



**REGULAR COMMISSION MEETING**  
**Tuesday, October 8, 2024, at 9:00 am**  
**338 W. First St, Port Angeles, WA 98363**  
**AGENDA**

The Regular Commission Meeting will be available to the public in person and remotely. For instructions on how to connect to the meeting remotely, please visit <https://portofpa.com/about-us/agenda-center/>

- I. CALL TO ORDER / PLEDGE OF ALLEGIANCE**
- II. EARLY PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES)**
- III. APPROVAL OF AGENDA**
- IV. WORK SESSION**
  - A. Draft Final Capital Budget.....1-11
  - B. Finalize Operating Budget Assumptions.....12-15
  - C. Draft 2025 Organizational Chart.....16
  - D. 2025 Strategic Plan
- V. APPROVAL OF CONSENT AGENDA**
  - A. Regular Commission Meeting Minutes – September 24, 2024.....17-20
  - B. Vouchers in the amount of \$2,034,789.81.....21
- VI. COMPLETION OF RECORDS**
  - A. Monthly Delegation of Authority Report.....22-23
- VII. PLANNING AND CAPITAL PROJECTS**

No items
- VIII. LOG YARD**

No items
- IX. MARINE TRADES AND MARINE TERMINALS**

No items
- X. PROPERTY**
  - A. First Consideration – Amazon.com Services LLC. Lease



**XI. MARINAS**

No items

**XII. AIRPORTS**

No items

**XIII. OTHER BUSINESS**

No items

**XIV. ITEMS NOT ON THE AGENDA**

**XV. COMMISSIONER REPORTS**

**XVI. PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES)**

**XVII. FUTURE AGENDA.....27**

**XVIII. NEXT MEETINGS**

- A. October 22, 2024 - Regular Commission Meeting
- B. October 28, 2024 – Special Joint Commission Meeting @ County
- C. October 29, 2024 – Special Commission Meeting
- D. November 12, 2024 – Regular Commission Meeting
- E. November 26, 2024 – Regular Commission Meeting

**XIX. UPCOMING EVENTS**

- A. International Workboat Show – November 12-14, 2024 – New Orleans, LA
- B. Pacific Marine Expo – November 20-22, 2024 – Seattle, WA
- C. WPPA Annual Meeting – December 11-13, 2024 – Bellevue, WA

**BROWN BAG LUNCH AND OPEN DISCUSSION WITH THE COMMISSION (TIME PERMITTING)**

**XX. EXECUTIVE SESSION**

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

**XXI. 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.

## **SECTION V**

### **DRAFT 2025 CAPITAL BUDGET**

(as presented at the 10/8/2024 Commission Meeting)

## CAPITAL BUDGET

The 2025 Capital Budget includes a 1-year Capital Projects Budget, a 5-year Capital Improvement Plan and a 20-year Capital Improvement Plan. The Capital Projects Budget is funded by a combination of grants, property tax surplus, operating surplus, and reserves. The surplus from property taxes is net of general tax levies in excess of debt service expenditures. Surplus from Port operations result from the cumulative excess of revenues over expenses. The operating surplus that is transferred from the General Fund to the Capital Improvement Fund is the amount that exceeds the target fund balance for the General Fund. Periodically, the Port will also issue debt to fund projects. See a breakdown below of where the funds are coming from for this year's capital budget.

Property Tax Levy	\$ 1,742,500
Debt Service	\$ (460,000)
Misc. & Non-Op	\$ 750,000 (interest earning less environmental cleanup)
Net Operating Surplus	\$ 1,700,000
2025 Capital Expenditures	\$ (3,485,000)
Addition to Cash Reserves	\$ 247,500

In the 5-Year Capital Improvement Plan, investments in new infrastructure are shown separate from maintaining existing infrastructure to help staff determine if there is sufficient investment to maintain existing infrastructure. The Port has approximately \$3.12 million per year of depreciation, which is used as a long-term investment target for maintaining its assets.

### A. CAPITAL PROJECTS BUDGET

The total project cost must exceed \$10,000 and the assets must have a minimum useful life of five (5) years to be included in the Capital Budget. If it is a maintenance project, then the life of the asset must be extended by at least five (5) years.

The capital projects are included in the budget based on a descending list of priorities. The four main priority categories for projects include:

1. Regulatory Required Projects: These projects are required by a regulatory agency. The Port must complete these projects to remain in compliance with established regulations.
2. Committed Projects: These projects are considered "committed" because of one or more of the following reasons:
  - a. Port agreed to complete the project within a lease or other agreement.
  - b. Port has accepted grant funding and committed the matching funds.
3. Critical Maintenance Projects: In order to prevent further damage to a Port asset, these projects are included in the Capital Budget. Delaying these projects will result in more costly repairs.

4. Strategic Investment Projects: Following regulatory, committed, and critical maintenance are the Strategic Investment projects. These projects will be prioritized based on a combination of the following factors: 1) Job Creation and Retention, 2) Return on Investment and 3) Environmental Benefit and 4) Preventative Maintenance. Preventative maintenance projects are maintenance projects that won't result in further damage to the asset if they are deferred until next year.

## **B. 5 YEAR CAPITAL IMPROVEMENT PLAN**

The 5 Year Capital Improvement Plan (CIP) is a planning tool that identifies Capital Projects through the year 2029. The 5-year CIP aims to maintain a minimum cash reserve balance of \$10 Million. Projects shown in future years do not commit the Port for funding. Each project will go through a more stringent prioritization analysis prior to being accepted in the current year Capital Budget.

## **C. 20 YEAR CAPITAL IMPROVEMENT PLAN**

This list represents projects that are major capital investments that the Port will likely make within the next 6 to 20 years (2030 - 2045). These projects are primarily infrastructure replacement projects, but there are a few new development projects that represent high priority strategic investments. This plan is intended to be used to help balance current capital investments and debt with the understanding of future investment needs. Projects estimates in future years are escalated using an annual average inflation rate of 3.33% in accordance with the Washington State Department of Financial Management Cost Estimating Form C-100.

## **D. GRANTS**

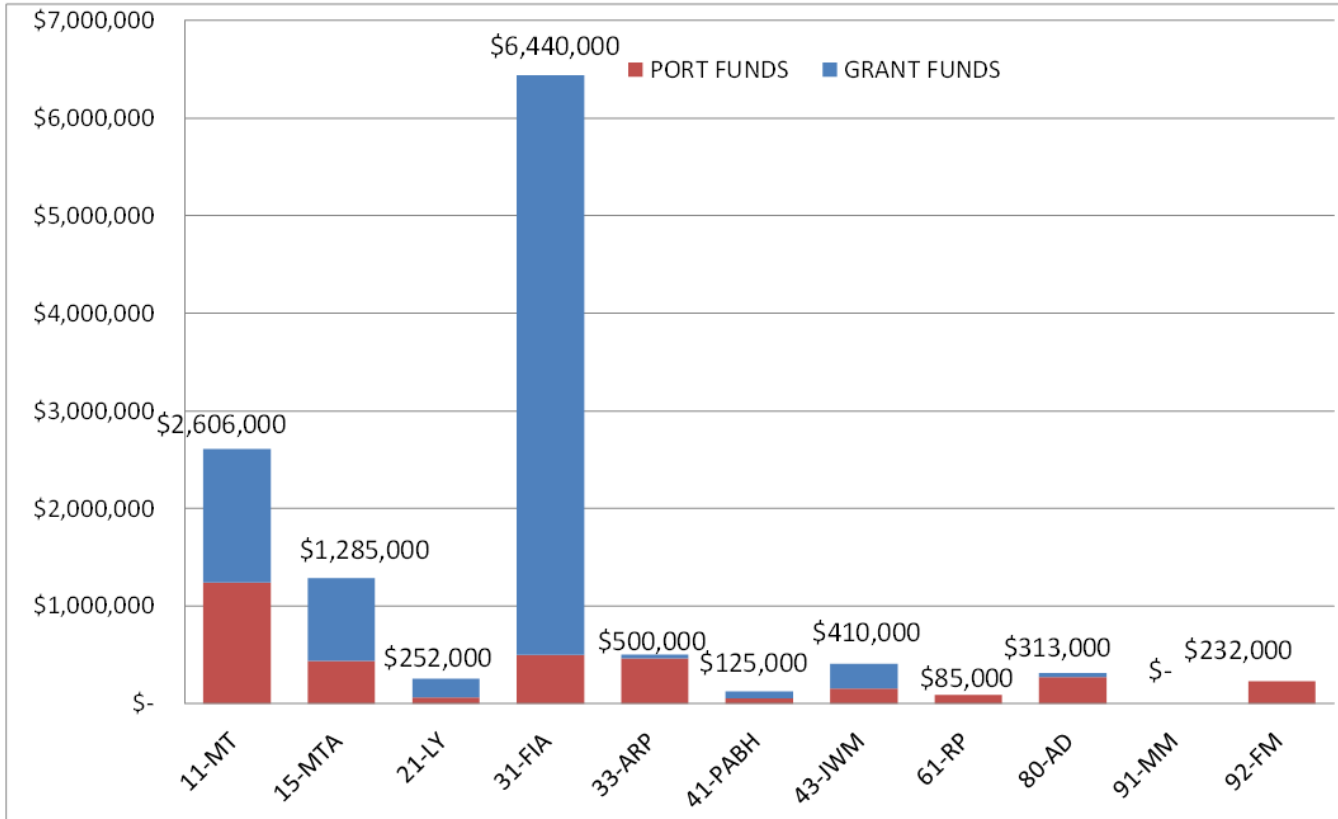
The Port has been successful in being awarded state and federal grants to help offset a portion of the cost of projects. The Port has been awarded eleven (11) separate grants and should receive determinations for three (3) more by the end of 2024. Each grant carries its own unique conditions and matching fund requirements. Grants that have been awarded to the Port are detailed in the following table.

