMBRSH                     | 7/27/2016    | 75.00             | 0.00             | 75.00                   |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056446       | 7/27/2016  | WES006 | Westbay Auto Parts, Inc.<br>S - 6-25-16                | 7/27/2016    | 242.09            | 0.00             | 242.09                  |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
| 056447       | 7/27/2016  | WIN003 | Windridge Solutions<br>281                             | 7/27/2016    | 675.00            | 0.00             | 675.00                  |
|              |            |        |  |              |                   |                  | Check Entry Number: 001 |
|              |            |        | <b>Report Total:</b>                                   |              | <b>144,874.76</b> | <b>0.00</b>      | <b>144,874.76</b>       |



P.O. Box 1180 • Port Townsend, Washington 98368-4624

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

### ELECTRONIC DEBIT – Kitsap Bank

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation of the Port of Port Townsend, that we are authorized to authenticate and certify said claim, and that the Electronic Debit from the Port Checking Account held at Kitsap Bank is approved for payment in the amount of \$11,630.79 on this 27th day of July, 2016.

For: Washington State, Department of Revenue  
Combined Excise Tax Return – for June, 2016 in the amount of \$11630.79


\_\_\_\_\_  
Commissioner Pete W. Hanke

\_\_\_\_\_  
Commissioner Stephen R. Tucker

\_\_\_\_\_  
Commissioner Brad A. Clinefelter

\_\_\_\_\_  
S. Abigail Berg, Director of Finance  
and Administration



|   |   |
|---|---|
|  <b>Electronic Filing – Washington State</b> | <b>E-file Time: 2:20 PM</b> <a href="#">help?</a>   |
|   | <a href="#">My Account Home</a> <a href="#">Account Activity</a> <a href="#">List Server</a> <a href="#">Suggestions</a> <a href="#">Logout</a> |

**BOAT HAVEN FUEL DOCK 161-000-044**

**Confirmation**

|                            |                      |
|----------------------------|----------------------|
| Confirmation Number        | 18444050             |
| Tax Registration Number    | 161000044            |
| Reporting Period           | 06/2016              |
| Payment Type               | EFT Debit            |
| Date and Time Submitted    | 7/11/2016 2:20:05 PM |
| Date of Transfer           | 07/12/2016           |
| Payment Amount             | 11,630.79            |
| Person Completing Return   | Donna Frary          |
| Person Authorizing Payment | Donna Frary          |

Your return and payment have been submitted. For easy reference, print this page and retain it with your tax records.

|  |                                    |
|--|------------------------------------|
| <a href="#">Return to Account List</a> | <a href="#">Print Confirmation</a> |
| <a href="#">View Printable Return</a>  |                                    |

**Confirmation**

**For Assistance Call:  
1-877-345-3353**



State of Washington  
 Department of Revenue  
 PO Box 47464  
 Olympia, WA 98504-7464

**June 2016  
 Combined Excise Tax Return**

**161-000-044  
 BOAT HAVEN FUEL DOCK  
 PORT OF PORT TOWNSEND**

**State Business and Occupation Section**

**Taxes**

| Line Code | Tax Classification  | Gross Amount      | Total Deductions | Taxable Amount    | Rate    | Tax Due         |
|-----------|---|-------------------|------------------|-------------------|---------|-----------------|
| 0004      | Service and Other Activities; Gambling Contests of Chance (less than \$50,000 a year) | 149,146.52        | 0.00             | 149,146.52        | 0.0150  | 2,237.20        |
| 0002      | Retailing   | 89,506.11         | 160.23           | 89,345.88         | 0.00471 | 420.82          |
|           |   | <b>238,652.63</b> | <b>160.23</b>    | <b>238,492.40</b> |         | <b>2,658.02</b> |

**Deductions**

| Deduction Code | Tax Classification | Deduction Name         | Amount        |
|----------------|--------------------|------------------------|---------------|
| 000205         | Retailing          | Motor Vehicle Fuel Tax | 160.23        |
|                |                    |                        | <b>160.23</b> |

**State Sales and Use Section**

**Taxes**

| Line Code | Tax Classification | Gross Amount     | Total Deductions | Taxable Amount   | Rate   | Tax Due         |
|-----------|--------------------|------------------|------------------|------------------|--------|-----------------|
| 0001      | Retail Sales       | 89,506.11        | 1,065.20         | 88,440.91        | 0.0650 | 5,748.66        |
| 0005      | Use Tax            | 156.30           | 0.00             | 156.30           | 0.0650 | 10.16           |
|           |                    | <b>89,662.41</b> | <b>1,065.20</b>  | <b>88,597.21</b> |        | <b>5,758.82</b> |

