



**REGULAR COMMISSION MEETING**  
**Tuesday, October 14, 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**
  - A. Monthly Cash & Investment Report.....1-2
  - B. Finalize 2026 Operating Assumptions and Introduce 2026 Operating Budget.....3-18
- V. APPROVAL OF CONSENT AGENDA**
  - A. Regular Commission Meeting Minutes – September 23, 2025.....19-22
  - B. Vouchers in the amount of \$1,053,660.27.....23
- VI. COMPLETION OF RECORDS**
  - A. Monthly Delegation of Authority Report.....24-27
- VII. PLANNING AND CAPITAL PROJECTS**
  - A. 2026 Capital Project Prioritization Review & Discussion
- VIII. LOG YARD**
  - No items



**IX. MARINE TRADES AND MARINE TERMINALS**

- A. Item for Consideration – Port Angeles Harbor – Floyd Snider Agreement.....28-29
- B. Item for Consideration – Port Angeles Harbor – Tetra Tech Agreement.....30-31

**X. PROPERTY**

- A. Item for Consideration – CRTC 2220 Lease Additional Space.....32-60

**XI. MARINAS**

- A. West PA Boat Haven Master Plan Update – Virtual Presentation by  
PND Engineers, BST Associates, and MAKERS – **Time Specific 9:00 am**.....61-91

**XII. AIRPORTS**

- A. Item for Consideration – Taxiway Reconstruction/Rehabilitation Bid Award.....92-96

**XIII. OTHER BUSINESS**

- A. Item for Consideration – Recompete Memorandum of Understanding.....97-110
- B. Item for Consideration – Interlocal Agreement between Port of Port Angeles  
and Port of Friday Harbor for Professional Grant Writing & Technical Services.....111-115

**XIV. ITEMS NOT ON THE AGENDA**

**XV. COMMISSIONER REPORTS**

- A. NAFTZ Conference Brief

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

**XVII. FUTURE AGENDA.....116**



#### **XVIII. NEXT MEETINGS**

- A. October 27, 2025 – Special Joint Meeting BOCC
- B. October 28, 2025 – Regular Commission Meeting
- C. November 11, 2025 - Regular Commission Meeting – **CANCELLED**
- D. November 12, 2025 – Special Commission Meeting
- E. November 17, 2025 – Special Commission Meeting
- F. November 25, 2025 – Regular Commission Meeting – **CANCELLED**
- G. December 9, 2025 - Regular Commission Meeting
- H. December 23, 2025 - Regular Commission Meeting

#### **XIX. UPCOMING EVENTS**

- A. November 18, 2025 – Marine Hwy 5 Roundtable, Tacoma, WA
- B. November 19-21, 2025 – WPPA Annual Meeting, Tacoma, WA
- C. November 20-22, 2025 – Pacific Marine Expo, Seattle, WA
- D. December 3-5, 2025 – International Workboat Show – New Orleans, LA

#### **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.



**Port of Port Angeles**  
**Cash Flow Summary**  
**Cash Flow Summary as of September 2025**

	<u>YTD</u>
<b><u>Beginning Cash Balance</u></b>	<b>20,301,565</b>
Operating Revenues	9,161,404
Non-Operating Revenues	6,632,196
<b>Total Revenues</b>	<b>15,793,600</b>
Operating Expenses	9,974,980
Non-Operating Expenses	4,960,335
<b>Total Expenses</b>	<b>14,935,315</b>
<b><u>Ending Cash Balance</u></b>	<b>21,159,849</b>
<b><u>Change in Cash Balance</u></b>	<b>858,284</b>

## Cash & Investments held as of 9/30/2025

			4/30/25	5/31/25	6/30/25	7/31/25	8/31/25	9/30/25			
Name	Type	Interest	Face	Face	Face	Face	Face	Face	Annual	Maturity	Acquisition
		Rate	Value	Value	Value	Value	Value	Value			
FHLB 5-year step up** (LPL)	Bond	3.00%	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	60,000	3/29/2027	3/29/2022
FFCB 4-year (Piper Sandler)	Bond	4.49%	-	-	-	-	1,250,000	1,250,000	56,125	8/12/2029	8/13/2025
FHLB 5-year (Piper Sandler)	Bond	4.30%	-	-	-	5,000,000	5,000,000	5,000,000	215,000	7/15/2030	7/9/2025
First Federal Invst	Cash	4.49%	4,050,598	4,065,373	5,483,746	5,504,416	251,409	2,754,190	123,663		
LGIP Balance	Cash	4.30%	6,975,451	8,104,153	8,133,348	6,661,189	11,958,808	9,499,264	408,649		
Columbia Bank Account	Cash	0.30%	933,533	402,921	477,873	527,397	436,435	656,394	1,969		

## Investments Called or Matured

Name	Type	Interest							Maturity	Redemption
		Rate							Date	Date
FFCB 4-year (Piper Sandler)	Bond	4.80%	1,250,000	1,250,000	1,250,000	1,250,000	-	-	7/23/2029	4/23/2025
FHLB 5-year (Piper Sandler)	Bond	5.00%	3,750,000	3,750,000	3,750,000	-	-	-	10/22/2029	10/22/2024
FHLB 5-year (Piper Sandler)	Bond	5.00%	1,250,000	-	-	-	-	-	10/22/2029	4/16/2025

## Ending Investment/Cash Balance

20,209,581	19,572,446	21,094,967	20,943,003	20,896,652	21,159,849	865,406
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## Outstanding Debt

	Rate	4/30/25	5/31/25	6/30/25	7/31/25	8/31/25	9/30/25	
		Amount	Amount	Amount	Amount	Amount	Amount	
2015 PABH 2006 refi	2.29%	357,505	357,505	357,505	357,505	357,505	357,505	10 year note, 2015 - 2025
CERB Washdown	2.00%	605,359	605,359	605,359	605,359	605,359	605,359	20 year, 2020 - 2040
CARB Airport Utilities	2.00%	622,602	622,602	622,602	622,602	622,602	622,602	20 year, 2021 - 2041
Office of the State Treasurer	2.96%	467,181	467,181	520,302	520,302	520,302	520,302	7 year, 2025 - 2031
		2,052,647	2,052,647	2,105,768	2,105,768	2,105,768	2,105,768	

## Ending Balance

18,156,935	17,519,800	18,989,199	18,837,235	18,790,884	19,054,080
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\* Cash balances shown do not include funds held as the Harbor Group treasurer or funds reserved for K-Ply monitoring activities.

\* Cash and investments do include \$517,500 received from Shell for upcoming environmental cleanup at 220 Tumwater (former longshore parking lot)

\*\* 5-year step up rates by year are 2%, 2.5%, 3%, 4%, 5%



**2026 BUDGET**  
**Preliminary as of 10/14/25**



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### **COMMISSIONER COLLEEN M. MCALEER (District 1)**

Commissioner McAleer represents District 1 (east) and has served as a Port Commissioner since January 2014.

In Colleen's full-time capacity, she serves as the Executive Director of the Clallam County Economic Development Council. Prior to her current position, her full-time role was serving as the President of the Washington Business Alliance, a statewide business organization focused on advocating for more effective government using a business lens.

Prior to her position at the Business Alliance, Colleen served on the Port of Port Angeles staff where she served initially as the Port's Director of Business Development. During this time, she became deeply familiar with the operations of the Port and the business opportunities that exist for Clallam County. With state and community partners, Colleen spearheaded what became the Composites Recycling Technology Center.

Colleen and her family arrived in Sequim in 2002. For nine years she was a successful small business owner, offering business and commercial real estate brokerage services in Clallam County.

Community and State involvement: Colleen has served on multiple boards including Peninsula College Foundation and the Sequim Design Review Board, Washington State's US Global Leadership Coalition and the Seattle Sports Commission.

Education & Military Service: After graduating from Florida Institute of Technology on a full scholarship, Colleen served as a US Army Aviator and a Military Intelligence Officer for ten years. She flew both helicopters and fixed wing aircraft while stationed in Europe, Asia and North America. Colleen is a decorated combat veteran. She deployed to the Middle-East as a platoon leader during Desert Storm.

Colleen and her husband, David Gilles, live in Sequim and are very proud of their four adult sons.



### **COMMISSIONER STEVEN D. BURKE (District 2)**

Commissioner Burke represents District 2 (central) and has served as a Port Commissioner since March 2016. Commissioner Steve Burke is currently the Executive Director of the Shore Metro Park District. As an Executive Director of a junior taxing district, Steve has experience in the public sector and has received several awards for establishing new financial management practices as well as receiving several Distinguished Budget Awards. Steve has also been a private business owner and has extensive knowledge in both marketing and manufacturing new product lines.

Commissioner Burke has also served in the public sector by being elected in 2014 to serve on the Clallam County Charter Commission for a one-year term in 2015. Steve is currently serving on the Port Angeles Regional Chamber of Commerce Board of Directors. He has also served as a Board member of the Clallam Economic Development Council.

Commissioner Burke grew up in San Diego and moved to Port Angeles to raise his family in 2001. He raises Galloway cattle. He attended the University of Northern Colorado and graduated with a BA in Political Science and Public Administration.



### **COMMISSIONER CONNIE L. BEAUVAIS (District 3)**

Commissioner Beauvais represents District 3 (west) and has served as a Port Commissioner since January 2016. Connie is currently the manager and state-certified operator at the Crescent Water Association, where she oversees the business and operations of the water system. She has extensive professional experience in both the public and private sectors, having owned and operated three successful businesses and worked for four private businesses, three school districts, a university and the federal government.

Connie's community responsibilities have included eight years as a Clallam County Planning Commissioner and serving on the Clallam County Charter Review Commission, the Crescent Community Advisory Council, and the Government Affairs Committee of the Port Angeles Business Association.

She has also served on the Clallam Economic Development Council as an Agriculture Representative and on the Crescent Water Association Board of Trustees.

Originally from California, Connie spent 12 years on the Aleutian Island of Adak, Alaska, and now lives in Joyce.



### **EXECUTIVE DIRECTOR, PAUL JARKIEWICZ**

Paul Jarkiewicz was appointed Executive Director of the Port of Port Angeles in July 2023, following his service as Interim Executive Director and as Director of Operations. With a career rooted in maritime and port operations, Paul is widely recognized as a positive influencer and strategic leader.

He brings a wealth of expertise in personal development, industry processes, and operational strategy to the Port, helping guide its mission to connect people, resources, and industry in support of economic prosperity and living-wage jobs.

Paul holds a Master of Business Administration (MBA) in Shipping and Logistics from Middlesex University in London, England. He has earned multiple executive certifications from Harvard Business School in Boston, Massachusetts. Earlier in his career, he sailed as a Master Mariner, gaining global experience that informs his leadership today.

Originally from Maine, Paul spent many years living abroad before settling in Port Angeles, which he now proudly calls home. He is actively involved in community service and enjoys all that life on the Olympic Peninsula has to offer.



## **BOARD OF PORT COMMISSIONERS**

**STEVEN D. BURKE, PRESIDENT**

*Term Expires 2025*

**COLLEEN M. MCALEER, VICE PRESIDENT**

*Term Expires 2025*

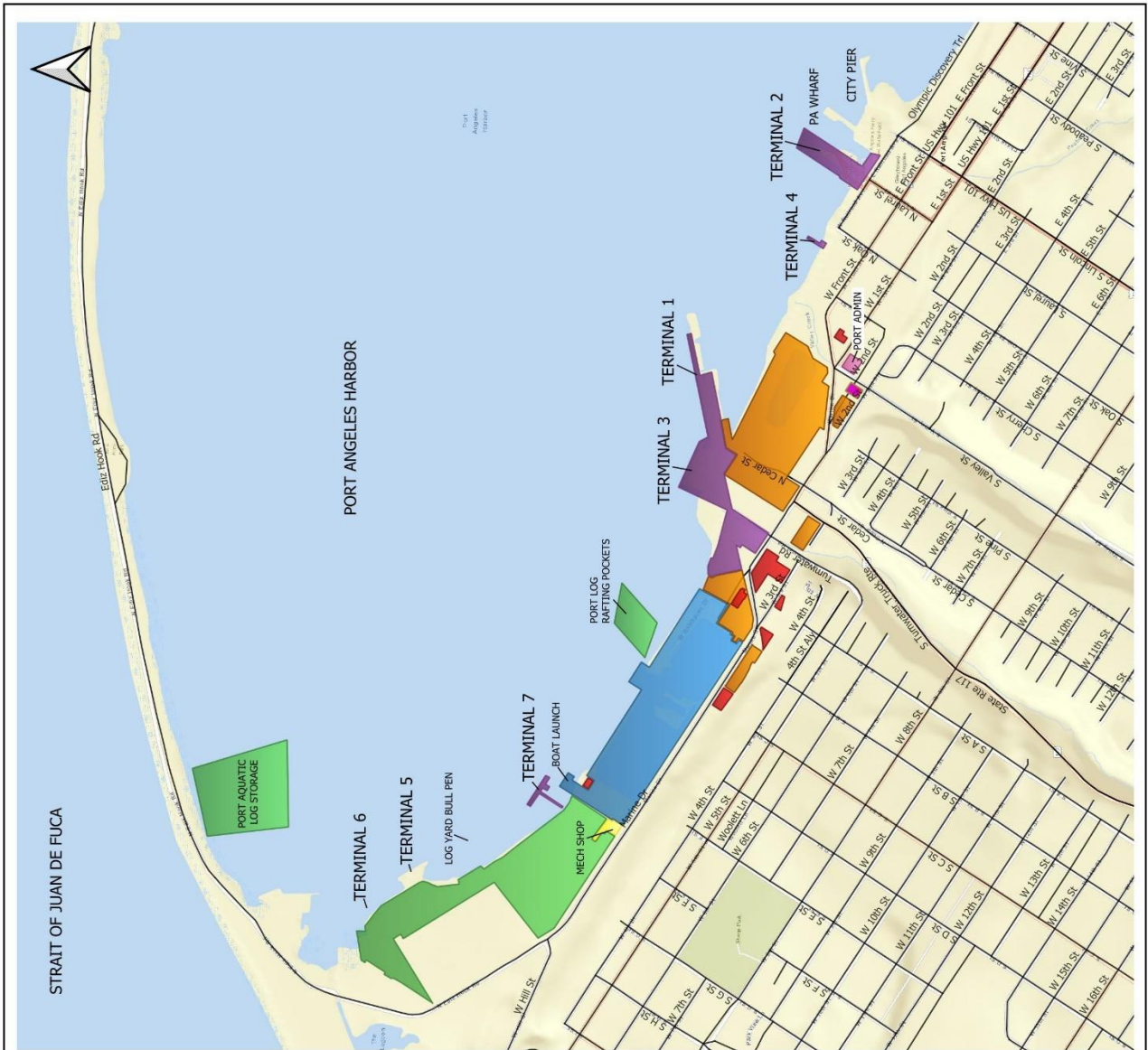
**CONNIE L. BEAUVAIS, PRESIDENT**

*Term Expires 2027*

## **PORT MANAGEMENT TEAM**

Executive Director .....	PAUL JARKIEWICZ
Director of Finance & Administration.....	JENNIFER BAKER
Director of Engineering.....	CHRIS R. HARTMAN
Director of Economic Development .....	CALEB MCMAHON
Director of Operations .....	VACANT
Airport Manager.....	JAMES ALTON
Environmental Manager .....	JESSE W. WAKNITZ
Facilities Manager.....	WILSON EASTON
Grants and Government Affairs Manager .....	KATHARINE FRAZIER
Human Resource Manager II.....	SHANEE WIMBERLY
IT Manager.....	STEVEN ROSE
Marine Terminal Manager.....	SCOTT HOUGH
Marine Trades Manager.....	MARTY MARCHANT
Management Accountant.....	SARAH KUH
Procurement Manager/Clerk to the Board.....	JENNA RILEY
Real Estate & Marketing Manager.....	CHERIE GOTTSCHALK

## PORT OPERATING AREAS



**PORT OPERATING AREAS**  
**PORT ANGELES WATERFRONT**

- 11-MARINE TERMINAL
- 15-MARINE TRADES AREA
- 21-LOG YARD
- 41-PORT ANGELES BOATHAVEN
- 61-RENTAL PROPERTY
- 80-ADMIN
- 91-MECH SHOP
- 92-FACILITY MAINTENANCE