## FEDERAL & STATE GRANTS AWARDED TO THE PORT OF PORT ANGELES

Grant Agency	Program	Project	Grant Funds	Match Funds
U.S. Dept. of Commerce – Economic Development Admin.	Disaster Supplemental Notice of funding Opportunity	Marine Trade Center Phase 2 Site Development	\$7,300,000 (Total) \$6,490,000 – 2024 \$ 810,000 – 2025	\$3,700,000 (Total) \$ 235,000 – 2023 \$3,040,000 – 2024 \$ 425,000 – 2025
U.S. Dept of Homeland Security	Port Security Grant Program	Surveillance System Upgrade	\$79,000	\$27,000
Federal Aviation Administration	Bipartisan Infrastructure Law	Hanger Development	\$1,395,000 (Total) \$720,000 – 2025 \$675,000 – 2026	\$155,000 (Total) \$ 80,000 – 2025 \$ 75,000 – 2026
Federal Aviation Administration	Airport Improvement Program	Taxiway ‘A’ Rehabilitation	\$5,130,000	\$270,000
Federal Aviation Administration	Airport Improvement Program	Seal Taxilanes & GA Aprons	\$387,500 (Total) \$ 95,000 – 2025 \$292,500 – 2026	\$12,500 (Total) \$ 5,000 – 2025 \$ 7,500 – 2026
U.S. Dept of Transportation – Maritime Admin.	Port Infrastructure Development Program	Intermodal Handling & Transfer Facility Site Improvements	\$8,608,000 – 2026	\$1,297,000 – 2026
Washington State Dept. of Ecology	Stormwater Facility Assistance Program	Intermodal Handling & Transfer Facility Site Improvements - Design	\$189,000 – 2025	\$63,000 – 2025
Washington State Dept. of Ecology	Capital Budget Proviso	Intermodal Handling & Transfer Facility Site Improvements	\$855,000 - 2026	\$0 - 2026
U.S. Dept. of Commerce – Economic Development Admin.	Recompete	Three (3) barges for Marine Transportation	\$6,000,000 (Total) \$1,250,000 – 2025 \$2,000,000 – 2026 \$2,750,000 – 2027	\$0 (Total) \$0 – 2025 \$0 – 2026 \$0 – 2027
Wa. St. Recreation Conservation Office	Boating Facility Program	John Wayne Marina Boat Launch Floats	\$255,000	\$85,000
Wa. St. Dept. of Commerce	Community Electric Vehicle Charge	Four (4) Level 2 charge pedestals	\$160,000	\$40,000
Wa. St. Dept of Commerce	* Community Economic Revitalization Board (CERB)	W. PABH Master Plan	\$75,000	\$50,000

\* CERB grant determination will be made in November of 2024. This grant award is expected and included in the preparation of the 2025 budget.

## 2025 CAPITAL EXPENDITURES BY DEPARTMENT



Dept.	2024 Port Projected	2024 Grant Projected	2024 Total Projected	2025 Port Budget	2025 Grant Budget	2025 Total Budget
11-MT	\$ 2,013,000	\$ -	\$ 2,013,000	\$ 1,237,000	\$ 1,369,000	\$ 2,606,000
15-MTA	\$ 3,040,000	\$ 5,643,000	\$ 8,683,000	\$ 435,000	\$ 850,000	\$ 1,285,000
21-LY	\$ 690,000	\$ -	\$ 690,000	\$ 63,000	\$ 189,000	\$ 252,000
31-FIA	\$ 218,000	\$ 90,000	\$ 308,000	\$ 495,000	\$ 5,945,000	\$ 6,440,000
33-ARP	\$ 25,345	\$ -	\$ 25,345	\$ 460,000	\$ 40,000	\$ 500,000
41-PABH	\$ 5,000	\$ 15,000	\$ 20,000	\$ 50,000	\$ 75,000	\$ 125,000
43-JWM	\$ 229,000	\$ 12,000	\$ 241,000	\$ 155,000	\$ 255,000	\$ 410,000
61-RP	\$ 405,000	\$ -	\$ 405,000	\$ 85,000	\$ -	\$ 85,000
80-AD	\$ -	\$ -	\$ -	\$ 273,000	\$ 40,000	\$ 313,000
91-MM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92-FM	\$ 154,655	\$ -	\$ 154,655	\$ 232,000	\$ -	\$ 232,000
<b>Total</b>	<b>\$ 6,780,000</b>	<b>\$ 5,760,000</b>	<b>\$ 12,540,000</b>	<b>\$ 3,485,000</b>	<b>\$ 8,763,000</b>	<b>\$ 12,248,000</b>

