



REGULAR COMMISSION MEETING
Tuesday, July 8, 2025, at 9:00 am
338 W. First St, Port Angeles, WA 98362
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**
No items
- V. APPROVAL OF CONSENT AGENDA**
 - A. Regular Commission Meeting Minutes – June 24, 2025.....1-3
 - B. Vouchers in the amount of \$1,250,492.63.....4
- VI. COMPLETION OF RECORDS**
 - A. Monthly Delegation of Authority Report.....5-8
- VII. PLANNING AND CAPITAL PROJECTS**
 - A. Western Port Angeles Harbor Site Update.....9-10
 - B. Terminal 1 and Terminal 3 Cargo Efficiency Enhancements Alternative Analysis...11-17
- VIII. LOG YARD**
No items
- IX. MARINE TRADES AND MARINE TERMINALS**
No items
- X. PROPERTY**
No items
- XI. MARINAS**
No items



XII. AIRPORTS

No items

XIII. OTHER BUSINESS

- A. Letter of Endorsement: Osprey Logistics, LLC application to the FY2025 U.S. Marine Highway Program (MARAD).....18-19
- B. Letter of Endorsement: Bellingham Cold Storage, LLC application to the FY2025 U.S. Marine Highway Program (MARAD).....20-21
- C. Letter of Endorsement: Waste Connections, Inc. application to the FY2025 U.S. Marine Highway Program (MARAD).....22-23
- D. Letter of Support: Port Angeles Waterfront District's Application.....24
- E. Item for Consideration: Opportunity Fund Agreement, Publicly Owned Kiln.....25-49

XIV. ITEMS NOT ON THE AGENDA

XV. COMMISSIONER REPORTS

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

XVII. FUTURE AGENDA.....50

XVIII. NEXT MEETINGS

- A. July 22, 2025 – Regular Commission Meeting
- B. August 12, 2025 – Regular Commission Meeting **Comm. McAleer excused absence*
- C. August 26, 2025 – Regular Commission Meeting
- D. September 9, 2025 – Regular Commission Meeting
- E. September 23, 2025 – Regular Commission Meeting

XIX. UPCOMING EVENTS

- A. July 9-11, 2025 – WPPA Directors Seminar, Leavenworth, WA
- B. July 24-25, 2025 – NWMTA Summer Meeting, Port of Kalama, OR
- C. September 25-26, 2025 – WPPA Environmental Seminar, Union, 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.



REGULAR COMMISSION MEETING
Tuesday, June 24, 2025, at 9:00 am
338 W. First St, Port Angeles, WA 98362
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/>

Steve Burke, Commissioner **excused absence*
Colleen McAleer, Commissioner
Connie Beauvais, Commissioner
Paul Jarkiewicz, Executive Director

Caleb McMahon, Director of Economic Development
Braedi Joutsen, Clerk to the Board
Katharine Fraizer, Grants Manager

I. CALL TO ORDER / PLEDGE OF ALLEGIANCE (0:00-0:37)

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

II. EARLY PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES) (0:38-1:21)

None.

III. APPROVAL OF AGENDA (1:22-2:19)

- Motion to approve the agenda with the modification as discussed: Comm. Beauvais
- 2nd: Comm. McAleer
- Vote: 2-0 (Approved)

IV. WORK SESSION (2:20-55:00)

- A. Cash & Investment Report
 - Presentation: Paul Jarkiewicz
 - Discussion
 - No Action
- B. May Financial Report
 - Presentation: Paul Jarkiewicz
 - Discussion
 - No Action
- C. Community Partner Program Discussion
 - Presentation: Braedi Joutsen
 - Discussion
 - No Action
- D. Maritime Festival Recap
 - Presentation: Caleb McMahon
 - Discussion
 - No Action
- E. 2025 Strategic Plan Review
 - Presentation: Paul Jarkiewicz
 - Discussion
 - No Action

V. APPROVAL OF CONSENT AGENDA (55:01-57:40)

- A. Regular Commission Meeting Minutes – June 10, 2025
- B. Vouchers in the amount of \$423,330.04
 - Discussion
 - Motion to approve the consent agenda as modified: Comm. Beauvais
 - 2nd: Comm. McAleer
 - Vote: 2-0 (Approved)



VI. COMPLETION OF RECORDS

No items

VII. PLANNING AND CAPITAL PROJECTS (57:41-1:12:46)

- A. Quarterly Grant Update
 - Presentation: Katharine Fraizer
 - Discussion
 - No Action

VIII. LOG YARD

No items

IX. MARINE TRADES AND MARINE TERMINALS

No items

X. PROPERTY

No items

XI. MARINAS

No items

XII. AIRPORTS

No items

XIII. OTHER BUSINESS (1:12:47-1:15:37)

- A. Letter of Endorsement: Osprey Logistics, LLC application to the FY2025 U.S. Marine Highway Program (MARAD)
 - Presentation: Katharine Fraizer
 - Discussion
 - Item was tabled and will be added to the next meeting's agenda

XIV. ITEMS NOT ON THE AGENDA

XV. COMMISSIONER REPORTS

XVI. PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES) (1:15:38-1:

Paul Jarkiewicz shared that he attended the Artemis exhibition in Port Townsend last weekend.

XVII. FUTURE AGENDA

XVIII. NEXT MEETINGS (1:16:38-1:16:45)

- A. July 8, 2025 – Regular Commission Meeting
- B. July 22, 2025 – Regular Commission Meeting
- C. August 12, 2025 – Regular Commission Meeting **Comm. McAleer excused absence*
- D. August 26, 2025 – Regular Commission Meeting
- E. September 9, 2025 – Regular Commission Meeting

XIX. UPCOMING EVENTS (1:16:46-1:17:12)

- A. June 25-27, 2025 – WPPA Finance & Administration Seminar, Walla Walla, WA



- B. July 9-11, 2025 – WPPA Directors Seminar, Leavenworth, WA
- C. July 24-25, 2025 – NWMTA Summer Meeting, Port of Kalama, WA
- D. September 25-26, 2025 – WPPA Environmental Seminar, Union, 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 (1:17:13-1:17:19)

Comm. McAleer adjourned the meeting at 10:17 am.

PORT OF PORT ANGELES
BOARD OF COMMISSIONERS

Colleen McAleer, Vice President

Connie Beauvais, 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 June 19, 2025 – July 2, 2025

CERTIFICATION

Accounts Payable

	Begin	End		
	Check #	Check #		
For General Expenses and Construction				
Accts Payable Checks (computer)	419444	419487	\$	140,989.07
Voided/Zero Payable			\$	-
Accts Payable ACH	005246	005348	\$	911,569.76
VOIDED/ZERO PAYABLE ACH				
Wire Transfer - Expenses				
Wire Transfer - Excise Tax			\$	6,487.94
Wire Transfer - Leasehold Tax				
Total General Expenses and Construction			\$	1,059,046.77

Payroll

Employee Payroll - Draws (Direct Deposit)				
Voided Payroll Check	005277, 005291, 005304		\$	-
Employee Payroll Checks PPD (Direct Deposit)	005247	005313	\$	119,483.38
Wire Transfer - (Payroll Taxes, Retirement, Deferred Comp, L&I, PFML)			\$	71,962.48
Total Payroll			\$	191,445.86
Total General Exp & Payroll			\$	1,250,492.63

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

* Detail is available upon request to Jennifer Baker, Director of Finance & Administration: jenniferb@portofpa.com

MONTHLY REPORT TO THE BOARD OF PORT COMMISSIONERS

June 2025

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)

JUNE 2025

TENANT NAME	DOCUMENT	LOCATION	FORM OF SURETY	SQ FEET	TERM	MONTHLY RENT
Murray's Disposal Company, Inc.	Lease Amendment and Renewal	2548 W 19th St warehouse	\$48,000 Bond on file	19,800 SF Bldg 2.66 AC Land	6.01.2025 1 year	\$9,639.35
A.M. Holdings	Amendment and Lease Renewal	102 N Cedar St, Areas A&B	New Letter of Credit in process	2.16 AC Land	No Port Approval Needed 6.01.2025 - 5.31.2030	\$11,506.00
Angeles Composite Technologies, Inc.	2nd Lease Renewal	2230 W 18th St	Lease Guaranty Agreement on file	25,000 SF Bldg	No Port Approval Needed 6.01.2025 - 5.31.2030	\$12,130.30

PROFESSIONAL & PERSONAL SERVICES
AWARDED BY THE EXECUTIVE DIRECTOR
(In Accordance with Delegation of Authority)
June 2025

CONSULTANT	PROJECT	EST. COST	OTHER CONTRACT PROVISIONS
Century West	Sewer & Water Easement at William R. Fairchild International Airport	\$27,565.00	Contract NTE \$27,565.00

TRAVEL APPROVED BY THE EXECUTIVE DIRECTOR *
(In Accordance with Delegation of Authority)
May 2025

STAFF	LOCATION OF MTG.	DATE(S)	PURPOSE
Chris Hartman Caleb McMahon	Milwaukee, WI	5/18 - 5/23	AAPA Leadership Summit

*

VIII. TRAVEL OF EMPLOYEES AND OTHER AUTHORIZED REPRESENTATIVES OF THE PORT:

In order to facilitate necessary normal Port operations, the Executive Director may authorize travel by Port employees and/or other Port representatives for Port business, in accordance with the Port's travel policy adopted pursuant to RCW 53.08.176 and RCW 42.24.090. Reimbursable personal travel expenses per trip shall not exceed \$5,000.00 per person.

The Commission shall be advised at the first regularly scheduled meeting of the following month of all such authorizations for travel outside of Washington, Oregon, Idaho and British Columbia, Canada.

**REPORT
TO THE
BOARD OF PORT COMMISSIONERS**

July 8, 2025

SUBJECT: July 2025 – Bimonthly Report – Western Port Angeles Harbor Site

PORT LEAD: Jesse Waknitz – Environmental Manager

PURPOSE:

On a bimonthly basis, the Port Commissioners will be provided a status report on the Western Port Angeles Harbor Site.

BACKGROUND:

The Washington State Department of Ecology has identified the Western Port Angeles Harbor (WPAH) Site as a priority environmental cleanup. The Potentially Liable Parties (PLPs), which include the Port of Port Angeles, have negotiated a Consent Decree with Ecology, outlining the responsibilities of the group to implement the Cleanup Action Plan (CAP).