**DATE:** 9/24/2024

**SCALE**  
1" = 1400'

## OPERATION AREA

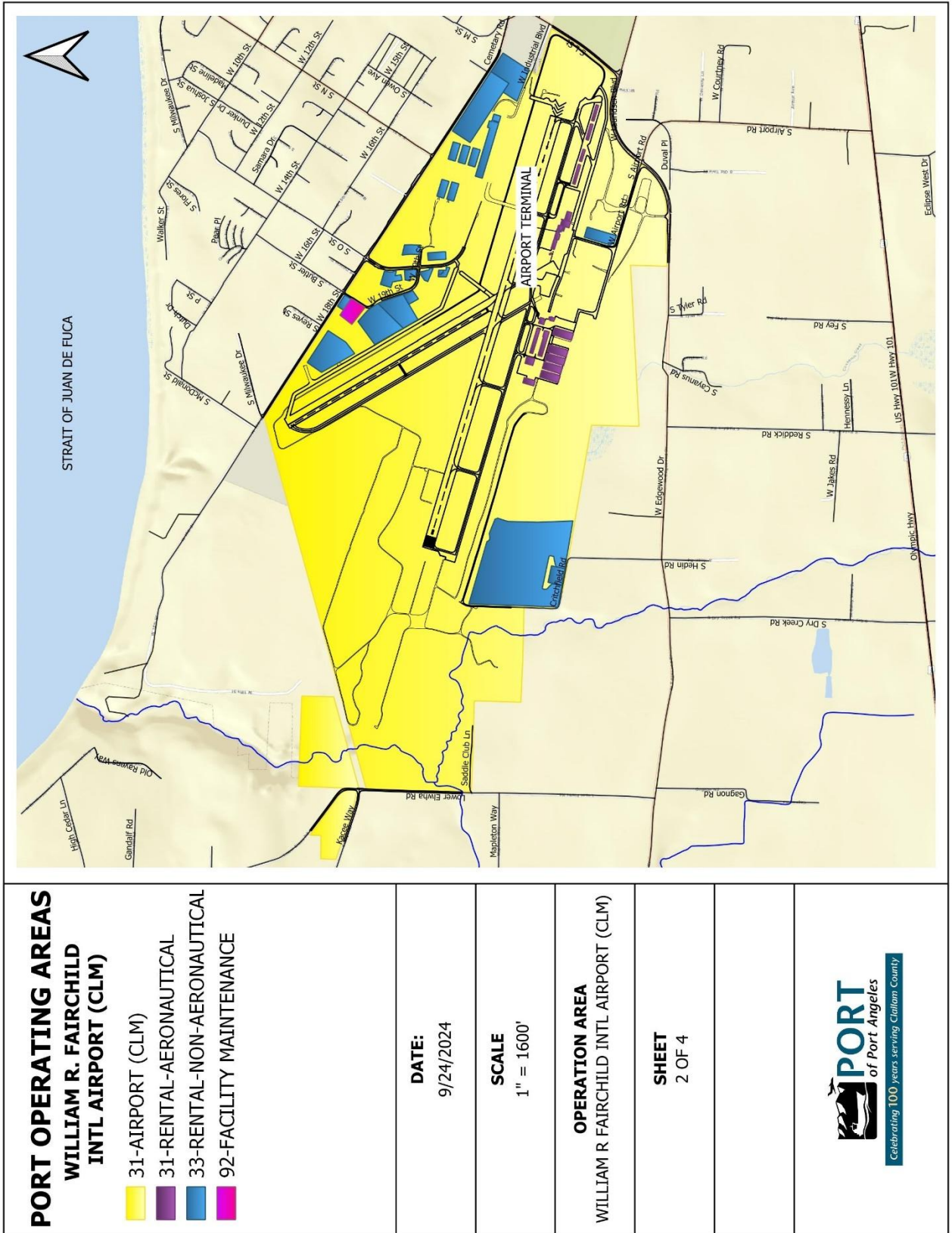
### PORT ANGELES WATERFRONT

**SHEET:**  
1 OF 4

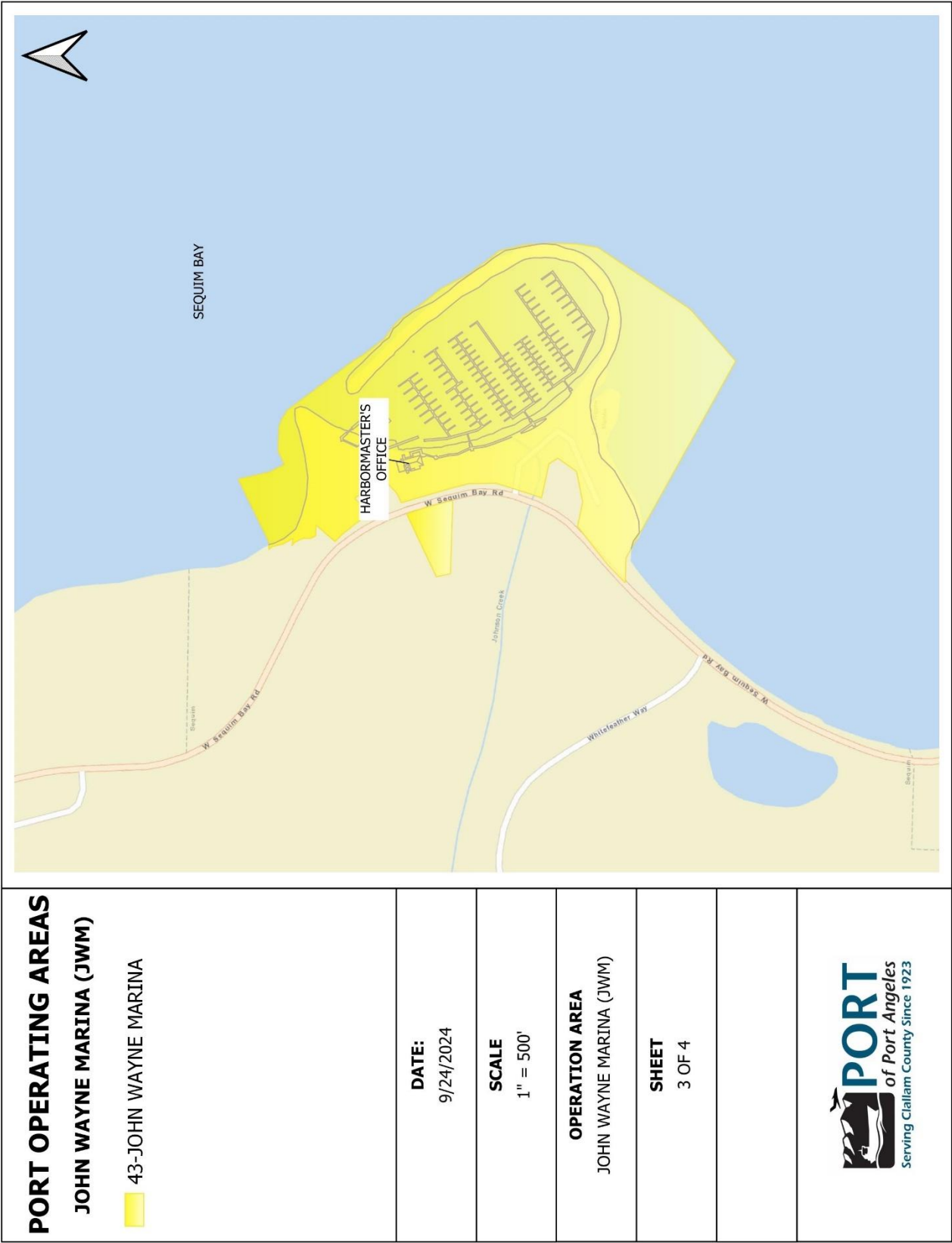




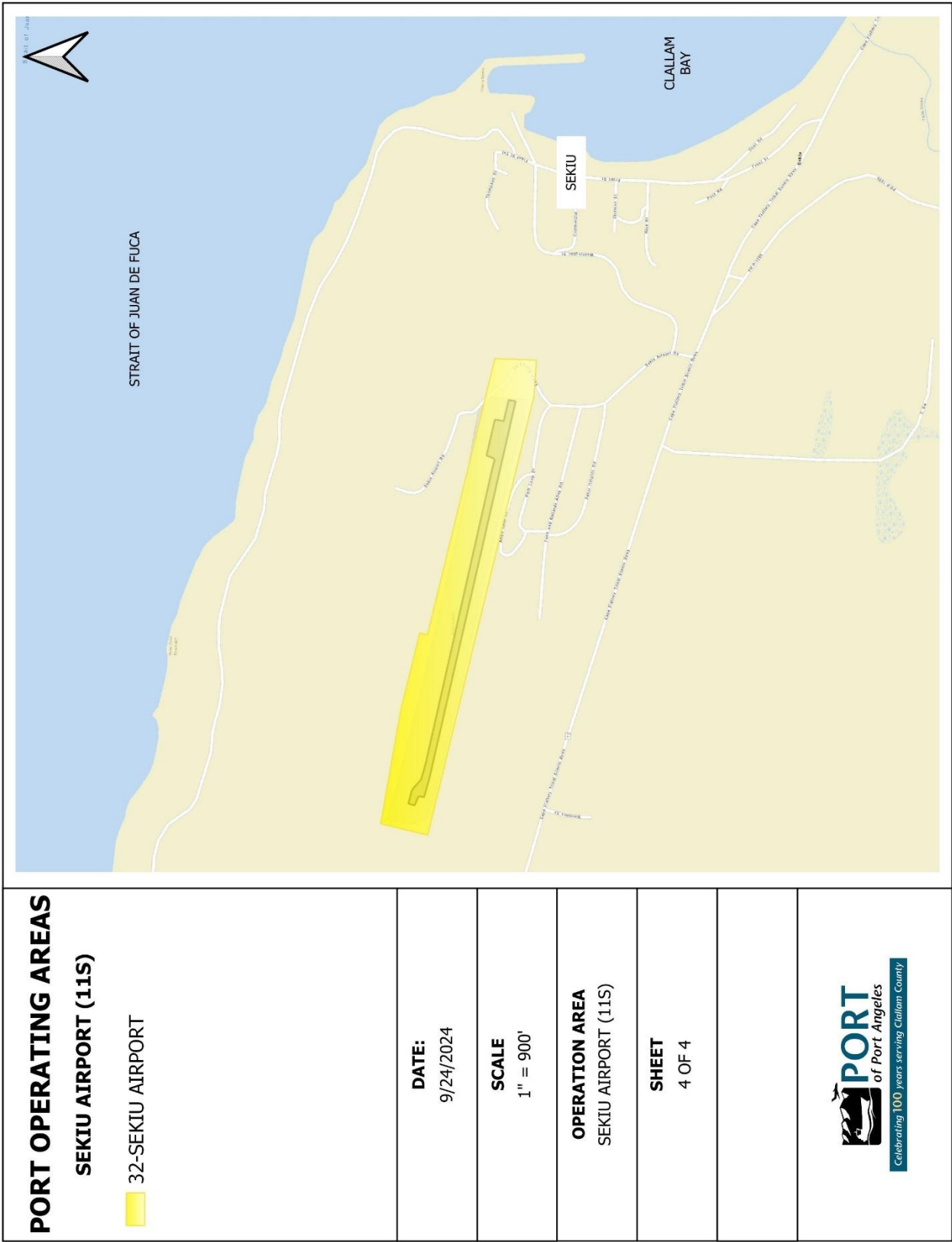
## PORT OPERATING AREAS – continued



PORT OPERATING AREAS – continued



# PORT OPERATING AREAS – continued



## 2026 BUDGET - ASSUMPTIONS All Departments

### General

1. CPI: August 2025
  - Bremerton-Silverdale-Port Hadlock, WA-All Urban Consumer (CPI-U) was 2.8% with a 2.3% average over the first 6 months.
2. Inflation:
  - Operating: The general inflation outlook for 2026 is 2.8% in Seattle, per the Washington State Economic and Revenue Forecast Council in the quarterly June 2025 publication.
  - Capital: Rate of 3.16% from Washington State Office of Financial Management using Cost estimating form C-100.
3. The Commission will adopt one of these or another as the benchmark rate for annual rate increases.

### Revenues – 2026 Budget

11- Marine Terminal revenues are projected to be significantly higher in 2026 with the potential of a MARAD RRF contract (factored in at 25%). Other potential revenue lines are being pursued but have not been factored in if the probability of manifesting in 2026 is less than 50%. The budget assumes that the cut in log exports via ship will remain at zero. Chip barge operations are on track to stay strong at 145,000 gmt with tanker/barge/ research dockage also increasing.

15- Marine Trades Area is aiming to maintain revenues in 2026 by reviewing the rate sheets and planning some increases in covered storage, boatyard, and haul-out facility rates for the year. The haul-out pier and washdown pad rate sheets are also under review for increases.

21 – Log Yard revenues are predicted to be up from 2025 due to an increase in logs from Alta, PA Hardwoods, and Paper Excellence pulp. Staging, land services, and water services are all projected to be up from 2025. Rate increases across all operations will drive increased revenue. Revenue from pass-through and equipment rental is projected to decline from past years due to a weak export market.

31- Fairchild International Airport hangar and structure lease fees are expected to see an approximate 3% rate increase. FIA enclosed hangars are at 100% full occupancy. This trend is likely to resume throughout 2026. Landing fees may see a slight decrease in revenue due to the loss of one air freight carrier. With the arrival of Citizen Air, FIA may experience an increase in jet traffic, which is expected to boost landing fee revenue and fuel surcharges.

32- Sekiu revenues will see a slight increase due to the rise in hangar rent. However, hangar space is not 100% occupied, and we will continue to market these spaces to increase revenue throughout the year.

33- Airport Rental Properties are expected to decrease due to expected vacancies in the early part of 2026.

41- Port Angeles Boat Haven marina moorage revenues at PABH will remain consistent as there will be a CPI increase for 2026. Continuing to fill more slips that had been occupied by delinquent vessels. Boat house revenue is projected to stay at current levels.

43- John Wayne Marina moorage revenues will remain consistent as there will be a CPI increase for 2026, with a waitlist that remains backlogged. We are looking to increase fuel sales this coming year as we resolve some issues with the new pump installation.

61- Rental Properties are expected to decrease due to the replacement of structure leases with reduced-rate land leases. The land lease reduced rate will increase to the market value in 2027.

## Expenses – 2026 Budget

11- Marine Terminal expenses for 2026 across many categories are forecast at or below budget. Notable exceptions would be security personnel pay rate increases, and 3 additional FT security positions. Also, IT improvements and subscriptions to meet new USCG cyber requirements.

15- Marine Trades Area expenses will include a little extra time from FM to address some Electrical and lighting. Overall, we anticipate routine maintenance without any significant changes this coming year.

21. Log Yard Expenses are expected to decrease due to staff changes and adjustments in management practices, including distributing log yard employee labor across other Port facilities as deemed appropriate. Cost of goods sold is expected to be lower than in 2025 due to banding sales/purchases dropping off at the end of the first quarter. Maintenance charge out and reimbursement is projected to stay the same.

31- Fairchild International Airport expenses are expected to be higher than 2025 expenses. The majority of this is due to higher non-maintenance charge-out & reimbursement for needed maintenance projects to be performed on airport facilities, hangars, and aprons throughout the year.

32- Sekiu Airport expenses are projected to be higher than the 2025 expenses. To prolong the life of the airport pavement and facilities, an increase in maintenance and materials is anticipated for upkeep projects to the runway, aprons, and hangars.

33- Airport Rental Property budgeted expenses are expected to increase due to rising costs and maintenance needed.

41- Port Angeles Boat Haven expenses are expected to increase in the marketing area. The regular maintenance routine for the docks and working gates, along with improvements, such as LED lighting upgrades, will all be within the budgeted numbers. We are also looking at some IT expenses related to security updates.

43- John Wayne Marina expenses will be slightly elevated. There will be some extra maintenance required in the early part of the year, including landscaping and continued fence staining and repairs.

61- Rental Properties are expected to increase due to maintenance and non-maintenance charge-out costs. Additionally, miscellaneous fees will be included this coming year as well for unforeseen expenses.

80- Administrative expenses will increase due to CPI increases and a projected rise in insurance costs.

81- Economic Development budgeted expenses are expected to increase due to community relations spending on new events such as the Marine Highway yearly event.

82- Information Technology (IT) expenses are expected to increase due to licensing, security upgrades, and the purchase of new computer hardware.

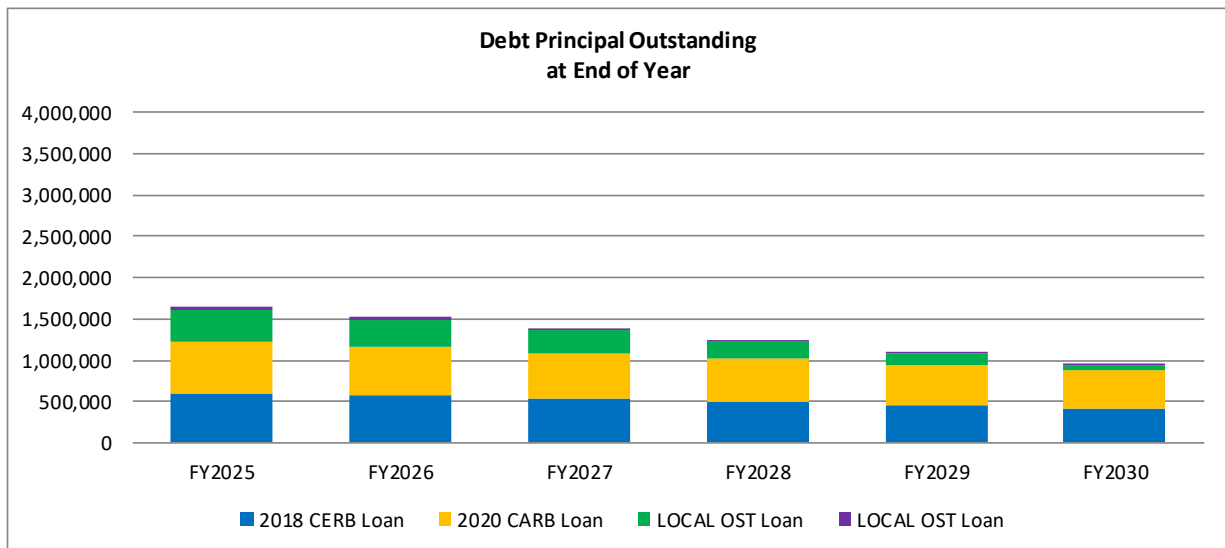
91. Mechanical Maintenance (MM) expenses are projected to remain about the same as in 2025, with non-maintenance charge-out and reimbursement projected to double, while supplies and outside services are expected to decrease.

92- Facilities Maintenance (FM) expenses are projected to be higher than in 2025 due to wage increases and projects to be carried out within the department, which will increase maintenance charge-out and reimbursement.

**Port of Port Angeles**  
**Summary by Department**  
**2026 Budget**

	2022 ACTUAL	2023 ACTUAL	2024 ACTUAL	2025 PROJECTED	2026 BUDGET	2026 Budget Over/(Under) 2025 Proj
<b><u>OPERATING REVENUES</u></b>						
11 MARINE TERMINAL	2,989,919	2,846,433	2,634,703	2,290,866	3,131,090	840,224
15 MARINE TRADES AREA	778,212	821,015	772,418	835,887	859,232	23,345
21 LOG YARD	1,068,956	1,135,513	1,184,428	977,865	1,009,026	31,161
31 FAIRCHILD INTL AIRPORT	433,868	479,705	471,260	509,624	521,858	12,234
32 SEKIU	15,782	17,609	17,584	17,763	18,732	969
33 AIRPORT RENTAL PROPERTIES	1,397,664	1,606,642	1,643,242	1,681,710	1,636,614	(45,096)
41 PORT ANGELES BOAT HAVEN	1,747,878	1,899,803	2,005,237	2,047,766	2,141,657	93,891
43 JOHN WAYNE MARINA	1,827,097	1,958,326	2,083,868	2,086,541	2,185,290	98,749
61 RENTAL PROPERTIES	145,935	200,305	220,599	220,222	175,084	(45,138)
<b>TOTAL OPERATING REVENUES</b>	<b>10,405,311</b>	<b>10,965,351</b>	<b>11,033,339</b>	<b>10,668,243</b>	<b>11,678,583</b>	<b>1,010,339</b>
<b><u>OPERATING EXPENSES</u></b>						
11 MARINE TERMINAL	960,049	1,083,930	1,534,132	1,445,438	1,579,594	134,156
15 MARINE TRADES AREA	366,465	406,469	333,139	368,890	430,287	61,397
21 LOG YARD	1,100,266	1,285,171	1,321,518	1,337,585	1,228,421	(109,164)
31 FAIRCHILD INTL AIRPORT	615,965	513,566	628,723	628,896	668,189	39,293
32 SEKIU	39,306	27,222	36,879	25,820	35,453	9,633
33 AIRPORT RENTAL PROPERTIES	417,499	641,728	518,119	535,540	667,843	132,303
41 PORT ANGELES BOAT HAVEN	929,786	999,922	863,478	872,876	968,058	95,182
43 JOHN WAYNE MARINA	1,007,213	971,564	1,111,273	1,140,429	1,172,846	32,417
61 RENTAL PROPERTIES	110,585	134,084	161,781	149,493	140,890	(8,603)
80 ADMINISTRATIVE	1,104,591	1,373,609	2,349,244	2,041,456	2,375,719	334,263
81 ECONOMIC DEVELOPMENT	400,705	335,219	348,341	421,851	446,552	24,701
82 IT				80,568	119,300	38,732
91 MECH SHOP	164,703	173,928	169,695	230,876	220,724	(10,152)
92 FACILITIES MAINTENANCE	316,266	246,008	302,370	428,684	585,691	157,007
<b>TOTAL DIRECT EXPENSES</b>	<b>7,533,398</b>	<b>8,192,421</b>	<b>9,678,692</b>	<b>9,708,403</b>	<b>10,639,567</b>	<b>931,164</b>
<b>ALLOCATED EXPENSES</b>	<b>-</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>-</b>	<b>(0)</b>
<b>NET SURPLUS (DEFICIT) - Before Depreciation</b>	<b>2,871,913</b>	<b>2,772,930</b>	<b>1,354,647</b>	<b>959,841</b>	<b>1,039,016</b>	<b>79,175</b>
<b>ALLOCATED DEPRECIATION</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>-</b>
<b>DEPRECIATION</b>	<b>2,735,993</b>	<b>2,692,500</b>	<b>3,140,216</b>	<b>3,232,711</b>	<b>4,495,039</b>	<b>1,262,329</b>
<b>NET SURPLUS (DEFICIT) - After Depreciation</b>	<b>135,920</b>	<b>80,430</b>	<b>(1,785,569)</b>	<b>(2,272,870)</b>	<b>(3,456,024)</b>	<b>(1,183,154)</b>
<b><u>NON-OP (GENERAL)</u></b>						
NON-OP REV (General)	308,731	1,308,753	1,330,849	1,026,357	1,006,000	(20,357)
NON-OP EXP (General)	2,759,303	(529,498)	(2,275,334)	255,191	71,339	(183,852)
<b>NON-OP (General) SURPLUS (DEFICIT)</b>	<b>(2,450,573)</b>	<b>1,838,251</b>	<b>3,606,184</b>	<b>771,165</b>	<b>934,661</b>	<b>163,496</b>
<b><u>NON-OP (CAPITAL)</u></b>						
NON-OP REV (Capital)	2,583,163	8,822,521	7,671,334	12,565,938	30,516,037	17,950,100
NON-OP EXP (Capital)	55,329	45,228	35,776	47,418	46,645	(773)
<b>NON-OP (Capital) SURPLUS (DEFICIT)</b>	<b>2,527,834</b>	<b>8,777,293</b>	<b>7,635,558</b>	<b>12,518,520</b>	<b>30,469,392</b>	<b>17,950,873</b>
<b>NET NON-OP SURPLUS (DEFICIT)</b>	<b>77,261</b>	<b>10,615,544</b>	<b>11,241,742</b>	<b>13,289,685</b>	<b>31,404,053</b>	<b>18,114,368</b>
<b>TOTAL NET SURPLUS (DEFICIT)</b>	<b>213,181</b>	<b>10,695,974</b>	<b>9,456,173</b>	<b>11,016,815</b>	<b>27,948,030</b>	<b>16,931,215</b>

## Long-Term Debt



### Debt Outstanding (at end of year)

		<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
<u>Bond/Loan Name</u>	<u>Project Name</u>						
2018 CERB Loan	MTA Washdown Facility	605,359	570,354	534,649	498,230	461,082	423,191
2020 CARB Loan	FIA Utility Extension	622,773	589,357	555,273	520,508	485,047	448,877
LOCAL OST Loan	Log Loader	381,035	325,197	266,495	204,783	139,906	71,702
LOCAL OST Loan	Lighting	49,648	43,672	37,251	30,510	23,431	15,998
<b>Total Principal Outstanding</b>		<b>1,658,816</b>	<b>1,528,580</b>	<b>1,393,668</b>	<b>1,254,030</b>	<b>1,109,465</b>	<b>959,768</b>
<b>Decrease/(Increase) in Principal</b>		<b>(6,100)</b>	<b>130,236</b>	<b>134,912</b>	<b>139,638</b>	<b>144,564</b>	<b>149,697</b>

<u>Bond/Loan Name</u>	<u>Project Name</u>	<u>Maturity</u>
2018 CERB Loan	MTA Washdown Facility	Jan 31, 2040
2020 CARB Loan	FIA Utility Extension	Jan 1, 2041
LOCAL OST Loan	Log Loader	Dec 1, 2031
LOCAL OST Loan	Lighting	Jun 1, 2026



