



SPECIAL COMMISSION MEETING AGENDA
May 19, 2017
2:00 PM.

I. CALL TO ORDER / PLEDGE OF ALLEGIANCE

II. PLANNING

A. Authorization for CERB Funding Application for Multi-Tenant Industrial Building Improvements (pg. 1-4)

1. Resolution 17-1149 Authorization of CERB Funding Application

B. Change Order #3 – CMC Fire Alarm Upgrades (pg. 5-6)

III. AIRPORTS

A. WSDOT Grant Application – Airport Master Plan (pg. 7-9)

1. Resolution 17-1148 WSDOT Grant Application Airport Master Plan

IV. OTHER BUSINESS

A. Proposed Letter to Representative Derek Kilmer (pg. 10-11)

V. PUBLIC COMMENTS SESSION (total session up to 20 minutes)

VI. NEXT MEETINGS

A. June 6, 2016 at 9:00am - Regular Commission Work Session

B. June 6, 2016 at 1:00pm – Regular Commission Business Meeting

VII. EXECUTIVE SESSION The Board may recess into Executive Session for those purposes authorized under Chapter 42.30 RCW, the Open Public Meetings Act.

VIII. ADJOURN



RULES FOR ATTENDING COMMISSION MEETING

- Signs, placards, and noise making devices including musical instruments are prohibited.
- Disruptive behavior by audience members is inappropriate and may result in removal.
- Loud comments, clapping, and booing may be considered disruptive and result in removal at the discretion of the Chair.

RULES FOR SPEAKING AT A COMMISSION MEETING

- Members of the public wishing to address the Board on general items may do so during the designated times on the agenda or when recognized by the Chair.
- Time allotted to each speaker is determined by the Chair and, in general, is limited to 3 minutes.
- Total time planned for each public comment period is 20 minutes, subject to change by the Chair.
- All comments should be made from the speaker's rostrum and any individual making comments shall first state their name and address for the official record.
- Speakers should not comment more than once per meeting unless their comments pertain to a new topic they have not previously spoken about.
- In the event of a contentious topic with multiple speakers, the Chair will attempt to provide equal time for both sides.

**ITEM FOR CONSIDERATION
BY THE
PORT BOARD OF COMMISSIONERS**

May 16, 2017

SUBJECT: AUTHORIZATION FOR CERB FUNDING APPLICATION FOR IMPROVEMENTS TO THE MULTI-TENANT INDUSTRIAL BLDG.

Presenter: Chris Hartman, Director of Engineering

BACKGROUND:

The Port is in the process of applying for funding under the State Community Economic Revitalization Board (CERB) Committed Private Partner grant and loan program. This potential funding will be used to assist in improvements to the Port's Multi-Tenant Industrial Building (MTIB) to support private business Airborne Environmental Control Systems (AECS).

AECS is a New York State-based aerospace company desiring to set up manufacturing operations in Port Angeles. AECS addresses the specialized needs of airborne environmental control systems (ECS) for both air and ground based military platforms. Its founder and CEO William (Bill) Lee grew up in Joyce, and he still has family in Clallam County. Mr. Lee has 30+ years of experience in the aerospace Industry serving Fortune 500 companies such as Rockwell Collins, GE Aviation, Moog and Boeing, including 17 years living outside of the US supporting commercial aerospace, DoD and NATO.

AECS has multiple contracts with major defense clients such as Raytheon and Northrup Grumman for products requiring design, adaptation and prototyping for specific applications. Rather than outsourcing new product manufacturing to contract manufacturers and committing to long production contracts as is being done currently, they plan to set up in-house manufacturing for these products. Once manufacturing of the new products is established in Clallam County, the intention of AECS management is to transition full production of current products from contract manufacturers to in-house manufacturing.

AECS plans to invest in laboratory, prototyping and production machinery at the Port Angeles site, and they estimate that 18 – 20 individuals will be hired in the first year, and a total of 80 – 100+ over a period of 5 years as the company grows and additional products are produced in-house.

To support this expansion the Port is proposing to make improvements to the MTIB to ready the facility for AECS. These improvements include new HVAC, power and lighting systems.

ANALYSIS:

To assist the Port in making the required improvements at the MTIB, the Port will seek funding through the CERB Committed Private Partner grant and loan program. Resolution 17-1149 authorizes the Executive Director to make a formal application to CERB for funding assistance and certifies that a share of the project funding is committed by the Port.

CERB Planning Grant Schedule

Tier II Application Due	-	May 29, 2017
Presentation to CERB Board	-	July 27, 2017
Grant Award/Contract	-	Summer 2017

ENVIRONMENTAL IMPACT:

Impacts will be identified through the State Environmental Policy Act and City permitting process.