To meet the obligations under the Consent Decree and CAP, the PLPs issued a Request for Qualifications (RFQ) in April, seeking professional consulting services for remedial design and permitting. Five firms submitted qualifications and were evaluated.

CURRENT PROJECT STATUS:

After an evaluation process that included scoring written qualifications and interviews, Tetra Tech was selected as the most qualified consultant to lead the remedial design effort for the WPAH Site. Their team includes Crete Consulting, Lally Consulting, and Grette & Associates, and they bring a robust track record with large sediment cleanup projects across the U.S.

Tetra Tech's strengths included:

- A clear, construction-informed approach, emphasizing cost savings, sequencing, and permitting efficiency.
- Practical strategies to integrate in-water work windows and reduce rework and delays.

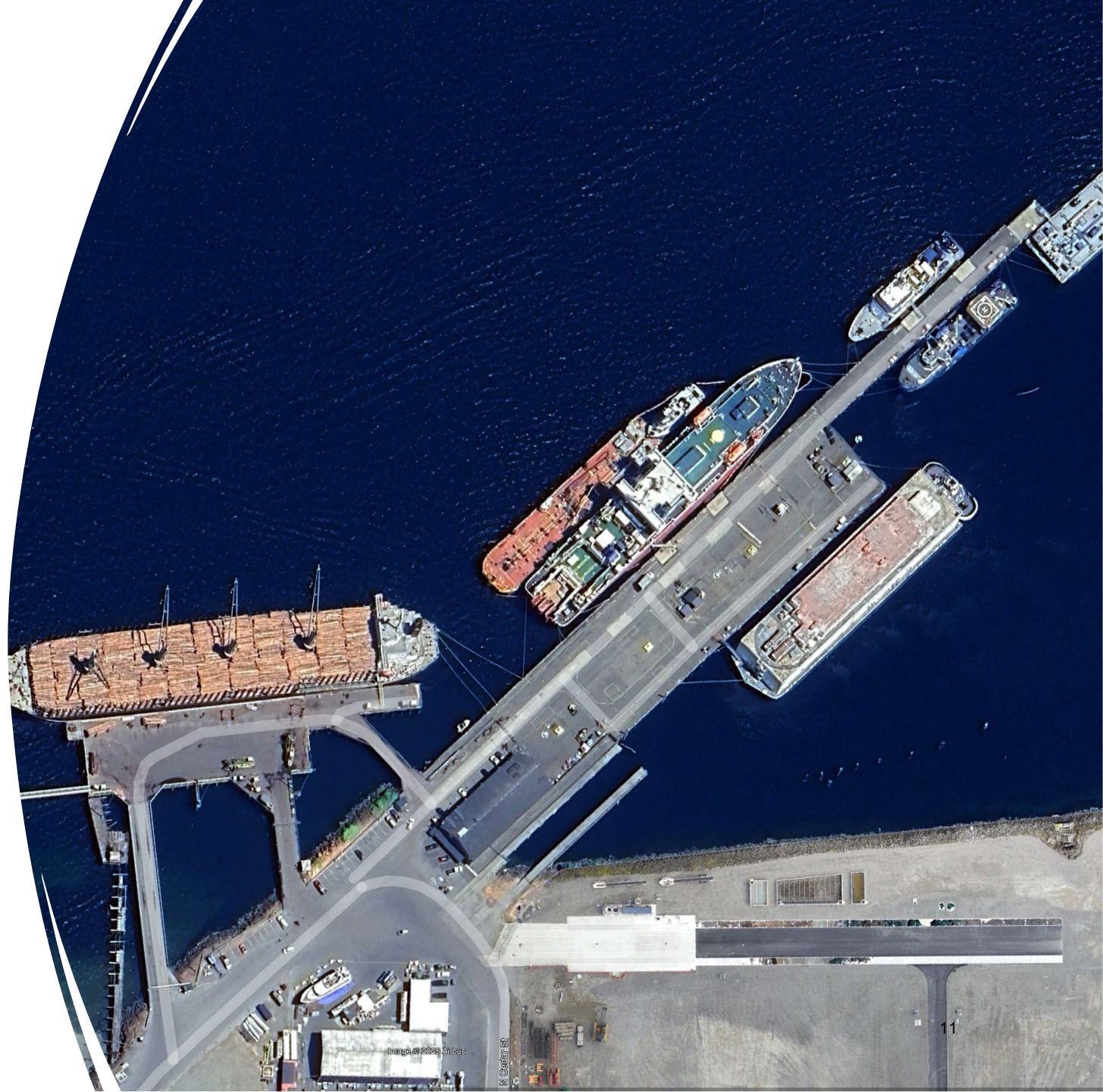
Other firms such as Floyd | Snider, Anchor QEA, and Arcadis also presented strong teams and relevant experience; however, Tetra Tech demonstrated the most well-rounded capability and alignment with the project's technical and logistical needs.

NEXT STEPS:

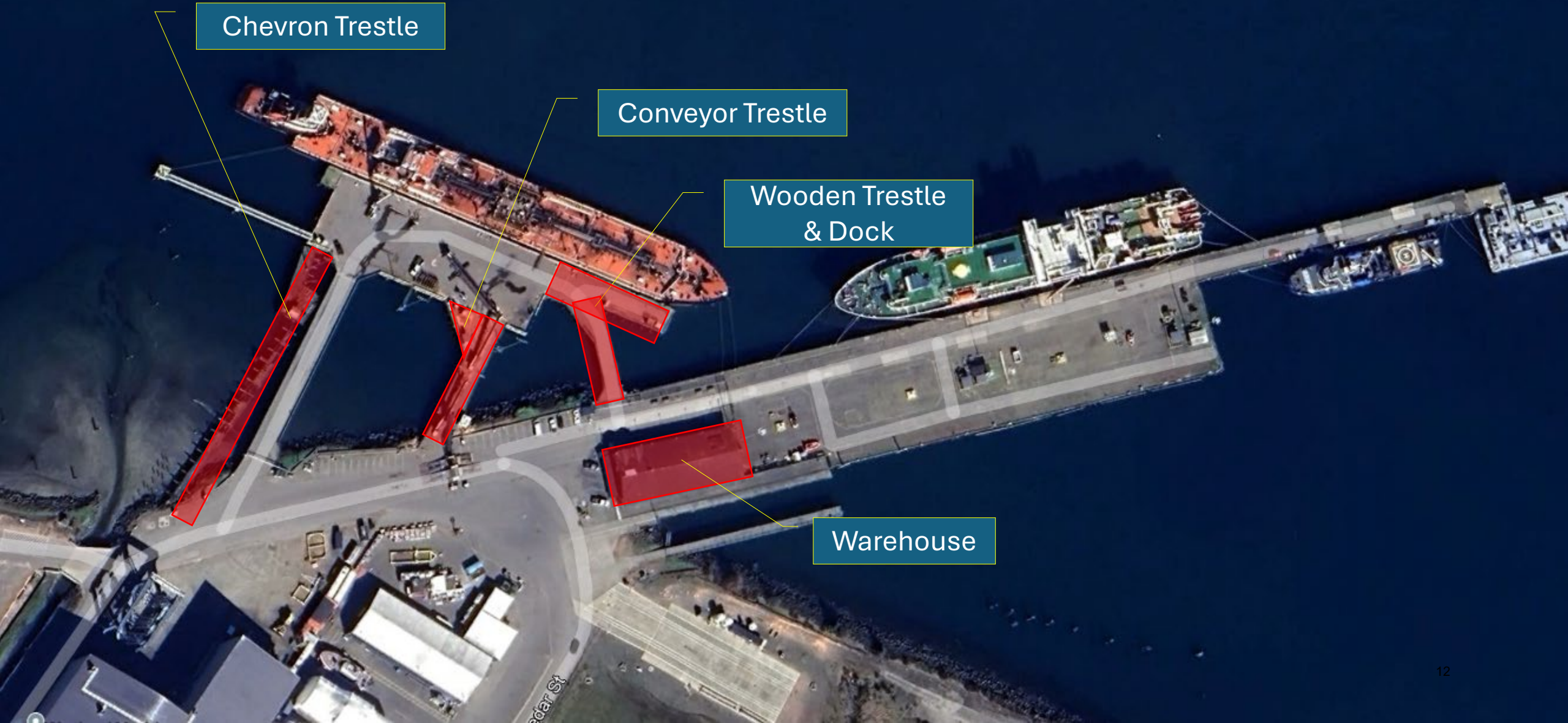
The PLPs will work with Tetra Tech to develop a detailed scope of work and fee proposal for the remedial design contract. Execution of the resulting Professional Services Agreement will require authorization by the Port Commissioners. In tandem with executing this agreement, the Port's outside environmental legal counsel will provide updates to the Port's insurance carriers on the project's status and anticipated design activities.

Terminal 1 & Terminal 3 Cargo Efficiency Enhancement – Alternative Analysis

Presented by Chris Hartman, P.E., Director of Engineering
July 8, 2025



Components



Chevron Trestle

Conveyor Trestle

Wooden Trestle
& Dock

Warehouse

Alternative 1



Alternative 1: The focus of this alternative is to minimize the scope in order to achieve a low-cost alternative for the project. Alternative 1 consists of:

1. Removing the 'Chevron Trestle' for Ecology credits
2. Removing the warehouse to make space for truck traffic
3. Partially removing the 'Wooden Trestle and Dock'
4. Adding a new funnel-shaped dock (in yellow).