# Long-Term Debt Service Schedule

DEBT PRINCIPAL PAYMENTS									
Bond/Loan Name	Project Name	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031 +	Fiscal Years (FY) 2025 thru 2041 Remaining Principal
2015 Ref LTGO	Refunded 2006 PABH	357,505	-	-	-	-	-	-	357,505 Dec 1, 2025
2018 CERB Loan	MTA Washdown Facility	34,319	35,005	35,705	36,419	37,148	37,891	423,191	639,678 Jan 31, 2040
2020 CARB Loan	FIA Utility Extension	32,760	33,416	34,084	34,765	35,461	36,170	448,706	655,362 Jan 1, 2041
LOCAL OST Loan	Log Loader	53,115	55,838	58,702	61,712	64,877	68,204	71,702	434,150 Dec 1, 2031
LOCAL OST Loan	Lighting	-	5,977	6,420	6,742	7,079	7,433	15,998	49,648 Jun 1, 2026
<b>TOTAL</b>	<b>Debt Principal Outstanding</b>	<b>477,698</b>	<b>130,236</b>	<b>134,912</b>	<b>139,638</b>	<b>144,564</b>	<b>149,697</b>	<b>959,597</b>	<b>2,136,343</b>
DEBT INTEREST PAYMENTS									
Bond/Loan Name	Project Name	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031 +	Fiscal Years (FY) 2025 thru 2041 Remaining Interest
2015 Ref LTGO	Refunded 2006 PABH	8,187	-	-	-	-	-	-	8,187 2.29%
2018 CERB Loan	MTA Washdown Facility	12,794	12,107	11,407	10,693	9,965	9,222	47,933	114,120 2.00%
2020 CARB Loan	FIA Utility Extension	13,107	12,452	11,784	11,102	10,407	9,698	55,598	124,148 2.00%
LOCAL OST Loan	Log Loader	18,391	19,052	16,260	13,325	10,239	6,995	3,585	87,847 2.96%
LOCAL OST Loan	Lighting	1,386	2,333	2,023	1,694	1,349	986	810	10,580 3.21%
<b>TOTAL</b>	<b>Interest</b>	<b>53,865</b>	<b>45,944</b>	<b>41,474</b>	<b>36,814</b>	<b>31,959</b>	<b>26,901</b>	<b>107,926</b>	<b>344,882</b>
<sup>1</sup> Interest only until 2029; Federal subsidy reduces interest									
<sup>2</sup> Interest only until 2017									
* Interest rate is net of Federal subsidy (7.5% stated rate with 45% subsidy = 4.125% effective rate). Interest payment is amount before subsidy									
DEBT SERVICE PAYMENTS (PRIN + INT)									
Bond/Loan Name	Project Name	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031 +	Fiscal Years (FY) 2025 thru 2041 Remaining Payments
2015 Ref LTGO	Refunded 2006 PABH	365,691	-	-	-	-	-	-	365,691
2018 CERB Loan	MTA Washdown Facility	47,112	47,112	47,112	47,112	47,112	47,112	471,124	753,798
2020 CARB Loan	FIA Utility Extension	45,867	45,868	45,868	45,867	45,868	45,868	504,304	779,510
LOCAL OST Loan	Log Loader	71,506	74,890	74,962	75,037	75,116	75,199	75,287	521,997
LOCAL OST Loan	Lighting	1,386	8,310	8,444	8,436	8,427	8,418	16,808	60,228
<b>TOTAL</b>	<b>Debt Payments (Prin + Int)</b>	<b>531,562</b>	<b>176,180</b>	<b>176,386</b>	<b>176,452</b>	<b>176,524</b>	<b>176,598</b>	<b>1,067,523</b>	<b>2,481,225</b>



**DRAFT**  
**COMMUNITY SUPPORT**  
**2026 Budget**

RECIPIENT	2026 CONTRIBUTION	REMARKS	In Kind	Cash
Clallam County EDC	\$ 50,000	Cash: Operating Costs		\$ 50,000
Center for Inclusive Entrepreneurship	\$ 5,976	In-Kind: Office Space & Utilities Annual Rent	\$ 5,976	
Olympic R-C Modelers	\$ 5,046	In Kind: Lower than market rent \$.10/SF vs .0139/SF	\$ 5,046	
First Step Family Support Center	\$ 405	Community Service Support: \$.02/SF and waiving CPI	\$ 405	
WA Small Business Development Co.	\$ 4,665	In-Kind: Office Space Rent	\$ 4,665	
Port Angeles Yacht Club	\$ 4,619	50% Ground Lease rate (written directly in lease)	\$ 2,895	
		50% moorage on a 30' slip	\$ 1,724	
Sequim Bay Yacht Club	\$ 19,109	Waived fees for the Hendricks Room ( NTE 9/year)	\$ 4,725	
		50% rate for club space and storage area(s)	\$ 7,830	
		50% rate for mooring float including waiving of two moorages	\$ 6,553	
DART (Callam Co Emergency)	\$ 16,440	In-Kind: Office Space & Utilities Annual Rent	\$ 16,440	
CRTC	\$ 12,000	Waived Equipment Rental	\$ 12,000	
Peninsula Trails Coalition	\$ 3,000	200 SF Land + Conex Box Use at FIA Parking	\$ 3,000	
Peninsula Rifle & Pistol Club	\$ 12,216	17,860 SF Land	\$ 12,216	
Sea Scout - Marvin Shields	\$ 6,594	Waived moorage on a single 50' slip	\$ 6,594	
Jamestown Klallam Tribe	\$ 4,331	Waived: 30' slip for patrol activities ('83 Agreement)	\$ 4,331	
Olympic Logging Show	\$ 2,000	Sponsorship		\$ 2,000
Olympic Logging Conference	\$ 1,800	Sponsorship		\$ 1,800
	\$ 2,000	Community Event Fund		\$ 2,000
	\$ 10,000	Miscellaneous Fee/Waivers/Sponsorships	\$ 5,000	\$ 5,000
Community Partner Program	\$ 25,000	Grant winners will be chosen and notified on an on going basis		\$ 25,000
<b>TOTAL:</b>	<b>\$ 185,200</b>		<b>\$ 99,400</b>	<b>\$ 85,800</b>

## List of Abbreviations

A&G	Administration & General Management	NWF FEMA	National Wildlife Federation - Federal
ADMIN	Administration		Emergency Management Agency
AIP	Airport Improvement Program	OBS	Obstruction
AIP	Airport Industrial Park	OPVB	Olympic Peninsula Visitor Bureau
ACC	Advanced Composite Center	PABH	Port Angeles Boat Haven
ACTI	Angeles Composite Technology, Inc.	PABY	Port Angeles Boat Yard
ALP	Airport Layout Plan	PERS	Public Employee Retirement System
ARP	Airport Rental Properties	PFC	Passenger Facility Charges
AV	Audio / Visual	PFD	Port Filled Dump
BD	Business (Economic) Development	PTO	Paid Time Off
BL	Boat Launch	PUD	Public Utility District
BY	Boat Yard	RP	Rental Property
CMC	Composite Manufacturing Campus	SEK	Sekiu Airport
COGS	Cost of Goods Sold	SP	Strategic Plan
CPI	Consumer Price Index	T1	Terminal #1 Main Terminal
CRTC	Composite Recycling Technology Center	T2	Terminal #2 Black Ball Ferry
CSO	Combined Sewer Overflow	T3	Terminal #3 Concrete Cargo Pier
DOT	Department of Transportation	T4	Terminal #4 Timber Dock Oak Street
DNR	Department of Natural Resources	T5	Terminal #5 Old M&R Pier
EA	Environmental Assessment	T6	Terminal #6 Barge Berth Pier
EDC	Economic Development Council	T7	Terminal #7 Nippon/Daishowa Pier
EOY	End of Year	TBD	To Be Determined
FBO	Fixed Based Operator		
FIA	Fairchild International Airport		
FM	Facilities Maintenance		
GASB	Government Accounting Standards Board		
HVAC	Heating Ventilation Air Conditioning		
JWM	John Wayne Marina		
KPIy	Site of PenPly location		
LOB	Line of Business		
LY	Log Yard		
MBF	Thousand Board Feet		
MM	Mechanical Maintenance		
MMBF	Million Board Feet		
MT	Marine Terminal		
MTA	Marine Trades Area		
MTIB	Multi-Tenant Industrial Building		
MTIP	Marine Trades Industrial Park		
NONOP	Non-Operations (Department)		
NOTAC	North Olympic Timber Action Committee		



**REGULAR COMMISSION MEETING**  
**Tuesday, September 23, 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	Chris Hartman, Director of Engineering
Colleen McAleer, Commissioner	Jennifer Baker, Director of Finance & Admin
Connie Beauvais, Commissioner	Caleb McMahon, Director of Ec Dev
Paul Jarkiewicz, Executive Director	Katharine Frazier, Grants & Govt. Affairs Manager
Senator Mike Chapman	Jenna Riley, Clerk to the Board
Representative Steve Tharinger	James Alton, Airport Manager
Representative Adam Bernbaum	Wilson Easton, Facilities Maintenance Manager
Eric ffitc, Executive Director, WPPA	Marty Marchant, Marine Trades Manager
Eron Berg, Executive Director, Port of Port Townsend	Scott Hough, Marine Terminal Manager
Leonard Barnes, Executive Director, Port of Grays Harbor	Steve Rose, IT Manager
Molly Bold, GM of Westport Marina, Port of Grays Harbor	
Kayla Dunlap, Dir. of Govt. and Public Affairs, Port of Grays Harbor	

**I. CALL TO ORDER / PLEDGE OF ALLEGIANCE (0:00-0:51)**

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

**II. EARLY PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES)**  
**(1:53:30-1:53:45)**

None

**III. APPROVAL OF AGENDA (1:53:46-1:53:56)**

- Motion to approve the agenda as presented: Comm. Beauvais
- 2<sup>nd</sup>: Comm. McAleer
- Vote: 3-0 (Unanimous)

**IV. WORK SESSION (TIMESTAMPS NEXT TO EACH AGENDA ITEM)**

**A. WPPA Compass Award Presentation to Senator Chapman (0:52-17:29)**

- Presentation: Eric ffitc
- Discussion
- No Action

**B. Interim Check-in with the 24<sup>th</sup> Legislative District Delegation (17:30-1:53:00)**

- Presentation: Katharine Frazier
- Discussion – Roundtable with State Legislatures, Port of Port Angeles, Port of Port Townsend, Port of Grays Harbor, and the Washington Public Ports Association
- No Action

**Recessed Regular Meeting: 10:53 am**

**Regular Meeting Resumed: 11:03 am**

**C. August Financial Report (1:53:57-2:04:56)**

- Presentation: Jennifer Baker
- Discussion
- No Action

**D. 2026 Operating Budget Projection Highlights (2:04:57-3:19:48)**

- Presentation: Jennifer Baker / Scott Hough / Martin Marchant / Caleb McMahon / Wilson Eason / James Alton / Steve Rose
- Discussion
- No Action



**V. APPROVAL OF CONSENT AGENDA (3:19:49-3:21:49)**

- A. Regular Commission Meeting Minutes – September 9, 2025
- B. Vouchers in the amount of \$514,459.28
  - Discussion
  - Motion to approve the consent agenda as presented: Comm. Beauvais
  - 2<sup>nd</sup>: Comm. McAleer
  - Vote: 3-0 (Unanimous)

**VI. COMPLETION OF RECORDS**

No items

**VII. PLANNING AND CAPITAL PROJECTS (3:21:51-4:24:32)**

- A. Item for Consideration – Terminal 1 and Terminal 3 Repairs Project – Contract Acceptance
  - Presentation: Chris Hartman
  - Discussion
  - Motion to accept the project as complete with Legacy Contracting Inc in the final amount of Two Million Eight Hundred Forty-Nine Thousand Two Hundred Forty-Two Dollars and Two Cents (\$2,849,242.02), including Washington State Sales Tax and 5% retainage: Comm. Beauvais
  - 2<sup>nd</sup>: Comm. McAleer
  - Vote: 3-0 (Unanimous)
  - Comm. Burke noted this will start the 45-day waiting period before the Port can release Legacy’s 5% retainage (\$130,819.19), along with their performance and payment bonds.
- B. 2025 Capital Projects Projected Year-End
  - Presentation: Chris Hartman
  - Discussion
  - No Action
- C. Draft 2026 Capital Budget
  - Presentation: Chris Hartman
  - Discussion
  - No Action
- D. Q3 Grant Update
  - Presentation: Katharine Frazier
  - 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**

No items

**XIV. ITEMS NOT ON THE AGENDA**

**XV. COMMISSIONER REPORTS (4:24:33-4:25:45)**

Comm. Burke spoke on the NAFTAZ Conference he attended with Caleb McMahon and will provide a brief at the next meeting.

Comm. McAleer spoke on the City of Forks applying for a loan for electrical improvements for the Forks Industrial Park. The Opportunity Fund Board recommended approval for the Board of Commissioners to approve the loan, contingent on the City of Forks finalizing a lease.

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

None

**XVII. FUTURE AGENDA**

**XVIII. NEXT MEETINGS (4:26:46-4:27:15)**

- A. October 14, 2025 – Regular Commission Meeting
- B. October 28, 2025 - Regular Commission Meeting
- C. November 11, 2025 - Regular Commission Meeting
- D. November 12, 2025 – Special Commission Meeting
- E. November 18, 2025 – Special Commission Meeting

**XIX. UPCOMING EVENTS**

- A. September 25-26, 2025 – WPPA Environmental Seminar, Union, WA
- B. October 6-8, 2025 – AAPA, Quebec City, Canada
- C. November 19-21, 2025 – WPPA Annual Meeting, Tacoma, WA
- D. November 20-22, 2025 – Pacific Marine Expo, Seattle, WA
- E. December 15-17 – International Workboat Show, New Orleans, LA

**XX. EXECUTIVE SESSION (4:27:16-4:27:50)**

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

- Comm. Burke recessed the meeting to convene an executive session with an anticipated length of 45 minutes. Following the executive session, the Commission is not expected to take action.
- Discussion:  
Two (2) items concerning legal or financial risk. Discussing such matters in executive session is appropriate pursuant to RCW 42.30.110(1)(i)
- Recessed Regular Meeting at 1:38 pm for 2 minutes
- Start Time: 1:40 pm
- End Time: 2:12 pm

Public Session of Commission Meeting Reconvened: 2:12 pm

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

**Regular Meeting Resumed: 2:12 pm**



**XXI. ADJOURN (4:27:51-4:28:04)**

Comm. Burke adjourned the meeting at 2:12 pm.

PORT OF PORT ANGELES  
BOARD OF COMMISSIONERS

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Steven Burke, President

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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 September 18, 2025 – October 7, 2025**

<u>CERTIFICATION</u>				
Accts Payable Checks (computer)	419747	419809	\$	611,953.44
Voided/Zero Payable	419766	419766	\$	-
Accts Payable ACH	005899	006018	\$	248,163.59
VOIDED/ZERO PAYABLE ACH				
Wire Transfer - Expenses			\$	7,965.28
Wire Transfer - Excise Tax				
Wire Transfer - Leasehold Tax				
<b>Total General Expenses and Construction</b>			<b>\$</b>	<b>868,082.31</b>
<b>Payroll</b>				
Employee Payroll Checks PPD (Direct Deposit)	005914	005976	\$	119,190.04
Voided Payroll Check	005940, 005955, 005968		\$	-
Employee Payroll Checks PPD (Direct Deposit)			\$	-
Wire Transfer - (Payroll Taxes, Retirement, Deferred Comp, L&I, PFML)			\$	66,387.92
<b>Total Payroll</b>			<b>\$</b>	<b>185,577.96</b>
<b>Total General Exp &amp; Payroll</b>			<b>\$</b>	<b>1,053,660.27</b>

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](mailto:jenniferb@portofpa.com)

# MONTHLY REPORT TO THE BOARD OF PORT COMMISSIONERS

## September 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		
Work Contracts (\$50,000 or less) Executed		
Work Contracts Completed		
Change Orders Authorized		
Work by Port Crews or Day Labor (\$50,000 or less)		
Claims Settled		
Professional & Consulting Services Awarded and Architectural, Engineering & Technical Services Awarded		X
Fees Waived		
Uncollectible Accounts Written Off		
Experts Engaged for Litigation		
Grant Applications/Award		
Travel Outside WA, OR, ID and BC, Canada		X
Surplus Personal Property (under \$10,000)		



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 2025**

TENANT NAME	DOCUMENT	LOCATION	FORM OF SURETY	SQ FEET	TERM	MONTHLY RENT
First Step Family Support Center	Lease Renewal	2140 W 18th St Warehouse Storage	\$1,451.25 on file (3 months rent)	1,125 SF Warehouse	One year 11.01.2025 - 10.31.2026	\$483.75/\$0.43/SF (In Kind support of \$33.75/month for CPI increase)

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

<b>CONSULTANT</b>	<b>PROJECT</b>	<b>EST. COST</b>	<b>OTHER CONTRACT PROVISIONS</b>
<u>Personal Services:</u> Holly Hairell	Port Human Resources Support	\$20,000.00	\$125.00/hr Contract NTE \$20,000.00
<u>Personal Services:</u> Sundial Advocacy	Lobbying and Public Affairs Services	\$49,990.00	\$4,000/mo Contract NTE \$49,990.00
<u>Professional Services:</u> Carletti Architects, P.S.	Marine Trade Center Building	\$25,000.00	Contract NTE \$25,000.00

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

STAFF	LOCATION OF MTG.	DATE(S)	PURPOSE
Jenna Riley	Lacey, WA	9/18/2025	MRSC Procurement Fundamentals
Caleb McMahon	Kansas City, MO	9/14/2025-9/18/2025	NAFTZ Annual Conference
Katharine Frazier	Denmark	9/06/2025 – 9/14/2025	WPPA Industrial Symbiosis Study Tour (Center for Sustainable Infrastructure)

\*

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.

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

**October 14, 2025**

**Subject: CONSULTANT AGREEMENT – FLOYD|SNIDER – WESTERN PORT  
ANGELES HARBOR REMEDIAL DESIGN AND CONSULTING  
EXPERT SUPPORT**

**Presented by: Jesse Waknitz, Environmental Manager**

**RCW & POLICY REQUIREMENTS:**

In accordance with the Port's delegation of authority, the executive director requires Commission authorization for consultant agreements exceeding \$50,000. This proposed agreement with Floyd|Snider exceeds that threshold and therefore requires Commission approval.

**BACKGROUND:**

The Western Port Angeles Harbor (WPAH) Site has reached a significant milestone with the execution of the Consent Decree (CD) in August 2025, which initiates the Remedial Design (RD) phase under the approved Cleanup Action Plan (CAP). The Port of Port Angeles, as one of several signatories to the CD, must now engage in the RD process alongside the other Potentially Liable Parties (PLPs).

Tetra Tech, Inc. has been selected by the PLP group to serve as the common design consultant, responsible for preparing the Remedial Design Work Plan (RDWP) and subsequent design deliverables. However, due to the Port's unique property ownership, operational history, and potential liability exposure within the site, the Port requires independent strategic and technical support during the RD phase to protect its interests and manage risk.

Floyd|Snider has extensive site history and technical knowledge of the WPAH area, having led the Remedial Investigation and Feasibility Study (RI/FS) under previous Port and PLP contracts. The firm's proposal outlines a new scope of work to provide strategic, technical, and legal consulting expert support to the Port and its outside counsel throughout the RD process.

**ANALYSIS:**

Under this agreement, Floyd|Snider will provide time-and-materials services under a single task, WPAH Remedial Design and Consulting Support, which includes four subtasks:

- **Subtask 1 – Administrative Support:**  
Review of the PLP group’s consultant invoices, progress reports, and cost tracking materials on behalf of the Port.
- **Subtask 2 – Development of Port Project Roadmap:**  
Preparation of an internal roadmap outlining key RD milestones, risk management strategies, and coordination priorities for Ecology, Community Stakeholders, and the PLP group.
- **Subtask 3 – Technical Representation and Communications Support:**  
Representation of the Port at Ecology, PLP, and Community Stakeholder meetings; review and comment on the draft RDWP and related deliverables; and provision of technical advice on issues affecting Port liability and cost exposure.
- **Subtask 4 – Miscellaneous Legal Support:**  
Technical assistance to Port Counsel for allocation, defense, and potential litigation support.

The proposed period of performance is October 2025 through the Spring of 2026, covering the duration of the RDWP development and anticipated Ecology review process.

The total proposed not-to-exceed fee is \$204,445, billed on a time-and-materials basis under Floyd|Snider’s 2025 Schedule of Charges.

#### **ENVIRONMENTAL IMPACT:**

This work is necessary to support the Port’s compliance with the Consent Decree and ensure the RD phase is technically sound, cost-effective, and protective of marine resources. Floyd|Snider’s involvement will help the Port manage its environmental and financial responsibilities during this critical phase of the cleanup.

#### **FISCAL IMPACT:**

The total cost of \$204,445 is anticipated to be reimbursable under the Port’s existing environmental liability insurance program.

#### **RECOMMENDED ACTION:**

The Port staff recommends that the Board of Port Commissioners authorize the Executive Director to execute a Professional Services Agreement with Floyd|Snider in the amount of \$204,445 for strategic and technical support to the Port during the Western Port Angeles Harbor Remedial Design phase, contingent upon acknowledgment by the Port’s insurance carriers that the agreement is necessary to assist in defending the Port against all costs arising out of the subject environmental liabilities at the site.

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

**October 14, 2025**

**Subject:           PROFESSIONAL SERVICES AGREEMENT – TETRA TECH –  
                          WESTERN PORT ANGELES HARBOR CLEANUP – TASK ORDER  
                          #1**

**Presented by:   Jesse Waknitz, Environmental Manager**

**RCW & POLICY REQUIREMENTS:**

In accordance with the Port's delegation of authority, the executive director requires Commission authorization for professional service agreements exceeding \$50,000. This Task Order #1 under the Port's Professional Services Agreement with Tetra Tech exceeds that threshold and therefore requires Commission approval.

**BACKGROUND:**

The Western Port Angeles Harbor (WPAH) Sediment Cleanup Site is being addressed under a Consent Decree (CD) between the Washington State Department of Ecology (Ecology), the Port of Port Angeles, and other Potentially Liable Parties (PLPs). Following Ecology's approval of the Cleanup Action Plan (CAP) in 2024 and the entry of the Consent Decree in August 2025, the next step is to prepare a Remedial Design Work Plan (RDWP) that defines the technical approach, design process, and pre-design investigations for the sediment cleanup.

The PLP group selected Tetra Tech Inc. through a qualifications-based selection process as the consultant to perform the remedial design. Task Order #1 provides the scope and fee for preparation of the RDWP in accordance with the CAP, Consent Decree, and applicable Model Toxics Control Act (MTCA, Chapter 173-340 WAC) and Sediment Management Standards (Chapter 173-204 WAC).

The RDWP will describe key milestones and work products, including pre-design sampling and analyses, the remedial design approach, and the adaptive management framework, as well as project schedule and phasing details. Tetra Tech's work will support Ecology's review and approval of the RDWP anticipated by April 6, 2026.

