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**Port of Port Townsend
1st Monthly Meeting Agenda
Wednesday, May 10, 2017, 1:00 p.m.
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 Meeting Minutes – April 26, 2017.....1-3
 - B. Approval of Warrants
- IV. Public Comments (not related to Agenda)
- V. Second Reading
- VI. First Reading
- VII. Regular Business
 - A. Maul Foster Alongi Scope of Work and Contract.....4-18
 - B. Industrial Development District (IDD).....19
 - C. March 2017 Financials.....20-23
- XIII. Staff Comments
 - A. Introduction of Employees
- IX. Public Comments
- X. Commissioner Comments
- XI. Next Regular Meeting:
Wednesday, May 24, 2017 at 5:30 p.m. in the Port Commission Building, 333 Benedict Street, Port Townsend, WA
- XII. Executive Session:
 - A. Potential Litigation, pursuant to RCW 42.30.110 (i)
- XIII. Adjournment

PORT COMMISSION REGULAR MEETING– April 26, 2017

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

Present: Commissioners – Hanke, Clinefelter and Tucker
Executive Director Gibboney
Auditor Berg
Director of Operations & Business Development Englin
Communications Coordinator Matej
Attorney Goodstein
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Hanke called the meeting to order at 5:30 p.m.

II. APPROVAL OF AGENDA:

Ms. Gibboney requested time following Public Comments to make a few employee introductions.

New addition to the agenda: Executive Session, A – Potential Litigation, fifteen minutes duration, no action, pursuant to RCW 42.30.110 (i).

Commissioner Tucker moved to approve the Agenda as amended.

Commissioner Clinefelter seconded the motion.

Motion carried by unanimous vote.

III. CONSENT AGENDA 1:11):

A. Approval of Public Workshop Minutes – April 12, 2017

Approval of Regular Meeting Minutes – April 12, 2017

B. Approval of Warrants

Warrant #057537 through #057543 in the amount of \$10,954.11 for Payroll & Benefits

Electronic Payment in the amount of \$59,285.79 for Payroll & Benefits

Warrant #057544 through #057582 in the amount of \$160,998.61 for Accounts Payable

Electronic Debit in the amount of \$6,167.52 for WA State Dept. of Revenue Combined

Excise Tax Return for March 2017

Commissioner Tucker moved to approve the Consent Agenda as presented.

Commissioner Clinefelter seconded the motion.

Motion carried by unanimous vote.

IV. PUBLIC COMMENTS (Not related to agenda) (1:27):

Heather Burns thanked Commissioner Hanke for attending the Linger Longer Committee meeting.

Clayton White commented on shrimp opening and moorage hire in Quilcene.

Keith Beck commented on Quilcene matters.

Mr. Englin gave recognition to Yard Manager Terry Khile, a Port employee for twenty-nine years.

He also introduced TJ Quandt, the Port's new Business Manager who has been an employee of the Port for seven years.

V. SECOND READING (Action Items):

A. Yard Rates Update & Proposal (5:03):

Mr. Englin reported he has received lots of feedback from tenants, customers and stakeholders. He discussed the proposed yard storage rate of \$0.75 per lineal foot, with a 20% discount to customers who stay longer than thirty days.

Commissioner Tucker stated he is not in the majority with the 20% discount and explained why. Mr. Englin said staff could review the discount offer during the high occupancy periods.

Ms. Gibboney thanked the yard crew for working towards keeping derelict vessels out and addressing the problem of inactive vessels in the yard.

Commissioner Clinefelter stated he feels the proposed rates are within reason and that this is a positive move.

Bertram Levy asked if washdown rates were included. Mr. Englin answered washdown fees would continue as a separate fee.

Commissioner Tucker stated he thought the 20% should be used as a sales tool during the slow season.

Bob Frank asked if there were provisions for survey inspections. Mr. Englin replied surveys are considered same as a roundtrip haulout. Mr. Frank asked if laydays were figured in the rate. Mr. Englin replied laydays are not included in the rate at this time.

Bill Putney suggested passing out discount coupons to marine trades businesses as a sales tool.

Commissioner Tucker moved to adopt the Yard Rates as presented.

Commissioner Clinefelter seconded the motion.

Motion carried by unanimous vote.

VI. FIRST READING (Discussion Only):

VII. REGULAR BUSINESS:

A. BIG Authorizing Resolution No. 664-17 (18:10):

Ms. Gibboney reported the Port has already been awarded a Boating Infrastructure Grant (BIG) in the amount of \$1.1M for Point Hudson Jetty work. She further discussed details of Point Hudson Jetty funding. Resolution No. 664-17 authorizes staff to apply for up to \$1,455,000 (the maximum amount permitted under the Federal program) for the north jetty. Ms. Gibboney stated staff is seeking authorization to submit the application, which is due May 2, 2017.

Commissioner Hanke moved to adopt the BIG Authorizing Resolution No. 664-17, as presented.

Commissioner Clinefelter seconded the motion.

Motion carried by unanimous vote.