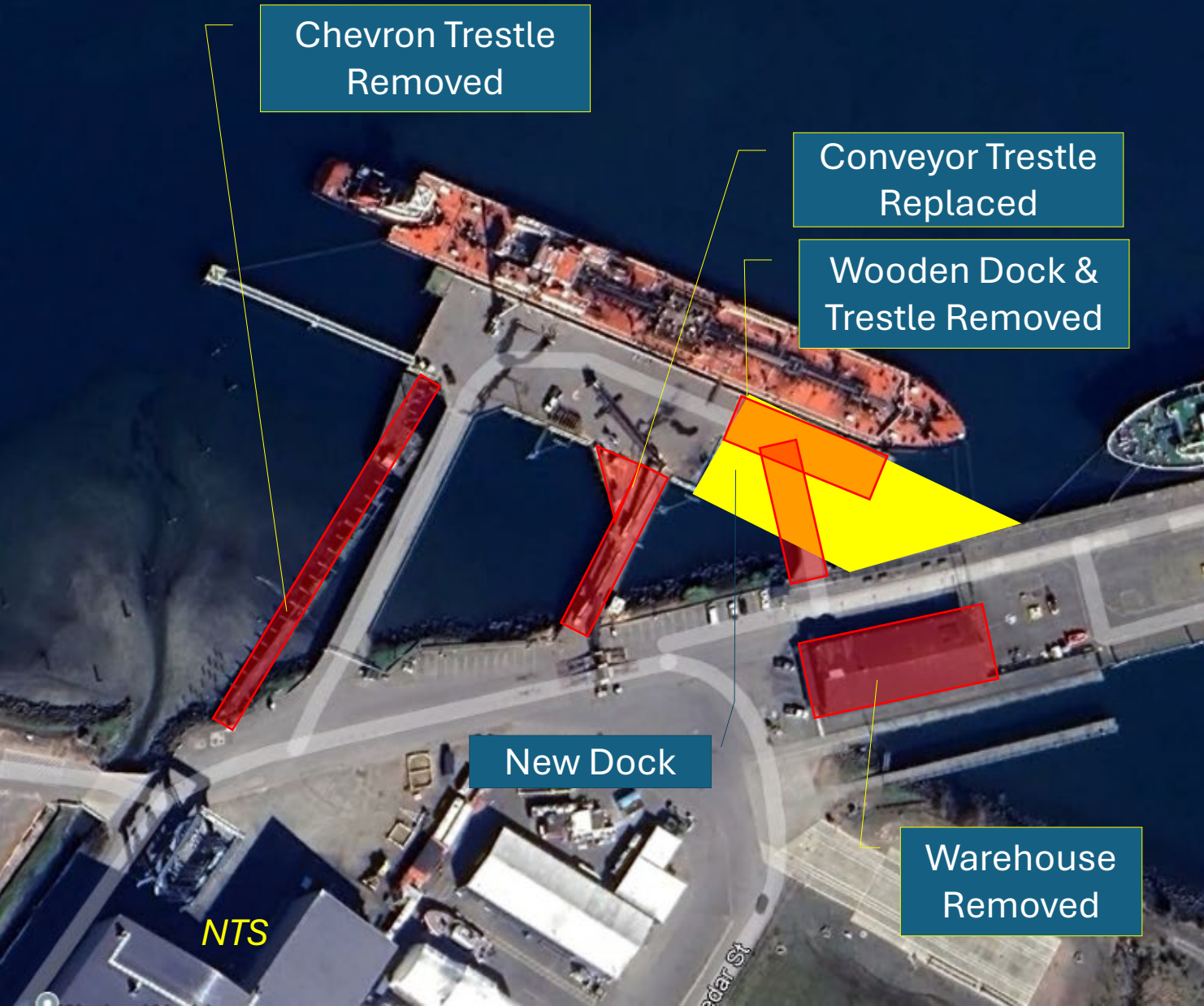
Pros

- Low cost
- Trucking access provided
- Replaces old deck – Safer – allows loaded trucks
- Least increase of over-water (OW) coverage
- Requires less environmental mitigation
- Removal of creosote-treated timber from the harbor (Chevron trestle demo, and partial removal of wooden dock & trestle)

Cons

- Vessel accessibility not increased – no increase of operational space
- No increase in throughput

Alternative 2



Alternative 2: The focus of this alternative is to connect two terminals in a straight line (wharf continuity).

Alternative 2 consists of:

1. Replacing the 'Conveyor Trestle'
2. Removing the 'Chevron Trestle' for Ecology credits
3. Removing the warehouse to make space for truck traffic
4. Removing the 'Wooden Trestle and Dock'
5. Adding a new trapezoid shaped dock (in yellow).

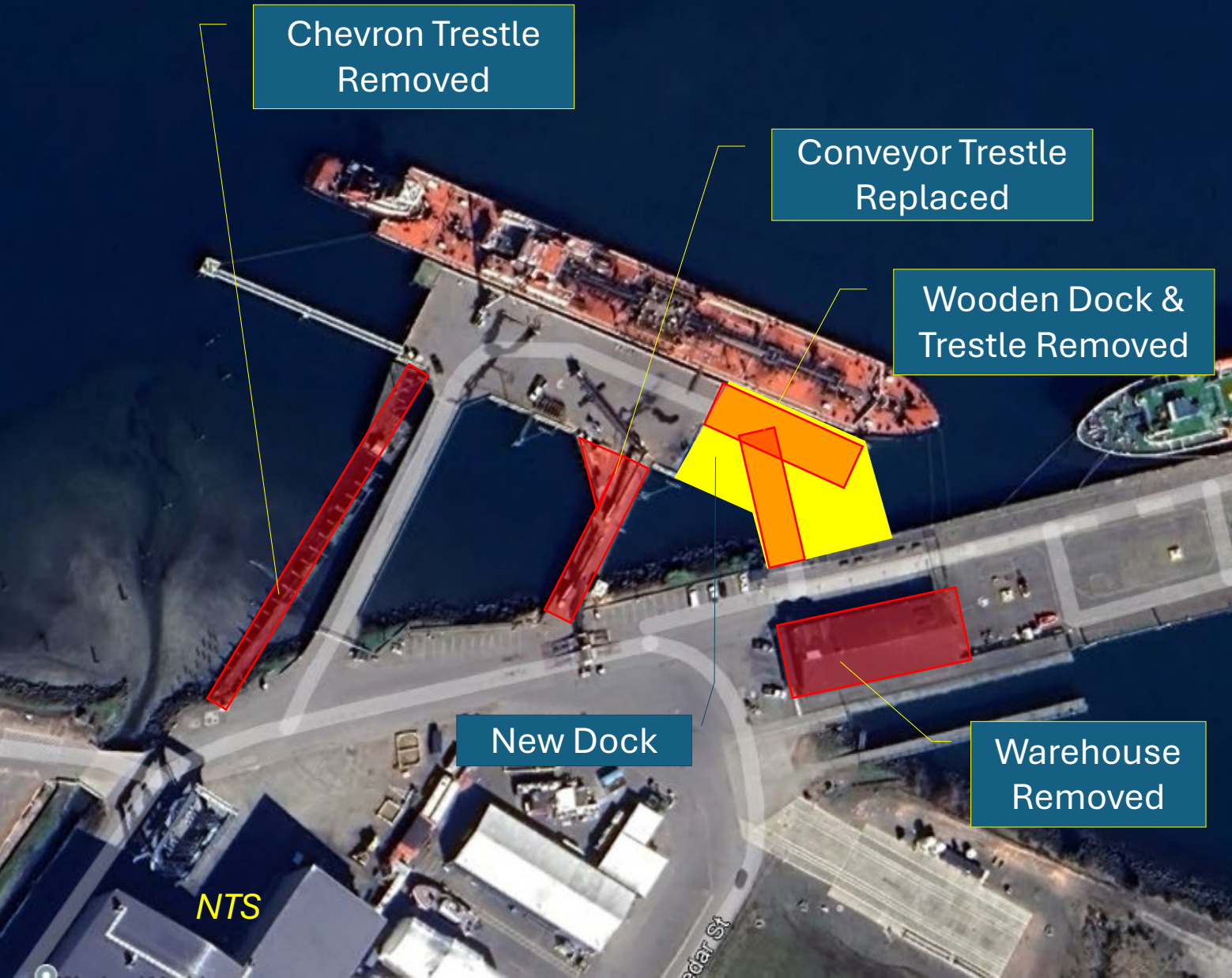
Pros

- Trucking access provided.
- Replaces old deck – Safer – allows loaded trucks
- Provides dock space for operation, resulting in potential for increased throughput.
- Removal of creosote-treated timber from the harbor (Chevron trestle demo, replacement of conveyor trestle, and wooden dock and trestle (see figure))

Cons

- High Cost
- Creates an impediment to T1 ships – shortens available berthing length.
- The sharp turn will restrict operations.
- Design needs new bollards for T1 and T3.
- Greatest increase of overwater (OW) coverage
- Requires most environmental mitigation.

Alternative 3



Alternative 3: The focus of this alternative is to curve the dock for ease of truck accessibility & replace the 'Conveyor Trestle'.

1. Removing the 'Chevron Trestle' for Ecology credits.
2. Removing the warehouse to make space for truck traffic.
3. Removing the 'Wooden Trestle and Dock'.
4. Adding a new elbow-shaped dock (in yellow).

Pros

- Trucking access provided.
- Replaces old deck – Safer – allows loaded trucks to cross.
- Provides dock space for operation resulting in potential for increased throughput.
- Removal of creosote treated timber from the harbor (fuel trestle demo, replacement of conveyor trestle, and east portion of the terminal and trestle)

Cons

- High Cost
- Requires environmental mitigation amount close to Alt 2.
- Pros are dependent on future upgrades to Terminal 1.

Alternative 4



Alternative 4: The focus of this alternative is to build to budget with flexibility for future phases of improvement. Alternative 4 consists of:

1. Removing the 'Chevron Trestle' for Ecology credits
2. Removing the 'Wooden Dock & Trestle'
3. Adding a new rectangular-shaped dock with trestle (shown in yellow)

Pros

- Trucking access provided (without the need to remove the warehouse)
- Replaces old deck – Safer – allows loaded trucks to cross
- Provides dock space for operation, resulting in potential for increased throughput
- Removal of creosote treated timber from the harbor (fuel trestle demo, replacement of east portion of the terminal and trestle)
- **Scaled to budget but still addresses the operational requirements.**
- Best scenario to build future phases of improvements.

Cons

- Likely requiring environmental mitigation amount somewhere in line with that required for Alt1, Alt 2, and Alt 3
- Doesn't address Terminal 1 deficiencies.

Alternatives Cost Comparison

				Selected Alternative
Theme	Low Cost	T3 expansion	Optimized for Operation	Optimized for Budget
	Alternative 1	Alternative 2	Alternative 3	Alternative 4
Funnel	X			
Elbow			X	
Trapezoid		X		
Rectangular with Trestle				X
Warehouse	Remove	Remove	Remove	No Change
Wooden Trestle (East) & Dock	Remove Partially (Dock Only)	Remove	Remove	Remove
Conveyor Trestle	No Change	Replace	Replace	No Change
Chevron Trestle	Remove	Remove	Remove	Remove
Opinion of Probable Cost ⁽¹⁾	\$7MM-\$12MM AVG. \$8MM	\$19MM-\$32MM AVG. \$21MM	\$17MM-\$28MM AVG. \$19MM	\$10MM-\$17MM AVG. \$11MM

(1) All the probable costs are based on top-down approach and the numbers are only valid for comparison of different alternatives. These numbers are not for FID or any other decision making – 2025 money. Does not include permitting and mitigation cost.