**ANALYSIS:**

Under Task Order #1, Tetra Tech will complete the following major tasks:

- **Task 1 – Project Management** – Coordination, budget tracking, scheduling, and monthly reporting.

- **Task 2 – Document/Data Management and Meetings** – Transition and setup of project databases and document control, and monthly team and Ecology meetings.
- **Task 3 – Prepare RDWP Document and Appendices** – Including:
  - Existing Data Review and Data Gap Analysis
  - Remedial Design Work Plan development
  - Sampling and Analysis Plan (SAP) and Quality Assurance Project Plan (QAPP)
  - Site Health and Safety Plan (HSP)

The estimated period of performance is from October 2025 to May 2026, with the submittal of the Draft RDWP to Ecology by April 6, 2026.

The total proposed fee for Task Order #1 is \$489,757, as detailed in Tetra Tech's October 1, 2025, proposal. This work represents the initial task order under the Port's professional services agreement with Tetra Tech for the WPAH Sediment Cleanup Program.

#### **ENVIRONMENTAL IMPACT:**

This work supports the implementation of the Consent Decree and the approved Cleanup Action Plan for the Western Port Angeles Harbor Site. Preparation of the RDWP will define remedial design requirements and advance cleanup actions to protect marine habitats and water quality in Port Angeles Harbor.

#### **FISCAL IMPACT:**

The total cost of \$489,757 will be shared equally among the six members of the PLP group in accordance with the Cooperation Agreement. The Port's one-sixth share of costs will be reimbursed by its insurance carriers under the existing environmental liability claims process.

#### **RECOMMENDED ACTION:**

The Port Team recommends that the Board of Port Commissioners authorize the Executive Director to execute Task Order #1 under the Professional Services Agreement with Tetra Tech, Inc., in the amount of \$489,757, for preparation of the Remedial Design Work Plan for the Western Port Angeles Harbor Sediment Cleanup, and to make minor amendments to the work order as may be needed.

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

Date: October 14, 2025

Subject: Composite Recycling Technology Center

Presented by: Caleb McMahon, Director of Economic Development

Location: 2220 W 18<sup>th</sup> Street, Offices

**RCW & POLICY REQUIREMENTS**

Per RCW 53.08.08 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 an option up to an additional thirty years.

Per RCW 53.08.085, security for rent 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. If the security is not maintained, the lease shall be considered in default. 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 Ports Delegation of Authority, all term lease agreements of real property shall be leased only under an appropriate written lease instrument executed by the Commission. Per Section 1.B.4, Commission approval is required for any lease that contains any material non-standard terms or conditions.

**BACKGROUND:**

The Composite Recycling Technology Center (CRTC) has been a Port tenant since 2016. The CRTC now desires to lease additional office space in the 2220 W 18th Street building, which includes the remaining unleased space of 1,880 square feet, for a two-year term.

**LEASE DETAILS:**

**Proposed Rate:** \$0.60/SF x 1,880 SF = \$1,128.00/month plus leasehold excise tax. Utilities will be billed directly from the City of Port Angeles with the utility meter for this section.

**Term:** 2 years. January 1, 2026, through December 31, 2027.

**Options to Renew:** Two x 1-year options, at Port's consent.



**Commencement Date:** January 1, 2026.

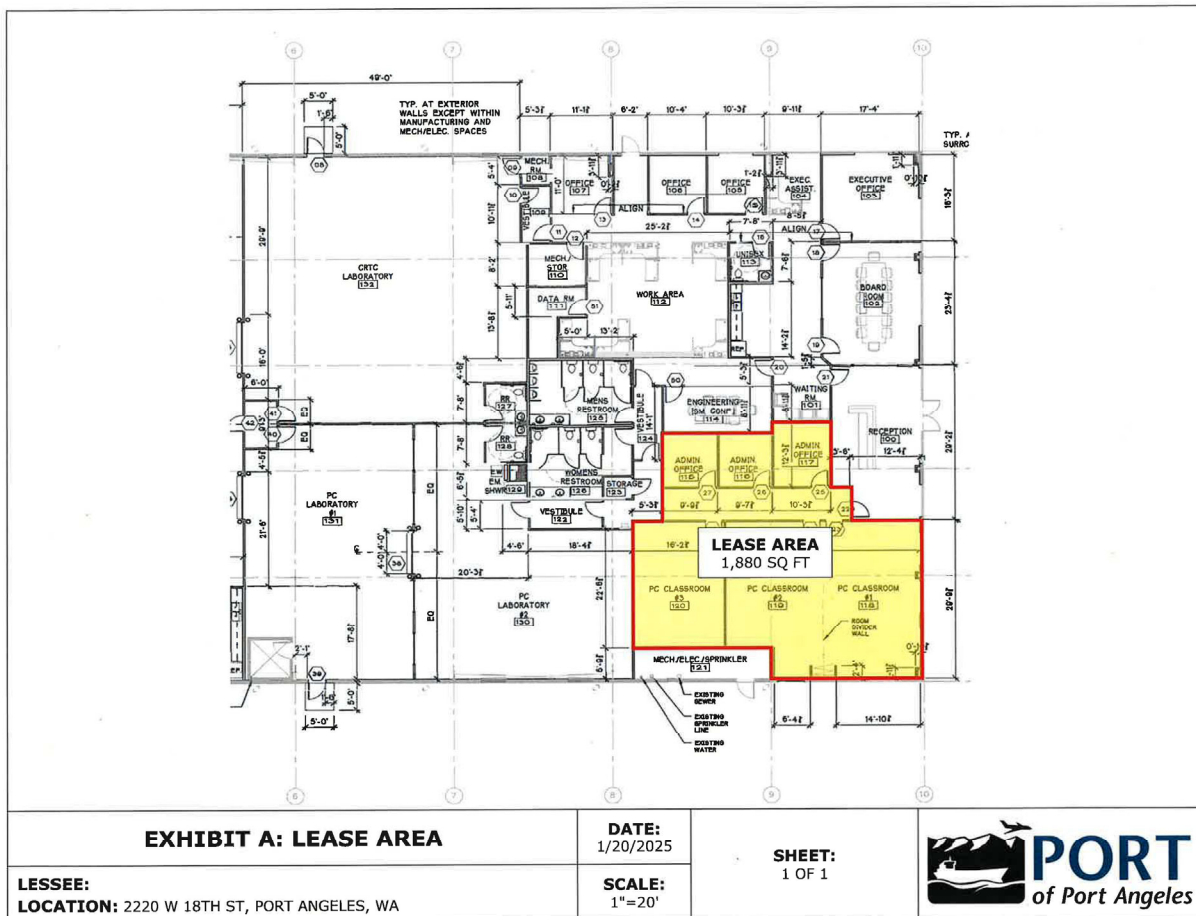
**Current Bond/Security:** Port policy requires a three-month rent amount as a financial security deposit. \$1,128.00 x 3 months = \$3,384.00 deposit.

**Non-Standard (requires Commission approval) or Unique Terms:** CRTC would like access to the proposed leased space prior to January 1, 2026, rent-free.

A Temporary Access License has been provided for the CRTC, effective October 15, 2025, through December 31, 2025, for the preparation of the spaces. The in-kind value of 2.5 months of access is \$1,128.00 x 2.5 months = \$2,820.00. **The in-kind value proposed is \$2,820.00.**

**RECOMMENDED ACTION:**

Staff recommends the Commission approve the Temporary Access License and Term Lease as presented.



## COMMERCIAL LEASE

**THIS COMMERCIAL LEASE (“Lease”)** is made and entered into as of the date last written below, by and between the **PORT OF PORT ANGELES**, a Washington municipal corporation (the “**Port**”), and **COMPOSITE RECYCLING TECHNOLOGY CENTER**, a Washington non-profit corporation, (“**Lessee**”) (individually “**Party**” and collectively “**Parties**”).

### ARTICLE I

#### Summary of Lease Terms and Definitions

**The Port:** Port of Port Angeles  
338 W First Street  
Port Angeles, WA 98362

**Lessee:** Composite Recycling Technology Center  
2220 West 18<sup>th</sup> Street  
Port Angeles, WA 98363

**Premises:** 1,880 square feet of office and 438 square feet of reception area located 2220 West 18<sup>th</sup> Street in Port Angeles, Washington as depicted in the Map of Premises attached to this Lease as **Exhibit A**.

**Lessee-owned Improvements:**

As of the Commencement Date as defined herein, the following fixtures and improvements are owned by Lessee and are not part of this Lease: None.

Initials:

\_\_\_\_\_  
Port

\_\_\_\_\_  
Lessee

**Use of Premises:** Office use.

**Benefit to the Public:** None.

**Commencement Date:** January 1, 2026

**Term:** Two years. January 1, 2026 through December 31, 2027.

**Extensions:** Two (2) one-year extensions.

[X] Requires Port consent, at Port’s sole discretion

**Base Rent:**

Leased Area	Sq Ft	Rate/SF	Monthly Rate
Office	1,880	\$0.600	\$ 1,128.00
Reception Area	438	included	\$ -
<b>Base Rent</b>			<b>\$ 1,128.00</b>
Leasehold Excise Tax		12.84%	\$ 144.84
Utilities (direct bill with City)			
<b>Monthly Payment</b>			<b>\$ 1,272.84</b>

**Financial Security (see Section 5.4 for more information:** Three months of rent \$1,128.00 x 3 = \$3,384.00.

**Additional Unique Terms and Conditions:** The Lessee will have three months access to the premises prior to commencement of this lease, with rent waived.

## ARTICLE II

### Premises, Term, Renewals

2.1 **PREMISES:** In consideration of the rents hereinafter reserved and of the covenants and conditions set forth herein to be performed by Lessee, the Port does hereby lease the Premises to Lessee.

2.2 **TERM:** The term of this Lease shall be for two (2) years beginning January 1, 2026 through December 31, 2027. If Lessee takes possession of the Premises before the Commencement Date, Lessee shall pay the pro rata rent for the period prior to commencement of the Lease term.

2.3 **RENEWAL:** Subject to the terms and conditions herein, Lessee may renew this Lease for two (2) consecutive one-year periods by giving written notice of such intention to the Port at least ninety days (90) days prior to the expiration of the term of this Lease or any renewal thereof. It is a condition precedent to Lease Renewal that the Lessee be in good standing at the time of renewal and that Lessee is not in default under the terms of this Lease or any other lease or agreement with the Port. The terms and conditions of any renewal shall be generally the same as set forth in this Lease, provided however rent shall be recalculated as provided herein and the terms of this Lease shall be updated to be consistent with the terms and conditions of the existing Port's Commercial Lease Agreement. **All lease extensions and renewals shall be at the sole discretion of the Port unless previously authorized by the Commission.** At the time of renewal, extension, exercising option, etc. the Lease will be reevaluated and brought up to fair market value.

Lessee's renewal is likewise subject to and contingent upon the Port's acceptance of Lessee's renewal notice, which the Port may withhold in its sole discretion. Failure of Lessee to give required notification may, at the discretion of the Port, result in the option(s) being null and void. Should the Port decline to accept Lessee's renewal notice, this Lease will terminate upon the expiration of the then-existing term.

### **ARTICLE III**

#### **Rent, Rental Adjustment**

3.1 **RENT:** The term “**Rent**” as used herein includes Base Rent, Common Area Maintenance (“CAM”) Expenses (if any) as that term is defined herein below, applicable Washington State leasehold excise tax, consistent with RCW Chapter 82.29A relating to leasehold excise tax, and any subsequent revision or amendment thereto, and other fees and charges assessed herein. Base Rent and Washington State leasehold excise tax shall be paid without the requirement that the Port provide prior notice or demand, and shall not be subject to any counterclaim, setoff, deduction, defense or abatement. For any other fees and charges which may be assessed by the Port herein, the Port shall first provide written notice thereof, and Lessee shall pay such fees and/or charges within thirty (30) days of receipt of such written notice without any counterclaim, setoff, deduction, defense or abatement.

3.1.1 If Lessee fails to pay the required Rent as by this Lease, the Port shall charge late fees as outlined below. An administrative fee of \$25 will be charged for each month a late or finance fee is charged:

3.1.1.1. 30 days nonpayment = late fee is charged. At the first of month after 30 days late: Late fee is 2% or \$100, whichever is greater, of total outstanding Rent, leasehold tax (“LHT”), utilities and charges billed.

3.1.1.2 60 days nonpayment = late fee is charged. At the first of month after 60 days late: Late fee is 5% or \$300, whichever is greater, of outstanding Rent, LHT, utilities, and charges billed. Eviction process will be initiated.

3.1.1.3 90 days nonpayment = late fee of 8% or \$700 whichever is greater, of outstanding Rent, LHT, utilities, and charges billed and eviction will be enforced.

3.1.2 **Base Rent Adjustment:** The Port may, in its discretion, adjust the Base Rent hereunder upon the provision of written notice prior to the anniversary of the Commencement Date. Upon the provision of such notice, the rental rate shall be automatically adjusted effective upon the month of the anniversary of the Commencement Date, based on the previous month’s Consumer Price Index, to reflect the percentage change in the Consumer Price Index for All Items in West - Size Class B/C, All Urban Consumers, as issued by the U.S. Department of Labor, Bureau of Labor Statistics, or the closest comparable index if the above index is no longer published, over the last full 12-month period immediately preceding the anniversary of the Commencement Date for which such data are available. If the resulting rent rate adjustment is negative, then the rental rate shall not be decreased but shall remain the same as the preceding period.

#### 3.2 **COMMON AREAS:**

3.2.1 **Common Areas; Definition:** The term “**Common Areas**” shall mean those areas in and around the Premises owned by the Port that are provided and designated by the Port from time-to-time for the general non-exclusive use of the Port, Lessee, other tenants of the Port, and/or the respective employees, suppliers, shippers, customers, clients, invitees and licensees of such Parties. Common Areas may include, but are not limited to, lobbies, hallways, common restrooms, electrical and mechanical areas, supply and janitorial rooms, exterior wall surfaces of the Premises walkways, driveways, parking areas, service areas, landscaped areas, and other Port owned areas

provided for the non-exclusive use of its tenants. The Port or its agents shall operate, manage, equip, light, repair, replace and maintain the Common Areas for their intended purpose at such times and in such manner as the Port shall reasonably determine.

**3.2.2 Lessee's Common Area Lease Rights:** The Port hereby grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, customers, clients and invitees during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time-to-time, subject to any rights, powers and privileges reserved by the Port under the terms hereof or under the terms of any rules, regulations or restrictions governing the use of the Common Areas. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by prior written consent of the Port or the Port's designated agent, which consent may be revoked at any time. In the event that such unauthorized storage shall occur, then the Port shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be payable on demand by the Port.

**3.2.3 Changes to Common Areas:** The Port shall have the right from time-to-time to make changes to the Common Areas, including, without limitation: (i) changes in the location, size, shape and number thereof; (ii) to temporarily close any of the Common Areas for maintenance and public purposes so long as reasonable access to the Premises remains available; (iii) to add additional improvements to the Common Areas; and (iv) to use Common Areas while engaged in making additional improvements, repairs or alterations to the Premises or any portion thereof, as the Port may, in the exercise of sound business judgment, deem appropriate. The Port shall nevertheless diligently perform construction, repair or maintenance work to minimize interruptions in the use of Common Areas.

**3.2.4 Common Area Maintenance Expenses; Definition:** The term "Common Area Maintenance Expenses" or "CAM Expenses" as used herein shall mean the sum of the costs and expenses incurred by the Port with respect to maintenance, upkeep and repair of and to the Common Areas.

**3.2.5 Payment of CAM Expenses:** Lessee shall pay to the Port Lessee's agreed pro rata share of the CAM Expenses ("Pro Rata Share"). Lessee's Pro Rata Share is based on the percentage obtained by dividing the agreed rentable area of the Premises by the agreed building area. The Parties agree that Lessee's Pro Rata Share under this Lease is \_\_\_\_ percent (\_\_\_\_ %), thereby resulting in a monthly payment of \_\_\_\_ Dollars (\$\_\_\_\_) for the first twelve months of this Lease.

**3.2.6 Adjustment of CAM Expenses:** Each year of this Lease or renewal term (as the case may be), the Port will establish an estimate of a year's total CAM Expenses, and Lessee shall pay Lessee's Pro Rata Share on a monthly basis in accordance with the monthly rental payment obligations set forth in Section 3.1 of this Lease. Within sixty (60) days after the expiration of each Lease year, the Port shall deliver to Lessee a reasonably detailed statement showing Lessee's Pro Rata Share of the actual total of CAM Expenses incurred during the preceding year. If Lessee's payments under this Paragraph during the preceding year were less than Lessee's Pro Rata Share as indicated on said statement, Lessee shall pay to the Port the amount of the deficiency within

thirty (30) days after delivery by the Port to Lessee of said statement; any overpayment made by Lessee shall be credited toward Lessee's liability for Rent for succeeding months.

3.3 **ABATED RENT:** If this Lease provides for a postponement of any monthly rental payments or other rent concession, such postponed rent is called the "**Abated Rent.**" Lessee shall be credited with having paid all of the Abated Rent on the expiration of the term of this Lease only if Lessee has fully, faithfully and punctually performed all of Lessee's obligations hereunder, including the payment of all Rent, including, if applicable, Abated Rent, and all other monetary obligations and the surrender of the Premises in the condition required by this Lease. If Lessee defaults and does not cure within any applicable grace period, the Abated Rent shall immediately become due and payable in full and this Lease shall be enforced as if there were no such rent abatement or other rent concession. In such case, Abated Rent shall be calculated based on the full initial rent payable under this Lease, plus interest thereon at the rate of twelve percent (12%) per annum from date each monthly rental payment was postponed.

3.4 **LEASEHOLD AND OTHER TAXES:** Throughout the term of this Lease, Lessee shall be liable for, and shall pay or, as applicable, reimburse the Port for, all license fees and excise and occupation taxes covering the business conducted on the Premises, all taxes on property of Lessee on the Premises, ad valorem taxes or taxes levied in lieu of an ad valorem tax, and any taxes on the leasehold interest created by this Lease and/or measured by the rent payments hereunder, whether imposed on Lessee or on the Port. With respect to the leasehold excise tax payable hereunder, Lessee shall pay to the Port with each rent payment an amount equal to the tax. All other tax amounts for which the Port is or will be entitled to reimbursement from Lessee shall be paid by Lessee to the Port at least fifteen (15) days prior to the due dates of the tax amounts involved, provided that Lessee shall be given at least ten (10) days' prior written notice of the amounts payable by Lessee.

#### **ARTICLE IV**

##### **Use of Premises, Condition of Property, Improvements, Removal of Property, Maintenance, and Utilities**

4.1 **LESSEE'S USE OF THE PREMISES:** Lessee shall conduct only the following activity on the Premises: Office use (the "**Authorized Use**") and such additional uses incidental or otherwise related to such Authorized Use.

4.1.1 Lessee shall be in default under this Lease if it: (i) ceases conducting the Authorized Use for any period of time exceeding one hundred twenty (120) consecutive days; or (ii) conducts any other business or activity on the Premises without first obtaining the Port's consent, in the Port's sole discretion, which shall be evidenced by a validly executed written Lease modification. In conducting the Authorized Use, Lessee shall properly and fairly serve the public, providing reasonable hours of operation, and reasonably suitable service.

4.1.2 Notwithstanding the foregoing described use, the Premises shall not be used to store, distribute or otherwise handle flammable, dangerous or hazardous materials, excepting only those necessary to conduct the Authorized Use. At the request of the Port, Lessee shall provide a list of all flammable, dangerous or hazardous materials stored or used on the Premises.

4.2 **ACCEPTANCE OF PREMISES:** Lessee accepts the Premises, including all existing improvements thereon, “as is” without further maintenance liability on the part of the Port, except as otherwise specifically noted herein. Lessee is not relying on any representations of the Port as to condition, suitability, zoning restrictions or usability, except the Port’s right to grant a lease of the Premises.

4.3 **CONSTRUCTION OF TENANT IMPROVEMENTS:** Lessee shall abide by the following terms with regard to making any tenant improvements on the Premises (“**Tenant Improvements**”):

4.3.1 Subject to obtaining the Port’s written approval, Lessee may make and install, at its own expense, such Tenant Improvements as are normal and customary in connection with the Authorized Use set forth herein. Lessee’s contractor, if any, shall be subject to the Port’s approval, not unreasonably withheld. The Port reserves the right to condition its approval upon Lessee providing payment and/or performance bonds satisfactory to the Port. Lessee shall submit plans to and obtain written approval from the Port before commencing any Tenant Improvements. The Port shall have a reasonable period of time to review such plans prior to issuing a decision. Upon the provision of written notice to Lessee that the Port’s review of plans will require extraordinary staff review time, the Port may charge Lessee a reasonable pre-established fee for staff, consultant or attorney time required to review the plans. All Tenant Improvements which are to be designated fixtures shall be so designated by the Port upon the Port’s approval of the plans for such improvements. Unless otherwise agreed, all improvements by Lessee shall conform to the requirements of the Americans with Disabilities Act of 1990, 42 U.S.C. §12101 et seq. (the “ADA”).

4.3.2. Return on Investment. All Tenant Improvements completed by the Port at its expense will require a return on investment of not less than the Port’s expense paid by the Lessee receiving the benefit from said Tenant Improvement.

4.3.3. A payback schedule for the Tenant Improvement costs will be determined by the Port on a case-by-case basis.

4.3.4. All Tenant Improvements will have a scheduled return on investment until the Port’s expense and overhead associated with the Tenant Improvement is reimbursed by Lessee.