Ms. Gibboney added that work on the south jetty would begin in 2018 and run into 2019 and work on the north jetty would start in 2021.

B. WSDOT Airport Aid Grant Authorizing Resolution No. 665-17 (23:53):

Ms. Gibboney explained Resolution No. 665-17 authorizes application submittal for airport runway funding. She stated plans are to schedule an Open House with the pilot community and the Commission prior to start of project. Ms. Gibboney informed funding for the first phase – design and permitting – would come from an FAA grant, already included in the FAA’s budget. Consultant Reid Middleton would perform phase one work.

Ms. Gibboney touched on deviating from a crown runway to a less expensive shed runway.

Commissioner Tucker moved to adopt the WSDOT Airport Aid Grant Authorizing Resolution No. 665-17, as presented.

Commissioner Clinefelter seconded the motion.

Motion carried by unanimous vote.

VIII. STAFF COMMENTS (28:10):

Ms. Gibboney informed she met recently with the Hood Canal Salmon Enhancement Group and explained their mission to restore summer chum habitat with restoration of the Big Quil River. After hearing questions and comments, she suggested that anyone seeking further information should contact the Hood Canal group.

Ms. Gibboney reported she attended the first in a series of meetings with the City and the Northwest Maritime Center on Point Hudson planning.

She reported meeting with EDC Director Brian Kuh to discuss their (EDC Team Jefferson) contract and scope of work, which would be presented to the commission within the month.

Mr. Englin discussed Quilcene staffing and updates, including hours of operations - 10 am – 6 pm with hours adjusted during fish openings, sanicans by the yacht club, pothole maintenance, internet service in the office, marina software program installation, new showers in the women’s restroom - men’s restroom next, fuel tanks. He reported some staff would receive Level 4 fuel training and others will be trained in First Aid/CPR

tomorrow. He added staff would attempt striping for parking at the Quilcene marina - weather dependent.

Mr. Englin briefed on interviews for temporary moorage clerks and hoist operators, which he hopes to finalize very soon.

He stated he continues working with the consultant on a stormwater operations plan. He discussed the Facilities Maintenance plan - a work in progress. Port Hadlock, Mats Mats, and next up Point Hudson.

Mr. Englin reported the 75-ton Travelift was ordered. He announced the 70-ton and 300-ton lifts both recently passed third party inspections.

Ms. Matej stated she is on week three of her job and has been getting to know the Port, the community, external and internal operations. She is looking at changes to the website, social media possibilities, and overall plans for consistency.

Attorney Goodstein reported he anticipates Marc Landry's appeal brief.

IX. PUBLIC COMMENTS (46:18):

Bill Putney asked for consideration of paving the parking lot at the airport during runway repaving.

Clayton White, Ray Canterbury and Clayton White commented on Quilcene issues.

Keith Beck announced the End of School party for Quilcene, (June 16, 2017). He also provided the dates for shrimp openings: May 6, 10, 17 and 20, and in between are commercial tribal openings.

X. COMMISSIONER COMMENTS (52:11):

Commissioner Clinefelter expressed interest in Bertram Levy's idea of a ballot measure for the Point Hudson breakwater project. Ms. Gibboney said she has met with Mr. Levy a few times and staff's recommendation is not to move forward with a bond at this time, so not to confuse it with IDD planning. Staff and the Commission agreed that the ballot measure is a good idea and could be "a tool in the toolbox".

Commissioner Tucker reported on a recent Transit meeting he attended. Among items discussed at the meeting were a generator Transit is acquiring for emergency vehicle fueling and restrooms at the Park & Ride.

He discussed the recent MRC meeting and the success they have had with DNR tagging buoy-moored vessels, which helps to reduce the number of vessels that break free from anchor and wash up on beaches.

Commissioner Hanke reported on a recent meeting he and Ms. Gibboney had with the Sheriff. He said they are working closely with the Port on terms of derelict vessels. He stated the Linger Longer Committee meeting he attended was a positive experience.

XI. NEXT PUBLIC WORKSHOP/REGULAR MEETING:

Wednesday, May 10, 2017. Workshop at 9:30 am, Meeting at 1:00 pm in the Port Commission Building, 333 Benedict St, Port Townsend.

XII. EXECUTIVE SESSION:

The regular session recessed into Executive Session at 6:34 pm (start time after audience cleared: 6:37 pm) to discuss a potential litigation, pursuant to RCW 42.30.110 (i), duration of fifteen minutes with no action.

XIII. ADJOURNMENT:

The meeting reconvened and adjourned at 6:52 pm there being no further business to come before the Commission.

ATTEST:

Brad A. Clinefelter, Secretary

Peter W. Hanke, President

Stephen R. Tucker, Vice President

PORT OF PORT TOWNSEND

MEETING OF: **May 10, 2017**

AGENDA ITEM: **VII. Regular Business**
 A. Maul Foster Alongi Contract and Scope of Work

BACKGROUND:

Contract and Scope attached.

Executive Director's Recommendation:

Authorize staff to execute contract with Maul Foster Alongi.