Celebrating **100** years serving Clallam County

P.O. Box 1350
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360.457.8527

Board of Commissioners
Steven Burke, President
Colleen McAleer, Vice President
Connie Beauvais, Secretary
Executive Director
Paul Jarkiewicz

July 8, 2025

Acting Administrator Sang H. Yi
Maritime Administration, U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Re: Osprey Logistics, LLC FY2025 United States Marine Highway Program Grant Application

Dear Administrator Yi:

On behalf of the Port of Port Angeles, we are pleased to offer this letter of endorsement for Osprey Logistics, LLC, and its FY 2025 application to the United States Marine Highway (USMH) Grant Program under the Maritime Administration (MARAD). Osprey Logistics, the private owner of a terminal site in Everett, Washington, is proposing a project that aligns strongly with the goals of the USMH Program and the objectives of the M-5 Marine Highway Route.

As a designated sponsor of the M-5 Route since 2024, the Port of Port Angeles recognizes the necessity of marine highway services to address regional transportation challenges. The M-5 corridor, which spans the West Coast from Washington to California, presents significant opportunities for expansion. This is particularly true in the Puget Sound region, where landside congestion is increasing and road infrastructure is under strain.

Osprey Logistics' proposed project will expand and enhance marine highway transportation along the M-5 by acquiring two essential components:

1. A conveyor belt system comprised of three (3) movable belt sections and a Swing Axle with Mobile Pivot Base, capable of conveying materials into stockpiles across a 180-degree radius; and
2. A CAT 950GC Wheel Loader, which will transfer materials delivered by truck to piles, to the conveyor system, and to outbound barges, as well as assist in managing inbound stockpiles.

These improvements will allow Osprey Logistics to efficiently handle a broader range of cargo types at its Everett facility. Currently, the company must rent conveyor systems for special shipments, making regular service for aggregate and particulate materials, including gravel, soil, and bark, economically unviable.

This project will enable Osprey Logistics to meet the growing demand from shippers to transport these cargo types on the M-5 via barge, as it offers an alternative to the heavily congested highway corridors through Everett, Seattle, Tacoma, and the Olympic Peninsula. It also provides a more reliable option than the Washington State Ferry System, which is both costly and frequently impacted

by cancelled sailings. By enabling consistent service, this project will reduce road congestion, lower transportation costs, and improve regional freight mobility.

Moreover, the project will advance key goals of the USMH Program, including increased marine cargo capacity, reduced highway wear, and economic development through job creation and private investment.

The Port of Port Angeles regularly collaborates with Osprey Logistics and appreciates the value they provide to the regional supply chain, such as log transport across Puget Sound (hardwoods from Everett to Port Angeles and softwoods in the opposite direction). Osprey Logistics is uniquely positioned as the only private operator in the region with 22 acres of owned tidelands adjacent to 50 acres of developed uplands. This is a significant advantage to marine highway transportation because most tidelands in the Puget Sound region are owned by the Department of Natural Resources and leased out, which places limitations on how logistics facilities can operate. Osprey Logistics' ownership of its tidelands and adjacent uplands enables it to provide marine services not currently available through public ports or other private facilities, allowing Osprey Logistics to maximize its facility's use for marine highway transportation purposes.

With the proposed equipment, Osprey Logistics can serve existing customers on the M-5 corridor whose needs are currently unmet. This application presents a strategic opportunity to enhance the utilization of the M-5 Marine Highway by addressing existing logistical gaps and supporting the long-term viability of an efficient land-based alternative for freight transportation in the region.

We urge consideration of Osprey Logistics' FY2025 application to the USMH Program. Should you require additional information in support of this application, please don't hesitate to contact the Port's Executive Director, Mr. Paul Jarkiewicz, at paulj@portofpa.com.

Thank you for your consideration.

Respectfully,

Steven Burke
Commissioner
Port of Port Angeles

Colleen McAleer
Commissioner
Port of Port Angeles

Connie Beauvais
Commissioner
Port of Port Angeles



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July 8, 2025

Acting Administrator Sang H. Yi
Maritime Administration, U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Re: Bellingham Cold Storage FY2025 United States Marine Highway Program Grant Application

Dear Administrator Yi:

On behalf of the Port of Port Angeles, we are pleased to offer this letter of endorsement for Bellingham Cold Storage (BCS) and its FY 2025 application to the United States Marine Highway (USMH) Grant Program under the Maritime Administration (MARAD). BCS has a 75+ year history of providing critical maritime transportation support services in Washington, and their proposed equipment purchases under the 2025 USMH Program will allow them to further expand their role in the Marine Highway 5 (M-5) supply chain.

In support of the USMH Program's goal to increase utilization of marine highway corridors and reduce landside congestion, the proposed project will allow BCS to purchase:

1. One top pick machine to handle both empty and fully loaded containers, adding new capability for BCS to stack containers and move more volumes through their facility without expanding its footprint.
2. Nine additional drayage chassis to handle standard intermodal containers, which will increase BCS's throughput capacity and alleviate bottlenecks that occur when there are too few chassis available to handle cargo volumes.
3. One shrink-wrapping unit to increase the efficiency of cargo packaging at key transfer points, allowing BCS to keep up with growing volumes while reducing worker injuries caused by repetitive movements.

The Port of Port Angeles, serving as a designated Route Sponsor for the M-5 corridor since 2024, understands that this project is crucial for BCS. Today, BCS regularly must pause cargo loading and unloading activities at their facility to allow staff and equipment availability to catch up with volumes, slowing services for customers. Given the perishable and time-sensitive nature of BCS's primary cargoes, any congestion and delays caused by the shortage of drayage chassis and lack of container moving capabilities can have significant impacts on BCS's customers.

The proposed USMH Program investments will address these capacity limitations and streamline BCS's cargo handling services, allowing BCS to meet rising shipper demands, move higher cargo volumes, and reduce congestion in and around the Port of Bellingham. This project offers a crucial new level of support for the maritime transportation network that serves as the backbone of the regionally and nationally significant seafood and agricultural industries.

BCS's proposal will contribute to USMH Program's success in the Puget Sound region and beyond by increasing M-5's cargo capacity, providing efficient services to shipping customers, and spurring economic development through private investment in maritime logistics. We urge consideration of BCS's FY2025 application to the USMH Program.

Should you require additional information in support of this application, please don't hesitate to contact the Port's Executive Director, Mr. Paul Jarkiewicz, at paulj@portofpa.com.

Thank you for your consideration.

Respectfully,

Steven Burke
Commissioner
Port of Port Angeles

Colleen McAleer
Commissioner
Port of Port Angeles

Connie Beauvais
Commissioner
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July 8, 2025

Acting Administrator Sang H. Yi
Maritime Administration, U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Re: Endorsement of Waste Connections, Inc. – “Waste Transport By Barge – Puget Sound to Umatilla” (USMHP Planning Grant, Routes M-5 / M-84)

Dear Administrator Yi:

The Port of Port Angeles is pleased to offer its formal endorsement of Waste Connections, Inc.’s Finley Butte’s Landfill (Waste Connections) application under the Fiscal Year 2025 United States Marine Highway (USMH) Program for the “Waste Transport By Barge – Puget Sound to Umatilla” planning grant. This project would establish a marine highway transport connecting Puget Sound, WA, and the Port of Umatilla, OR, via Marine Highways 5 (M-5) and 85 (M-84) to carry containerized municipal solid waste.

Waste Connections’ proposed planning project will develop a market feasibility study, evaluate multiple site alternatives in the Puget Sound, and identify a preferred site that can be further evaluated for cost effectiveness, engineering requirements, and NEPA requirements for a full-scale barge service moving up to 9,500 short tons of waste per voyage.

Despite focusing on planning efforts, Waste Connections’ proposed project is not a new concept in the region. The project is rooted in a successful, existing barge route that currently transports waste from the Vancouver, WA area along M-84 to Umatilla, OR. Due to local capacity landfill capacity restraints in the near future, waste will need to be trucked or railed to out of area landfills. This project will expand the area’s barging capacity by integrating a new leg from the Puget Sound, allowing Waste Connections to barge municipal solid waste from communities that currently truck it to railheads. The new M-5 addition to the established marine highway service is anticipated to bring the following benefits:

- Reduction of approximately 352 freight truck round trips per barge, relieving highway congestion along high-traffic corridors including US-101, I-5, and Washington State Routes (SR) including SR-03 and SR-16;
- Elimination of over 1,000,000 truck miles annually by shifting to marine highway transportation, reducing wear and tear to highways and the associated maintenance costs to federal, state, and local municipalities;
- Improved safety through the reduction of vehicle miles traveled, which is particularly important for Washington State, where the fatality rate and injury rate per hundred million vehicle miles traveled have risen approximately 25% since 2020 to 1.35 and 5.7 respectively¹; and

¹ https://highways.dot.gov/sites/fhwa.dot.gov/files/2025-03/HSIP_Report_WASHINGTON_2024_508.pdf

- Strengthened economic competitiveness through lower per-ton transport costs.

As the designated Route Sponsor for M-5 within Washington since 2024, the Port of Port Angeles recognizes the critical importance of expanding marine highway capacity to reduce landside congestion, lower road maintenance costs, and enhance regional transportation resilience. With its focus on non-time sensitive cargo that can make use of longer water routes, Waste Connections' proposed project is an ideal way to better utilize our waterways and promote marine transportation as a viable, cost-effective alternative to trucking or rail.

In recent years, Waste Connections has been an active participant in regional marine highway transportation planning, including in collaboration with the Port and other M-5 stakeholders. The Port is confident that Waste Connections possesses the organizational capacity, technical expertise, and financial commitment to prepare a robust planning study that will set the stage for successful development and implementation of solid waste barging on the M-5 corridor.

We urge consideration of Waste Connections' FY2025 application to the USMH Program. Should you require additional information in support of this application, please don't hesitate to contact the Port's Executive Director, Mr. Paul Jarkiewicz, at paulj@portofpa.com.

Thank you for your consideration.