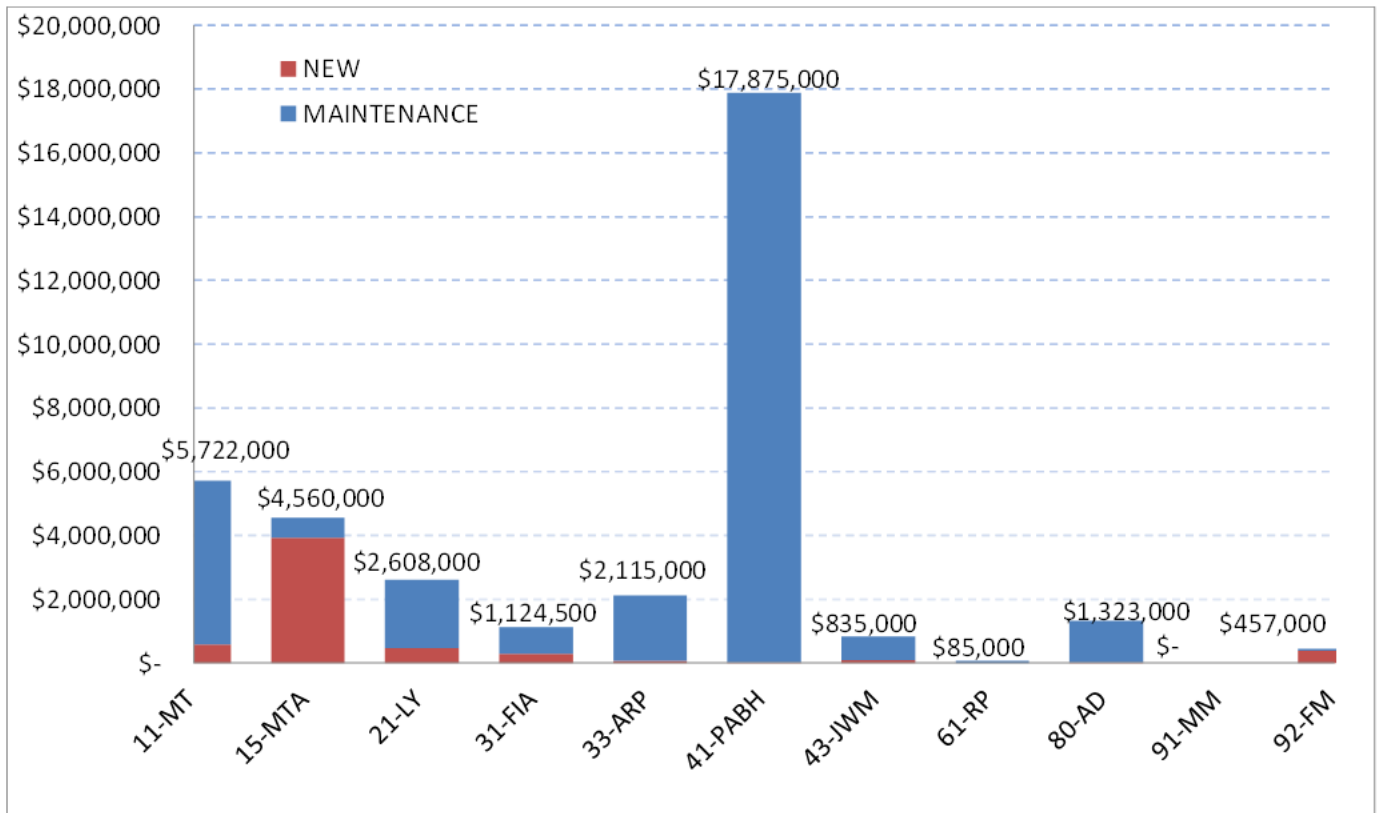


## 2025 CAPITAL PROJECTS

#	Dept.	Project Description	Port Funds	Grant Funds	Total
1.01	21-LY	IHTF Site Improvements (G) (P)	\$ 63,000	\$189,000	\$ 252,000
2.01	15-MTA	MTC Site Development (G)	\$ 425,000	\$810,000	\$ 1,235,000
2.02	11-MT	T1 - T3 Repairs	\$ 1,000,000		\$ 1,000,000
2.03	11-MT	Surveillance System Upgrade (G)	\$ 27,000	\$79,000	\$ 106,000
2.04	31-FIA	Taxiway 'A' Rehab (G)	\$ 270,000	\$5,130,000	\$ 5,400,000
2.05	31-FIA	Taxiway Sealing (G) (P)	\$ 5,000	\$95,000	\$ 100,000
2.06	11-MT	Spud Barge (G)	\$ -	\$1,250,000	\$ 1,250,000
2.07	80-AD	Capital Budget Contingency	\$ 200,000		\$ 200,000
3.01	33-ARP	1050 Bldg. Roof Overlay	\$ 450,000		\$ 450,000
3.02	43-JWM	Boat Launch Float Replacement (G)	\$ 85,000	\$255,000	\$ 340,000
3.03	80-AD	I.T. Disaster Recovery	\$ 18,000		\$ 18,000
3.04	41-PABH	W. PABH Master Plan (G*) (P)	\$ 50,000	\$75,000	\$ 125,000
4.01	31-FIA	Hangar Site Prep (SP)	\$ 140,000		\$ 140,000
4.02	31-FIA	Hangar Bldg. Purchase (G)	\$ 80,000	\$720,000	\$ 800,000
4.03	11-MT	Programmatic Corp. Maint. Permit (P)	\$ 100,000		\$ 100,000
4.04	11-MT	MT Planning & Grant Dev. (P)	\$ 100,000		\$ 100,000
4.05	11-MT	EV Charging Station (G) (SP)	\$ 10,000	\$40,000	\$ 50,000
4.06	80-AD	EV Charging Station (G) (SP)	\$ 10,000	\$40,000	\$ 50,000
4.07	33-ARP	EV Charging Station (G) (SP)	\$ 10,000	\$40,000	\$ 50,000
4.08	15-MTA	EV Charging Station (G) (SP)	\$ 10,000	\$40,000	\$ 50,000
4.09	61-RP	2207 W. Edgewood Improvements (SP)	\$ 85,000		\$ 85,000
4.10	92-FM	Excavator Purchase	\$ 120,000		\$ 120,000
4.11	43-JWM	Fuel Turbine & Spill Bucket	\$ 55,000		\$ 55,000
4.12	43-JWM	Beach Access Improvements (P)	\$ 15,000		\$ 15,000
4.03	92-FM	Skid Steer Purchase	\$ 75,000		\$ 75,000
4.14	92-FM	Staff Vehicle Purchase	\$ 37,000		\$ 37,000
4.15	80-AD	Staff Vehicle Purchase	\$ 45,000		\$ 45,000
<b>TOTALS =</b>			<b>\$3,485,000</b>	<b>\$8,763,000</b>	<b>\$12,248,000</b>

#:	Priority Ranking. The first number is the project category (see description on Page V-1) and the second number is its priority number within that category.
G:	Grant funds have been awarded.
G*:	Grant funds have not yet been awarded.
P:	Planning work such as engineering, design, permitting, bid document preparation, ect...
IHTF:	Intermodal Handling and Transfer Facility.
SP:	Self Perform. These projects will be completed with Port labor.

## 2025 - 2029 CAPITAL IMPROVEMENT PLAN BY DEPARTMENT



Dept.	New	Maintenance	Total
11-MT	\$ 580,000	\$ 5,142,000	\$ 5,722,000
15-MTA	\$ 3,935,000	\$ 625,000	\$ 4,560,000
21-LY	\$ 463,000	\$ 2,145,000	\$ 2,608,000
31-FIA	\$ 295,000	\$ 829,500	\$ 1,124,500
33-ARP	\$ 70,000	\$ 2,045,000	\$ 2,115,000
41-PABH	\$ 25,000	\$ 17,850,000	\$ 17,875,000
43-JWM	\$ 95,000	\$ 740,000	\$ 835,000
61-RP	\$ -	\$ 85,000	\$ 85,000
80-AD	\$ 28,000	\$ 1,295,000	\$ 1,323,000
91-MM	\$ -	\$ -	\$ -
92-FM	\$ 382,000	\$ 75,000	\$ 457,000
<b>TOTAL =</b>	<b>\$ 5,873,000</b>	<b>\$ 30,831,500</b>	<b>\$ 36,704,500</b>

## 2025 - 2029 CAPITAL IMPROVEMENT PLAN

Dept.	Project Description	2025	2026	2027	2028	2029
11-MT	Surveillance System Upgrade (G)	\$ 27,000				
11-MT	T1 - T3 Repairs	\$ 1,000,000				
11-MT	Shorepower Improvement (G)				\$ 235,000	
11-MT	Zero-emission Cargo Equip (G)		\$ 240,000			
11-MT	T1 Shorepower Service		\$ 40,000			
11-MT	T1 Shorepower Cable		\$ 20,000			
11-MT	EV Charging Stations (G) (SP)	\$ 10,000				
11-MT	Security Patrol Vehicle		\$ 50,000			
11-MT	T1 Asphalt Patching			\$ 150,000		
11-MT	MT Programatic Maint. Permit	\$ 100,000				
11-MT	Marine Terminal Planning	\$ 100,000				
11-MT	Access Control Upgrades (G)			\$ 25,000		
11-MT	T1 Warehouse Rehab.				\$ 1,000,000	
11-MT	Replace Forklift (G)			\$ 75,000		
11-MT	Tumwater Bank Stabilization (G)			\$ 37,500		\$ 362,500
11-MT	Marine Terminal Impts. (G)				\$ 2,250,000	
15-MTA	Industrial Prop. Acquisition		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
15-MTA	MTC Site Development (G)	\$ 425,000				
15-MTA	BY 70 MT Travelift Repairs		\$ 50,000			
15-MTA	MTC 500 MT Travelift		\$ 2,500,000			
15-MTA	EV Charging Stations (G) (SP)	\$ 10,000				
15-MTA	B.Y. Building Roof Overlay			\$ 225,000		
15-MTA	B.Y. Building Siding Repairs		\$ 50,000			
15-MTA	S.W. Conveyance Impts.			\$ 300,000		
21-LY	Cofferdam Rehab. (G)		\$ 318,000			
21-LY	IHTF Site Impts (P) (G)	\$ 63,000				
21-LY	IHTF Site Impts (G)		\$ 1,297,000			
21-LY	IHTF Stormwater Treatment (G)		\$ 300,000			
21-LY	Sweeper Truck (G)				\$ 100,000	
21-LY	Boom Boat Repairs			\$ 30,000		
21-LY	Hydraulic Loader Replace				\$ 500,000	
31-FIA	Asphalt Surface Repairs					
31-FIA	Transient Area Asphalt Repair			\$ 500,000		
31-FIA	FIA Hangar Site Prep (SP)	\$ 140,000				
31-FIA	FIA Hangar Building (G)	\$ 80,000	\$ 75,000			
31-FIA	Taxiway "A" Rehab. (G)	\$ 270,000				
31-FIA	Seal Taxilanes & GA Apron (G)	\$ 5,000	\$ 7,500			
31-FIA	26 Obst. Removal (G)				\$ 17,000	