Port of Port Townsend

Personal Services Agreement for Preparation of a Point Hudson Development Strategy

THIS AGREEMENT is entered into between the Port of Port Townsend, hereinafter referred to as the "PORT," and MAUL FOSTER ALONGI, Inc., hereinafter referred to as "CONSULTANT", in consideration of the mutual benefits, terms, and conditions hereinafter specified.

1. Project Designation. The CONSULTANT is retained by the PORT to conduct a planning process and prepare a long-term use and development strategy for the Port's Point Hudson facility.
2. Consultant Qualification. The CONSULTANT warrants that it possesses the required skills to perform the work specified in this Agreement.
3. Scope of Services. The CONSULTANT shall provide the services agreed upon with PORT management and outlined in Attachment "A" to this Agreement.
4. Time and Duration of Agreement. This Agreement shall remain in effect until completion of the services described in Attachment "A" and final payment has occurred, unless otherwise terminated in accordance with this Agreement (see section 13 below). Work shall not commence until the PORT provides CONSULTANT with written notice to proceed. The PORT will not issue a notice to proceed until CONSULTANT has provided insurance as required by this Agreement. All work shall be completed by December 31, 2017.
5. Reimbursement. CONSULTANT shall be reimbursed an amount not to exceed \$70,000.00 for services rendered under this Agreement.
 - a. Invoices shall contain a description of the work completed, days and hours worked, billing rate, and fees, and shall be submitted on a monthly basis;
 - b. The reimbursement amount set forth above is the total amount due to the CONSULTANT for all services performed and expenses incurred under this Agreement;
 - c. The reimbursement amount includes all direct labor costs, overhead costs, and direct (expense) costs, including materials, supplies, equipment, costs for travel, reproduction costs and telephone, facsimile and computer use incurred during the term of the Agreement;
 - d. The CONSULTANT shall maintain time and expense records and provide them not more frequently than monthly to the PORT, along with invoices

- in a format acceptable to the PORT for work performed to the date of invoice. The CONSULTANT shall provide progress reports, scheduling and completion information upon request by the PORT;
- e. CONSULTANT shall keep cost records and accounts pertaining to this Agreement available for inspection by the PORT's representative for three (3) years after final payment;
 - f. If the services rendered do not meet the requirements of this Agreement, the CONSULTANT will correct or modify the work to comply with this Agreement. The PORT may withhold payment for such work until the work meets the requirements of the Agreement.
6. Insurance Requirements. The CONSULTANT shall take out and maintain insurance as set forth in Attachment "B" to this Agreement.
 7. Compliance with Laws. CONSULTANT shall, in performing the services contemplated by this Agreement, faithfully observe and comply with all federal, state, and local laws, ordinances and regulations applicable to the services to be rendered under this Agreement.
 8. Indemnification and Hold Harmless. CONSULTANT shall indemnify and hold the PORT, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits, including attorney fees, arising out of or resulting from the acts, errors or omissions of the CONSULTANT in the performance of this Agreement, except for injuries and damages caused by the sole negligence of the PORT. CONSULTANT specifically assumes potential liability for actions brought by CONSULTANT's own employees against the PORT and solely for the purpose of this indemnification and defense CONSULTANT specifically waives any immunity under the state industrial insurance law, Title 51 RCW. CONSULTANT recognizes that this waiver was the subject of mutual negotiation. The provisions of this section shall survive the expiration or termination of this Agreement.
 9. Independent Contractor. The CONSULTANT is, and shall be at all times during the term of this Agreement, an independent contractor and not an employee of the PORT. The parties fully understand the nature of independent contractor status and intend to create an independent contractor relationship. The CONSULTANT, and not the PORT, shall have the right to control the manner and means by which the work or services is accomplished. The PORT shall retain the right, however, to ensure that the work under Attachment "A" is being performed according to agreed-upon requirements. Consistent with this relationship, CONSULTANT shall not be covered by any PORT benefit programs, such as health and welfare benefit plans, social security, workers compensation or unemployment compensation, and shall not be treated as an employee for federal or state tax purposes or any other purpose. CONSULTANT shall be

responsible for paying all taxes related to payments PORT makes to CONSULTANT, including federal income taxes, self-employment (Social Security and Medicaid) taxes, local and state business and occupation taxes, and the PORT is not responsible for withholding for or paying any of those taxes or for contributing to the State Industrial Insurance Program.