Respectfully,

Steven Burke
Commissioner
Port of Port Angeles

Colleen McAleer
Commissioner
Port of Port Angeles

Connie Beauvais
Commissioner
Port of Port Angeles



P.O. Box 1350
338 West First Street
Port Angeles
Washington 98362
360.457.8527

Board of Commissioners
Connie Beauvais, *President*
Colleen McAleer, *Vice President*
Steven Burke, *Secretary*
Executive Director
Geoff James

July 8, 2025

Washington State Main Street Program
Washington State Department of Archaeology & Historic Preservation
P.O. Box 48343
Olympia, WA 98504

Subject: Letter of Support for the Port Angeles Waterfront District's Application to the Washington Main Street Program

Dear Review Committee:

The Port of Port Angeles (Port) offers its enthusiastic support for the Port Angeles Waterfront District's (PAWD) application to become a designated member of the Washington Main Street Program.

As an economic development engine on the Olympic Peninsula, the Port recognizes the crucial role that a vibrant, resilient downtown plays in supporting regional prosperity and complementing the Port's own focus on the industrial and maritime sectors. In recent years, the PAWD has demonstrated exceptional leadership and dedication in revitalizing our historic downtown core, cultivating a strong sense of place and community pride that benefits residents, businesses, and visitors alike.

The PAWD's commitment to design excellence, economic vitality, community engagement, and preservation aligns seamlessly with the mission and values of the Washington Main Street Program. Through events, placemaking efforts, and support for small businesses, the PAWD has created meaningful momentum that continues to reinvigorate downtown Port Angeles as a center of commerce, culture, and connection.

We believe that formal designation through the Washington Main Street Program would not only validate the work already underway but also provide the tools, training, and network necessary to accelerate revitalization efforts. The Port is confident that the PAWD will be a valuable contributor to the statewide Main Street community, and we stand ready to collaborate in achieving shared goals for economic and community development.

Thank you for your consideration of this application. Please do not hesitate to contact us if we can provide additional information or support.

Sincerely,

Steven Burke
Commissioner
Port of Port Angeles

Colleen McAleer
Commissioner
Port of Port Angeles

Connie Beauvais
Commissioner
Port of Port Angeles

WE BRING PEOPLE, RESOURCES AND INDUSTRY TOGETHER TO FOSTER LIVING WAGE JOBS

www.portofpa.com

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

July 8, 2025

**SUBJECT: Clallam County Opportunity Fund Agreement: Publicly Owned Kiln,
Clallam Forest Products Industry Cluster Innovation Program**

PORT LEAD: Katharine Frazier – Grants & Government Affairs Manager

BACKGROUND:

In fall 2024, the Clallam Economic Development Council (EDC) applied for funding for twelve projects under the Public Works & Economic Adjustment Assistance (PWEAA) program through the Economic Development Administration (EDA). The PWEAA program, which exists to help communities recover from industry loss, was made accessible to our region after the August 2024 closure of McKinley Paper.

The Clallam County Opportunity Fund Board authorized the use of Opportunity Funds to assist EDC with meeting its 20% non-federal match requirement. As a recipient of funds under the PWEAA grant, the Port is now eligible to receive Opportunity Fund dollars to administer the following projects:

- Feasibility study for a publicly owned kiln
- Design, engineering, and permitting for a publicly owned kiln

In June 2025, the Port received an Opportunity Fund agreement for a total of \$116,000 to support these projects. \$50,000 will go toward the feasibility study, and \$66,000 will support future design, engineering, and permitting work.

ANALYSIS:

PWEAA-funded projects are designed to create and retain jobs in the forest products sector, including value-added manufacturing and the production of materials to address the statewide housing shortage. By focusing on job creation efforts, these projects will complement the regional Recompete Pilot Program, which seeks to lower the prime-age employment gap in both Clallam and Jefferson Counties.

Both phases of the publicly owned kiln project seek to address the region's limited kiln capacity for forest product manufacturers. Through public ownership, the new kiln will be an accessible resource for all users, from larger mills to smaller timber firms and collectives.

The feasibility study phase of the project will focus on identifying the potential kiln type and associated costs, assessing potential site locations, and estimating costs to extend utilities to those sites. The second phase will focus on the preliminary design, engineering, and permitting work for a new kiln facility based on findings from the feasibility study.

FISCAL IMPACT:

The remaining funds for these projects (approximately \$760,000) will come from the EDA PWEAA award, which will be administered by the EDC. Port Capital Budget funds will not be used for either phase of this project.

RECOMMENDED ACTION:

Introduce a motion to authorize the Commission President, Steve Burke, to sign the Opportunity Fund agreement with the Clallam County Commission Chair, Mike French, for a total not to exceed \$116,000.

NEXT STEPS:

The Port Team will coordinate with Clallam EDC to fulfill Opportunity Fund and PWEAA grant requirements.

CLALLAM COUNTY OPPORTUNITY FUND PROGRAM GRANT AWARD AGREEMENT

THIS GRANT AWARD AGREEMENT (the “Agreement”) is made and entered by and between Clallam County, a political subdivision of the State of Washington (hereinafter “County”), and the Port of Port Angeles, a special purpose local government of the State of Washington (hereinafter “the Port”). Together, the County and the Port are referred to herein as the “Parties.” The Parties have the lawful authority to execute this Agreement pursuant to their corporate powers RCW 36.01.010 and RCW 35A.11.010.

WHEREAS, the County administers the “Opportunity Fund Program” in accordance with RCW 82.14.370(3) and Chapter 5.40 of the Clallam County Code to finance public facilities/infrastructure that may promote economic development in the region;

WHEREAS, Clallam Economic Development Council, an Associate Economic Development Organization (“ADO”) within Clallam County (“EDC”), applied for and received in 2024 a federal grant totaling \$5,206,462 from the Department of Commerce Economic Development Administration in support of the Clallam Forest Products Industry Cluster Innovation Program (the “EDA Grant”) (included herein as Exhibit A);

WHEREAS, the EDA Grant’s Scope of Work includes funding for a number of projects supporting the forest products industry in the County, including \$580,000 of funding for a scoping study, design, engineering and permitting for a publicly-owned kiln to be owned by the Port to alleviate limited kiln capacity within the County that constrains economic development of the lumber processing businesses operating in the County (the “Project”);

WHEREAS, the Port has agreed to receive a subaward under EDC’s EDA Grant to perform the scope of work contemplated for the Project,

WHEREAS, the EDA Grant requires a 20% local match of federal monies to be provided by the Port for the Project totaling \$116,000, consisting of \$50,000 for the scoping study and \$66,000 for the engineering design report and permitting;

WHEREAS, the EDC on behalf of the Port has applied for funding through the “Opportunity Fund Program” in order to help finance the local match funding required under the EDA Grant for the Project;

WHEREAS, the County has carefully reviewed the grant application (included herein as Exhibit B) and the corresponding Project;

WHEREAS, the County believes the Project is eligible to receive Opportunity Funds and that the moneys will be used to finance public facilities/infrastructure that may promote economic development within the region;

WHEREAS, the County has held public meetings/hearings and received extensive public comment regarding the application; and

WHEREAS, the County has determined that the Port is a worthy recipient of Opportunity Funds and the award is in the interest of the common good as evidenced by adoption of the 2025 Opportunity Fund budget by the County Board of Commissioners on December 3, 2024 which included funding designated to support the local match funding required under the EDA Grant awarded to EDC for this Project.

NOW THEREFORE, in consideration of the mutual terms, provisions, and obligations contained herein, it is agreed by and between the County and the Port as follows:

1. **PURPOSE:** The purpose of this Agreement is to memorialize the award of grant monies, drawn from the County's "Opportunity Fund Program," and to be awarded to the Port to fund its share of the local match required under the EDA Grant for the Project (as outlined below). The Project may include:
 - a. Scoping Study – Conduct a preliminary assessment to provide a broad overview of a publicly owned kiln project, including key considerations for purchasing, siting, leasing and operating the facility for use by local forest products industries. It will identify kiln needs for area lumber processing businesses, identify required specifications for a new kiln and green boiler, quantify availability of wood residuals as green boiler feedstock, determine equipment prices and availability, identify appropriately zoned potential sites with associated infrastructure and utility needs and costs, identify land encumbrances including soil or water contamination, determine required permits and provide land and infrastructure development cost estimates.
 - b. Design, Engineering and Permitting—complete 30% design/engineering and permitting requirements for the siting and installation of a publicly owned kiln and green boiler to be owned by the Port.

A publicly-owned kiln once completed is expected to retain 3 businesses and 285 jobs involved in the lumber processing industry and create an additional 30 direct jobs and 38 indirect jobs in the area. Scoping study, design, engineering and permitting costs incurred by the Port as part of their local match under the EDA Grant are eligible, so long as such costs have not been submitted for reimbursement from any other federal, state, or local agency funding source.

In consideration of the award offered by the County, the Port agrees to use the Opportunity Funds consistent with the attached grant application submitted to the County. Upon completion of the Project, the Port will return to the County and give a presentation to the County Board of Commissioners showing the progress/outcomes of the Project, and how the Opportunity Funds were utilized in support of the Project. The Port also agrees to provide in a timely manner any additional information concerning the Project requested by the County to satisfy its reporting requirements to the State concerning usage of Opportunity Funds.

2. **DURATION:** This Agreement shall be effective immediately once signed by the Parties and will continue in effect through December 31, 2027, unless sooner terminated as provided herein, or unless otherwise extended by written mutual consent of the Parties.
3. **FINANCING:** The County will issue two warrants to the Port in the amounts of (1) **\$50,000** upon receipt of written confirmation from the Port that the Project's Scoping Study Phase for which the Opportunity Funds will be utilized is underway or is expected to be underway within 30 days of the date of such written confirmation; and (2) **\$66,000** upon receipt of written confirmation from the Port that the Project's Design, Engineering & Permitting Phase for which the Opportunity Funds will be utilized is underway or is expected to be underway within 30 days of the date of such written confirmation.
4. **PROPERTY:** Any property acquired through the award of the Opportunity Funds will belong to the Port. The County does not acquire any interest in property, real or otherwise, that may be obtained with the grant award.
5. **ORGANIZATION:** By awarding Opportunity Funds, the County does not become a formal partner in the Port's Publicly-Owned Kiln Project and does not share in the organizational burdens associated with the Project.
6. **LIABILITY:** It is the intent of the Parties that the County shall not be held liable for any injury/harm that may occur during, or result from, the Project. The Port agrees to defend, indemnify and save harmless the County, its appointed and elected officers, agents and employees, from any and all liability, claims, actions, suits, losses, expenses, damages, and judgments of any nature whatsoever, including costs and attorney's fees in defense thereof, that may result from/through the Project. This provision shall survive termination of this Agreement.
7. **RETURN OF FUNDS:** If, for whatever reason, the Port does not expend the entire grant award in connection with the Publicly-Owned Kiln Project, then the Port agrees to return the remaining funds to the County.
8. **AGREED LIMITATION ON USES:** The Port agrees that the Project shall be owned and operated by the Port as a publicly-owned kiln available for lease to private lumber processing companies for the purpose of promoting economic development in the area for a period of no less than 20 years after the completion of the Project.
9. **COMPLIANCE WITH PUBLIC WORKS REGULATIONS:** The Port agrees to comply with all applicable statutory requirements governing public works projects as outlined under RCW 39 in the use of the Opportunity Funds provided to the Port under this Agreement.
10. **DISPUTES:** The Parties agree to work together to resolve any disputes that may result in performance of this Agreement.