4.3.5 **Unauthorized Improvements:** Any Tenant Improvements made on the Premises without the Port’s prior written consent or which are not in conformance with the plans submitted to and approved by the Port (“**Unauthorized Improvements**”) shall be subject to removal by Lessee at Lessee’s expense upon sixty (60) days’ written notice from the Port.

4.4 **TITLE TO LESSEE IMPROVEMENTS, FIXTURES AND PERSONAL PROPERTY AT LEASE TERMINATION:** Except as otherwise provided in the description of the Premises in Article I above, as of the Commencement Date, all existing structures, buildings, installations, and improvements of any kind located on the Premises are owned by and title thereto is vested in the Port. Prior to Lease Termination, Lessee shall remove the following from the Premises:

- a. All equipment;
- b. All personal property;
- c. All Lessee Improvements not designated as Fixtures in Article I above or pursuant to Section 4.3.1 above.

Initials:

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Port

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Lessee

4.4.1 If Lessee removes any part of a structure, including the items listed above (“**Removal Items**”), from the Premises, it shall be obligated to remove all thereof, except such portions as the Port may desire to leave remaining, including the foundation. The Lessee will correct any environmental issues. The Port may require Lessee to remove all or any portion of the Removal Items from the Premises, upon the Port’s written notification to Lessee within 30 days of the expiration of this Lease. In the event any Removal Items are removed by Lessee, Lessee shall restore the Premises to the condition they were in prior to their construction.

4.4.1 If any of the Removal Items are not removed from the Premises by Lease Termination or when the Port has the right of re-entry, then the Port may, at its sole option, elect any or all of the following remedies:

- a. Upon the expiration of thirty (30) days’ written notice to Lessee that Removal Items remaining on the Premises are required to be removed therefrom by Lessee, if Lessee has not completed the removal, the Port may remove any or all of the Removal Items and dispose of them without liability to Lessee, and at Lessee’s cost. The Port shall not be required to mitigate its damages, to dispose of the Removal Items in a commercially reasonable manner, or to make any effort whatsoever to obtain payment for such items. Lessee agrees to pay the Port’s costs and damages associated with Lessee’s failure to remove such Removal Items, including, but not limited to, the following: storage, demolition, removal, transportation and lost rent (collectively “**Disposal Costs**”); provided, however, that any net proceeds recovered by the Port in excess of its Disposal Costs will be deducted from Lessee’s financial obligation set forth herein. Lessee’s financial obligations herein shall survive the termination of this Lease; and or

- b. Claim and take title in the Port to any or all Removal Items, however, the Port retains the option to decline ownership at Lease termination; and/ or

- c. Commence suit against Lessee for damages or for specific performance.

4.4.2 During any period of time employed by Lessee under this Section to remove Removal Items including structures, buildings, installations, improvements, machines, appliances, equipment and trade fixtures, Lessee shall continue to pay a rent due and all other fees or expenses due and owing to the Port in accordance with this Lease on a prorated daily basis.

4.4.3 The foregoing remedies are cumulative, and the Port shall not be required to elect its remedies.



The Port and Lessee hereby acknowledge the rights, obligations and remedies set forth in this Section 4.4.

Initials:

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Port

\_\_\_\_\_  
Lessee

4.5 **MAINTENANCE OF PREMISES:** The maintenance and repair of the Premises are the sole responsibility of Lessee, except as set forth in the Maintenance Inclusion List attached hereto as **Exhibit B** and incorporated herein by this reference; PROVIDED, however, that the Port shall be responsible for repairing at its own cost any interior damage resulting from a roof leak. Lessee shall notify the Port immediately upon discovering any indication of a roof leak. Lessee shall maintain the Premises in good condition, and shall repair all damage caused by Lessee, its employees, agents, licensees, invitees or anyone on the Premises as a result of Lessee's activities. In lieu of common area maintenance charges, Lessee's exterior Premises maintenance and repair responsibilities include, without limitation and by way of example only, mowing, general landscape maintenance, snow removal, parking lot sweeping, parking lot striping, and parking lot, curb and sidewalk repairs. The Port and Lessee specifically acknowledge and agree that the Port has no responsibility to maintain, repair or replace the Lessee-owned Improvements described in Article I above.

Initials:

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Port

\_\_\_\_\_  
Lessee

4.6 **UTILITIES AND SERVICES:** Lessee shall be liable for and shall pay throughout the term of this Lease all charges for all utility services furnished to the Premises, including but not limited to, light, heat, gas, janitorial services, garbage, disposal, security, electricity, water, stormwater and sewerage, including any connection fees and any fire protection, police protection, or emergency health services as furnished by local authorities and as may be the subject of a contract between the Port and such local authorities or as imposed by ordinance or statute. The Lessee will ensure all utility services are transferred to their name upon commencement of this agreement. If the Premises are part of a building or part of any larger Premises to which any utility services are furnished on a consolidated or joint basis, Lessee agrees to pay to the Port Lessee's pro-rata share of the cost of any such utility services. Lessee's pro-rata share of any such services may be computed by the Port on any reasonable basis, and separate metering or other exact segregation of cost shall not be required. At the conclusion of this Lease, Lessee shall arrange for such utility services to be terminated and for the final bill to be sent to Lessee. Lessee shall be liable for all utility charges that accrue if it fails to so terminate services.

**Meter Number(s) associated with this leased premises: E70,000 will be billed to the Lessee directly from the City of Port Angeles Utility Department.**

4.7 **COMPLIANCE WITH PORT REGULATIONS AND WITH ALL LAWS:**

4.7.1 Lessee agrees to take reasonable action to comply with all applicable rules and regulations of the Port pertaining to the Premises now in existence or hereafter promulgated for

the general safety and convenience of the Port, its various lessees, invitees, licensees and the general public upon receipt of notice of the adoption of such regulations.

4.7.2 Lessee agrees to comply with all applicable federal, state and municipal laws, ordinances, and regulations, including without limitation those relating to environmental matters. Any fees for any inspection of the Premises during the Lease term by any federal, state or municipal officer related to Lessee use and occupancy of the Premises and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.

## **ARTICLE V**

### **Insurance and Financial Security**

5.1 **CASUALTY LOSS OF LESSEE**: The Parties hereto agree that the Port shall not be responsible to Lessee for any property loss or damage done to Lessee's property, whether real, personal or mixed, occasioned by reason of any fire, storm or other casualty whatsoever. It shall be Lessee's responsibility to provide its own protection against casualty losses of whatsoever kind or nature, regardless of whether or not such loss is occasioned by the acts or omissions of the Port, Lessee, third party, or act of nature. To this end, the Port and Lessee hereby waive any rights each may have against the other as a result of any injury, loss or damage which is then insured against by either. This waiver is effective only to the extent that the insurance company(ies) actually pay(s) for such injury, loss or damage. In addition, the Port and Lessee agree to (1) cause their respective insurance companies to waive any right of subrogation, and (2) provide proof to the other Party within thirty (30) days after the execution of this Lease that such waivers have been successfully obtained from the respective insurance companies (if such proof is not provided within this thirty (30) day period, the other Party shall have the right to declare this paragraph to be ineffective). This paragraph shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of the Port or Lessee.

#### 5.2 **INSURANCE**:

5.2.1 **Liability**: Lessee shall procure and maintain during the term of this Lease and any extensions or renewals of this Lease a comprehensive general liability policy covering on an occurrence basis all claims for personal injury (including death) and property damage (including all real and personal property located on the Premises) arising on the Premises or arising out of Lessee's operations. This policy shall also include contractual liability coverage for all indemnities provided under this Lease. Limit per occurrence shall not be less than \$1,000,000, or the equivalent. General aggregate limit shall not be less than \$2,000,000, when applicable (and will be endorsed to apply separately to each site or location.) Limit per claim and in the aggregate shall not be less than \$1,000,000, or the equivalent. Annual aggregate limit shall not be less than \$2,000,000. The liability policies shall contain a cross-liability provision such that the policy will be construed as if separate policies were issued to Lessee and to the Port.

5.2.2 **Property**: Lessee shall procure and maintain during the term of this Lease and any extensions or renewals of this Lease fire and extended coverage property insurance for physical loss and damage, written on an "all risks" basis *excluding* earthquake and flood insurance, to the

Leased Premises and to all Lessee-owned improvements, with the Port named as a loss payee. Such policy or policies shall be written in the form of replacement cost insurance in an amount not less than 100% of the full replacement value, which amount shall be adjusted not less frequently than annually. The proceeds of such insurance in case of loss or damage shall be first applied on account of the obligation of the Port to repair and/or rebuild the Leased Premises to the extent that such proceeds are required for such purpose. Lessee shall also procure and maintain during the term of this Lease and any extensions or renewals of this Lease business interruption insurance by which Rent will be paid to the Port for a period of up to one (1) year if the Premises are destroyed or rendered inaccessible by a risk insured against by a policy of fire and extended coverage property insurance, with vandalism and malicious mischief endorsements.

**5.2.3 Workers' Compensation; Employer's Liability/Stop Gap:** If Lessee has employees, Lessee shall obtain, at Lessee's expense, and keep in effect during the term of this Lease and any renewals or extensions of this Lease, Workers' Compensation as required by the State of Washington, with statutory limits, and Employer's Liability/Stop Gap Insurance with limits of not less than One Million Dollars (\$1,000,000) per accident for bodily injury or disease.

**5.2.5 Excess Liability/Umbrella Coverage:** Lessee shall obtain, at Lessee's expense, and keep in effect during the term of this Lease and any extension or renewal of this Lease, Umbrella Liability Insurance providing excess coverage over primary liability coverages, including Employer's Liability, of not less than \$4,000,000.

**5.2.6 Verification of Coverage:** For each insurance policy required herein, Lessee shall provide to the Port, prior to Lessee's occupancy of the Premises, original certificates of insurance, all required amendatory endorsements establishing coverage required under this Lease, a copy of each policy declarations and endorsements page, and complete copies of each policy. Provided, the Port's failure to obtain the required documents prior to Lessee's occupancy shall not be deemed a waiver of Lessee's obligation to provide them. Receipt of such certificate or policy by the Port does not constitute approval by the Port of the terms of such policy.

**5.2.7 Additional Insured; Primary Coverage; Non-Contributory:** Each insurance policy required herein shall name the Port, and only the Port, as an additional insured. For any claims related to this Lease, Lessee's insurance coverage shall be primary insurance coverage as to the Port. Any insurance or self-insurance maintained by the Port shall be excess of Lessee's insurance and shall not contribute with it.

**5.2.8 Changes in Coverage Requirements:** The Port reserves the right to modify any insurance requirements set forth herein, including limits, at the same time as revaluation of the annual Rent, as a condition of approval of assignment or sublease of this Lease, upon any breach of the environmental liability provision herein, upon a material change in the condition of any improvements, upon a change in the Authorized Use, or under other special circumstances as determined by the Port. Lessee shall obtain new or modified insurance coverage within thirty (30) days after changes are required by the Port.

**5.2.9 Substitute Coverage:** If Lessee fails to procure and maintain any insurance required herein, the Port shall have the right, but not the obligation, to procure and maintain

substitute insurance and to pay the premiums, chargeable to Lessee. Lessee shall pay to the Port upon demand the full amount paid by the Port.

5.2.10 **Negligence of Lessee:** Each insurance policy required herein shall expressly provide that the insurance proceeds of any loss will be payable notwithstanding any act or negligence of Lessee which might otherwise result in a forfeiture of said insurance.

5.2.11 **Self-Insured Retentions:** If Lessee is self-insured, self-insured retentions must be declared to and approved by the Port. At the Port's option, either (i) Lessee shall obtain coverage to reduce or eliminate such self-insured retentions as respects the Port; or (ii) Lessee shall provide a financial guarantee satisfactory to the Port guaranteeing payment of losses and related investigation, claim administration and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or the Port.

5.2.12 **Acceptability of Insurers:** All insurance required herein shall be placed with insurers authorized to conduct business in the state of Washington with a current A.M. Best's rating of no less than A-VII, unless otherwise specifically authorized by the Port.

5.2.13 **Notice of Cancellation:** Each insurance policy required herein shall expressly provide that coverage shall not be canceled or changed except with prior written notice to the Port of no less than thirty (30) days. Lessee shall provide the Port with any revised endorsements, policy declarations and endorsements pages, and policies as soon as practicable after any changes are made to any policy.

5.2. **Protection and Indemnity:** Lessee shall procure and maintain during the term of this Lease and any extensions or renewals of this Lease Protection and Indemnity Insurance, in an amount not less than \$1,000,000, and Hull and Machinery Coverage, for any vessel owned by Lessee.

5.2. **Automobile Liability:** Lessee shall procure and maintain an Automobile Liability policy covering all owned, not-owned and hired automobiles. The limits of liability shall be not less than \$1,000,000.00. The foregoing insurance policy shall name the Port as an additional insured.

5.3 **WAIVER OF SUBROGATION:** The Port and Lessee hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective insurance contracts including any extended coverage endorsements thereto provided that this paragraph shall be inapplicable to the extent it would have the effect of invalidating any insurance coverage of the Port or Lessee. Each Party agrees to cause their respective insurance carriers to include in its policies a waiver of subrogation clause or endorsement.

#### 5.4 **FINANCIAL SECURITY:**

5.4.1 In compliance with the requirements of RCW 53.08.085 (as presently codified or hereafter amended) and other laws of the State of Washington, Lessee agrees it will secure its

performance of all obligations under this Lease by procuring and maintaining, during the term of this Lease, a corporate surety bond (the “**Bond**”), or by providing other financial security (“**Security**”) satisfactory to the Port, in an amount totaling:

- ✓ Three months of Rent.

5.4.2 The Security, if a Bond, shall be in a form and issued by a surety company acceptable to the Port and shall comply with the requirements of Washington law. Lessee shall obtain such Bond and forward evidence thereof to the Port or shall provide to the Port such other financial security as may be required hereunder, within thirty (30) days of execution of this Lease, but in no event later than the Commencement Date of this Lease. Such Security shall be kept in effect during the term of this Lease.

5.4.3 If the Security amount required hereunder is to be not less than 100% of the sum of annual Rent, that Security amount is subject to increases to reflect any Base Rent adjustments as provided in Article 3 above. In that event, at no time may the Security amount be less than 80% of the then-current annual Rent, and the Port may at any time require Lessee to provide sufficient additional Security to restore the Security amount to no less than 100% of the then-current total annual Rent due hereunder. No future amendment or extension to this Lease shall be effective until the adjusted financial Security amount has been provided as required.

5.4.4 Upon any default by Lessee in its obligations under this Lease and Lessee’s failure to cure such default in accordance with its rights to do so under this Lease, the Port may collect on the Bond or Security to offset the liability of Lessee to the Port. Collection on the Bond or Security shall not relieve Lessee of liability for any amounts not offset by the amount collected, shall not limit any of the Port’s other remedies, and shall not reinstate or cure the default or prevent termination of the Lease because of the default.

5.4.5 Any Bond or Security may provide for termination on the anniversary date thereof upon not less than one (1) year's written notice to the Port if the Lease is not in default at the time of said notice. In the event of any such termination, Lessee shall obtain a new Bond or Security , also subject to the Port approval, to replace the Security being so terminated to be effective on or before the date of termination.

5.4.6 If the Port Commission exercises its discretion pursuant to RCW 53.08.085 to reduce or waive Lessee’s Security requirement under this Lease, the Port may at any time make a determination that changes in the material circumstances related to Lessee no longer support such reduction or waiver, and thereafter increase Lessee’s Security requirement up to that required by RCW 53.08.085, or such amount as determined by the Port Commission.

## **ARTICLE VI**

### **Environmental Liability**

6.1 **ENVIRONMENTAL INDEMNIFICATION**: Lessee shall defend (with legal counsel suitable to the Port), indemnify and hold the Port harmless from any and all claims, demands, judgments, orders or damages resulting from Hazardous Substances on the Premises caused in whole or in part by the activity of Lessee, its agents or subtenants during any period of time that

Lessee has occupied all or a portion of the Premises during the term of this Lease or any previous lease or agreement. The term "Hazardous Substances" as used herein shall mean any substance heretofore or hereafter designated as hazardous under the Resource Conservation and Recovery Act, 42 USC Sec. 6901 et seq.; the Federal Water Pollution Control Act, 33 USC Sec. 1257 et seq.; the Clean Air Act, 42 USC Sec. 2001 et seq.; the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 USC Sec. 9601 et seq.; or the Hazardous Waste Cleanup-Model Toxic Control Act, RCW 70.105D, all as amended and subject to all regulations promulgated there under.

6.1.1 Lessee's defense and indemnity obligations under this article are unconditional, shall not be discharged or satisfied by the Port's re-entry of the Premises or exercise of any other remedy for Lessee's default under this Lease, shall continue in effect after any assignment or sublease of this Lease, and shall continue in effect after the expiration or earlier termination of this Lease.

6.1.2 Although Lessee shall not be liable for any Hazardous Substances that existed on the Premises prior to commencement of its leasehold relationship with the Port (whether by this Lease or any prior lease agreements), Lessee shall be responsible for the costs of any environmental investigations or remediation arising from any development or use of the Premises by Lessee, and Lessee hereby releases the Port from any contribution claim for those costs. By way of example only, if Lessee excavates soil on the Premises which contains Hazardous Substances, then Lessee will be responsible for the cost associated with disposing of those disturbed soils.

6.2 **CURRENT CONDITIONS AND DUTY OF LESSEE:** The Port makes no representation about the condition of the Premises. Hazardous Substances may exist in, on, under or above the Premises. Lessee should, but is not required to, conduct environmental assessments or investigations of the Premises prior to or during this Lease to determine the existence, scope and location of any Hazardous Substances. If there are any Hazardous Substances in, on, under or above the Premises as of the Commencement Date, Lessee shall exercise the utmost care with respect to the Hazardous Substances, the foreseeable acts or omissions of third parties affecting the Hazardous Substances, and the foreseeable consequences of those acts or omissions.

6.2.1 Prior to conducting any environmental investigation of the subsurface of the Premises, Lessee shall provide prior written notice to the Port. Lessee shall provide the Port with the results of all such investigations.

6.3 **NOTIFICATION AND REPORTING:** Lessee shall immediately notify the Port if Lessee becomes aware of any of the following:

a. A release or threatened release of Hazardous Substances in, on under or above the Premises, any adjoining property, or any other property subject to use by Lessee in conjunction with its use of the Premises;

b. Any problem or liability related to or derived from the presence of any Hazardous Substance in, on under or above the Premises, any adjoining property or any other property subject to use by Lessee in conjunction with its use of the Premises;

c. Any actual or alleged violation of any federal, state or local statute, ordinance, rule, regulation or other law pertaining to Hazardous Substances with respect to the Premises, any adjoining property, or any other property subject to use by Lessee in conjunction with its use of the Premises; or

d. Any lien or action with respect to any of the foregoing.

6.3.1 Lessee shall, at the Port's request, provide the Port with copies of any and all reports, studies or audits which pertain to environmental issues or concerns and to the Premises, and which are or were prepared by or for Lessee and submitted to any federal, state or local authorities pursuant to any federal, state or local permit, license or law. These permits include, but are not limited to, any National Pollution Discharge and Elimination System permit, any Army Corps of Engineers permit, any State Hydraulics permit, any State Water Quality certification, or any Substantial Development permit.

6.3.2 Upon expiration or sooner termination of this Lease, Lessee shall remove from the Premises any soils or other media impacted by Hazardous Substances where such materials were deposited on the Premises by Lessee or its employees, representatives or agents. Any failure to complete such removal by the expiration or sooner termination of this Lease, and upon the expiration of thirty (30) days' notice that such materials remain on the Premises, Lessee shall be deemed a holding over by Lessee subject to the provision of Section 7.21 (HOLDING OVER). Lessee shall represent and warrant that, upon termination of the Lease, all Hazardous Substances that Lessee is required to remove from the Premises pursuant to this subsection have been removed from the Premises.

## **ARTICLE VII**

### **Miscellaneous Provisions**

7.1 **LESSEE WILL OBTAIN PERMITS:** Lessee agrees to obtain and comply with all necessary permits for any Authorized Use or leasehold improvement. If Lessee fails to obtain and comply with such permits, then Lessee accepts full responsibility for any and all resulting costs incurred by the Port, including actual attorneys' fees. In this way, Lessee agrees to be solely responsible for all damages, costs and expenses incurred as a result of Lessee's failure to fully comply with any necessary permit process and requirements.

7.2 **LIENS:** Lessee agrees to keep the Premises free and clear of all liens and charges whatsoever. Lessee shall not allow any mechanics' and materialmen's or other liens to be placed upon the Premises. If such a lien is placed or recorded, Lessee shall cause it to be discharged of record, at its own expense, within thirty (30) days of the Port's demand. Failure to comply with the Port's demand within thirty (30) days shall be a default under the terms of this Lease. Notwithstanding the foregoing, the Port acknowledges that Lessee may use its Tenant Improvements as security for a loan, and the Port agrees to reasonably cooperate with Lessee and its creditor(s) to allow such creditor(s) to obtain such security.

7.3 **INDEMNIFICATION AND HOLD HARMLESS:** The Port, its employees and/or agents shall not be liable for any injury (including death) to any persons or for damage to any property regardless of how such injury or damage be caused, sustained or alleged to have been

sustained by Lessee or by others as a result of any condition (including existing or future defects in the Premises) or occurrence whatsoever related in any way to the Premises and the areas adjacent thereto or related in any way to Lessee's use or occupancy of the Premises and of the areas adjacent thereto. Lessee agrees to defend and to hold and save the Port (including its commissioners, employees and/or agents) harmless from all liability or expense (including attorneys' fees, costs and all other expenses of litigation) in connection with any such items of actual or alleged injury or damage. Lessee specifically agrees that any bond or other security provided pursuant to any provisions of this Lease shall extend to the indemnity agreed to herein. Lessee acknowledges that it expressly and specifically waives immunity under the industrial insurance statute of the state of Washington, Title 51 RCW, for purposes of this indemnification provision and further acknowledges that this waiver was mutually negotiated by the Parties. Each Party's obligations under this section shall survive the expiration or other termination of this Lease.