10. Assignment or Delegation. CONSULTANT shall not sublet or assign any of the services covered by this Agreement, nor delegate any of its duties hereunder to any other person, firm or entity without the express written consent of the PORT first being obtained.
11. Drug-Free Workplace Policy. The PORT has adopted a Drug-Free Workplace Policy that the workplace will be a drug free environment conducive to conducting the PORT's business free from unlawful manufacture, distribution, dispensing, possession or use of controlled substances. This policy applies to PORT Commissioners, PORT employees, and independent contractors conducting business on PORT property.
12. Equal Opportunity Policy. All persons or entities performing work for the PORT shall provide equal opportunity to all of its employees and applicants for employment and assure that there is no discrimination on the basis of race, color, region, national origin, sex, age, marital status, or physical disability unless based upon a bona fide occupational qualification. All persons or entities performing services for the PORT must insure that the foregoing extend to all areas of employment and to all relations with employees including recruitment, selection, placement, compensation, promotion and transfer, training, daily working conditions, awards and benefits, and all other terms and conditions of employment as provided for in state and national laws. CONSULTANT hereby agrees to abide by applicable regulations during the course of this Agreement.
13. Termination. The PORT may terminate this Agreement for cause after notifying the Consultant of its default and giving the CONSULTANT 10 days to cure the default. CONSULTANT will be paid just and equitable compensation as provided in sections 4 and 5, above, for any satisfactory work completed prior to the date of termination.
14. No Partnership. The parties agree that nothing contained in this Agreement shall be considered as in any way constituting a partnership between the PORT and CONSULTANT.
15. Notices. All notices shall be delivered personally or may delivered by any of the following methods: mailed by certified mail, return receipt requested; regular mail; courier service; facsimile or electronic mail to the other party as their address appears of record with the PORT or State. In the case of notice by mail,

notice shall be deemed given on the date of postmark. In case of facsimile or electronic mail, notice shall be deemed given when received.

16. Ownership of Documents. All work products, papers, notes, memoranda, correspondence, drawings, specifications, reports, and other documents and records of any sort produced, received, held or maintained in conjunction with the performance of this Agreement by the CONSULTANT shall be and is the exclusive property of the PORT, except that the CONSULTANT may use such materials to assist other public agencies. Upon request of the PORT, or upon completion of any of the services provided for in this Agreement, or upon termination of this Agreement for any reason, the CONSULTANT shall deliver to the PORT, machine-reproducible in format acceptable to the PORT copies of any and all such materials. Once accepted by the PORT, CONSULTANT shall have no responsibility for subsequent use by other persons.
17. Non-Waiver. Any failure by the PORT to enforce strict performance of any proviso of this Agreement will not constitute a waiver of the PORT's right to subsequently enforce such provision or any other provision of this Agreement.
18. Severability. If any term or provision of this Agreement is held invalid, the remainder of such terms or provision of this Agreement shall not be affected, if such remainder would then continue to conform to the terms and requirements of applicable law.
19. Legal Fees. In any lawsuit between the parties with respect to matters covered by this Agreement, the prevailing party will be entitled to receive its reasonable attorney fees and costs in the lawsuit, in addition to any other relief that may be awarded.
20. Applicable Law and Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington. The venue for any action shall be in the Superior Court of Jefferson County.
21. Amendment. This agreement may be amended only by written instrument signed by both PORT and CONSULTANT.
22. Complete Agreement. This Agreement together with the Attachments reflects the entire agreement of the parties relating to the subject matter thereof, supersedes all prior or contemporaneous oral or written agreements, or any understandings, statements, representation or promises, and is intended fully to integrate the agreement between the parties with respect to the matters described in this Agreement.

23. Other Terms. Additional Terms (if any) are set forth in an Attachment that will be numbered Attachment "C", and initialed and dated by the parties.

DATED this _____th day of May 2017.

CONSULTANT, MAUL FOSTER ALONGI

PORT OF PORT TOWNSEND

Jim Darling, Vice-President/Principal
Planner

Sam Gibboney, Executive Director

Approved as to Form:

Port Attorney

ATTACHMENT “A”: SCOPE OF SERVICES

POINT HUDSON DEVELOPMENT STRATEGY

Maul Foster & Alongi, Inc. (MFA) will prepare a Development Strategy for the Point Hudson property. The planning process for the Point Hudson Development Strategy (PHDS) will involve an assessment of current conditions, market assessment, illustrations of conceptual development options, community outreach, and creation of implementation strategy.

MFA will partner with Heartland LLC (Heartland) and Stephen Day Architecture on this project. MFA will be the lead consultant and provide site planning, community outreach, engineering and GIS services. Heartland will conduct the market assessment and financial feasibility components of the project, while Stephen Day will analyze constraints and opportunities associated with the historic buildings at Point Hudson.

The scope of work described below outlines a baseline level of work to be performed by the MFA team, funded, in large part, by the Community Economic Revitalization Board (CERB) planning study grant. Within each task description, the “Extended Scope” sections describe extensions of the tasks that could be performed upon the availability of additional funding.

Deliverable dates identified below are based on an assumed project start date of June 1. If the start date is delayed, then deliverable dates will need to be modified accordingly.

SCOPE OF WORK

Task 1—Existing Conditions Assessment

Understanding Point Hudson’s opportunities, constraints, and needs is critical to its development strategy. This task will separate myths from facts and provide a firm foundation of accurate and clear information for future use planning. The purpose of this task is to articulate the need for a new strategy and provide a clear description of the financial, operational, physical, and regulatory conditions at Point Hudson. This work will include the specific subtasks and deliverables listed below.