11. **MAINTENANCE AND AUDIT OF RECORDS:** The Port shall maintain records, books, documents, and other materials relevant to its performance under this Agreement. These records shall be subject to inspection, review and audit by the County, its designee, or the Washington State Auditor's Office for five (5) years following termination of this Agreement. If it is determined during the course of the audit that the Port has utilized funds received through this grant in a manner inconsistent with this Agreement, the Port agrees to promptly reimburse such funds to the County upon request.
12. **MODIFICATION:** This Agreement may be modified by mutual consent of the parties provided that any modification is memorialized in writing and signed by the Parties.
13. **TERMINATION:** This Agreement will terminate when the Port uses the full amount of the award, returns any remaining balance to the County, or December 31, 2027, whichever may come first.
14. **GOVERNANCE:** This Agreement has been and shall be governed by the laws of the State of Washington, both as to its interpretation and performance. Any action at law, suit in equity, or judicial proceeding arising out of this Agreement shall be instituted and maintained in Clallam County Superior Court.
15. **SEVERABILITY:** If a court of competent jurisdiction finds any part, term or provision of this Agreement to be illegal or invalid in whole or in part, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Agreement, and to this end the provisions of this Agreement are declared to be severable.
16. **WAIVER:** A failure by either party to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement.
17. **ENTIRE AGREEMENT:** The Parties agree that this Agreement is the complete expression of its terms and conditions. Any oral or written representations or understandings not incorporated in this Agreement are specifically excluded. This Agreement is for the benefit of the Parties, and no third party beneficiary relationship is intended.

IN WITNESS WHEREOF, the Parties have executed this Agreement.

CLALLAM COUNTY
BOARD OF COMMISSIONERS

PORT OF PORT ANGELES

Date:

Date:

Mike French, Chair

Steven Burke, President

ATTEST:

Loni Gores, Clerk of the Board



Approved as to Form



Department of Commerce
Economic Development Administration

Notice of Award (NoA)
ED25SEA0G0021

RECIPIENT INFORMATION

1. Recipient Name(s)

Clallam County Economic Development
Council
141 West 1st Street
Port Angeles, Washington 98362

2. Congressional District of Recipient

Washington, 6th Congressional District

3. Employer Identification Number (EIN)

91-1167253

4. UEI

V157ENJSPDN7

5. Recipient POC

Colleen McAleer
cMcAleer@clallam.org

6. Authorized Official

Colleen McAleer
cMcAleer@clallam.org

FEDERAL AGENCY CONTACT INFORMATION

7. Grant Specialist

Jeff Goldsberry
jgoldsberry@eda.gov

8. Program Officer

Kerstin Millius
KMillius@eda.gov

9. Grant Officer

Sheba Person-Whitley
SPerson@eda.gov

FEDERAL AWARD INFORMATION

10. Award Number / FAIN

ED25SEA0G0021

11. Award Type

Grant

12. Period of performance Start Date & End Date

January 1, 2025 through December 31, 2027

13. Federal Share of Cost

\$ 4,165,117.00

14. Recipient Share of Cost

\$ 1,041,345.00

15. Total Federal and Recipient Cost

\$ 5,206,462.00

16. Statutory Authority

42 U.S.C. § 3149, Section 209 of the Public Works and Economic Development Act of 1965 (Public Law 89-136), as amended by the Economic Development Reauthorization Act of 2004 (Public Law 108-373)

17. NOFO/RFA

PWEAA2023

18. Project Title

Clallam Forest Products Industry Cluster Innovation Program

19. Assistance Listing Number and Name

11.307 - Economic Adjustment Assistance Program

20. Award Action Type

New Competing

21. Multiyear Award?

No

22. R&D Award?

No

23. Construction Award?

No

24. Grants Officer – Signature and Date

SHEBA PERSON-WHITLEY

Digitally signed by SHEBA PERSON-WHITLEY
Date: 2024.12.18 06:08:00 -08'00'

25. Recipient – Signature and Date

BY ACCEPTING THIS AWARD, THE RECIPIENT IS AFFIRMING THAT IT WILL COMPLY WITH ALL THE TERMS AND CONDITIONS OF THE AWARD. THE AWARD MUST BE ACCEPTED BY THE APPLICANT'S AUTHORIZED OFFICIAL.

RECIPIENT NAME: Clallam County Economic Development Council
PROJECT TITLE: Clallam Forest Products Industry Cluster Innovation Program
AWARD NUMBER: ED25SEA0G0021

This Notice of Award includes the following sections and incorporates all regulations, documents and authorities referenced therein.

- I. BUDGET INFORMATION
- II. GENERAL TERMS AND CONDITIONS
- III. SPECIFIC AWARD CONDITIONS
- IV. OTHER

Should there be a discrepancy among these documents, the Specific Award Conditions, including any references, shall control.

SECTION I – BUDGET INFORMATION

The following is the Authorized Budget for this award. Reference Section III – Specific Award Conditions for conditions related to the Authorized Budget.

Authorized Budget

Cost Shares	Funding Matrix
Federal Share (EDA Amount)	\$4,165,117
Non-Federal Matching Share	\$1,041,345
Total Project Costs	\$5,206,462

Line-Item Budget

Item	Federal Share	Non-Federal Share	Total
Personnel	\$345,636	\$86,409	\$432,045
Fringe Benefit	\$87,100	\$21,775	\$108,875
Travel	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Supplies	\$0	\$0	\$0
Contractual	\$3,369,870	\$842,533	\$4,212,403
Construction	\$0	\$0	\$0
Other	\$0	\$0	\$0
Indirect Charges	\$362,511	\$90,628	\$453,139
Total Project Costs	\$4,165,117	\$1,041,345	\$5,206,462

SECTION II – STANDARD TERMS AND CONDITIONS

The following regulations and standard terms and conditions apply to this award:

- ☐ 2 C.F.R. Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as Adopted Pursuant to 2 C.F.R. § 1327.101
- ☐ *Department of Commerce Financial Assistance General Terms and Conditions* (1 October 2024)
- ☐ Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements
- ☐ 13 C.F.R. Chapter III, *Economic Development Administration, Department of Commerce*

SECTION III – SPECIFIC AWARD CONDITIONS

The following Specific Award Conditions apply to this award:

See Attachment 3

SECTION IV – OTHER

Attachment 1 - Scope of Work

Attachment 2 - Authorized Staffing Plan

Scope of Work

The Recipient will implement a program to develop regional economic capacity in natural resource-based industries. Project activities, components, and outputs will include:

- Preparation of a process optimization and automation design study for the Composite Recycling Technology Center
- Preparation of a housing market study for indigenous tribal communities
- Development of a housing demonstration unit for indigenous tribal communities
- Preparation of a feasibility study of Oriented Strand Board Manufacturing with North Olympic Peninsula tree species
- Preparation of a feasibility and siting study for a plywood mill
- Reconfiguration of the Forks Industrial Park and recruitment of tenant businesses
- Preparation of a feasibility study for a publicly owned kiln
- Completion of an Environmental Narrative and Preliminary Engineering Report for the publicly owned kiln
- Performance of Industrial Symbiosis screenings
- Development of a workforce training program focused on forestry industry skills
- Preparation of a logistics improvement study for the Olympic Peninsula
- Completion of an Environmental Narrative and Preliminary Engineering Report for Terminals 1 and 3 at the Port of Port Angeles

Equipment List

Any additions, deletions or modifications to the below authorized Equipment List require prior written EDA approval. The EDA Project Officer may authorize these changes, unless the change also necessitates an amendment under the Terms and Condition of this Award (i.e. a change in purpose, the addition of federal funds, or a transfer between direct cost categories exceeding ten percent of the total budget approved by EDA).

Composite Recycling Technology Center

ITEM/DESCRIPTION	UNIT PRICE	QUANTITY	LINE ITEM TOTAL
Mobile Housing Demonstration Unit	\$98,000	1	\$98,000


Clallam County Board of Commissioners

223 East Fourth Street, Suite 4

Port Angeles, WA 98362

360.417.2233

**OPPORTUNITY FUND
APPLICATION**
Section 1 – Applicant Information

Date: 9/15/2024	Project Title: Matching Funds for US Dept of Commerce EDA grant for Job Creation Projects in Clallam County	
Applicant: Clallam EDC		
Contact: Colleen McAleer		
Address: 141 W. First St.,		
City: Port Angeles	Zip: 98362	
Phone #: 360.457.7793	POC Email: cmcaleer@clallam.org	
Position of Authorized Signer: Executive Director		

Section 2 – Attach a copy of your Detailed Description of Project Proposal including information regarding why the Opportunity Funds are necessary and other funding sought.

The purpose of the federal grant through US Dept of Commerce Economic Development Administration (EDA) is to assist communities in devising and implementing long-term economic development efforts.

The Clallam EDC is applying for this grant through a specific set aside for Biomass Closure Communities which the EDC qualifies for due to the closure of the McKinley Mill. The EDC is applying for a variety of projects that support sustainable, innovative forest products in Clallam County.

Since Clallam County was awarded the Recompete Pilot grant funding without funding the Natural Resources Innovation Center (NRIC) job creation project, EDA is desirous of finding alternative funding solutions to implement the NRIC projects. Additionally, EDA awarded Tech Hub Status to the Northwest Mass Timber Tech Hub based out of Oregon State University which covers the two-state region. The Tech Hub leadership visited Clallam County last week to assist in the vetting NRIC projects. The Tech Hub has three areas of focus which are sustainable forestry, advanced manufacturing, and construction activities. EDA has additional set aside funds for the Tech Hub to assist our economically distressed county through NRIC.