FISCAL IMPACT:

Below is a breakdown of the funding request:

CERB Grant:	\$300,000
CERB Loan:	\$460,000
Port Upfront Cash Match (20%):	<u>\$190,000</u>
Total Project:	\$950,000

This project is not included in the 2017 Capital Budget but there are funds available to complete this project in the Port's Capital Reserves. Staff expects the Stormwater Conveyance Improvements at the Log Yard to be completed approximately \$600k under budget. Those cost saving could be used to cover this projects cost.

RECOMMENDED ACTION:

Introduce and make a motion to adopt Resolution No. 17-1149

17-1149

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF PORT ANGELES WASHINGTON, AUTHORIZING SUBMISSION OF AN APPLICATION FOR COMMUNITY ECONOMIC REVITALIZATION BOARD GRANT AND LOAN FUNDING IN THE APPROXIMATE AMOUNT OF \$760,000 FOR IMPROVEMENTS TO THE PORT MULTI-TENANT INDUSTRIAL BUILDING.

WHEREAS, Community Economic Development Board (CERB) funds are available to support projects that attract private business in furtherance of economic development; and

WHEREAS, the Port of Port Angeles desires to support a private business and create permanent private jobs through improvements to the existing Multi-Tenant Industrial Building consistent with the purposes of the CERB; and

WHEREAS, the CERB Project represents a commitment resources toward enhancing the vitality of the area and expansion of economic and employment opportunities of Clallam County together with increased tax revenues; and

WHEREAS, in the event the application for CERB funding is approved, and the funding is accepted by the Port of Port Angeles the Port of Port Angeles will comply with all applicable federal and State requirements in regard to environmental impact of the project; and

WHEREAS, the project will not result in the transfer/relocation of jobs from one part of the state of Washington to another; and

WHEREAS, the Port of Port Angeles matching portion of the proposed CERB funding is minimum of 20% of the total project cost; and

WHEREAS, the Port of Port Angeles finds that an application should be submitted for consideration by CERB, and that such submission will promote economic development with in Clallam County.

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Port Angeles Washington, as follows:

1. That the Executive Director or her designee, is hereby authorized to submit an application to the Community Economic Revitalization Board, for and on behalf of the Port of Port Angeles for CERB funding in the approximate amount of \$760,000 for the CERB Project; and
2. That the Executive Director is hereby further authorized to provide such additional information as may be necessary to secure approval of such application; and

3. That, in the event such application is approved, the Executive Director is authorized to enter into an agreement for such funding; and

4. That this Resolution shall be effective upon passage and signatures listed below in accordance with the law.

ADOPTED by the Board of Commissioners of the Port of Port Angeles at a regular meeting thereof held this 19th day of May, 2017.

PORT OF PORT ANGELES
BOARD OF COMMISSIONERS

Colleen M. McAleer, President

Connie L. Beauvais, Vice-President

Steven D. Burke, Secretary

**ITEM FOR CONSIDERSTION
FOR THE
BOARD OF PORT COMMISSIONERS**

May 19, 2017

SUBJECT: CMC 1010 thru 1050 Fire Alarm Upgrades - Change Order No. 3

Presented by: Chris Rasmussen - Facilities Manager

RCW & POLICY REQUIREMENTS

RCW 53.12.270 - Delegation of powers to managing official of port district.

- Master Policy, Resolution 14-1076, Section III(B. Change Orders)
 - Contracts awarded by the Board for which costs of aggregate changes are equal to or greater than \$50,000 or 10% of the contract price, Board approval is required.
 - The CMC 1010 thru 1050 Fire Alarm Upgrades Standard Agreement allows for change orders per Article G-09 of Section 00720 General Conditions.

BACKGROUND:

The CMC 1010 thru 1050 Fire Alarm Upgrades project was awarded to Detech, Inc on January 9, 2017 for the total amount of \$63,305.60. The contract includes addressable fire alarm panels, exterior device and select interior devices.

ANALYSIS:

Change Order 03 includes additional labor and materials. Materials include conduit, fittings, boxes, cabling, addressable devices and remote relays. Port staff has been in communication with the Authority Having Jurisdiction (AHJ) and all changes are needed to meet current NFPA code. A cost breakdown is below. Prices include markup, 15% materials and labor and 10% subcontractor.