Subtask 1.1—Project Purpose Statement

In coordination with the Port, MFA will prepare a brief document with appealing graphic design that clearly defines the need for and purpose of the PHDS. The document will summarize key facts regarding the current use and condition of the property, financial performance, constraints, and opportunities. The intended audience for the document is community opinion leaders. The budget assumes that the Port will provide a lease inventory, studies, and reports related to operations and financial performance. MFA

will review these documents, summarize findings, and use this information to develop the purpose and needs statement for the PHDS.

Subtask 1.2—Existing Conditions Assessment

This subtask will include research and evaluation to provide a high level, broad understanding of the key attributes of the property. The MFA project team will focus the assessment on the following attributes of Point Hudson:

- Deeds and Titles – MFA will subcontract with a local firm to prepare a title report for the property. MFA will review the title report to evaluate any encumbrances on the property including easements and any restrictions placed on the property at the time of sale.
- Natural Resources – MFA will review public information and existing reports related to the location of wetlands, streams, protected aquifers, and geohazards in the area in order to analyze restrictions and regulatory implications. This information will be summarized in a map and memorandum.
- Cultural and Historic Resources – Stephen Day will review the current condition of existing buildings on the property relative to their historic integrity and research the implications of the National Historic District designation and City of Port Townsend historic building regulations on the property’s potential for adaptive reuse and redevelopment.
- Buildings, Infrastructure, and Regulatory Conditions – The Port and the City of Port Townsend will provide previously prepared assessments of buildings, infrastructure, and development regulations to the MFA team. These reports primarily provide an assessment of the condition of contributing buildings in the designated area, data on existing utilities, and the implications of land use and environmental regulations. MFA will consolidate them, and the other existing conditions research described above, into a single report.

Assumptions:

- The Port will provide a lease inventory and previously prepared studies and reports on their operations
- The Port and the City of Port Townsend staff will provide previously completed assessments of buildings, infrastructure, and regulatory conditions at Point Hudson

Deliverables:

- A purpose and needs statement for the Point Hudson Development Strategy. Estimated due date: June 15, 2017
- An existing conditions memorandum, summarizing findings of each of the elements described above. Estimated due date: July 3, 2017

Task 2—Market Assessment

The financial success of the Port's operations at Point Hudson will be driven by the ability to generate sufficient revenue from the property to exceed costs for capital improvements and operations. Heartland will perform an analysis of real estate and economic trends, including rents, vacancy rates, and absorption for different market sectors. This task will include:

Subtask 2.1—Research Interviews

Interviews will be conducted with business leaders and real estate development professionals in the vicinity of Port Townsend and the Puget Sound region to understand perceptions of market trends, opportunities, and challenges. This work will include a forum for local business-owners as well as individual interviews.

Subtask 2.2—Data Analysis

Heartland will assemble and analyze demographic, real estate, wage, and economic data to evaluate trends and identify targeted industries and potential opportunities for revenue-generating uses that could be well-suited to locate at Point Hudson.

Deliverables:

- Market Assessment Memo including a market strategy timeline. Estimated due date: July 3, 2017

Task 3—Analysis of Development Scenarios

The purpose of this task is to provide a critical analysis of the redevelopment potential of Point Hudson. The analysis will build upon the understanding of existing conditions as summarized in the previous tasks, and will identify potential challenges and opportunities based on current market information. The task will include:

Subtask 3.1—Evaluation of Potential Reuse Alternatives

The project team will prepare a summary of findings, conceptual-level descriptions, and a preliminary evaluation of a range of potential future uses of the site based on findings of previous tasks. This will include the identification of use types that could maximize revenue potential while respecting physical and regulatory constraints, capitalizing on existing opportunities, and ensuring that the resulting project is consistent with local and regional planning goals including economic diversification. The evaluation will

include a preliminary financial feasibility analysis that compares potential revenue generation with forecasted capital costs of development.

Subtask 3.2—Preferred Alternative

The project team will compare the potential development scenarios and identify the most feasible potential reuse alternative. MFA will prepare conceptual site plan drawings and renderings to illustrate the preferred option.

Deliverables:

- Presentation to the Port Commission of conceptual level reuse alternatives and framework for evaluation.
- Conceptual plan drawings of recommended alternative. Estimated due date: July 24, 2017
- Presentation to the Port Commission of recommended alternative. Estimated Due Date: September 27, 2017.

Task 4—Community Involvement

The purpose of this task is to engage the public in the planning process. As an important icon and historically significant component of the community, the future disposition of these properties is likely to be a topic of high interest to the public. The community involvement task is designed to provide the Port with a reliable understanding of the range of opinions held by different stakeholders and cross sections of the public regarding the PHDS.

MFA will prepare a community involvement plan that will describe the objectives, target audiences, key messages, and formats for engaging the public. The community involvement plan will employ multiple opportunities for public engagement and may include:

- Two to four inter-governmental meetings with public agencies such as the Port and the City of Port Townsend. Dates to be determined and to be completed by Oct. 31, 2017.
- Interviews or small group meetings with key stakeholders (assume up to 8 interviews). Dates to be determined and to be completed by July 31, 2017.
- Participation in at least one community meeting(s) or open house event(s). Dates to be determined. Dates to be determined and to be completed by September 30, 2107.