G: Grant Funding

## 2025 - 2029 CAPITAL IMPROVEMENT PLAN

Dept.	Project Description	2025	2026	2027	2028	2029
31-FIA	Snow Removal Equipment (G)			\$ 30,000		
33-ARP	EV Charging Stations (G) (SP)	\$ 10,000				
33-ARP	1050 Roof Overlay	\$ 450,000				
33-ARP	18th St. Fence Extension			\$ 60,000		
33-ARP	MTIB Roof Overlay		\$ 300,000			
33-ARP	1020 Bldg. Roof Overlay		\$ 300,000			
33-ARP	1030 Bldg. Roof Overlay			\$ 315,000		
33-ARP	1040 Bldg. Roof Overlay				\$ 330,000	
33-ARP	1010 Bldg. Roof Overlay					\$ 350,000
41-PABH	Boat Launch Restroom (G)			\$ 25,000		
41-PABH	W. PABH Master Plan (P) (G)	\$ 50,000				
41-PABH	W. PABH Design (P)		\$ 250,000	\$ 150,000	\$ 400,000	
41-PABH	W. PABH Float & Breakwater Replace					\$ 17,000,000
43-JWM	Fuel Turbine & Spill Bucket	\$ 55,000				
43-JWM	Boat Launch Float Replace (G) (SP)	\$ 85,000				
43-JWM	Parking lot Rehabilitation					\$ 600,000
43-JWM	Beach Access Improvement (G)	\$ 15,000		\$ 80,000		
61-RP	2207 W Edgewood Dr. Impts	\$ 85,000				
80-AD	Capital Budget Contingency	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
80-AD	EV Charging Stations (G) (SP)	\$ 10,000				
80-AD	I.T. Disaster Recovery	\$ 18,000				
80-AD	Staff Vehicle Purchase	\$ 45,000				
80-AD	Admin Bldg Façade Impts			\$ 250,000		
92-FM	Excavator Purchase	\$ 120,000				
92-FM	Staff Vehicle Purchase	\$ 37,000				
92-FM	Dump Truck Replacement		\$ 75,000			
92-FM	Skid Steer	\$ 75,000				
92-FM	Telehandler Forklift			\$ 60,000		
92-FM	Bulldozer				\$ 90,000	
<b>Total not including grant funds</b>		<b>\$ 3,485,000</b>	<b>\$ 6,322,500</b>	<b>\$ 2,762,500</b>	<b>\$ 5,372,000</b>	<b>\$ 18,762,500</b>
<b>Grant Funds</b>		<b>\$ 7,513,000</b>	<b>\$ 17,179,000</b>	<b>\$ 762,500</b>	<b>\$ 16,269,000</b>	<b>\$ 2,537,500</b>
<b>TOTAL (including grant funds)</b>		<b>\$ 10,998,000</b>	<b>\$ 23,501,500</b>	<b>\$ 3,525,000</b>	<b>\$ 21,641,000</b>	<b>\$ 21,300,000</b>

5 YEAR TOTAL = \$ 36,704,500  
(not including grant funds)

5 YEAR TOTAL = \$ 80,965,500  
(including grant funds)

G: Grant Funding

## 2025 - 2029 CAPITAL IMPROVEMENT PLAN

Dept.	Project Description	2025	2026	2027	2028	2029
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### Cleanup Expenditures for Active Cleanup Sites 2025 - 2029

90-NO	KPLY Monitoring (Total)	\$ 46,000	\$ 46,000	\$ 48,000	\$ 48,000	\$ 48,000
	KPLY Monitoring (Port)	\$ -	\$ -			
90-NO	MTA (Total)	\$ 310,000	\$ 1,000,000	\$ 115,000	\$ 115,000	\$ 115,000
	MTA (Port)	\$ -	\$ -	\$ -	\$ -	\$ -
90-NO	Fmr Shell Oil Bulk Plant - 220 Tumwater Truck Rt (Total)	\$ 101,000	\$ 675,500	\$ 7,000	\$ 7,000	\$ 7,000
	Fmr Shell Oil Bulk Plant - 220 Tumwater Truck Rt (Port)	\$ 12,625	\$ 52,250	\$ 7,000	\$ 7,000	\$ 7,000
90-NO	Fmr Pettit Oil - 220 Tumwater Truck Rt (Total)	\$ 32,000	\$ 300,000	\$ 7,000	\$ 7,000	\$ 7,000
	Fmr Pettit Oil - 220 Tumwater Truck Rt (Port)	\$ 11,375	\$ 75,000	\$ 7,000	\$ 7,000	\$ 7,000
90-NO	T5, T6, T7 Upland (Total)	\$ 150,000	\$ 6,000	\$ 6,000	\$ -	\$ -
	T5, T6, T7 Upland (Port)	\$ -	\$ -	\$ -	\$ -	\$ -
90-NO	Harbor (Total)	\$ 2,450,000	\$ 2,450,000	\$ 1,300,000	\$ 20,000,000	\$ 20,000,000
	Harbor (Port)	\$ -	\$ -	\$ -	\$ -	\$ -

**5 Year Total = \$ 49,403,500**

**\*\* 5 Year Port Total = \$ 193,250**

\*\* Estimated Port funds after reimbursements received from other Potential Liabile Parties.

## 2030 - 2045 CAPITAL IMPROVEMENT PLAN

DEPT.	Project Description	2024 \$	Project Year	Project Year \$	Purpose
21-LY	Equip. Replace 1	\$ 1,650,000	2030	\$ 2,008,364	Maint/New
33-ARP	Site Preparation for Building	\$ 1,800,000	2030	\$ 2,190,943	Jobs / ROI
33-ARP	Industrial Bldg. (25,000 s.f.)	\$ 8,800,000	2031	\$ 11,067,962	Jobs / ROI
15-MTA	Replace B.Y. Travel Lift	\$ 570,000	2031	\$ 716,902	Maint.
91-MM	Mech. Shop Maint. / Impts	\$ 130,000	2031	\$ 163,504	Maint.
15-MTA	Marine Dr. Intersection	\$ 1,550,000	2032	\$ 2,014,388	Maint.
15-MTA	MTC Boat Lift Pier	\$ 8,250,000	2032	\$ 10,721,743	Jobs
21-LY	Equip. Replace 2	\$ 520,000	2032	\$ 675,795	Maint.
92-FM	Equip. / Vehicle Replace 2	\$ 130,000	2033	\$ 174,575	Maint.
43-JWM	Admin. Building Maint.	\$ 360,000	2033	\$ 483,438	Maint.
11-MT	Terminal 1 /3 Repairs	\$ 5,200,000	2034	\$ 7,215,520	Maint.
43-JWM	Float / Pile Replacement	\$ 16,500,000	2035	\$ 23,657,817	Maint/New
43-JWM	Connect to Sequim Sewer	\$ 880,000	2036	\$ 1,303,767	Maint/New
43-JWM	Electrical & Lighting Replace	\$ 1,450,000	2039	\$ 2,370,088	Maint.
43-JWM	Shoreline & Breakwater	\$ 1,300,000	2040	\$ 2,195,666	Maint.
21-LY	General Equip. Replace 3	\$ 1,550,000	2041	\$ 2,705,086	Maint.
92-FM	Equip. / Vehicle Replace 3	\$ 225,000	2042	\$ 405,750	Maint.
41-PABH	E. PABH Jetty Stabilization	\$ 2,500,000	2043	\$ 4,658,458	Maint.
31-FIA	New Terminal Building	\$ 3,100,000	2044	\$ 5,968,845	Jobs / ROI

**TOTAL = \$ 56,465,000**

**\$ 80,698,609**

R.O.I. = Return on Investment

Inflation Rate = 3.33% (per Wa. St. Office of Financial Management Cost Estimating Form C-100)

**2025  
BUDGET - ASSUMPTIONS  
All Departments**

**General**

1. CPI: August 2024
  - West-Size Class B/C-All Urban Consumer (CPI-U) was 1.7% with a 3.3% average over the first 6 months.
  - Seattle-Tacoma-Bellevue WA-All Urban Consumer (CPI-U) was 3.1% with a 4.2% average over the first 6 months.
2. Inflation:
  - Operating: General Inflation outlook for 2025 is 2.6% in Seattle per Washington State Economic and Revenue Forecast Council in the quarterly June 2024 publication.
  - Capital: Rate of 3.3% from Washington State Office of Financial Management using Cost estimating form C-100.
3. The Commission can adopt one of these or another as the benchmark rate for annual rate increases.

**Revenues – 2025 Budget**

11- Marine Terminal Revenues steady to slightly lower due to reduced log ship activity. Log ships forecasted at 3 ships (15 mbf), down from 4 ships (17 mbf) for 2024. Chips barges remain steady, forecasted at 20 loads (100,000 gmt) for 2025. Dockage forecasted to remain steady with CABLE INNOVATOR, MSRC, Platypus, and Foss continuing or increasing their activity through 2025. One cruise vessel scheduled for 2025.

15- Marine Trades Area looking to increase revenues in 2025 with a review of the rate sheets some increases in covered storage planned for the year. There will be some long term outside storage projects that are creating storage revenue. Higher than planned activity levels in the boatyard, haul-out facility. The haul-out pier, and washdown pad rate sheets are under review for increases as well.