**Deductions**

| Deduction Code | Tax Classification | Deduction Name           | Amount          |
|----------------|--------------------|--------------------------|-----------------|
| 000119         | Retail Sales       | Motor Vehicle Fuel Sales | 1,065.20        |
|                |                    |                          | <b>1,065.20</b> |

**Local Sales Section**

| Line Code | Location Code | Location Name    | Taxable Amount   | Rate   | Tax Due         |
|-----------|---------------|------------------|------------------|--------|-----------------|
| 0045      | 1600          | JEFFERSON COUNTY | 166.46           | 0.0250 | 4.16            |
| 0045      | 1601          | PORT TOWNSEND    | 88,274.45        | 0.0250 | 2,206.86        |
|           |               |                  | <b>88,440.91</b> |        | <b>2,211.02</b> |

**Local Use Section**

| Line Code | Location Code | Location Name | Taxable Amount | Rate   | Tax Due     |
|-----------|---------------|---------------|----------------|--------|-------------|
| 0046      | 1601          | PORT TOWNSEND | 156.30         | 0.0250 | 3.91        |
|           |               |               | <b>156.30</b>  |        | <b>3.91</b> |

**Lodging Section**

**Transient Rental Income Information**

| Line Code | Location Code | Location Name    | Income           |
|-----------|---------------|------------------|------------------|
| 0047      | 1600          | JEFFERSON COUNTY | 27.52            |
| 0047      | 1601          | PORT TOWNSEND    | 41,089.91        |
|           |               |                  | <b>41,117.43</b> |

**Special Hotel/Motel Tax**

| Line Code | Location Code | Location Name    | Taxable Amount   | Rate   | Tax Due       |
|-----------|---------------|------------------|------------------|--------|---------------|
| 0070      | 1600          | JEFFERSON COUNTY | 27.52            | 0.0200 | 0.55          |
| 0070      | 1601          | PORT TOWNSEND    | 41,089.91        | 0.0200 | 821.80        |
|           |               |                  | <b>41,117.43</b> |        | <b>822.35</b> |

**Public Utilities Section**

**Taxes**

| Line Code | Tax Classification            | Gross Amount    | Total Deductions | Taxable Amount  | Rate    | Tax Due       |
|-----------|-------------------------------|-----------------|------------------|-----------------|---------|---------------|
| 0060      | Water Distribution            | 687.93          | 0.00             | 687.93          | 0.05029 | 34.60         |
| 0013      | Other Public Service Business | 7,376.50        | 0.00             | 7,376.50        | 0.01926 | 142.07        |
|           |                               | <b>8,064.43</b> | <b>0.00</b>      | <b>8,064.43</b> |         | <b>176.67</b> |

**Summary Section**

|   | Amount           |
|---|------------------|
| State Business and Occupation Tax Total | 2,658.02         |
| State Sales and Use Tax Total           | 5,758.82         |
| Local and Regional Tax Total            | 2,214.93         |
| Lodging Tax Total                       | 822.35           |
| Public Utilities Tax Total              | 176.67           |
| E911 Tax Total                          | 0.00             |
| Other Tax Total                         | 0.00             |
| <b>SubTotal</b>                         | <b>11,630.79</b> |
| Less Total Credits                      | 0.00             |
| <b>Total</b>                            | <b>11,630.79</b> |
| <b>Amount Paid</b>                      | <b>11,630.79</b> |
| <b>Balance</b>                          | <b>0.00</b>      |

**Additional Information**

|                          |                      |                          |                    |
|--------------------------|----------------------|--------------------------|--------------------|
| Confirmation Number      | 18444050             | Date Printed             | 7/11/2016          |
| Date and Time Submitted  | 7/11/2016 2:20:05 PM | Tax Registration Number  | 161-000-044        |
| Payment Type             | EFT Debit            | Person Completing Return | Donna Frary        |
| Total Amount Paid        | 11,630.79            | Phone Number             | (360)379-5217      |
| Date To Transfer Payment | 7/12/2016            | E-Mail Address           | donna@portofpt.com |

Person Authorizing Payment Donna Frary

**This is a copy for your records.  
Please DO NOT MAIL a copy to the Department of Revenue.**

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