Task 5—Implementation

The key steps for implementing the potential redevelopment of Point Hudson will be integrated into a redevelopment strategy. The strategy document will describe the specific issues to be addressed by the plan, the economic outcomes expected as a result of its implementation, and quantifiable measures that will indicate success. The report

will include a funding strategy that identifies funding for public facilities improvements, including infrastructure, and describes potential funding sources for historic building renovation. It will also feature strategies to engage in partnerships to bring resources to the project and manage redevelopment.

If the project is determined to be feasible, the following information will be provided within the final report, as outlined by the CERB planning study grant requirements:

- Total estimated jobs created
- Description of employee benefits
- Median hourly wage estimates as compared to the Jefferson County average
- The County's three-year unemployment rate in relation to the state average
- County population change over the last five years
- Projected percent change in the County's labor force as a result of the project
- Projected percent change in the County's unemployment as a result of the project
- Projected change in state and local revenues as a result of the project
- Estimated private investment generated by the project

Deliverables:

- PHDS document. Estimated date for draft document for Port review: November 2, 2017
- Prepare a 10-year cash flow projection for the preferred redevelopment alternative and prepare an economic impact analysis that yields indirect and induced employment projections and tax revenues that could result from the redevelopment, based on regional economic data. Estimated Due Date: December 31, 2017.

-

Extended Scope

BUDGET

The estimated cost to perform the proposed baseline work is \$70,000 (see attached estimated budget). This cost estimate does not represent a lump sum. MFA bills for time and materials, consistent with the attached schedule of charges. MFA may apply money from one task to another to complete the scope of work. The cost for each task, as well as the itemized cost of performing “additional work,” is shown in the table below.

Task	Baseline	
1	Existing Conditions Assessment Project Purpose Statement Existing Conditions Assessment	\$10,000
2	Market Assessment - Research Interviews Data Analysis	\$20,000
3	Analysis of Development Scenarios - Evaluation of Potential Reuse Alternatives Preferred Alternative	\$20,000
4	Community Involvement Intergovernmental Meetings Stakeholder Interviews Community Meetings	\$10,000
5	Implementation - Final Point Hudson Development Strategy	\$10,000
	Total - \$70,000	Total - \$70,000

ATTACHMENT "B":

INSURANCE REQUIREMENTS

Insurance

The CONSULTANT shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the CONSULTANT, its agents, representatives, or employees.

No Limitation

Consultant's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the PORT's recourse to any remedy available at law or in equity.

A. Minimum Scope of Insurance

Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The PORT shall be named as an insured under the CONSULTANT's Commercial General Liability insurance policy with respect to the work performed for the PORT.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to the Consultant's profession.

B. Minimum Amounts of Insurance

CONSULTANT shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.

3. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

C. Other Insurance Provision

The CONSULTANT's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the PORT. Any Insurance, self-insurance, or insurance pool coverage maintained by the PORT shall be excess of the CONSULTANT's insurance and shall not contribute with it.

D. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII.

E. Verification of Coverage

CONSULTANT shall furnish the PORT with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the CONSULTANT before commencement of the work.