21- Log Yard 2025 revenue is projected to be similar to 2024 and higher than 2023. Staging and Log Yard water services are projected to be down because of a low harvest rate of local timber eliminating the need for certain customers to use our yard. Revenues from product sales is down because of this as well. Projections for revenue from equipment rental are lower due to a poor export market and therefore a lack of log ships.

31- Fairchild Intl Airport: Hangar, Tie Down, and Structure Lease fees are expected to see an approximate 3% rate increase. FIA is at 100% full hangar occupancy. It is expected this will resume throughout 2025. Landing fees are well over the 2024 budget but under the 2024 projected amount. Landing Fees are based on aircraft arrival and departure. They are dependent on passenger travel, weather, and other unforeseen factors associated with air travel.

32- Sekiu: 2025 Sekiu revenues will remain consistent with the 2024 budget assumptions. There will be a 3% rate increase in hangar space lease fees. However, hangar space is not 100% occupied. Expecting 2 of the tenants to vacate in spring and possible 1 in the fall of 2025.

33- Airport Rental Properties is expected to increase by approximately 18% due to new tenant developments. Additionally rental income will be restricted to CPI growth due to the Port's near 100% occupancy rate.



**2025  
BUDGET - ASSUMPTIONS  
All Departments**

41- Port Angeles Boat Haven Marina moorage revenues at PABH will remain consistent as there will be a CPI increase for 2025. Looking to fill more slips that had been occupied by delinquent vessels. There were many removed in 2024 which have been processed through the <https://www.dnr.wa.gov/derelict-vessels> program where we have been reimbursed. Boat House revenue to remain up as we deal with a couple tenants that have been evicted, the houses have been re-sold or the port has purchased and leased out.

43- John Wayne Marina moorage revenues at JWM Marina moorage revenues will remain consistent as there will be a CPI increase for 2025. At the end of 2024 we have removed 3 delinquent vessels, and those slips have been leased out as JWM continues to be a desired moorage and the waitlist remains backlogged. With the installation of new fuel lines leading from the tanks to the new pumps it is expected that in 2025 we will continue our increase in fuel sales. There will be some extra maintenance required in early part of the year on landscaping, fence and Waste bin containment areas.

61- Rental Properties is expected to increase very little. Due to near 100% occupancy all additional income will be through CPI increases in this business line. This area is slated for future development.

**Expenses – 2025 Budget**

11- Marine Terminal expenses forecast at slightly less due to non-maintenance charge out allocation changes and outside services forecasted need.

15- Marine Trades Area Trades area expenses will include a little extra time from FM Maintenance to address some security items with gates and lighting. But overall, we anticipate routine maintenance without any major changes this coming year.

21- Log Yard operating expenses as a whole, are expected to be down from 2024 and 2023. FM charge-outs will be lower because of the two positions that were filled in 2024 eliminating the need for borrowed labor. This will also lower the cost of non-maint charge-out and reimbursement compared to previous years. COGS will be down because of a lack of a need to purchase banding. Outside services expenses projected to be higher because of the relocation efforts of our office and scales.

31- Fairchild Intl Airport: operating expenses are expected to be lower for 2025 due to lower legal fees charges and non-maintenance charge-out & reimbursement. There was a large expense in maintenance materials for critical operating equipment in 2024.

32- Sekiu Airport: 2025 expenses expected to be below the 2024 budget. Maintenance supplies were purchased in 2024 for small projects that will be completed in the spring of 2025. Expecting an approximate 3% increase in expenses due to inflation.

33- Airport Rental Property expense is schedule to increase in 2025. Due to significant improvements in self-performance and overall maintenance, we saw a significant decrease in maintenance costs in 2024. The 2025 budget has been produced to cover the standard level of maintenance costs. Additionally, more fees were added to outside services for legal fees.

41- Port Angeles Boat Haven Expenses expected not to increase from last year with no immediate projects planned for the Boat Haven. Regular maintenance routine for the docks and working gates along with securing boat house will all be within the budgeted numbers.



**2025**  
**BUDGET - ASSUMPTIONS**  
**All Departments**

43- John Wayne Marina The total operating expenses will be slightly elevated, in 2025 there will be some needed Maintenance work from FM in building out the waste containment areas and some ongoing fence repair.

61- Rental Properties expenses for 2024 were higher than usual due to legal fees. RP expenses in 2025 will decrease due to completion of said legal work.

80- Administrative expenses will slightly increase due to CPI increases. Legal is projected to decrease in 2025 due to unforeseen expenses in 2024.

81- Business Development expenses are expected to be significantly higher in 2025. This is due to a number of significant budget increase such as Legal Expenses, Maritime Festival, and Travel and Training. These three items account for over 80% of the 2025 budget increase.

90- Non-Operating – Waiting on final numbers

91- Mechanical Maintenance (MM) Mechanics shop expenses are projected to be higher than 2024. In part because of the hiring of an additional full-time employee. Supplies are projected to increase from last year due to higher amount of stored oil and lubricants.

92- Facilities Maintenance (FM) projected operating expenses are expected to be higher than 2024. One of the cost drivers is the hiring of one new full-time electrician. Also, a lower projected reimbursement for charge-out expenses.

**Port of Port Angeles**  
**Summary by Department**  
**2025 Budget**

	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 PROJECTED	2025 BUDGET	2025 Budget Over/(Under) 2024 Proj
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**OPERATING REVENUES**

	-	-	-	-	-	-
11 MARINE TERMINAL	3,572,883	2,989,919	2,846,433	2,814,435	2,897,638	83,203
15 MARINE TRADES AREA	769,838	778,212	821,015	822,312	874,210	51,898
21 LOG YARD	809,401	1,068,956	1,135,513	1,088,889	1,034,456	(54,433)
31 FAIRCHILD INTL AIRPORT	465,361	433,868	479,705	513,576	512,650	(926)
32 SEKIU	14,194	15,782	17,609	17,607	17,434	(173)
33 AIRPORT RENTAL PROPERTIES	1,389,530	1,397,664	1,606,642	1,641,645	1,932,588	290,943
41 PORT ANGELES BOAT HAVEN	1,656,064	1,747,878	1,899,803	1,999,180	2,055,299	56,119
43 JOHN WAYNE MARINA	1,622,428	1,827,097	1,958,326	2,113,253	2,162,807	49,554
61 RENTAL PROPERTIES	78,153	145,935	200,305	221,012	224,484	3,472
80 ADMINSTRATIVE	-	-	-	-	-	-
90 NON-OPERATING	-	-	-	-	-	-
92 FACILITIES MAINTENANCE	-	-	-	-	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>10,377,853</b>	<b>10,405,311</b>	<b>10,965,351</b>	<b>11,231,910</b>	<b>11,711,566</b>	<b>479,656</b>

**OPERATING EXPENSES**

	-	-	-	-	-	-
11 MARINE TERMINAL	2,128,202	960,049	1,083,930	1,574,644	1,488,411	(86,233)
15 MARINE TRADES AREA	362,344	366,465	406,469	337,874	392,030	54,156
21 LOG YARD	1,060,940	1,100,266	1,285,171	1,316,785	1,189,922	(126,863)
31 FAIRCHILD INTL AIRPORT	666,322	615,965	513,566	639,641	520,080	(119,561)
32 SEKIU	30,113	39,306	27,222	35,396	31,061	(4,335)
33 AIRPORT RENTAL PROPERTIES	508,928	417,499	641,728	421,291	581,554	160,263
41 PORT ANGELES BOAT HAVEN	762,445	929,786	999,922	841,545	899,606	58,061
43 JOHN WAYNE MARINA	972,365	1,007,213	971,564	1,068,544	1,161,038	92,495
61 RENTAL PROPERTIES	102,572	110,585	134,084	133,630	128,231	(5,399)
80 ADMINSTRATIVE	781,641	1,104,591	1,373,609	1,507,635	1,434,505	(73,130)
81 BUSINESS DEVELOPMENT	344,855	400,705	335,219	385,479	490,794	105,315
90 NON-OPERATING	-	-	-	-	-	-
91 MECH SHOP	132,945	164,703	173,928	144,986	229,152	84,167
92 FACILITIES MAINTENANCE	247,361	316,266	246,008	243,616	384,121	140,505
<b>TOTAL DIRECT EXPENSES</b>	<b>8,101,035</b>	<b>7,533,398</b>	<b>8,192,421</b>	<b>8,651,065</b>	<b>8,930,505</b>	<b>279,440</b>