The set-aside funding can support up to \$5 Million in grant awards for the Clallam EDC application, but it requires a 20% non-federal match. Clallam EDC is still assessing project costs, and they are targeting an amount up to \$4 Million where \$800,000 would be required as match. They are applying for matching funds through WA State Department of Commerce through Securing Federal Funding Initiative (SFFI) and the Governor's Reserve Funds, but expect any approval will be issued after the September 30, 2024 requested application date.

These projects may include:

- Feasibility of a community kiln to expand local value-added capacity and to avoid trucking logs off the Peninsula.
- Develop new markets and optimize manufacturing for coastal hemlock-built mass timber housing.
- Design layout options for the Building Innovation Center within the CRTC to optimize and automate their manufacturing processes.
- Conduct a market study of tribal housing markets for a tribally generated Makah/CRTC product.
- Develop a traveling demonstration prototype/promotional unit that will be used for tribal customer feedback, tradeshow, assembly demonstration and training, and cost analysis. Outcomes will inform decisions on final manufacturing approaches and scale of investment necessary to meet projected demand.
- Evaluate business cases of thermally modified coastal hemlock.
- Develop Mechanical, Electrical and Plumbing designs for modular housing solutions.
- Development of a prototype of an Advanced CLT modular facility for marketing purposes.
- Analyze the viability of North Olympic Peninsula species (Douglas fir, hemlock, and spruce) in lab scale OSB panels through the NW Mass Timber Tech Hub.
- Conduct feasibility study for Advanced Integrated Building Panels that meet the new state energy code.
- Investigate viability to expand currently planned barging operations to support new market opportunities.

Section 3 – Application Funding Requested

Amount of Loan Requested:	\$0
Amount of Grant Funds Requested	\$700,000
Local Government Match:	\$0
Private Matching Funds: (if applicable)	\$100,000
State Matching Funds: (if applicable)	\$0
Federal Matching Funds: (if applicable)	\$3,200,000
Total Project Cost:	\$4,000,000
Amount Raised to Date:	\$150,000

If Opportunity Fund grant funding is being applied for, explain the reason why the project's revenues will not have sufficient cashflow to support loan payments:

The EDA requirement is for a committed cash cost share. The loan element is not applicable to this use of funds.

Section 4 – Project Site Information: - N/A

- A) Link and page # detailing the project's inclusion in an officially adopted Clallam County overall capital facilities plan, or economic development section of Clallam County's comprehensive plan, or the comprehensive plan of a city within Clallam County:
- B) Include a site map of the area. Identify the location of the site, and public infrastructure (existing and/or proposed).
- C) Project cost breakdown:

D) Specifically, for what element(s) of the project are Opportunity Fund Program (OFP) dollars being requested?

E) Estimated schedule for project completion:

Estimated Completion Date: Dec 31, 2028

- Preliminary Engineering Report: N/A
- All permits obtained: N/A
- Preliminary Design Plans: N/A
- Land/Right-of-Way Acquisition N/A
- Prepare Bid Documents N/A
- Award Construction Contract N/A
- Begin Construction N/A
- Complete Construction N/A
- Project Operational N/A
- Other: _____ N/A

F) What other jurisdictions are involved in the planning, design, financing, construction, operation or use of this project? (cities, counties, state/federal agencies, tribes, etc.): **City of Port Angeles, Makah Tribe, Port of Port Angeles, EDA.**

G) Will the applicant maintain the project? If not, who will be responsible for its maintenance? N/A

Section 5 – Affordable Workforce Information (If applicable):

A) Does this project directly fund infrastructure related to Affordable Workforce Housing?

Yes	
No	X

If no, skip to Section 6.

B) If applicable, describe the number of workforce housing units in project that would receive funding if approved: N/A

	Leased	Fee Simple	What's your target Area Median Income (AMI)
Type of Units: (e.g., Single Family Residential, fourplex, apartment, etc.):			
# of Units in Type:			
# of Bedrooms per Unit:			

C) 100% of Clallam County's Area Median Income (AMI) used for this application:

D) Source used to determine most recent year available for Clallam County's AMI:

E) Describe whether the housing will be for a single person, family, or unrelated persons or a combination:

F) If applicable, describe the procedures that will be followed to ensure the occupants are in the workforce and meet the 120% AMI threshold:

Section 6 – Private Sector Commitment or Involvement (if applicable)

A) Identify private sector firm(s) and contact person(s) involved in the project:

Private Entity: CRTC
POC at Entity: Dave Walter
POC Telephone: 360.477.0977
Will entity locate to Project Site? N/A

B) Explain the private sectors involvement in the project. Why does the private sector require the proposed public infrastructure improvements? **N/A**

C) Type of jobs to be created/retained:

	# Jobs Retained	# Jobs Created	Ave Annual Wage
Management/Admin (exclusive of owners)	4	15	\$120K+
Supervisors/Professional	22	60	\$105K
Entry Level Workforce	100	225	\$85K

D) Projected annual gross payroll (*exclusive of owner group*):

1-3 Years:	\$16M
3-5 Years:	\$20M
5-10 Years:	\$24M

E) Does the Private Entity commit to signing a standard NDA and to allow a representative from the Clallam EDC to review their Annual Payroll Report to confirm job creation and payroll when requested within the first ten-year term? (check one)

Yes	X
No	

Section 7 – Financial Information of Applicant

This section examines the general financial status of the applicant.

- A) Provide the most current annual financial report reviewed by the State Auditor. If the most current year is not representative of the past five years, please provide additional information or reports.
- B) Identify funds (General Fund, Utility Fund, etc.) that will be eligible to repay an OFP loan. If any funds cannot be used to service OFP debt, please explain. If a particular fund or revenue source has been identified for repayment of the loan, please describe

Section 8 – Declaration

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IN THIS APPLICATION TO THE OPPORTUNITY FUND BOARD IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Signature of responsible official: _____

Print or Type Name and title: Colleen McAleer, Executive Director

Clallam Forest Product Innovation Program Overview

Clallam EDC was awarded a federal grant in late 2024 by the US Department of Commerce Economic Development Administration (the “EDA Grant”) providing total project funding of \$5,206,462 (including federal funding of 80% and local match of 20%) to support the Clallam Forest Product Innovation Program. This Program funds 12 complementary projects to retain and create jobs and businesses for the citizens in Clallam County. Projects fall into four categories: Tribal Housing Manufacturing, Wood Product Manufacturing, Workforce Training and Transportation.

As an eligible applicant and a convener, Clallam EDC applied for EDA Grant funding on behalf of Clallam County local governments, including the City of Forks and the Port of Port Angeles. In addition, Clallam EDC applied for EDA Grant funding for the Composite Recycling Technology Center (CRTC), a nonprofit 501(c)3 entity, which will produce housing at or below 120% Area Median Income (AMI). These projects advance a coordinated North Peninsula-wide strategy built through collaboration among city, county, state and federal officials, Tribal leaders, economic development organizations, private industry, NGOs and utilities – first in response to the RECOMPETE opportunity and then in response to the McKinley Mill closure in August 2024.

As noted above, the EDA Grant requires a 20% local match for each of these projects. The City of Forks, Port of Port Angeles and the CRTC are eligible applicants for Opportunity Funds. The application the EDC submitted and that was approved by the BOCC was on their behalf.

Accordingly, the project descriptions that follow are grouped by: (A) Projects that were identified to receive Opportunity Funds to address the match requirement; and (B) Other Projects for which local match is funded through other sources.

A. Projects Seeking Opportunity Fund/County Match Support:

1. Construction of a Tribal Housing Unit

Composite Recycling Technology Center (CRTC) will develop a traveling demonstration unit for soliciting tribal customer feedback and interest at tradeshow and events. The unit will be taken to multiple Tribal events and locations over several months and can also serve assembly demonstration and training. The product will be designed to be affordable for those earning up to 120% of annual median income. The demonstration unit(s) will ultimately become actual workforce housing unit(s) within 3 years of construction.

- Total Estimated Project Cost--\$500,000
- Total Project Cost to be funded under EDA Grant--\$400,000

- Total Project Cost to be funded by Opportunity Fund--\$100,000
- Estimated Project Commencement Date: Q1 2026
- Estimated Project Completion Date: Q4 2027
- Estimated Businesses Created/Retained:
- Estimated Jobs Created/Retained: Created--25 Direct, 13 Indirect & 9 Induced

2. Forks Industrial Park (FIP) Reconfiguration and Tenant Recruitment

The **City of Forks' FIP** is an underutilized asset that was designed for one large employer who has long since ceased operations. To provide space for multiple tenants, and to take advantage of anticipated barging capacity on the Peninsula's West End, the FIP must be reconfigured. FIP is ideally located to complement barging out of nearby LaPush (Quileute Nation) and Neah Bay (Makah Tribe). A reconfigured FIP, in concert with barging improvements funded through RECOMPETE and on-land logistics improvements (see Logistics Improvement Study below), will strengthen the case for recruiting new businesses to the County's West End, particularly OSB production. A reconfigured FIP will also provide space for local entrepreneurs to grow their businesses. With new water-borne transport options, Forks' proximity to abundant forest fiber and residuals, and impending logistics improvements, the FIP is well situated to provide valuable space for new businesses that process feedstocks and/or manufacture sustainable forest products. The project scope includes:

1. Site Assessment & Barrier Identification Report
 2. Lot Reconfiguration Analysis
 3. Building Design Plans based on preferred configuration
 4. Tenant (2-5) Recruitment Services and associated Job Creation
- Total Estimated Project Cost--\$300,000
 - Total Project Cost to be funded under EDA Grant--\$240,000
 - Total Project Cost to be funded by Opportunity Fund--\$60,000
 - Estimated Project Commencement Date: Q3 2025
 - Estimated Project Completion Date: Q3 2026
 - Estimated Businesses Created/Retained: 1/0
 - Estimated Jobs Created/Retained: Created--95 Direct; 57 Indirect

3. Publicly Owned Kiln

(A) Phase 1--Scoping Study for a Publicly Owned Kiln

The **Port of Port Angeles** will conduct a preliminary assessment to provide a broad overview of a publicly owned kiln project, including key considerations for purchasing, siting, leasing and operating the facility for use by local forest products industries. Limited kiln capacity provides a cap on potential business growth while the required investment, land and permitting costs for a kiln present a significant barrier to investment for a single company. A "community kiln" will provide additional access for

multiple lumber processors at market rates, rather than requiring each company to develop and fund individual solutions.