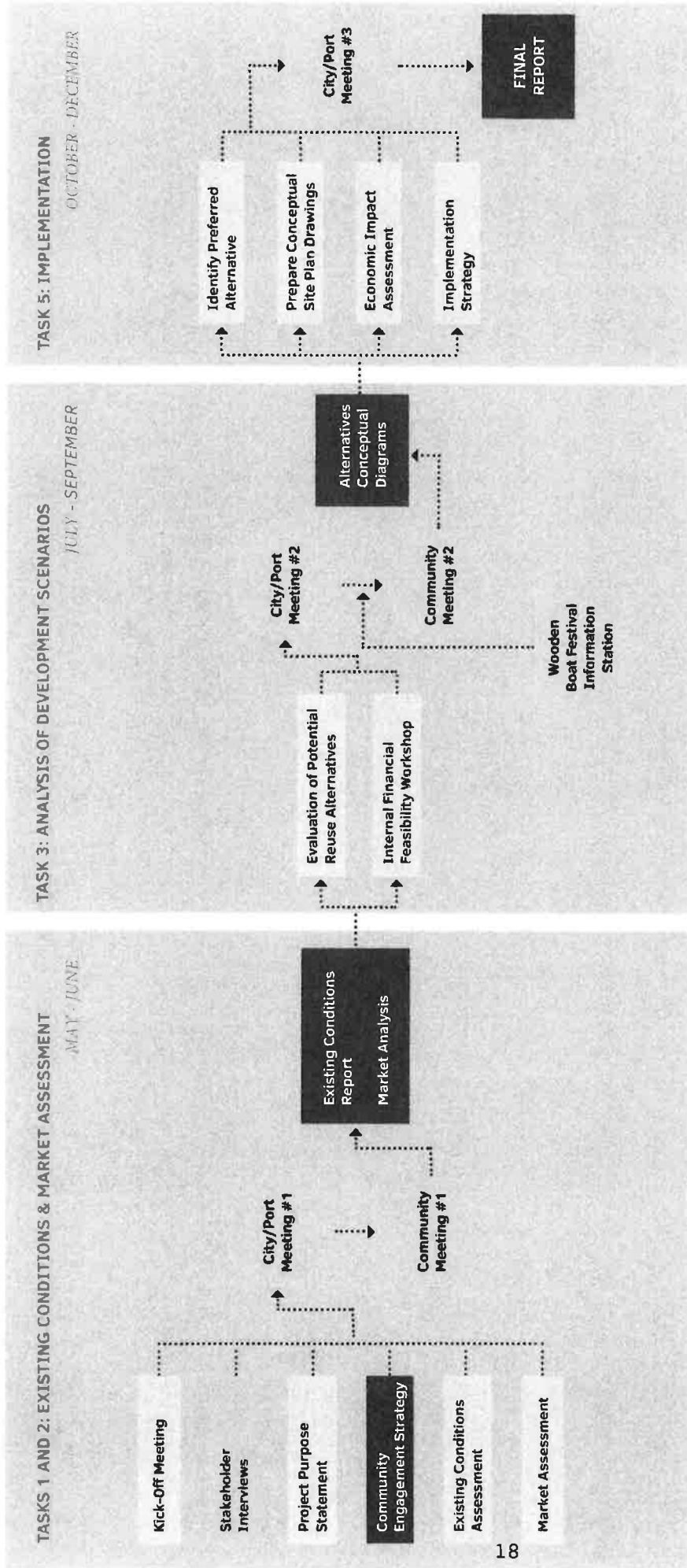
F. Notice of Cancellation

The CONSULTANT shall provide the PORT with written notice of any policy cancellation, within two business days of their receipt of such notice.

G. Failure to Maintain Insurance

Failure on the part of the CONSULTANT to maintain the insurance as required shall constitute a material breach of contract, upon which the PORT may, after giving five (5) business days notice to the CONSULTANT to correct the breach, immediately terminate the agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the PORT on demand, or at the sole discretion of the PORT, offset against funds due the CONSULTANT from the PORT.

PROJECT PROCESS DIAGRAM



PORT OF PORT TOWNSEND

MEETING OF: **May 10, 2017**

AGENDA ITEM: **VII. Regular Business**
 B. Industrial Development District (IDD)

BACKGROUND:

The IDD was the subject of the earlier Public Workshop. Discussions to continue.

Executive Director's Recommendation:

For direction.

PORT OF PORT TOWNSEND

MEETING OF: May 10, 2017

AGENDA ITEM: VII. Regular Business
C. March 2017 Financials

BACKGROUND:

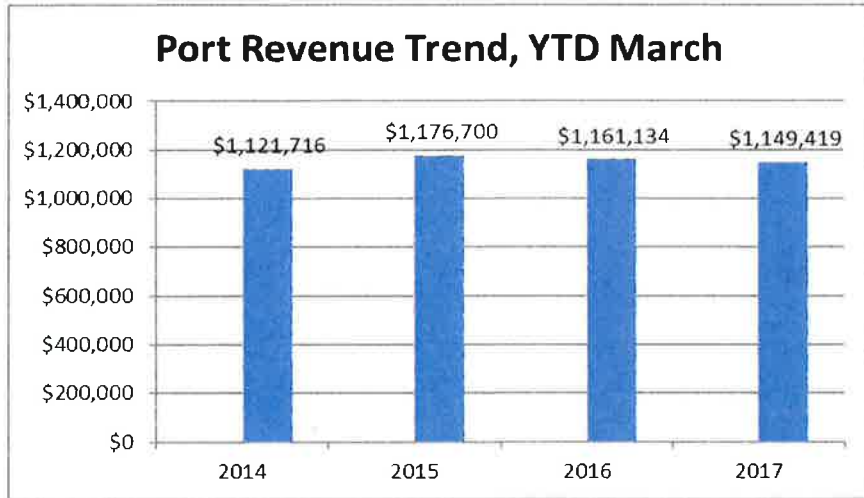
In the Commission meeting packet for their review, is the year-to-date operating results of the Port. This is measured against the same period of the prior year and compares the budget to actual percentage of activity. The highlights of activity results are included in the narrative.

Executive Director's Recommendation:

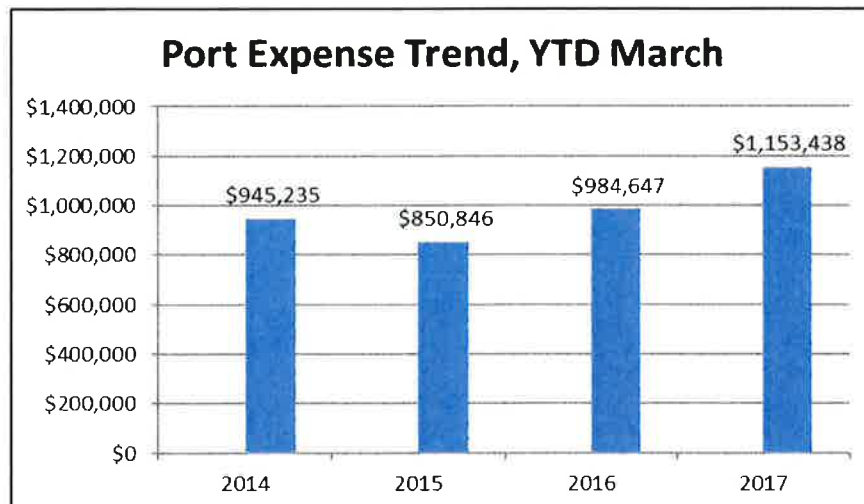
For review.