<b>ALLOCATED EXPENSES</b>	-	-	(0)	0	(0)	(0)
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<b>NET SURPLUS (DEFICIT) - Before Depreciation</b>	<b>2,276,818</b>	<b>2,871,913</b>	<b>2,772,930</b>	<b>2,580,844</b>	<b>2,781,061</b>	<b>200,217</b>
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<b>ALLOCATED DEPRECIATION</b>	-	-	0	(0)	1	1
<b>DEPRECIATION</b>	2,729,045	2,735,993	2,692,500	3,119,990	3,624,113	504,122

<b>NET SURPLUS (DEFICIT) - After Depreciation</b>	<b>(452,227)</b>	<b>135,920</b>	<b>80,430</b>	<b>(539,146)</b>	<b>(843,052)</b>	<b>(303,906)</b>
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**NON-OP (GENERAL)**

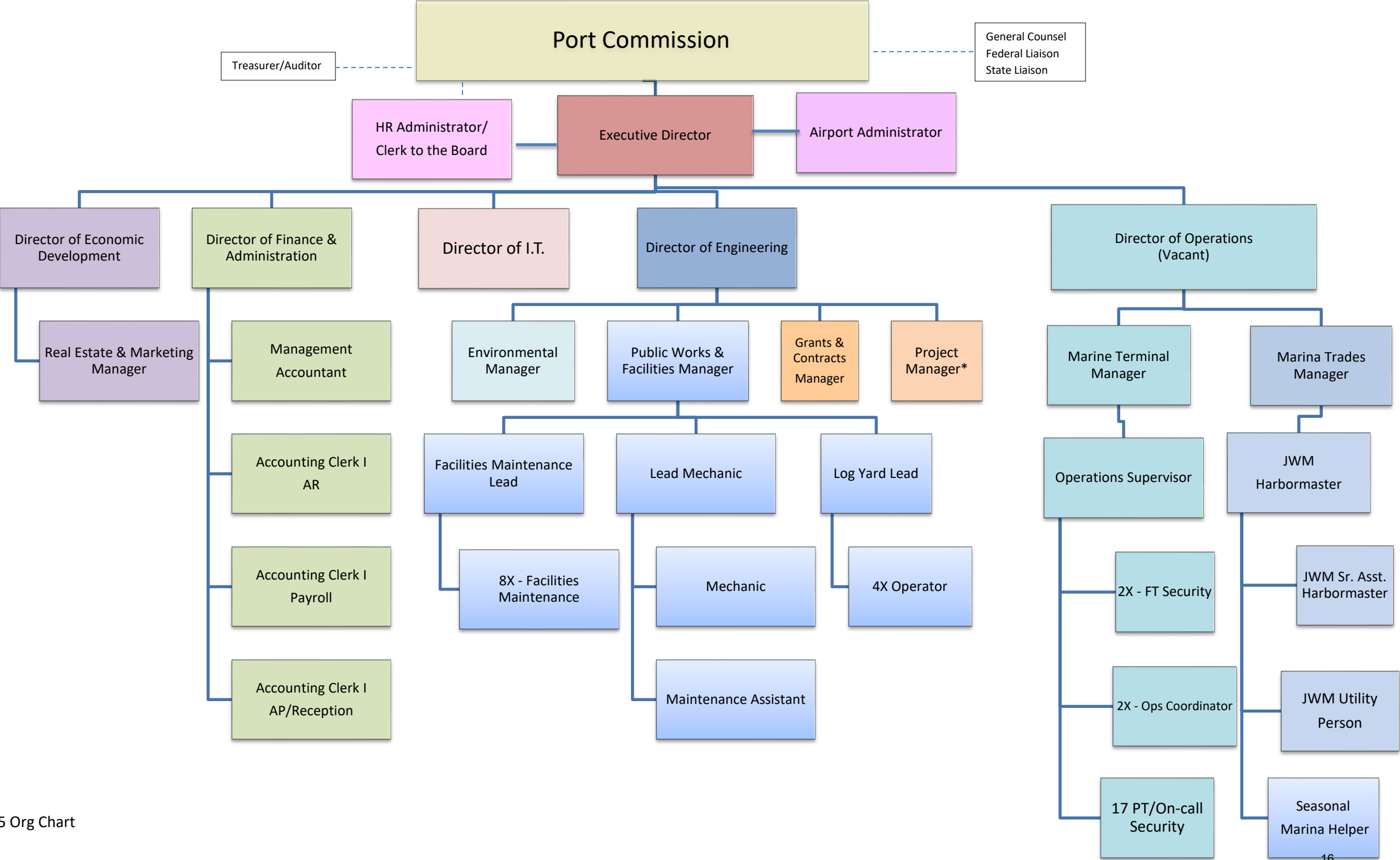
NON-OP REV (General)	263,591	308,731	1,308,753	1,288,647	1,227,600	(61,047)
NON-OP EXP (General)	156,481	2,759,303	(529,498)	160,374	121,797	(38,577)
<b>NON-OP (General) SURPLUS (DEFICIT)</b>	<b>107,110</b>	<b>(2,450,573)</b>	<b>1,838,251</b>	<b>1,128,273</b>	<b>1,105,803</b>	<b>(22,470)</b>

**NON-OP (CAPITAL)**

NON-OP REV (Capital)	2,271,529	2,583,163	8,822,521	9,351,768	9,224,984	(126,784)
NON-OP EXP (Capital)	57,773	55,329	45,228	38,451	11,232	(27,219)
<b>NON-OP (Capital) SURPLUS (DEFICIT)</b>	<b>2,213,756</b>	<b>2,527,834</b>	<b>8,777,293</b>	<b>9,313,318</b>	<b>9,213,752</b>	<b>(99,566)</b>

<b>NET NON-OP SURPLUS (DEFICIT)</b>	<b>2,320,866</b>	<b>77,261</b>	<b>10,615,544</b>	<b>10,441,590</b>	<b>10,319,555</b>	<b>(122,035)</b>
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<b>TOTAL NET SURPLUS (DEFICIT)</b>	<b>1,868,638</b>	<b>213,181</b>	<b>10,695,974</b>	<b>9,902,444</b>	<b>9,476,503</b>	<b>(425,941)</b>
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**REGULAR COMMISSION MEETING**  
**Tuesday, September 24, 2024, at 9:00 am**  
**338 W. First St, Port Angeles, WA 98363**  
**MINUTES**

The Regular Commission Meeting will be available to the public in person and remotely. For instructions on how to connect to the meeting remotely, please visit <https://portofpa.com/about-us/agenda-center/>

**Time Specific Item @ 9:00 am – Audit Exit**

Connie Beauvais Commissioner	Jennifer Baker, Interim Dir. of Finance & Admin.
Colleen McAleer, Commissioner	Braedi Joutsen, Clerk to the Board
Steve Burke, Commissioner *excused absence	Caleb McMahon, Director of Economic Development
Paul Jarkiewicz, Executive Director	Katharine Fraizer, Grants & Contracts Manager
Scott Hough, Marine Terminal Manager	Wilson Easton, Facilities Maintenance Supervisor

**I. CALL TO ORDER / PLEDGE OF ALLEGIANCE (0:00-0:42)**

Comm. Beauvais called the meeting to order at 9:00 am.

**II. EARLY PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES) (0:43-1:09)**

None

**III. APPROVAL OF AGENDA (1:10-1:17)**

- Motion to approve the agenda as presented: Comm. McAleer
- 2<sup>nd</sup>: Comm. Beauvais
- Vote: 2-0 (Unanimous)

**IV. WORK SESSION (1:18-1:49:29)**

**A. Audit Exit Meeting – Time Specific 9:00 am**

- Presentation: Amy Strzalka, Annalisa Lawrence
- Discussion
- No Action

**B. Monthly Cash & Investment Report**

- Presentation: Jennifer Baker
- Discussion
- No Action

**C. August Financial Report**

- Presentation: Jennifer Baker
- Discussion
- No Action

**D. 2024 Operating Budget Assumptions**

- Presentation: Jennifer Baker
- Discussion
- No Action

**E. 2024 Capital Projects – Projected Year-End Spending**

- Presentation: Chris Hartman
- Discussion
- No Action

**F. Strategic Plan Review**

- Presentation: Paul Jarkiewicz
- Discussion
- No Action

**G. 2025 Draft Capital Budget**

- Presentation: Chris Hartman



- Discussion
- No Action

**V. APPROVAL OF CONSENT AGENDA (1:49:30-1:50:56)**

- A. Regular Commission Meeting Minutes – September 10, 2024
- B. Vouchers in the amount of \$748,018.52
  - Discussion
  - Motion to approve consent agenda as presented: Comm.
  - 2<sup>nd</sup>: Comm.
  - Vote: 2-0 (Unanimous)