The study will identify kiln needs for area lumber processing businesses (including the Makah Tribe), identify required specifications for a new kiln and green boiler, quantify availability of wood residuals as green boiler feedstock, determine equipment prices and availability, identify appropriately zoned potential sites with associated infrastructure and utility needs and costs, identify land encumbrances including soil or water contamination, determine required permits and provide land and infrastructure development cost estimates. Proximity to anticipated industrial customers will be prioritized in siting analysis. The study will position the Port and/or City to pursue funding for kiln and boiler purchase and siting and enter into use agreements with lumber processors.

- Total Estimated Project Cost--\$250,000
- Total Project Cost to be funded under EDA Grant--\$200,000
- Total Project Cost to be funded by Opportunity Fund--\$50,000
- Estimated Project Commencement Date: Q2 2025
- Estimated Project Completion Date: Q3 2026
- Estimated Businesses Created/Retained: 0/3
- Estimated Jobs Created/Retained: Created--30 Direct; 38 Indirect; & 18 Induced; Retained—285 Direct

(B) Phase 2--Design, Engineering and Permitting for Publicly Owned Kiln

30% design/engineering for the siting and installation of a kiln and green boiler including:

1. Engineering and programming for electrical control systems.
2. Cost evaluation for utilities including single phase power to within 10' of the kiln perimeters (with ground fault protection), lighting, compressed air, and water.
3. Identify permits required for kiln construction, installation and operation

- Total Estimated Project Cost--\$330,000
- Total Project Cost to be funded under EDA Grant--\$264,000
- Total Project Cost to be funded by Opportunity Fund--\$66,000
- Estimated Project Commencement Date: Q1 2027
- Estimated Project Completion Date: Q4 2027
- Estimated Businesses Created/Retained: 0/3
- Estimated Jobs Created/Retained: Created--30 Direct; 38 Indirect; & 18 Induced; Retained—285 Direct

4. EDC 3-year Personnel & Fringe Project & Grant Management

Clallam EDC will administer The Clallam Forest Products Innovation Program which promotes economic development and facilitates the creation of businesses and jobs in the

county through 12 complementary projects in tribal pre-manufactured low-cost green buildings, wood product manufacturing, and improved transportation. Clallam EDC staff will manage the program, with estimated share of staff time to be spent as follows: 15% Colleen McAleer, 60% Roy Mann, and 25% Lorie Fazio.

- Total Estimated Project Cost--\$540,921
- Total Project Cost to be funded under EDA Grant--\$432,737
- Total Project Cost to be funded by Opportunity Fund--\$108,184
- Estimated Project Commencement Date: Q1 2025
- Estimated Project Completion Date: Q4 2027
- Estimated Businesses Created/Retained: 0/0
- Estimated Jobs Created/Retained: Created--150 Direct; 108 Indirect

- **TOTAL OPPORTUNITY FUND REQUEST--\$384,184**

B. Other Projects (Not Requesting County Funding Support):

Composite Recycling Technology Center (CRTC) Process Optimization and Automation

Design Study: CRTC utilizes an innovative thermal modification process to transform and add value to Makah-grown and milled coastal hemlock. We will contract for a Design Study to assess CRTC's current production processes, including equipment, materials, labor and other associated costs, to determine how these processes can be improved and/or automated to allow for 35% cost savings, greater efficiency, and reduced pollution and waste.

Tribal Housing Market Study

We will contract for a study to explore the feasibility of offering a competitively priced home product built at CRTC with Makah hemlock into the Pacific Northwest and US Tribal housing markets. The study will investigate housing demand, cost ranges and constraints, design parameters, and available housing options for Tribes across the Pacific Northwest and will be widely shared with parties interested in the data.

Feasibility Study of North Olympic Peninsula Species in Oriented Strand Board

Manufacture. No OSB manufacturers exist in the US west of the Mississippi River. With the advent of barging and on-land logistics improvements, and the abundance of fiber feedstocks, there is a strong case for OSB manufacturing on the Olympic Peninsula to serve California and other western building markets. This study will determine the characteristics and suitability of abundant North Olympic tree species for OSB production, complementing a State-funded inventory of regional forest fiber and residuals stocks. This study, in concert with the other efforts described (fiber inventory, barging, logistics improvements, Forks Industrial Park improvements), will help prospective OSB manufacturers make informed decisions about siting a production facility in Clallam County. Lab-scale testing will be done at Oregon State University, a fellow member of the

Pacific Northwest Mass Timber Tech Hub, and will include tests of Douglas fir, hemlock and spruce for market viability and compliance with applicable standards. Options for integrating moisture barriers with OSB sheets for value-added building panel manufacturing will be identified in the Plywood Mill Feasibility and Siting Study.

Plywood Mill Feasibility and Siting Study: Assess the feasibility and siting of a new plywood manufacturing facility in the Port Angeles or Sequim area and identify opportunities for integration of moisture barriers for value-added manufacture of integrated building panels. The study will ascertain from plywood manufacturers the specifications required for a competitive manufacturing facility and will include identification of potential sites, availability and cost of utilities, transportation infrastructure needs and costs, cultural artifact identification, and estimated logistics costs for transshipment of feedstocks and products. The study will also identify known moisture barrier products that could be considered for integration with plywood (or OSB) sheets for possible co-location and value-added manufacturing.

Industrial Symbiosis Screenings: Industrial Symbiosis offers a structured approach to optimizing internal industrial operations, exchanging materials, energy and wastes with nearby industries to generate value and reduce costs and pollution, and identifying new forest product opportunities. Screenings will be made available to Port Angeles' McKinley Mill, which ceased production in August 2024 but hopes to reopen in 2027, to support efforts to improve the mill's profitability and resilience to commodity market fluctuations. Screenings will be provided to 3-5 forest product industries in the area. Opportunity Reports will be produced for each screened industry identifying internal, symbiotic exchange and new product opportunities and implementation recommendations.

Investing in Forestry Skills: A Technology-Focused Workforce Training Program

A lack of access to training, unclear career paths, and a widening gap between existing skills and emerging technologies present a critical workforce challenge to the forestry sector. We will leverage existing resources and partnerships to deliver advanced workforce training programs to address these challenges including comprehensive curricula, certificate programs at Peninsula College, and advanced career development courses in collaboration with the University of Washington Olympic Natural Resources Center (ONRC). Training will integrate cutting-edge technology with hands-on learning, helping workers adapt to evolving technologies and sustainable forest management practices to build a future-ready workforce for the region.

Building on the success of Oregon State University's on-campus forest machine apprenticeship program, we will work closely with Peninsula College, WA ONRC, the Clallam Economic Development Council, and local industries to recruit and support vulnerable and underserved populations, increasing diversity, equity, accessibility, and inclusion.

The scope of work includes: Outreach and Partnerships; Curricula Development; Forest Machine Simulator Certificate Programs; Advanced Career Development; Evaluation and Measurement.

Olympic Peninsula Logistics Improvement Study. Logistics on the remote, rugged North Olympic Peninsula present enormous challenges to the region's economy. To address this geographic disadvantage, the Port of Port Angeles will soon purchase new local (cross-Peninsula), regional (Puget Sound/Salish Sea) and ocean-going barges for improved access to key markets. In collaboration with the Makah Tribe and Quileute Nation, the Port is working to establish barge loading and unloading infrastructure in LaPush (Quileute) and Neah Bay (Makah). With new barging potential comes the need to ensure that on-land logistics also enable lower-cost, lower-carbon transport of feedstocks, residuals, wastes and goods to and from barging facilities. Potential cargo for return-trip barge transits to reduce transport costs will be analyzed. Specific routes and costs for transporting specific products, feedstocks and wastes will be assessed through an Olympic Peninsula Logistics Improvement Study. Routes and costs for transporting specific products, feedstocks and wastes will also be analyzed, with recommendations produced to optimize those routes:

- OSB, plywood and lumber from the North Olympic Peninsula to the California market
- Recycled paper feedstock to McKinley Mill and Port Townsend Paper Company (PTPC) in Port Townsend
- Sludge and other wastes from McKinley Mill and PTPC to landfills
- Finished paper rolls from McKinley Mill and PTPC to their customers
- Transit between Forks Industrial Park and Neah Bay
- Transit between Forks Industrial Park and LaPush

Port of Port Angeles Terminal 1/Terminal 3 Planning and Design to 30% to Support Barging. To facilitate barging to and from Port Angeles, this project will achieve 30% design/engineering for the rehabilitation of its two major marine terminals, Terminal 1 and Terminal 3. These terminals provide Clallam County with a low-emission, cost-effective transportation link, allowing local producers in the forest products sector to connect with domestic and international markets. However, the terminals are reaching the end of their useful lives (Terminal 1 was built in the 1920s, Terminal 3 in the 1960s) and require large-scale renovations to maintain cargo services. This project will be the first step toward future renovations. Activities for this scope of work include:

- Inspection of Terminal facilities;
- Geotechnical investigation;
- Aquatic habitat survey;
- Bathymetric survey;
- Stakeholder outreach;
- Development of design concepts;
- Preliminary permitting evaluation;
- 30% design development.
- 30% design development

Future Agenda Items –Commission Meeting

7/8/2025

July 22, 2025 (Regular Commission Meeting)

- June Financial Report
- Monthly Cash & Investment Report
- 2nd Quarter Operations Report
- 2026 Budget Calendar
- Strategic Plan Review

August 12, 2025 (Regular Commission Meeting)

- Monthly Delegation of Authority Report
- Strategic Plan Review

August 26, 2025 (Regular Commission Meeting)

- July Financial Report
- Review Budget Calendar
- Monthly Cash & Investment Report

September 9, 2025 (Regular Commission Meeting)

- Monthly Delegation of Authority Report
- Harbor Site Update
- 2026 Operating Budget Assumptions
- Review 5 & 10 Year CIP

September 23, 2025 (Regular Commission Meeting)

- August Financial Report
- Monthly Cash & Investment Report
- 2025 Capital Projects Projected Year End
- Draft 2026 Capital Budget
- Operating Budget Projection Highlights
- Finalize Operating Assumptions & Org Chart
- Q3 Grant Update

Upcoming Events

July 9-11 – WPPA Directors Seminar, Leavenworth – Sleeping Lady Mountain Resort, WA

July 24-25, 2025 – NWMTA Summer Meeting, Port of Kalama, OR

September 25-26, 2025 – WPPA Environmental Seminar

Future

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