MEMORANDUM

DATE: May 10, 2017
TO: Commissioners and Directors
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: Port of Port Townsend Financial Highlights, March 2017



YTD Operating Revenues are \$11,615 less than the previous year, and short of budgeted amounts by 5.8%, although the new rates did not go into effect until April 1 (for Marinas & RV Parks) and May 1 (Yard). Marinas & RV Parks and Yard operations are the only revenue line items below budget. Property Leases & Use, Fuel Sales & Leases and Utilities are all more than the previous year and Utilities is the only revenue line ahead of budget at 27.8%.



Through Quarter 1, 2017 Operating Expenses are at 23.3% of total budget. Compared to the previous year, total Operating Expenses are up by \$199,292; however, only Personnel and Cost of Goods – Fuel are ahead of budget at 25.7% and 26.4% respectively.

Before depreciation, Net Operating Income is a loss of \$4,019 and after depreciation, there is a loss of \$401,856. When including Non-Operating Revenues and Expenses, there is a Net Loss of \$202,218. This exceeds the previous year by \$179,240.

In March, the Port expended \$12,870 in WIP (capital project "Work in Progress") which was for the L3 Stormwater project.

There were no bond payments, principal or interest, obligated or paid in March.

End of month, the cash and investment balances were \$2,576,725, up \$90,188 from February. Of that cash and investment balance \$782,234 are reserves leaving a \$1,794,491 in unreserved cash and investment balances.

Port of Port Townsend
Summary of Operating & Non-Operating Revenues & Expenses
2017 Activity with Comparison to Prior Year and Budget

	Actual thru March 31, 2016	Actual thru March 31, 2017	Variance year to year	2017 Budget	% Actual to Budget at 25% of year
REVENUES					
Marinas and RV Parks	479,559	475,944	(3,615)	2,660,000	17.9%
Yard Operations	336,100	316,149	(19,952)	1,764,924	17.9%
Property Leases & Use	269,576	273,908	4,332	1,215,000	22.5%
Fuel Sales & Leases	6,036	7,681	1,645	50,000	15.4%
Ramp Use	11,630	11,833	203	55,000	21.5%
Utilities	58,233	63,905	5,672	230,076	27.8%
Total Operating Revenues	1,161,134	1,149,419	(11,715)	5,975,000	19.2%
OPERATING EXPENSES					
Personnel	645,310	771,923	126,612	3,006,270	25.7%
Outside Services	60,675	102,481	41,806	443,310	23.1%
Facilities & Operations	153,018	152,963	(55)	805,809	19.0%
Utilities	89,558	108,669	19,111	554,180	19.6%
Marketing	16,229	9,458	(6,771)	54,450	17.4%
Economic Development	12,500	-	(12,500)	40,000	0.0%
Travel & Training	5,199	4,465	(734)	30,000	14.9%
Cost of Goods - Fuel	2,158	3,168	1,010	12,000	26.4%
Community Relations	-	310	310	4,000	7.8%
Total Operating Expenses	984,647	1,153,438	168,791	4,950,019	23.3%
Income from Operations w/o Depr	176,487	(4,019)	(180,506)	1,024,981	-0.4%
Depreciation Expense	378,951	397,837	18,886	1,585,632	25.1%
Income (Loss) from Operations w/Depr	(202,464)	(401,856)	(199,392)	(560,651)	71.7%
Non-Operating Revenue					
Capital Contributions/Grants	(4,242)	8,482	12,724	168,750	5.0%
Interest	1,376	20,410	19,033	38,000	53.7%
Property & other taxes	269,308	250,931	(18,377)	1,020,000	24.6%
Miscellaneous Non-Operating Revenue	5,964	14,120	8,156	16,200	87.2%
Total Non-Operating Revenues	272,407	293,943	21,537	1,242,950	23.6%
Non-Operating Expenses					
Bond Interest	92,863	88,536	(4,327)	369,339	24.0%
Bond Mgmt, Issuance, Investment	58	5,770	5,712	154,940	3.7%
Election Expense	-	-	-	17,340	0.0%
Total Non-Operating Expenses	92,921	94,306	1,385	541,619	17.4%
Net Non-Operating Income(Expense)	179,486	199,637	20,152	701,332	28.5%
Net Income (Loss)	(22,978)	(202,218)	(179,240)	140,680	-143.7%