**VI. COMPLETION OF RECORDS**

No items

**VII. PLANNING AND CAPITAL PROJECTS**

No items

**VIII. LOG YARD**

No items

**IX. MARINE TRADES AND MARINE TERMINALS**

No items

**X. PROPERTY (1:50:57-2:04:25)**

- A. Lease & Property Use Policy
  - Presentation: Caleb McMahon
  - Discussion
  - Motion to change the template lease language to revert to “the base rent shall be adjusted on the anniversary date” versus the “base rent shall be adjusted each January” of years 1 through 4 to compensate for the effect of inflation on the rental fee: Comm. McAleer
  - 2<sup>nd</sup>: Comm. Beauvais
  - Vote: 2-0 (Unanimous)
  - The base rent adjustment will be made based on the previous month's CPI
- B. AM Holdings, Inc. Term Lease
  - Presentation: Caleb McMahon
  - Discussion
  - Motion to authorize the Executive Director to sign the lease as presented: Comm. McAleer
  - 2<sup>nd</sup>: Comm. Beauvais
  - Vote: 2-0 (Unanimous)
- C. Armstrong Consolidated LLC Term Lease of MTIB
  - Presentation: Caleb McMahon
  - Discussion
  - Motion to authorize the Executive Director to sign the lease as proposed: Comm. Beauvais
  - 2<sup>nd</sup>: Comm. McAleer
  - Vote: 2-0 (Unanimous)

**XI. MARINAS**

No items



**XII. AIRPORTS**

No items

**XIII. OTHER BUSINESS (2:04:26-2:12:00)**

- A. Resolution 24-1306 – Federal Grant Policy
  - Presentation: Katharine Fraizer
  - Discussion
  - Motion to adopt Resolution 24-1306, a resolution of the Port of Port Angeles authorizing a new federal grant policy governing the management and uses of federal financial assistance: Comm. McAleer
  - 2<sup>nd</sup>: Comm. Beauvais
  - Vote: 2-0 (Unanimous)
- B. IFC – Approval of 1<sup>st</sup> Amendment to Executive Director Contract
  - Presentation: Carolyn Lake
  - Discussion
  - Motion to approve the first amendment to the Executive Director’s Contract as described: Comm. Beauvais
  - 2<sup>nd</sup>: Comm. McAleer
  - Vote: 2-0 (Unanimous)

**XIV. ITEMS NOT ON THE AGENDA**

**XV. COMMISSIONER REPORTS (2:12:01-2:19:53)**

Comm. Beauvais shared that she attended the WPPA Environmental Seminar last week along with Port staff Chris Hartman and Jesse Waknitz. She provided a brief review of the seminar.

**XVI. PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES) (2:19:54-2:20:07)**

None

**XVII. FUTURE AGENDA**

**XVIII. NEXT MEETINGS (2:20:08-2:20:24)**

- A. October 8, 2024 - Regular Commission Meeting
- B. October 22, 2024 - Regular Commission Meeting
- C. October 29, 2024 – Special Commission Meeting **\*2025 Budget Presentation**
- D. November 12, 2024 – Regular Commission Meeting
- E. November 26, 2024 – Regular Commission Meeting

**XIX. UPCOMING EVENTS (2:20:25-2:20:55)**

- A. WPPA Environmental Seminar – September 18-20, 2024 – Walla Walla, WA
- B. International Workboat Show – November 12-14, 2024 – New Orleans, LA
- C. Pacific Marine Expo – November 20-22, 2024 – Seattle, WA
- D. WPPA Annual Meeting – December 11-13, 2024 – Bellevue, WA

**BROWN BAG LUNCH AND OPEN DISCUSSION WITH THE COMMISSION** *(TIME PERMITTING)*

**XX. EXECUTIVE SESSION (2:20:56-2:23:21)**

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



- Comm. Beauvais recessed the meeting to convene an executive session. The anticipated length of the executive session is 15 minutes. Following the executive session, the Commission is expected to take action in public session.
- Discussion:
  - Two (2) items concerning the real estate sale, purchase, or lease. Discussing such matters in executive session is appropriate pursuant to RCW 42.30.110(1)(b).
- Recess: 5 minutes
- Start Time: 11:30 am
- Extended: 5 minutes
- End Time: 11:50 am

Public Session of Commission Meeting Reconvened: 11:50 am

Commissioner Beauvais noted that as a result of the executive session no action will be taken.

**XXI. ADJOURN (2:23:22-2:23:29)**

Comm. Beauvais adjourned the meeting at 11:50 am.

PORT OF PORT ANGELES  
BOARD OF COMMISSIONERS

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Connie Beauvais, President

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Steven Burke, Secretary

**PORT OF PORT ANGELES  
GENERAL FUND – LETTER OF TRANSMITTAL  
VOUCHER APPROVAL**

We, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due, and unpaid obligation against the Port of Port Angeles, and that we are authorized to authenticate and certify to said claim.

This process is in compliance with the applicable RCWs and the State Auditor's Budget Accounting and Reporting System (BARS) requirements. Further, the Port maintains effective internal controls to ensure that all disbursements are valid obligations authorized in accordance with the Delegation of Authority Policy.

**SUMMARY TRANSMITTAL September 19, 2024 – October 2, 2024**

**Accounts Payable**

	<b>Begin</b>	<b>End</b>		
<b>For General Expenses and Construction</b>	<b>Check #</b>	<b>Check #</b>		
Accts Payable Checks (computer)	418590	418633	\$	139,578.15
Voided/Zero Payable			\$	-
Accts Payable ACH	003454	003747	\$	1,571,309.03
Accts Payable ACH	003607	003630	\$	59,395.96
VOIDED/ZERO PAYABLE ACH			\$	-
Wire Transfer - Excise Tax			\$	8,582.86
Wire Transfer - Leasehold Tax			\$	-
<b>Total General Expenses and Construction</b>			<b>\$</b>	<b>1,778,866.00</b>
<b>Payroll</b>				
Employee Payroll – Draws (Direct Deposit)			\$	-
Voided Payroll Check	003475	003540	\$	-
Employee Payroll Checks PPD (Direct Dep)	003541	003606	\$	181,427.37
Wire Transfer – (Payroll Taxes, Retirement, Deferred Comp, L&I, PMFL)			\$	74,496.44
<b>Total Payroll</b>			<b>\$</b>	<b>255,923.81</b>
<b>Total General Exp &amp; Payroll</b>			<b>\$</b>	<b>2,034,789.81</b>

Date: October 8, 2024

**CERTIFICATION**

I, the Port Auditor or Deputy Auditor, do hereby clarify that the claims listed above are true and valid obligations and that appropriate and effective internal controls are in place to ensure that the outstanding obligations have been processed in accordance with the Port of Port Angeles procurement / payment policies and delegation of authority.

\_\_\_\_\_  
Auditor / Deputy Auditor

\_\_\_\_\_  
Commissioner, Connie Beauvais

\_\_\_\_\_  
Commissioner, Steven D. Burke

\_\_\_\_\_  
Commissioner, Colleen McAleer



# MONTHLY REPORT TO THE BOARD OF PORT COMMISSIONERS

## September 2024

SUBJECT: REPORTS REQUIRED UNDER THE PROVISIONS OF THE DELEGATION OF AUTHORITY

REPORT	NO ACTION	ATTACHED
Lease Renewals/Options and 1 Year or Less Agreements at Market Rates; Leases, Assignments, Subleases, Berthage/Dockage, & Miscellaneous (Use, Equipment, Hangar, Marina Slips)		X
Lease Bond, Rental Insurance Deviations	X	
Work Contracts (\$50,000 or less) Executed	X	
Work Contracts Completed	X	
Change Orders Authorized	X	
Work by Port Crews or Day Labor (\$50,000 or less)	X	
Claims Settled	X	
Professional & Consulting Services Awarded and Architectural, Engineering & Technical Services Awarded	X	
Fees Waived	X	
Uncollectible Accounts Written Off	X	
Experts Engaged for Litigation	X	
Grant Applications/Award	X	
Travel Outside WA, OR, ID and BC, Canada	X	
Surplus Personal Property (under \$10,000)	X	

LEASES, RENEWALS, AMENDMENTS, MISC. AGREEMENTS AND OPTIONS EXECUTED  
OF ONE YEAR OR LESS APPROVED BY EXECUTIVE DIRECTOR  
(In Accordance with the Delegation of Authority, Resolution 24-1290 dated 1.09.2024)

**September 2024**

TENANT NAME	DOCUMENT	LOCATION	FORM OF SURETY	SQ FEET	TERM	MONTHLY RENT
Marine Spill Response Corp.	Amendment to Term Lease	220 Tumwater Truck Route (Land)	2 months rent \$4,426.80	Increase from 5,400 SF to 21,080 SF	As of 9.19.2024	\$2,213.40 \$0.105/SF includes CPI

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

Date: October 8<sup>th</sup>, 2024

Subject: New Term Lease – AMAZON.COM

Presented by: Caleb McMahon, Director of Economic Development

**RCW & POLICY REQUIREMENTS**

Per RCW 53.08.080 Lease of Property, a district may lease all lands, wharves, docks and real and personal property upon such terms as the port commission deems proper. No lease shall be for a period longer than fifty years with option up to an additional thirty years.