7.4 **LAWS AND REGULATIONS:** Lessee agrees to conform to and abide by all applicable rules, codes, laws, regulations and Port policies in connection with its use of the Premises and the construction of improvements and operation of Lessee's business thereon and not to permit said Premises to be used in violation of any applicable rule, code, law, regulation, Port policy, or other authority.

7.4.1 Lessee's obligations herein shall include, but in no way be limited to, the obligation to comply with all State and Federal environmental laws and regulations.

7.5 **WASTE AND REFUSE:** Lessee agrees not to allow conditions of waste and refuse to exist on the Premises and to keep the Premises in a neat, clean and orderly condition and to be responsible for all damages caused to the Premises by Lessee, its agents, or any third party on the Premises.

7.6 **DAMAGE AND DESTRUCTION:**

7.6.1 **Port Owned Buildings/Improvements:** Except as otherwise stated herein, should the Premises be partially damaged by fire or other casualty, or rendered partially unfit for use by reason of fire or other casualty, the Premises shall be repaired with due diligence by the Port, and in the meantime the Rent (as defined in Section 3.1 above) shall be abated in the same proportion that the untenable portion of the Premises bears to the whole thereof, for the period from the occurrence of the damage to the completion of the repairs. Lessee shall cooperate fully in obtaining and making available proceeds of insurance provided by Lessee in furtherance of such repairs.

7.6.2 **Lessee Owned Buildings/Improvements:** If any building or improvement erected by Lessee on the Premises or any part thereof shall be damaged or destroyed by fire or other casualty during the term of this Lease, Lessee may, at its option and at its sole cost and expense, repair or restore the same according to the original plans thereof or according to such modified plans as shall be previously approved in writing by the Port. Lessee shall provide the Port notice of its intention to repair or restore the Premises within sixty (60) days after the damage or loss occurs. Such work of repair or restoration shall be commenced within one hundred twenty (120) days after the damage or loss occurs and shall be completed with due diligence but not longer than one (1) year, if possible, or as soon thereafter as is reasonably possible after such work is



commenced, and such work shall be otherwise done in accordance with the requirements of the provisions hereof pertaining to the construction of improvements upon the Premises. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration, or if Lessee elects not to repair or restore, to the cost of removing, demolishing, or clearing off the building or improvements. If (i) there are not insurance proceeds, or (ii) the same shall be insufficient for said purpose, Lessee shall make up the deficiency out of its own funds. Should Lessee fail or refuse to make the repair, restoration or removal as hereinabove provided, then in such event said failure or refusal shall constitute a default under the covenants and conditions hereof, and all insurance proceeds so collected shall be forthwith paid over to and be retained by the Port on its own account, and the Port may, but shall not be required to, sue and apply the same for and to the repair, restoration or removal of said improvements, and the Port may, at its option, terminate this Lease as elsewhere provided herein.

7.6.3 Except as otherwise stated herein, should the Premises be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the Premises are rendered wholly unfit for their accustomed uses, the Port shall have the option to terminate this Lease on thirty (30) days' notice, effective as of any date not more than thirty (30) days after the occurrence. In the event that this Section shall become applicable, the Port shall advise Lessee within thirty (30) days after the happening of any such damage whether the Port has elected to continue the Lease in effect or to terminate it. If the Port shall elect to continue this Lease, it shall commence and prosecute with due diligence any work necessary to restore or repair the Premises. If the Port shall fail to notify Lessee of its election within said thirty (30) day period, the Port shall be deemed to have elected to terminate this Lease, and the Lease shall automatically terminate thirty (30) days after the occurrence of the damage. For the period from the occurrence of the damage to the Premises as described in this Section to the date of completion of the repairs to the Premises (or to the date of termination of the Lease if the Port shall elect not to restore the Premises), Rent due hereunder shall be abated in the same proportion as the untenable portion of the Premises bears to the whole thereof.

7.7 **SIGNS**: Lessee may place in or upon the Premises only such signs as are related to the Authorized Use of the Premises, PROVIDED that Lessee shall first obtain Port's written consent as to size, location, materials, method of attachment, and appearance. Lessee shall install any approved signs at Lessee's sole expense and in compliance with all applicable laws, ordinances, rules and regulations. Lessee shall not damage or deface the Premises in installing or removing signs and shall repair any damage to the Premises caused by such installation or removal.

7.8 **ATTORNEYS' FEES AND COURT COSTS**: In any litigation, arbitration, or other proceeding by which one Party either seeks to enforce its rights under this Lease (whether in contract, tort, or both) or seeks a declaration of any rights or obligations under this Lease, the prevailing Party shall be awarded its reasonable attorney fees, and costs and expenses incurred.

7.9 **ASSIGNMENT OF LEASE**: Lessee shall not assign, rent or sublease any portions of this Lease or any extension thereof, without the prior written consent of the Port, in its sole discretion and upon such conditions as the Port may require, including those set forth herein, no rights hereunder in or to said Premises shall pass by operation of law or other judicial process, or through insolvency proceedings. Otherwise, the rights and obligations hereof shall extend to and be binding upon their respective successors, representatives and assigns, as the case may be. Lessee

shall furnish the Port with copies of all such proposed assignment, sublease or rental documents. For the purposes of this Lease, any change of ownership including sale, liquidation or other disposition of some or all of the corporate stock or limited liability company units will be considered an assignment. Should the Port consent to an assignment made by Lessee for the purposes of obtaining a loan or other consideration from a third party, then the Port's consent shall be made in accordance with the consent to assignment document used by the Port for these specific assignments. A copy of this consent form shall be provided by the Port upon request of Lessee.

7.9.1 If the Port refuses to consent to an assignment, Lessee's sole remedy shall be the right to bring a declaratory action to determine whether the Port was entitled to refuse such assignment under the terms of this Lease.

7.9.2 No consent by the Port to any assignment or sublease shall be a waiver of the requirement to obtain such consent with respect to any other or later assignment or sublease. Acceptance of Rent or other performance by the Port following an assignment or sublease, whether or not the Port has knowledge of such assignment or sublease, shall not constitute consent to the same nor a waiver of the requirement to obtain consent to the same.

7.9.3 A minimum handling and transfer fee ("Transfer Fee Deposit") of Three Hundred Dollars (\$300.00) shall be payable by Lessee to the Port if Lessee requests the Port's consent to a proposed assignment (including an assignment to a creditor for security purposes), sublease or modification of this Lease. The Port reserves the right to increase the Transfer Fee Deposit up to Five Hundred Dollars (\$500.00) if, in the Port's sole judgment, the transaction will necessitate the expenditure of substantial time and expense on the part of the Port. Such Transfer Fee Deposit shall be submitted to the Port at the same time that Lessee requests the Port's consent to the proposed sublease, assignment or modification. If the Port's reasonable and customary attorneys' fees exceed the Transfer Fee Deposit, then Lessee agrees to reimburse the Port for such additional reasonable and customary attorneys' fees. Lessee's failure to remit this additional amount within sixty (60) days of the mailing of the notice of such charges, shall constitute a default under this Lease. Notwithstanding anything to the contrary herein, Lessee shall not be obligated to reimburse the Port in any case where an assignment, sublease or modification is not accomplished due to total refusal on the part of the Port to grant its consent to the request.

7.9.4 If, pursuant to any assignment or sublease, Lessee receives rent, either initially or over the term of the assignment or sublease, in excess of the Rent called for hereunder, or in the case of a sublease, a portion of the Premises in excess of such Rent fairly allocable to such portion, after appropriate adjustments to assure that all other payments called for hereunder are appropriately taken into account, Lessee shall pay to the Port, as additional rent expenses hereunder, fifty percent (50%) of the excess of each such payment of Rent received by Lessee after its receipt.

7.9.5 If this Lease is assigned, or if the underlying beneficial interest of Lessee is transferred, or if the Premises or any part thereof is sublet to or occupied by anybody other than Lessee, the Port may collect Rent from the assignee, subtenant or occupant and apply the net amount collected to the Rent herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of Lessee from the further performance by Lessee of covenants

on the part of Lessee herein contained. No assignment or subletting shall affect the continuing primary liability of Lessee (which, following assignment, shall be joint and several with the assignee), and Lessee shall not be released from performing any of the terms, covenants and conditions of this Lease.

7.9.6 Notwithstanding any assignment or sublease, or any indulgences, waivers or extensions of time granted by the Port to any assignee or sublessee or failure of the Port to take action against any assignee or sublease, Lessee hereby agrees that the Port may, at its option, and upon not less than three (3) days' notice to Lessee, proceed against Lessee without having taken action against or joined such assignee or sublessee, except that Lessee shall have the benefit of any indulgences, waivers and extensions of time granted to any such assignee or sublessee.

7.9.7 Any Lessee request to amend, sub-lease, or assign this Lease shall be conditioned by an amendment providing that the Base Rental Rate shall be adjusted to the prevailing Fair Market Rent. The Port may negotiate a reasonable schedule of periodic adjustments of the Fair Market Rent over a reasonable period of time, if the amount required to reach the Fair Market Rent in the sole discretion of the Port is substantial.

7.9.8 The Lessee must be in Good Standing as that term is defined herein below as a condition precedent to the Port's agreement to amend, sub-lease, or assign the Lease.

7.9.9 **"Good Standing"** Defined- The Lessee is in "good standing" if it is in full compliance with all obligations in their current Lease or past lease agreements, which includes inter alia timely payment of rent, adherence to specific terms of the Lease (property usage, etc.), adherence to property boundaries, promotion of the Port, adherence to local/state/federal rules and regulations, adherence to Port regulations (notification of tenant improvements, permission, notice, etc.), and exercises good faith in its dealings with the Port.

7.10 **REIMBURSEMENT FOR EXPENSES**: Should Lessee seek to assign this Lease to any creditor as security for a loan or forbearance from such creditor, or attempt to otherwise assign, sublease, or modify this Lease between the Parties during the term of this Lease or any renewal thereof, then Lessee agrees to reimburse the Port for all customary and reasonable attorney fees paid by the Port for the review and opinion of such attorney acting on the request. A failure to reimburse the Port within sixty (60) days of the mailing of notice of such charges shall constitute a default under the terms of this Lease. Notwithstanding anything to the contrary herein, Lessee shall not be obligated to reimburse the Port in any case where an assignment, sublease, or modification is not accomplished due to total refusal on the part of the Port to grant its consent to the request.

7.11 **TERMINATION**: Upon expiration or sooner termination of this Lease or any extension thereof, whether by expiration of the stated term or sooner termination thereof, as herein provided, Lessee shall surrender to the Port the Premises peaceably and quietly. Lessee shall restore the Premises to the condition existing at the time of initiation of this Lease, except for: (i) normal wear and tear, and (ii) any improvements which the Port permits to remain on the Premises.

7.11.1 If the Port, at its sole discretion, shall require the use of the Premises for a public use in connection with the business of the Port not involving the lease thereof to another private

lessee or in the event that the Port, at its sole discretion, shall require the use of the Premises for a major capital improvement for public or private use in connection with the operation of the business of the Port, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to Lessee not less than ninety (90) days before the termination date specified in the notice, unless the need for such use constitutes an emergency, in which case this Lease shall terminate as soon as is practicable.

7.11.2 If the United States Government, the State of Washington, or any agency or instrumentality of said government shall take title, possession, the rights of the Premises or any part thereof, the Port shall have the option to terminate this Lease, and if the taking has substantially impaired the utility of the Premises to Lessee, Lessee shall have the option to terminate this Lease. Both options shall be exercisable as of the date of said taking. If Lessee is not in default under any of the provisions of this Lease on the date of such taking, any rental prepaid by Lessee shall be promptly refunded to Lessee to the extent allocable to any period subsequent to said date, and all further obligations of the Parties shall terminate except liabilities, which shall be accrued prior to such date. To the extent Lessee owns certain improvements upon the Premises and is not otherwise directly compensated therefore by the taking entity, Lessee shall receive a fair allocation of any award received by the Port due to termination for government use. Nothing herein contained shall preclude Lessee from independently pursuing a direct claim for compensation from the taking entity for the value of its improvements to the Premises or its leasehold interest therein.

7.11.3 If any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its obligations under this Lease, then either party hereto may terminate this Lease by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that occurred prior to the effective date of termination) shall thereupon terminate. If Lessee is not in default under any of the provisions of this Lease on the effective date of such termination, any rent prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

7.12 **DEFAULT, CROSS DEFAULT, AND REMEDIES:** Failure to pay Rent or any other monetary obligations by the first day of each month shall constitute a default under the terms of this Lease. If Lessee is in default in the payment of Rent or other monetary obligations then, at the Port's sole option, upon three (3) days' written notice, this Lease may be terminated and the Port may enter upon and take possession of the Premises. Without limiting the generality of the foregoing, Lessee expressly authorizes the Port to obtain a prejudgment writ of restitution in the event of default by Lessee. This remedy is in addition to and is not exclusive of any other remedies provided either by this Lease or by law.

7.12.1 If Lessee shall fail to perform any term or condition of this Lease, other than the payment of Rent or other monetary obligations, then upon providing Lessee thirty (30) days' written notice of such default, and if Lessee fails to cure such default within the thirty (30) day notice thereof, the Port may terminate this Lease and enter upon and take possession of the Premises. This remedy is in addition to and is not exclusive of any other remedies provided either by this Lease or by law.

7.12.2 If within any one (1) year period, the Port serves upon Lessee three notices requiring Lessee either to: (i) comply with the terms of this Lease or to vacate the Premises or (ii) pay Rent or vacate (collectively referred to herein as “Default Notices”), then Lessee shall, upon a subsequent violation of any term of this Lease by Lessee (including failure to pay Rent), be deemed to be in unlawful detainer, and the Port may, in addition to any other remedies it may have, immediately terminate the Lease and/or commence an unlawful detainer action without further notice to Lessee.

7.12.3 The following shall also constitute a default under the terms of this Lease: (i) A default by Lessee under any other agreement or lease with the Port; (ii) insolvency of Lessee; (iii) an assignment by Lessee for the benefit of creditors; (iv) the filing by Lessee of a voluntary petition in bankruptcy; (v) an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; (vi) the filing of an involuntary petition of bankruptcy and failure of Lessee to secure a dismissal of the petition within thirty (30) days after filing; and (vii) attachment of or the levying of execution on the leasehold interest and failure of Lessee to secure a discharge of the attachment or release of the levy of execution within ten (10) days.

7.12.4 A default under this Lease shall constitute a default under any other lease or agreement which Lessee has with the Port (hereinafter such other agreements shall be referred to as “Collateral Agreements”). Likewise, any material breach or default under any Collateral Agreements shall be deemed a material breach or default under the terms of this Lease. If any Collateral Agreements are terminated for a material breach or default of Lessee, then the Port shall, without limiting any other remedies it may have, be entitled to terminate this Lease upon five (5) days’ written notice to Lessee.

7.12.5 In addition to the foregoing remedies specified in this article, the Port may exercise any remedies or rights under the laws of the State of Washington. Under no circumstances shall the Port be held liable in damages or otherwise by reason of any lawful re-entry or eviction. The Port shall not, by any re-entry or other act, be deemed to have accepted any surrender by Lessee of the Premises or be deemed to have otherwise terminated this Lease or to have relieved Lessee of any obligation hereunder.

7.12.6 The Port shall be under no obligation to observe or perform any covenant of this Lease after the date of any material default by Lessee unless and until Lessee cures such default.

7.12.7 A fee of Five Hundred Dollars (\$500.00) shall be assessed to Lessee for each Default Notice issued to Lessee to defray the costs associated with preparing, issuing, and serving such notice. This fee shall be payable on the first (1st) day of the month following the issuance of the notice.

7.13 **NON-WAIVER**: Neither the acceptance of Rent nor any other act or omission of the Port after a default by Lessee shall operate as a waiver of any past or future default by Lessee, or to deprive the Port of its right to terminate this Lease, or be construed to prevent the Port from promptly exercising any other right or remedy it has under this Lease. Any waiver by the Port shall be in writing and signed by the Port in order to be binding on the Port.

7.14 **NOTICES**: Any notice, demand, request, consent, approval or communication that either Party desires or is required to give to the other Party shall be in writing addressed to the other Party at the addresses as follows:

TO THE PORT

Port of Port Angeles  
P.O. Box 1350  
Port Angeles, WA 98362

TO LESSEE:

Composite Recycling Technology Center  
2220 West 18<sup>th</sup> Street  
Port Angeles, WA 98363

or such address as may have been specified by notifying the other Party of the change of address. Notice shall be deemed served on the date of actual delivery or the first attempted delivery as shown on the return receipt if mailed with the United States Postal Service by certified mail, return receipt requested.

7.15 **AGENT FOR SERVICE**: Lessee agrees that if Lessee is in unlawful detainer, pursuant to Chapter 59.12 RCW, and the Port is unable to serve Lessee with the unlawful detainer pleadings after one service attempt, then the Port shall be deemed to have complied with the service requirements of Chapter 59.12 RCW if it mails such pleadings via certified mail to the address set forth in the notice section of this Lease and posts such pleadings in a conspicuous location on the Premises. Service shall be deemed complete on the next third day following the day of mailing.

7.16 **SECURITY**: Lessee specifically acknowledges that the Port has no duty to provide security for any portion of the Premises or surrounding areas. Lessee assumes sole responsibility and liability for the security of itself, its employees, customers, and invitees, and their respective property in or about the Premises. Lessee agrees that to the extent the Port elects to provide any security, the Port is not warranting the effectiveness of any such security personnel, services, procedures or equipment and that Lessee is not relying and shall not hereafter rely on such security personnel, services, procedures or equipment. The Port shall not be responsible or liable in any manner for failure of any such security personnel, services, procedures or equipment to prevent or control, or apprehend anyone suspected of personal injury or property damage in, on or around the Premises.

7.17 **QUIET ENJOYMENT**: The Port acknowledges that it has ownership of the Premises and that it has the legal authority to lease the Premises to Lessee. The Port covenants that Lessee shall have quiet enjoyment of the Premises during the term of this Lease so long as the terms are complied with by Lessee and subject to the Port's right of entry onto the Premises as set forth herein.

7.17.1 The Port reserves the right to grant easements and other land uses on the Premises to others when the easement or other land uses applied for will not unduly interfere with the use to which Lessee is putting the Premises or interfere unduly with the approved plan of development

for the Premises. No easement or other land uses shall be granted to third parties, until damages to the Lessee have been dealt with appropriately, or waiver signed by Lessee.

7.17.2 Lessee understands that various federal agencies, including the Department of Homeland Security and U.S. Coast Guard, have the authority to restrict access to certain areas on property owned by the Port in order to counter a terrorist or other threat. Such restrictions could impact Lessee's ability to access the Premises for an indefinite period of time. Since such restrictions on access are outside the control of the Port, Lessee agrees that such interruptions shall not be deemed a violation of this Lease or the Covenant of Quiet Enjoyment.

7.18 **PORT MAY ENTER PREMISES; INSPECTION:** The Port reserves the right to inspect the Premises after written notice (except where the Port reasonably believes there exists or is about to exist an emergency, in which case no notice is required) at any and all reasonable times throughout the term of this Lease, provided that it shall not unduly interfere with Lessee's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the Premises and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the Premises for a reasonable period of time prior to the expiration or sooner termination of the Lease.

7.19 **TIME:** It is mutually agreed and understood that time is of the essence of this Lease and that a waiver of any default of Lessee shall not be construed as a waiver of any other default.

7.20 **INTERPRETATION:** This Lease has been submitted to the scrutiny of the Parties hereto and their counsel, if desired. In any dispute between the Parties, the language of this Lease shall, in all cases, be construed as a whole according to its fair meaning and not for or against either the Port or Lessee. If any provision is found to be ambiguous, the language shall not be construed against either the Port or Lessee solely on the basis of which Party drafted the provision. If any word, clause, sentence, or combination thereof for any reason is declared by a court of law or equity to be invalid or unenforceable against one Party or the other, then such finding shall in no way affect the remaining provisions of this Lease.

7.21 **HOLDING OVER:** If Lessee remains in possession of said Premises after the date of expiration of this Lease without the Port's prior written consent, such holding over shall constitute and be construed as tenancy at sufferance only, at a monthly rent equal to one hundred fifty percent (150%) of the rent owed during the immediately preceding month under this Lease and otherwise upon the terms and conditions in this Lease and shall continue to be responsible for payment of applicable CAM Expenses and leasehold excise tax obligations. If Lessee holds over with the Port's prior written consent, then until such time as a new written Lease is executed by the Parties hereto, Lessee shall continue to make payments to the Port on a month-to-month basis as provided for in this Lease. Such holdover tenancy may be terminated by either Party at the end of any such monthly period by sending written notice not less than five (5) days before the end of such period. Such holdover tenancy shall be subject to all terms and conditions contained herein.

7.22 **PROMOTION OF PORT COMMERCE:** Lessee agrees that throughout the term of this Lease it will, insofar as practicable, promote the activities of the Port.

7.23 **SURVIVAL**: All obligations of Lessee, as provided for in the Lease, shall not cease upon the termination of this Lease and shall continue as obligations until fully performed. All clauses of this Lease, which require performance beyond the termination date, shall survive the termination date of this Lease.

7.24 **GOVERNING LAW**: This Lease, and the right of the Parties hereto, shall be governed by and construed in accordance with the laws of the State of Washington, and the Parties agree that in any such action jurisdiction and venue shall lie exclusively in Clallam County, Washington.