• COP 04	1010-Troubleshoot and Connect additional pull station	\$ 951.34
• COP 05	1010-Repair existing ground fault	\$ 1,431.10
• COP 07	1010-Smoke detector and door interface	\$ 1,763.12
• COP 08	1010-Computer RM fire suppression	\$ 1,585.25
• COP 09	1010-Hazardous storage heat detection	\$ 968.89
• COP 10	1030-Addition sprinkler monitoring switches	\$ 2,478.38
• COP 11	1010-AHU shutdown controls	\$ 1,823.93
		\$11,002.01
		WSST 8.4% \$ 924.17
		TOTAL= \$11,926.18

ENVIRONMENTAL IMPACT:

N/A

FISCAL IMPACT:

Below is a breakdown of the base bid contract amount and change orders to date.

Base Bid =	\$	63,305.60
Change Order 01 =	\$	8,765.77 (authorized by Commission 1/23/17)
Change Order 02 =	\$	5,814.65 (authorized by Executive Director 5/12/17)
Change Order 03 =	\$	<u>11,926.18</u>
Total =	\$	89,812.20 includes WSST

The addition of Change Order 03 will exceed the 2017 CIP allocation of \$80,000. The balance of \$9,812.20 will be offset by the Port capital contingency budget which will have \$95,000 remaining with the execution of this change order.

RECOMMENDED ACTION:

Staff recommends the Commission authorize the Executive Director to execute Change Order #03 with Detech, Inc. in the amount of Eleven Thousand Nine Hundred Twenty Six Dollars and Twenty Cents (\$11,926.18) includes WSST.

**ITEM FOR CONSIDERATION
BY THE
BOARD OF PORT COMMISSIONERS**

May 16, 2017

Subject: WSDOT Grant Application Approval – Airport Master Plan (MP) Update and GA/Corporate Ramp Construction Projects

Presented by: Jerry Ludke, Airport & Marina Manager

RCW & POLICY REQUIREMENTS:

Under RCW 47.68.090, any city, county, airport authority, political subdivision, federally recognized Indian tribe, public corporation, or person(s) that owns and operates, a public-use airport included in the Washington Aviation System Plan (WASP) is considered an eligible airport sponsor and may apply for WSDOT Airport Aid grant funds. Federal AIP grants for planning, development, or noise compatibility projects are at or associated with individual public-use airports (including heliports and seaplane bases). Further, to be eligible for a grant, an airport must be included in the National Plan of Integrated Airport Systems (NPIAS).

BACKGROUND:

In 2015 and 2016 the Commission authorized Port staff to apply for 5% WSDOT Aviation grant funding for the airport MP Update and the GA/Corporate Ramp (Apron) Design and Construction projects.

WSDOT approved these grant applications, and funding used to date is shown below:

WSDOT Grant Funding	Amount	Used to Date	---- Remaining ----	
			Dollars	Percent
MP Update	\$33,162.00	21,818.90	11,343.10	34%
GA/Corporate Ramp (Apron)	72,611.69	50,637.67	21,974.02	30%
Total	\$105,773.69	72,456.57	33,317.12	31%

As previously presented to the Commission, completion of both projects has been delayed. The MP Update project is on hiatus until September 2017 to collect more precise airport operations data. The apron project was delayed in October 2016 due to heavy rain and will not be completed until August 2017.

ANALYSIS:

Remaining WSDOT grant funds expire on June 30, 2017 at the end of the current biennium. To ensure funds “roll over” and are available in 2017-2018, WSDOT requires grantees to reapply for funding.

A completed application requires a Commission-adopted resolution that authorizes submittal of the grant application, states that matching funds are available and indicates the support of elected officials.

The resolution requests reauthorization of \$11,343 for the MP Update, but requests a slight increase of \$351 from \$21,974 to \$22,325 for apron construction due to the unanticipated additional cost of winterizing and then de-winterizing the project.

ENVIRONMENTAL IMPACT:

None.

FISCAL IMPACT:

These projects were included in the 2015, 2016 and 2017 budgets, and the Commission previously authorized 5% in Port match spending. The fiscal impact of this resolution is an additional \$351 in Port match spending beyond amounts previously authorized.

RECOMMENDED ACTION:

Introduce and adopt Resolution No. 17-1148 to complete the application for \$33,668.10 in WSDOT grant funding for the airport Master Plan Update and GA Corporate Ramp Construction projects.

17-1148

A RESOLUTION AUTHORIZING WASHINGTON STATE DEPARTMENT OF TRANSPORTATION AVIATION DIVISION GRANT APPLICATION TO COMPLETE AN AIRPORT MASTER PLAN UPDATE AND A GA/ CORPORATE RAMP CONSTRUCTION.