Per RCW 53.08.085, rent security is required for every lease of more than one year. Rent may be secured by rental insurance, bond, or other security satisfactory to the Port Commission in an amount equal to one-sixth the total rent, but in no case shall such security be less than one year's rent or more than three years' rent. The lease shall be considered in default if the security is not maintained. The Port Commission may, in its discretion, waive the rent security requirement or lower the amount of such requirement on the lease of real and/or personal port property.

Per Section I of the Port's Delegation of Administrative Authority to the Executive Director, all term lease agreements or use agreements of real or personal property shall be leased only under an appropriate written lease instrument executed by the Commission. Per Section 1.B.1, Commission Approval is required for any lease with a term in excess of one year, and per Section 1.B.4, Commission approval is required for any lease that contains any material non-standard terms or conditions.

**BACKGROUND:**

This potential tenant desires to lease approximately nine acres of land between Airport Road and West Edgewood Drive, West of the intersection with Lauridsen Blvd.

**LEASE DETAILS:**

**Leased Space:** 8.18 acres of usable land, with approximately 1 +/- Acres of mitigation and buffer area.

**Address:** 2100 S. Airport Road, Port Angeles, WA 98363

**Port Area:** North Airport Industrial Park.

**Current Use:** No current use. The proposed lease area is within the Port's Airport Layout Plan (ALP) and is designated for light industrial/commercial use.

**Proposed Use:** Logistics.

**Lease Term:** 15-year initial term.

**Options to Renew:** Ten (10), five-year options to renew.

**Commencement Date:** October 23, 2024

**Escalation:** By annual 1.5%

**Common Area Maintenance (CAM):** N/A

**Utilities:** Tenant's responsibility.

**Financial Security:** Corporate Guarantee commencing in an amount equal to 100% of Gross Rent owing under Lease and at no time less than the Gross Rent for the final twelve (12) months of the Lease term.

**ENVIRONMENTAL IMPACT:** On August 20, 2024, the City of Port Angeles Manager of Community and Economic Development APPROVED, with conditions Wetland Permit Application (WET) 24-27, for the construction of a 34,740 sq ft Warehouse/Distribution Facility at 2100 S Airport Rd. The City also issued a determination of mitigated non-significance (No. 1474) for this use on August 20, 2024, SEPA File Number: 1474 and Project Number: SEPA 24-31. No appeals of those decisions were filed, and the timeline has closed.

**FISCAL IMPACT OF THE LEASE:**

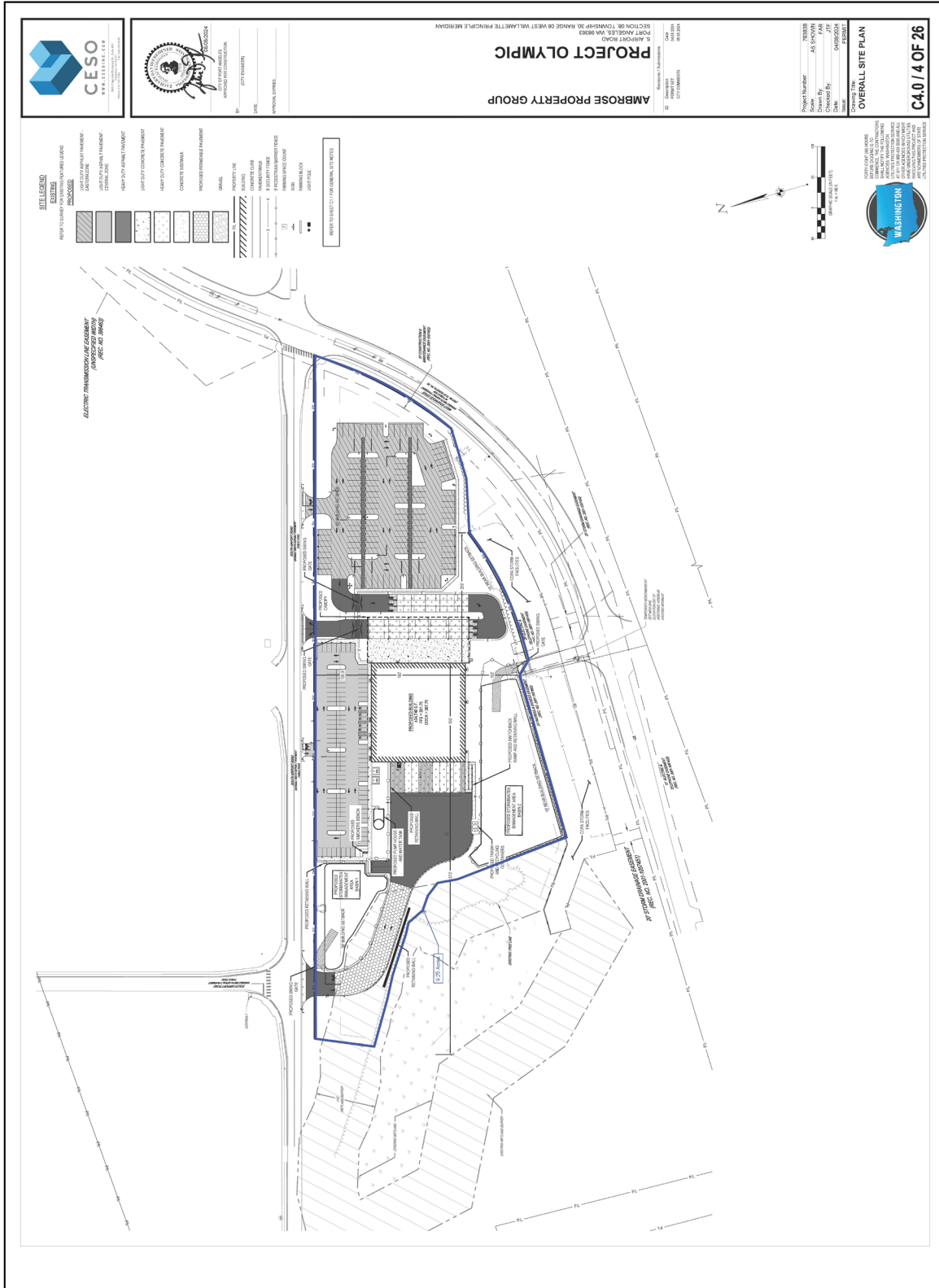
8.18 Acres @ \$.044 per month= \$188,850.13 Per year Plus LET  
Minus \$15,000 per year infrastructure credit during a period of the initial term only =  
\$173,850.13

**RECOMMENDED ACTION:**

Staff requests Commission action as follows:

“Motion to move forward the GROUND LEASE AGREEMENT BETWEEN the PORT OF PORT ANGELES and AMAZON.COM SERVICES LLC, with a term of fifteen years with ten (10) five-year extensions, together with Right of First Refusal and Right of First Offer Rights for consideration of approval at the Commission's October 22, 2024, meeting.”

Exhibit A:



## **Future Agenda Items –Commission Meeting**

*10/8/2024*

### **October 22, 2024 (Regular Commission Meeting)**

- September Financial Report
- Monthly Cash & Investment Report
- Strategic Plan Review
- 3<sup>rd</sup> Quarter Operations Report
- Introduce Operating Budget
- IFC Dockside Grill Lease Renewal

### **October 29, 2024 (Special Commission Meeting)**

- 2025 Budget & Tax Levy

### **November 12, 2024 (Regular Commission Meeting)**

- Monthly DofA Report

### **November 26, 2024 (Regular Commission Meeting)**

- October Financial Report
- Monthly Cash & Investment Report
- Strategic Plan Review
- Treasurer Resolution Update

### **December 12, 2024 (Regular Commission Meeting)**

- Monthly DofA Report
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### **December 24, 2024 (Regular Commission Meeting)**

- November Financial Report
- Monthly Cash & Investment Report

### **Upcoming Events/Announcements**

- Nov. 12-14 – International Workboat Show (New Orleans, LA)
- Nov. 20-22 - Pacific Marine Expo (Seattle, WA)
- Dec. 11-13 – WPPA Annual Meeting (Bellevue, WA)

### **Future**

- Boatyard and Marina Rules & Regulations
- Port Emergency Response Plans and Activities
- Employee Handbook Update and Resolutions