7.25 **ESTOPPEL CERTIFICATES**: At Lessee's request, the Port agrees to execute and deliver to Lessee or its lender(s), a customary estoppel certificate in a form acceptable to the Port which sets forth the following information: (i) the terms and conditions of this Lease, (ii) the status of the Rent payments under the Lease; and (iii) the Port's knowledge of any breaches or anticipated breaches of the Lease. The Port shall have no obligation to execute an estoppel certificate which requests any information other than as set forth above. Lessee agrees to reimburse the Port for all attorneys' fees paid by the Port for the review and opinion of such attorney acting on the request for such estoppel certificate and in negotiating acceptable language in the estoppel certificate. A failure to reimburse the Port within sixty (60) days of the mailing of notice of such charges shall constitute a default under the terms of this Lease.

7.26 **ATTORNMEN**: In the event the Premises are sold, Lessee shall attorn to the purchaser upon the sale provided that the purchaser expressly agrees in writing that, so long as Lessee is not in default under the Lease, Lessee's possession and occupancy of the Premises will not be disturbed and that such purchaser will perform all obligations of the Port under the Lease.

7.27 **ENTIRE AGREEMENT**: This Lease contains all of the understandings between the Parties. Each Party represents that no promises, representations or commitments have been made by the other as a basis for this Lease which have not been reduced to writing herein. No oral promises or representations shall be binding upon either Party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Lease executed with all necessary legal formalities by the Commission of the Port of Port Angeles, or its designee.

7.28 **COMMISSIONS AND FEES**: In the absence of any agreement between the Parties to the contrary, each Party represents and warrants to the other that it has not been represented by, or introduced to the other by, any broker or agent. In the absence of any agreement between the Parties to the contrary, each Party hereby agrees to indemnify and hold the other harmless from and against any and all fees, commissions, costs, expenses (including attorneys' fees) obligations and causes of actions arising against or incurred by the other Party by reason of any claim for a real estate commission or a fee or finder's fee by reason of any contract, agreement or arrangement with, or services rendered at the request of, the indemnifying Party.

7.29 **VALIDATION**: IN WITNESS WHEREOF, the Port has caused this instrument to be signed by its Executive Director, or other designee, by authority of the Commission of the Port of Port Angeles, and this instrument has been signed and executed by Lessee, on the day and written below.



**LESSOR:**

PORT OF PORT ANGELES

\_\_\_\_\_  
Paul S. Jarkiewicz  
Its: Executive Director

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

**LESSEE:**

COMPOSITE RECYCLING TECHNOLOGY CENTER

\_\_\_\_\_  
David Walter  
Its: Chief Executive Officer

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

STATE OF WASHINGTON                    )  
                                                      ) ss.  
County of Clallam                        )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_, to me known to be the CHIEF EXECUTIVE OFFICER of COMPOSITE RECYCLING TECHNOLOGY CENTER, the entity that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said entity for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

\_\_\_\_\_  
NOTARY PUBLIC in and for the  
State of Washington, residing  
at \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

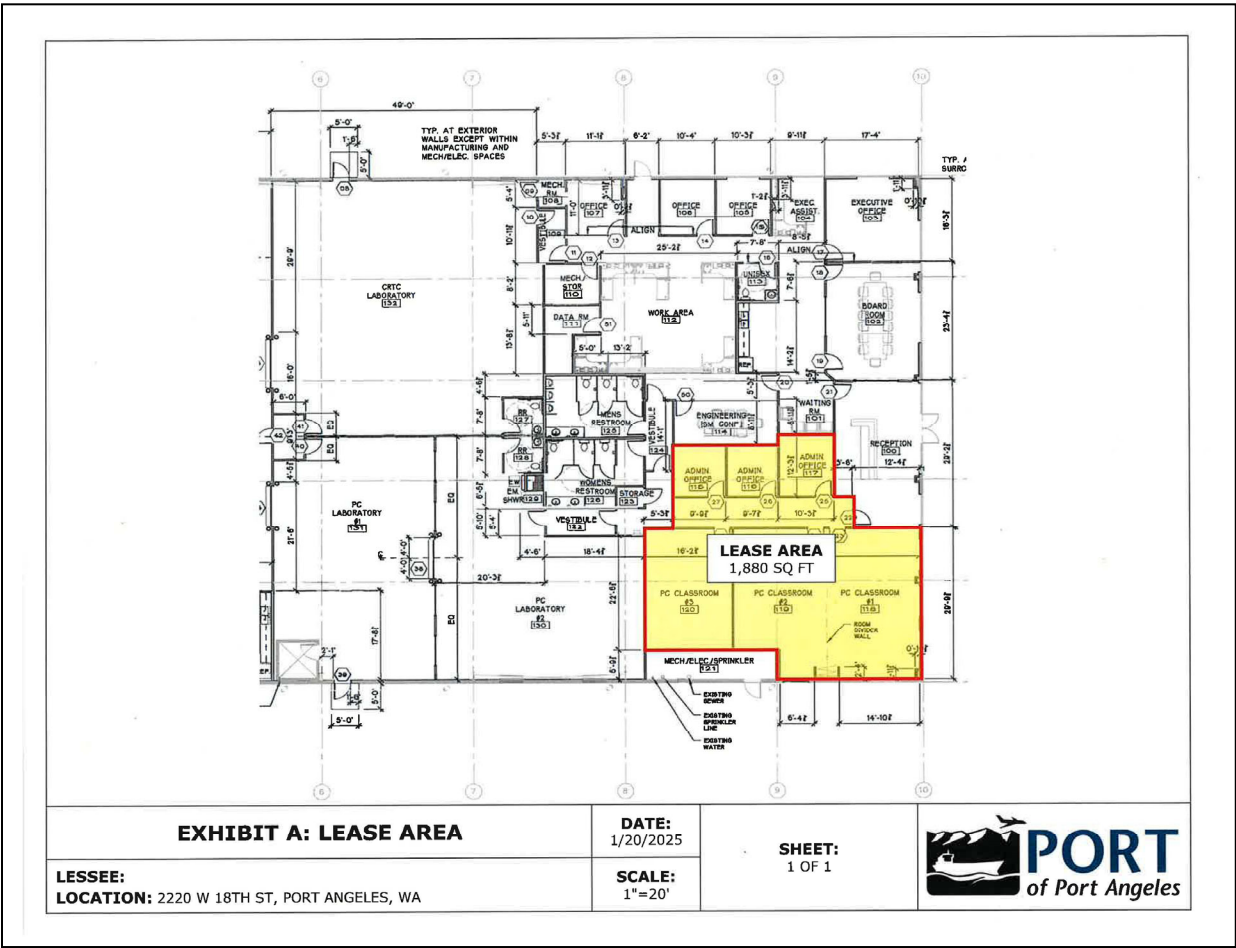
STATE OF WASHINGTON                    )  
                                                          ) ss.  
County of Clallam                            )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared PAUL JARKIEWICZ, to me known to be the EXECUTIVE DIRECTOR of the PORT OF PORT ANGELES, the entity that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said entity for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

\_\_\_\_\_  
NOTARY PUBLIC in and for the  
State of Washington, residing  
at \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

EXHIBIT A – Leased Premises



Initials: \_\_\_\_\_

Lessee \_\_\_\_\_

Port \_\_\_\_\_

## EXHIBIT B -Repair and Maintenance Inclusion List

Premises improvements to be repaired and maintained by the Port of Port Angeles as follows:

ACCESS ROADS & PARKING  
CATCH BASINS, GRATES, FRAME  
DRINKING FOUNTAINS  
DOORS, EXTERIOR  
DOOR HARDWARE, EXTERIOR  
DRAINAGE PIPE  
ENTRANCES & STOREFRONTS  
ELECTRICAL SERVICE & DISTRIBUTION  
FIRE EXTINGUISHERS & CABINETS  
FOUNDATION DRAINAGE  
GLAZING  
GUTTERS & DOWNSPOUTS  
HYDRANTS  
HANDRAILS AND RAILINGS  
HVAC  
INSULATION  
MANHOLES & CLEANOUTS  
PAINTING, EXTERIOR  
PAVING & SURFACING  
PAVEMENT MARKING & PARKING LINES  
PLUMBING (OUTSIDE OF TENANT LEASED SPACE)  
RESTROOM CLEANING, COMMON AREAS  
ROOFING SYSTEMS (DECKING)  
SANITARY SEWAGE SYSTEMS (EXTERIOR MAINS)  
SEALANTS & CAULKING/EXTERIOR  
SIDING  
SIDEWALKS/CURBS  
SNOW REMOVAL  
STORM SYSTEMS  
SWEEPING AND LEAF BLOWING  
THERMAL & MOISTURE PROTECTION  
WATER DISTRIBUTION (EXTERIOR MAINS)  
WEATHERSTRIPPING & SEALS  
WINDOWS, EXTERIOR

Lessee shall be responsible for repair and maintenance of all Premises improvements  
not identified on this Exhibit B.

Initials: \_\_\_\_\_  
Port of Port Angeles

Initials: \_\_\_\_\_  
Lessee



**WEST BOAT HAVEN  
MASTER PLANNING  
FOR  
THE PORT OF PORT  
ANGELES**

# Commissioner Briefing #1

October 14, 2025



# Today's Focus

## AGENDA

- Project and progress overview
- Key findings to date and Port considerations
- Draft marina concepts and feedback
- Next steps

## FEEDBACK GOALS

- Review initial findings from interviews and market assessment
- Get feedback on draft West Boat Haven concepts and confirm preferred direction

# Project Overview

## GOALS

- Improve understanding of key sectors and economic drivers
- Recommend cost-effective investments to address aging marina and meet future needs
- Build support for through a transparent and collaborative process
- Create a user-friendly master plan

## PROGRESS

- Conducted 18 Boat Haven partner interviews
- Assessed market for boating and moorage in Port Angeles area compared to region
- Developed draft layouts
- Gathered feedback and reviewed progress with Advisory Committee





# Key Findings and Analysis



# West Boat Haven

- 76% of the market served by the Boat Haven originates from Clallam County
- There are 436 slip equivalents\* in the Boat Haven (270 slip equivalents in the West Basin) with an average slip length of 33.4 feet
- 25 boats are commercial
- Demand is high for 25' and 36'-40' slips, 20' slips have little demand

WEST BASIN OCCUPANCY			
Slip Size	# of Slips	Avg Occupancy	Avg Wait List**
20'	70	33%	0.2
25'	24	76%	0.4
30-36'	88	86%	4.6
40-46'	23	98%	6.5
50'	60	96%	2.9
60' +	3	83%	2.1

\*Slip equivalents include slips, side- and end-ties, and boathouses

\*\* Average Wait List refers to the average number of slips per year and excludes data on wait times for individual applicants

Source: Petrocard, Port of Port Angeles

# Regional Moorage

- Most marinas are over 40 years old, many reaching the end of their useful life
- The expense to rebuild or build new marinas could be prohibitive
- Most marinas do not have the ability to fund marina redevelopment
- The supply of wet moorage is likely to decline



Former Lakebay Marina, redevelopment in planning

# Boathouse

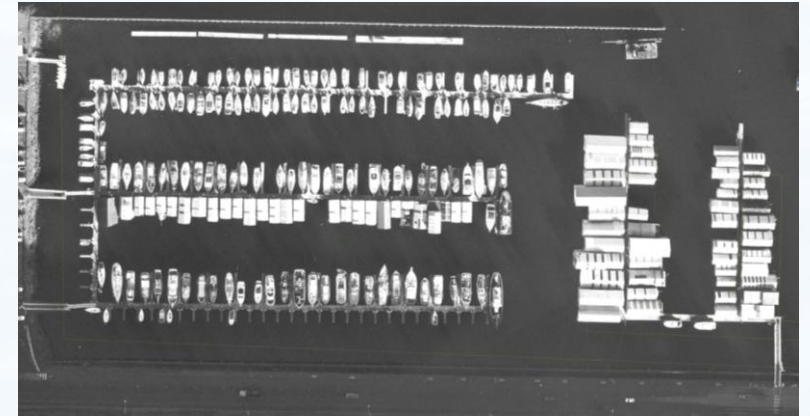
## Boathouse demand is high, but difficult to accommodate

- Issues include poor condition and flotation problems
- Unable to accommodate side-tie moorage demand due to boathouse use

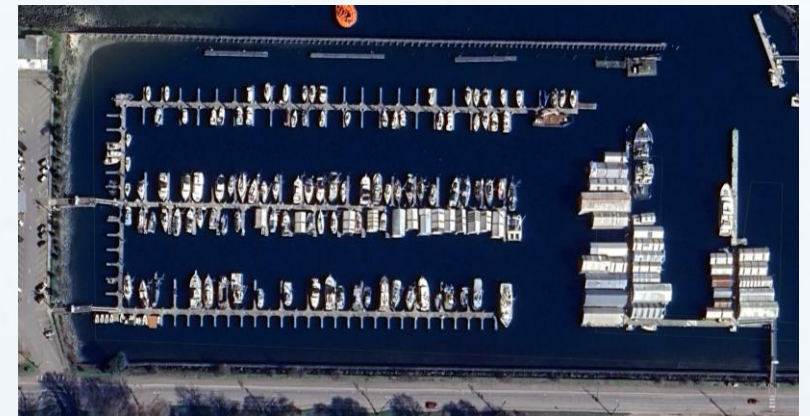
## Other concerns

- Live-aboards using boathouses may not be using pumpouts
- Aging boathouses may impact water quality, especially from failing Styrofoam

Source: Petrocard, Port of Port Angeles; interviews



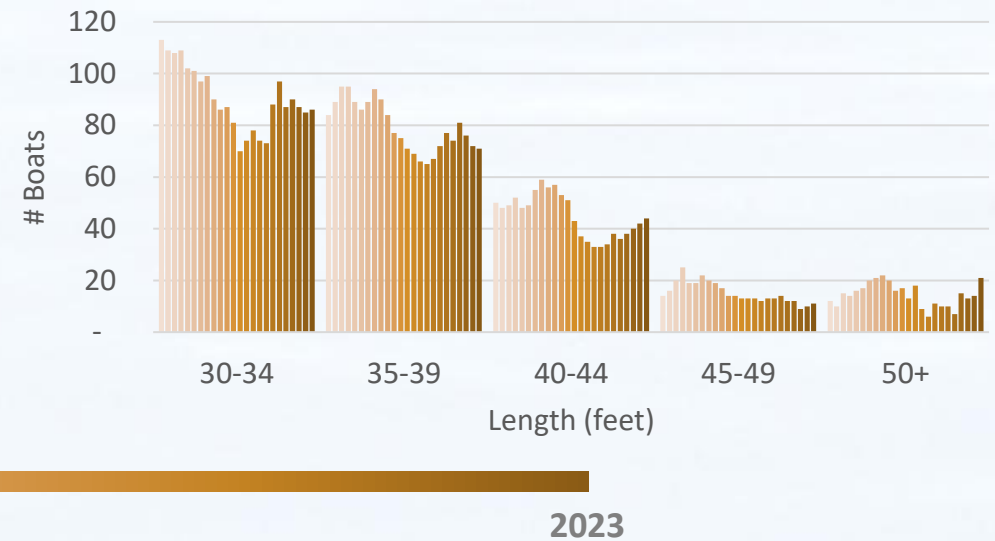
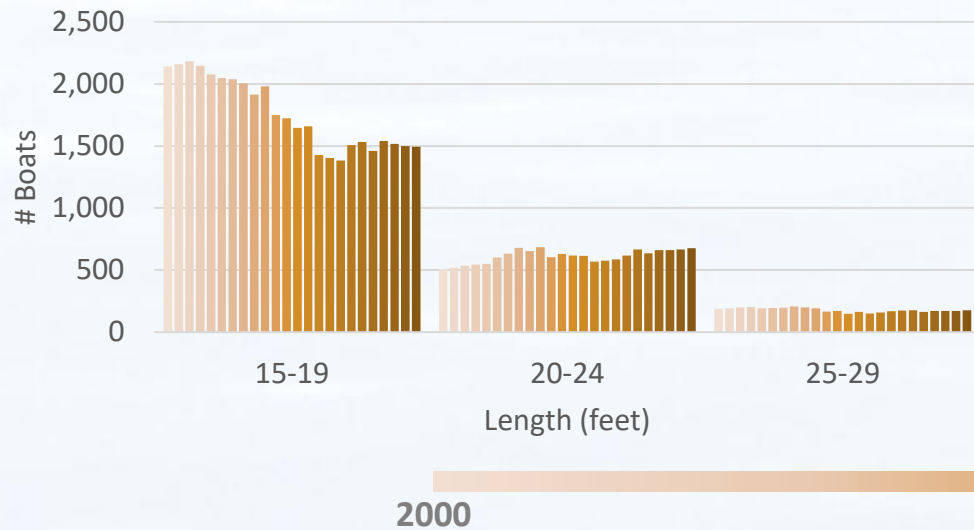
2000 – 75 boathouses



2025 – 41 boathouses



# Recreational Boating\*

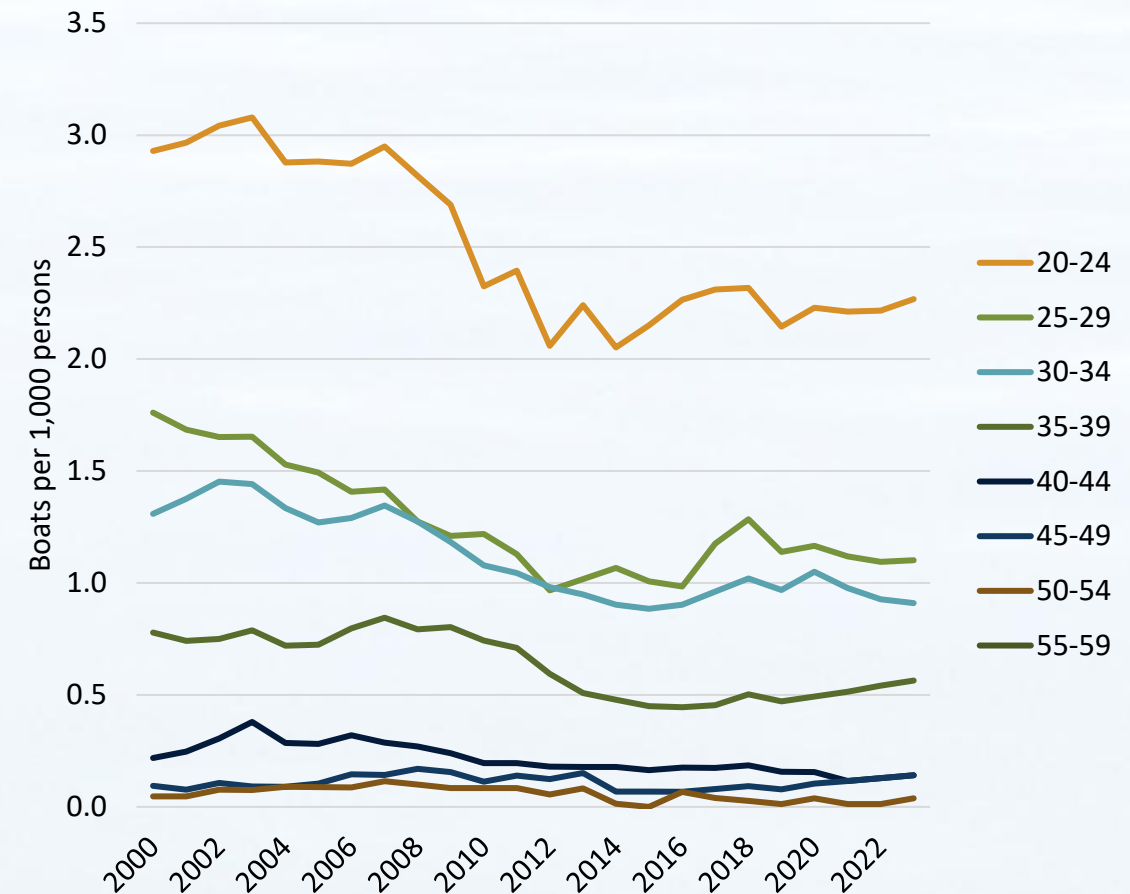


- The 2008 recession impacted the size of recreational fleet in Clallam County and the state
- Growth in this period focuses on boats between 20-24 feet and over 50 feet, many others experienced minimal growth after 2016

\* Trends for Clallam County in boats over 15 feet in length

# Recreational Market

- Clallam County boaters are already well-served by existing facilities
- Boat ownership has been slower to grow than the county's population
- Future boat ownership is expected to remain near current levels
- We expect that Port Angeles will attract few recreational boats from other areas