WHEREAS, the Port of Port Angeles is submitting an Airport Aid Application to the Washington State Department of Transportation (WSDOT) Aviation Division to complete a Master Plan Update and GA/ Corporate Ramp Construction for William R. Fairchild International Airport; and

WHEREAS, the Master Plan Update project funding is to be comprised of \$11,343 from WSDOT Aviation Division, \$11,343 local match from the Port of Port Angeles, and an estimated \$226,862 in federal FAA funds; and

WHEREAS, the GA/Corporate Ramp Construction project funding is to be comprised of \$22,325 from WSDOT Aviation Division, \$22,325 local match from the Port of Port Angeles, and an estimated \$401,850 in federal FAA funds.

NOW THEREFORE BE IT RESOLVED that the Commission of the Port of Port Angeles supports and authorizes this grant application and confirms that matching funds are available.

ADOPTED this 19th day of May 2017.

PORT OF PORT ANGELES
BOARD OF COMMISSIONERS

Colleen M. McAleer, President

Connie L. Beauvais, Vice President

Steven D. Burke, Secretary

May 16, 2017

The Honorable Derek Kilmer
Port Angeles Office
332 East 5th Street
Port Angeles, WA 98362

Dear Congressman Kilmer,

The Port of Port Angeles (Port) wants to express its support for your efforts to re-authorize the **Secure Rural Schools Program**. The Port appreciates you joining with Clallam County Commissioner Randy Johnson to co-author the March 27th editorial in the Peninsula Daily News. The editorial provided North Olympic Peninsula residents an excellent overview of the issue.

The federal government owns and manages much of the land base in this region. It is vital that our communities continue to receive federal support since these lands are exempt from property taxes which fund much of the services in this area. Reduced timber harvest on federal lands has contributed to the continuing importance of the Secure Rural Schools Program. As you know, 2015 was the last year the program was authorized. The hardships from the lack of funding continues to grow.

Thank you for co-sponsoring this important legislation.

Olympic Peninsula Timber Supply

The Port of Port Angeles's responsibility under its enabling legislation is to promote economic prosperity for Clallam County. The forest products industry continues to play a vital role in the economy of the North Olympic Peninsula. However, past decisions on the management of federal and state lands have reduced the supply of timber on the Olympic Peninsula, with dramatic, and long-lasting impacts to our economy and communities.

The Port is apprehensive about the prospect of losing even more timber supply because of pending decisions on both federal and state lands. The state, through the Board of Natural Resources, is in the process of updating their management plans for the marbled murrelet, and establishing a new ten-year sustainable harvest for state lands. Their decisions could have profound impacts on the predictability and supply of timber to the businesses and communities on the Northern Olympic Peninsula.

The Port retained Olympus Consulting to establish baseline metrics to assist in analyzing the options presented by the Board of Natural Resources. Some key findings include:

- In Clallam County, every 20 MMBF* that is harvested results in 24 full time direct jobs in forestry, harvesting and manufacturing. Each direct job supports another 0.55 indirect jobs in the supply chain, and 0.76 induced jobs in the general economy. To summarize, every 20 MMBF harvested results in,
 - 24 full time direct jobs,

- 13.2 indirect jobs,
 - 18.24 induced jobs,
 - For a total of 55.5 jobs for each 20 MMBF of harvest
- The total public and private timber harvest in the Olympic Peninsula region (OESF, Clallam, Jefferson, and Mason counties) supporting our businesses and communities has averaged 697 MMBF per year over the last decade. This harvest has resulted in:
 - 836 full time jobs,
 - 460 indirect jobs,
 - 635 induced jobs,
 - For an average, over the decade, of 1,931 jobs per year.
 - Harvest on state managed lands contributes between 17%-22% of the total timber supply in the Olympic Peninsula region.
 - Harvest on state lands in Clallam County (managed by DNR) contribute, on average, about 7.5% of the total Olympic Peninsula timber supply, and 29% of the total state harvest on the Peninsula. The county, and Port, receive more revenues from harvests off these lands than other state lands.
 - The state reports differing number of acres removed from management in their planning documents and annual reports. Nonetheless, the various plans and reports indicate that more than 700,000 acres of state managed, west side forests (or about 48% of these lands) are either withdrawn from management or managed under restrictive conservation objectives.

(* MMBF = Million Board Feet)

Next Steps

The catastrophic wildfires in Central and N.E. Washington are a wake-up call that we need to work together to achieve a balanced long-range plan across both state and federal lands.

The decisions on timber harvest levels on state, federal and private lands will impact our communities, our economy and our landscapes for decades.

The Port urges you, and your team, to stay informed on the decisions related to the management of state lands on the Olympic Peninsula.

Additionally, we would like to work with you to explore options for more active management of lands in the Olympic National Forest.

Thank you.

Colleen M. McAleer
President

Connie L. Beauvais
Vice President

Steven D. Burke
Secretary