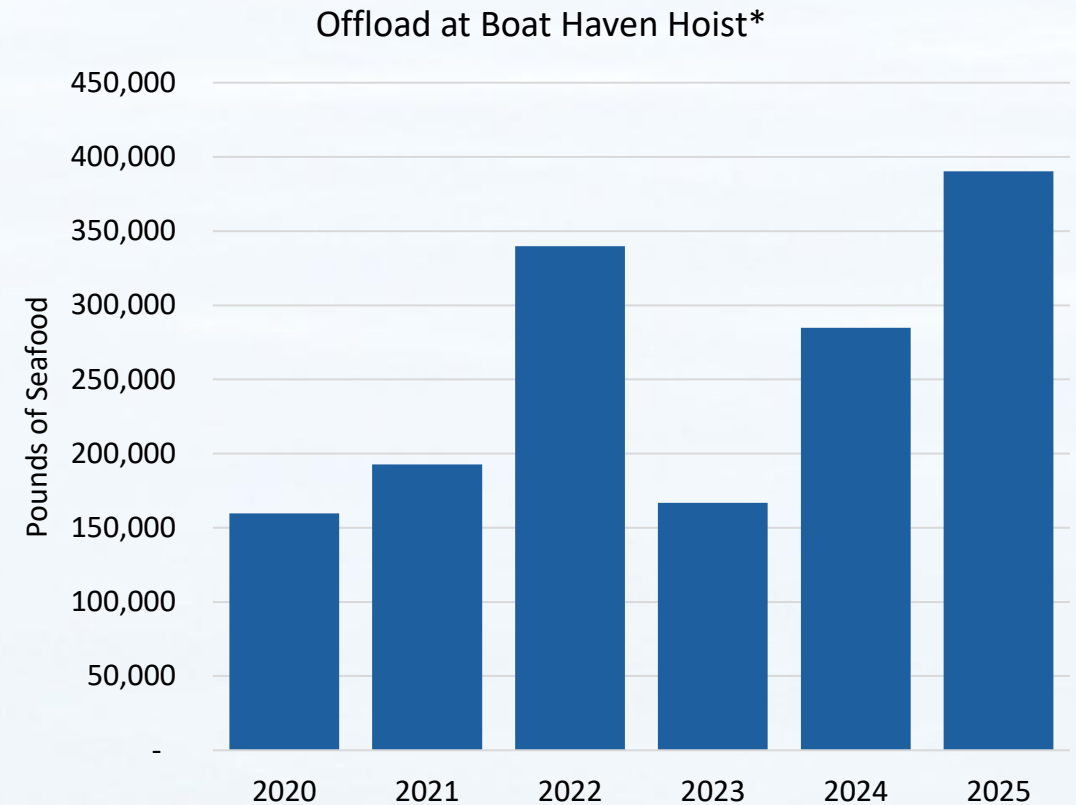
# Fishing

## Recreational fishing saw growth between 2019-2023

- Fishing boats using the Ediz Hook and West Ramp launches increased from ~3,600 to ~5,500
- Anglers also increased from ~7,400 to ~11,600

## Commercial fishing also saw growth between 2019-2023

- 400,000 pounds have already been hoisted at the Boat Haven in 2025, up by 62% since 2020
- There are opportunities to retain and grow commercial activity in the Boat Haven
- Other commercial uses are expected to remain stable or increase slightly

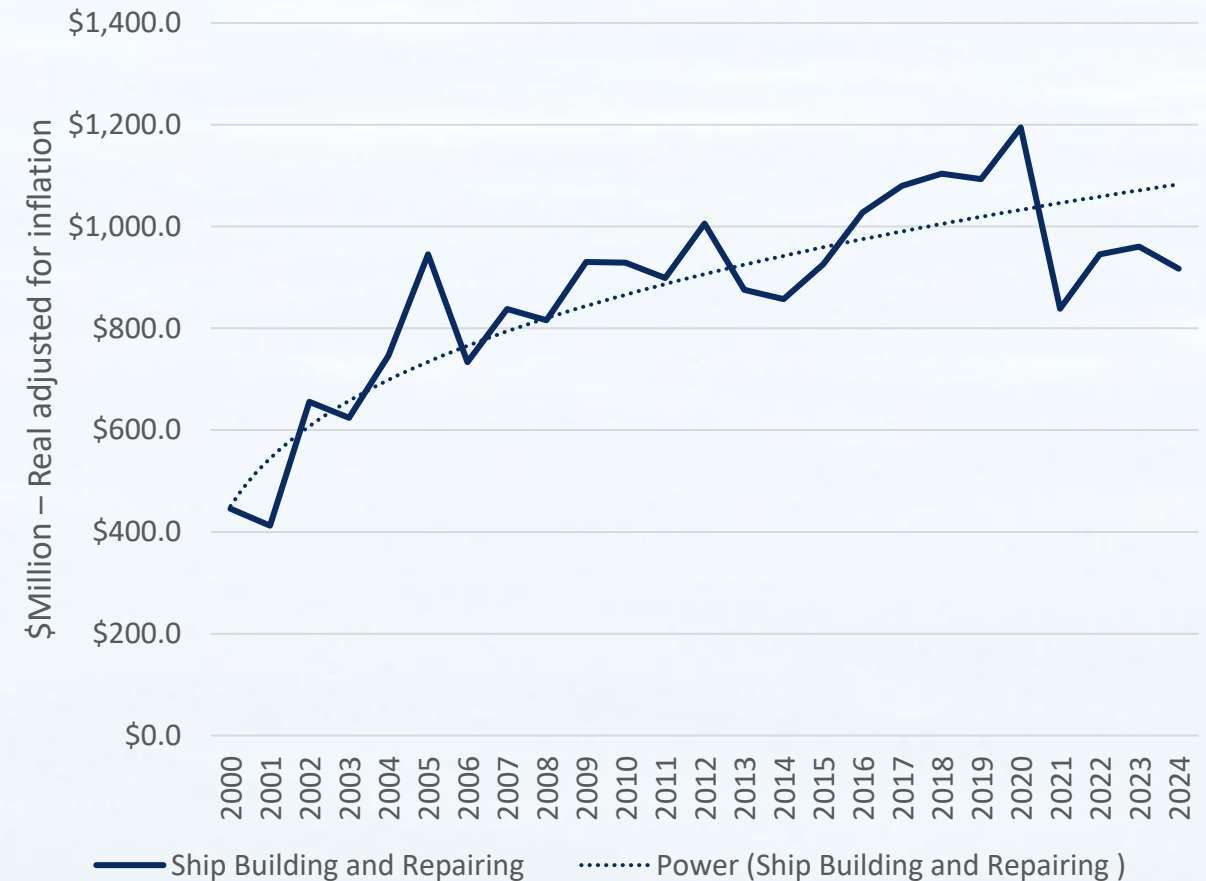


Source: Petrocard, Port of Port Angeles

\*Offloaded pounds from commercial fishing

# Ship Building and Repair

- Washington's ship building and repair industry has grown significantly since 1994 to \$916.9 M in 2024 (CAGR of 2.8%)
- Port Angeles has a dynamic vessel repair and construction industry that is poised for growth, targeting the all sectors
- The loss of yards in the greater Seattle area means more opportunity in Port Angeles, requiring additional pre- and post-servicing moorage



Source: Washington State Dept of Revenue



# Ship Building and Repair

- Plans to construct 70-80+ foot boats are underway
- A boathouse and long slips are required for ship repair and sea trials
- The condition of the breakwater and entrance size may be a barrier to expansion
- Tenants are concerned that redevelopment may impact rates
- Additional amenities would be needed
  - Office/crew support space and parking
  - Weather station at the Boat Harbor
  - Restaurant and bikes/golf carts for downtown access

Source: Interviews



# Boating Programs and Clubs

## Junior Sailing (Community Boating Program)

- Important community program that is growing but close to capacity, hoping to grow their fleet from 24 boats to 40
- Need a dedicated area for youth docks is best, such as the Shilshole Bay facilities

## Port Angeles Yacht Club (PAYC)

- 180-member yacht club has ~30-40 slips in the Boat Haven, half are sailboats
- Need a dedicated slip for reciprocal moorage with other yacht clubs and winter dinghy dock storage

## Sea Scouts

- Program that has served ~80 boaters over the past eight years
- Boat Haven location is critical, parents appreciate visibility from road or parking lot
- Program helps bridge the gap from community to marine trades, providing an alternative to college

Source: Interviews

# Waterfront development

- Businesses supporting tourism have been interested in Port Angeles and the Boat Haven (Island Adventure, whale watching, sunset cruises, dinner charters)
- The Port could build on the Waterfront District's Main Street designation application by
  - Adding picnic tables, banners, murals to industrial buildings as well as making other improvements
  - Providing retail opportunities (coffee shop, food trucks, container shops)
  - Hosting pop-up events



Port Angeles Waterfront District (Source: [brewbooks](https://www.brewbooks.com/), CC BY-SA 2.0)

Source: Interviews

# Other Takeaways

- Wind is an issue, forcing bigger distances between side-tie mooring; downwind slips are preferred
- Overhang on west side impacts maneuverability
- Desired amenities include
  - Improved uplands and waterfront trail
  - Retail that provides food and supplies
  - Washdown system and cold storage facilities
  - Soft launch area for human-powered vessels

Source: Interviews





# Port Considerations

# Marina

## BOATHOUSES

- Require inspection to document physical condition and have stricter enforcement
- Change rate structure to \$/sq ft
- Reduce overwater coverage to avoid mitigation requirements

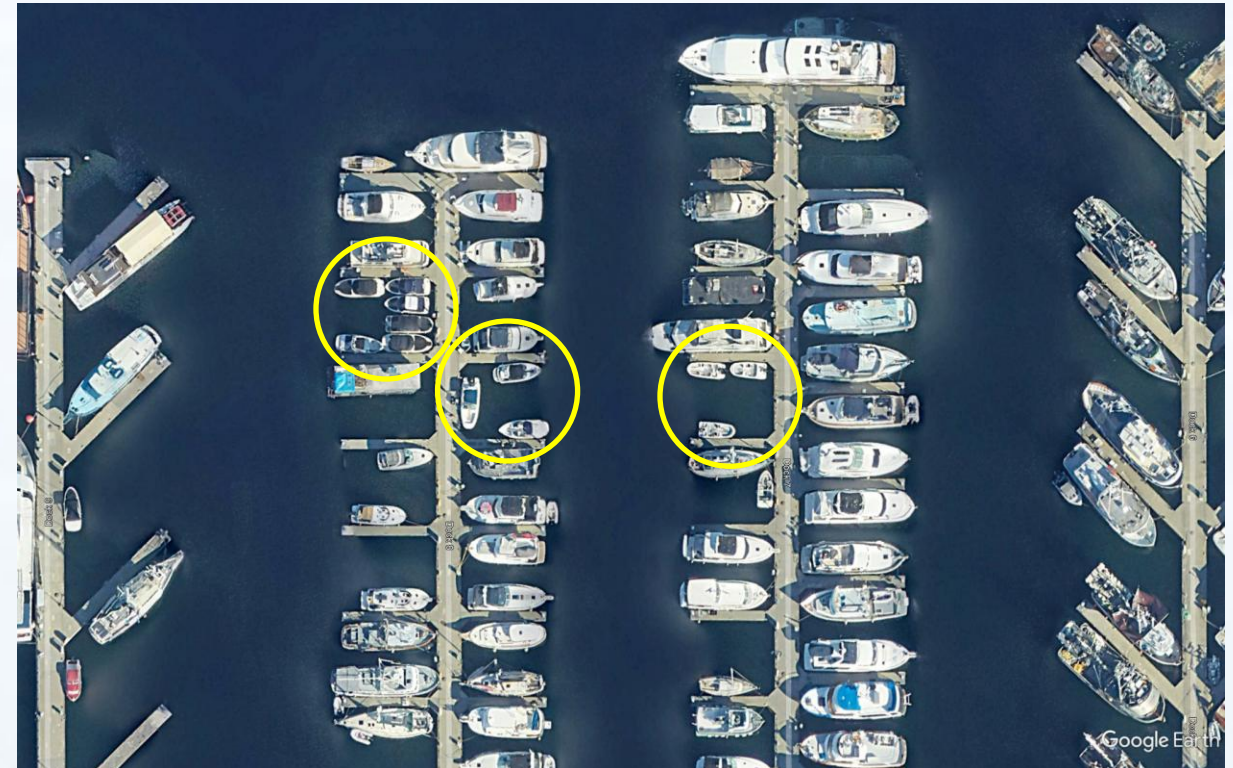
## GENERAL CONSIDERATIONS

- Find ways to attract winter moorage, especially from coastal communities
- Add amenities that can support the community as well as new and existing tenants
- Move the western dock
- Rotate slips east-west to manage wind
- Provide longer slips greater than 45 feet
- Develop upland areas, especially adjacent to the Port Angeles Yacht Club



# Moorage

- Replace smaller less-used slips with larger ones that can meet demand and moor multiple smaller vessels
- Increase the supply of moorage
  - Focus on the removal of unseaworthy boats and boathouses
  - Hot-berth smaller boats in larger slips when vacant
- Require funding to cover the cost of alternative layouts



Multiple smaller boats can be moored in larger vacant slips, known as hot berthing, as seen at Fishermen's Terminal in Seattle

# Tenants and Community

## **SHIP BUILDING AND REPAIR**

- Maximize use of the center docks (J-M)
- Provide a boathouse and additional space to accommodate operations
- Provide additional amenities to attract new business

## **BOATING PROGRAMS AND CLUBS**

- Dedicate space for youth docks and a slip for reciprocal club use and provide winter storage
- Provide amenities such as a floating restroom and updated restroom/laundry

## **COMMUNITY CONNECTION**

- Partner with businesses to improve the Boat Haven (infrastructure and uplands) and attract tourists
- Add amenities to attract visitors and build on the Waterfront District's success

Source: Interviews





# Draft Concepts



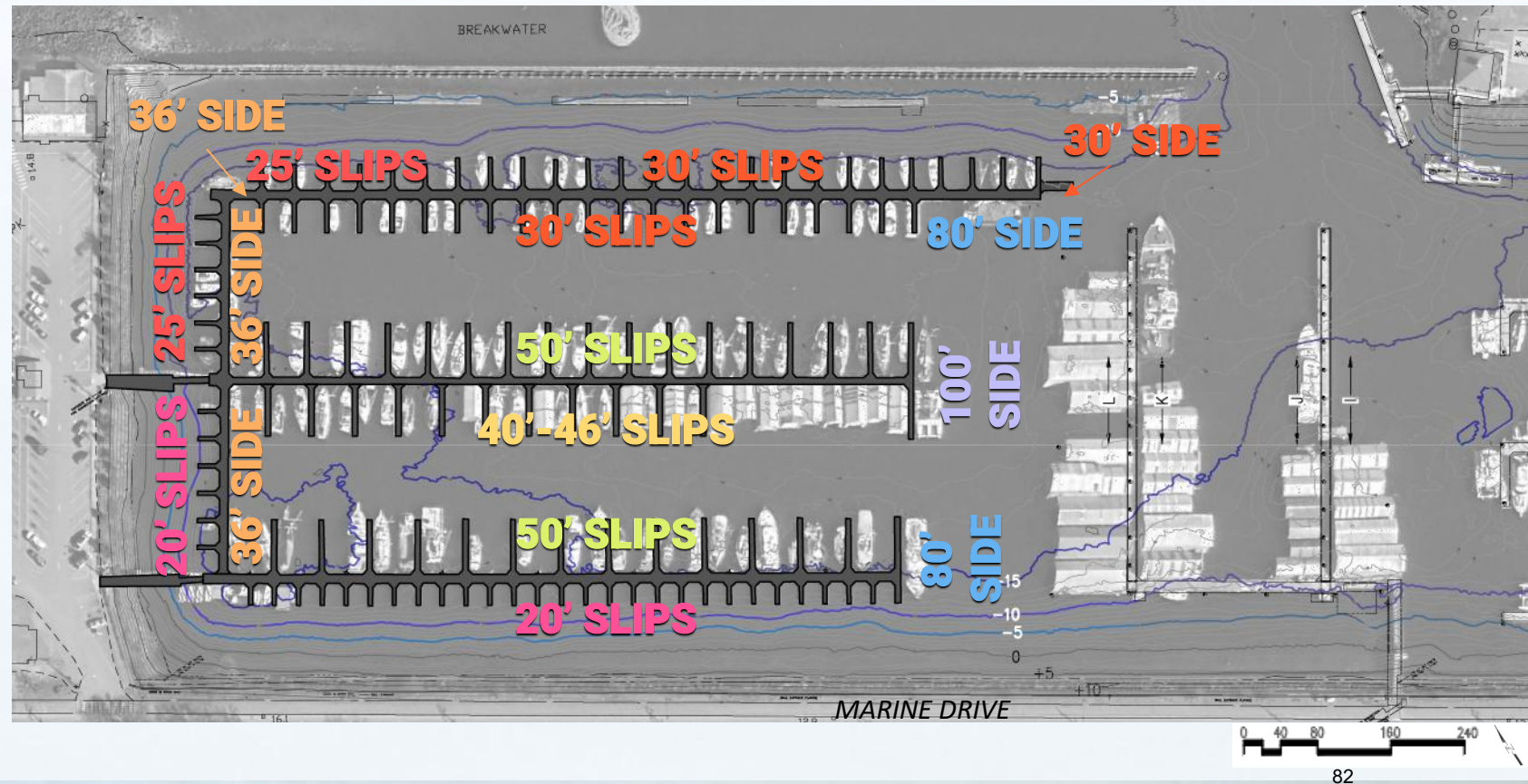
# Key Issues to Solve

- Replace aging docks
- Reconfigure slips to accommodate wind
- Provide adequate slip sizes to meet demand
- Address aging boathouses and overwater coverage
- Make improvements to support new business and community use
- Connect with and build on the Waterfront District

# Existing Layout

- Layout does not meet industry recommendations
- Fingers spaced closer than recommended in areas
- Fairway distances closer than recommended for larger boats
- Water depths may not be deep enough in areas for sail boats

WEST FLOATS														
CURRENT		20'	25'	30'	35'	40'	46'	50'	60'	74'	80'	100'	BH	Tot
	Count	70	24	81	7	-	23	60	-	-	2	1	7	275
	Occupancy	33%	76%	86%		98%		96%	83%				-	-
	Recommended	25	41	75	19	17	22	58	-	-	2	1	-	260





# Option A

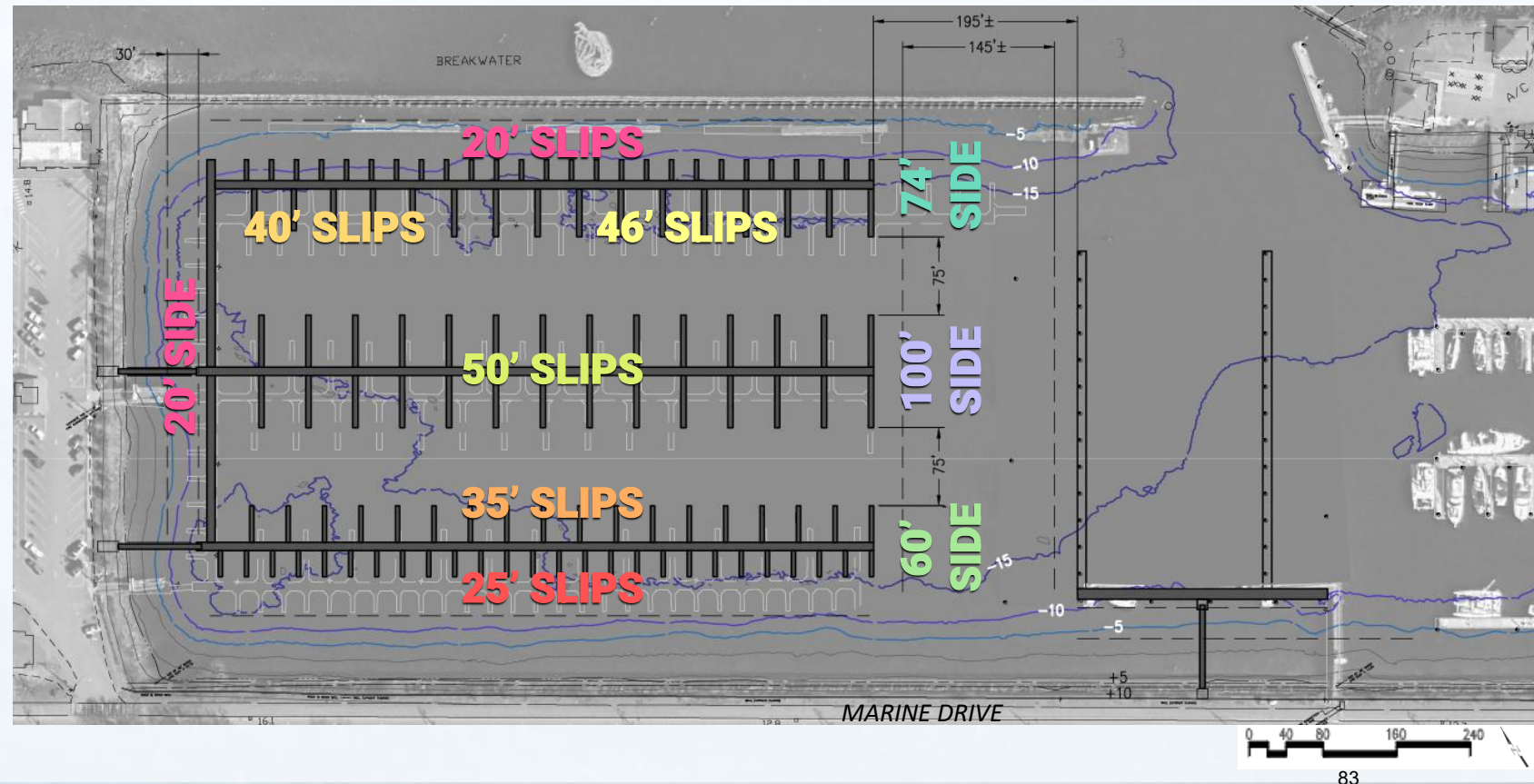
## Overview

- Similar layout to existing
- N/S Configuration
- Layout meets industry recommendations
- Provides flexibility for optional boathouse planning

## Advisory Committee Feedback

- Provides too many 20' and not enough 30-40-ft slips
- N/S configuration not preferred with winds

		WEST FLOATS												
CURRENT		20'	25'	30'	35'	40'	46'	50'	60'	74'	80'	100'	BH	Tot
	Count	70	24	81	7	-	23	60	-	-	2	1	7	275
	Occupancy	33%	76%	86%		98%		96%	83%				-	-
	<i>Recommended</i>	25	41	75	19	17	22	58	-	-	2	1	-	260
	<b>OPTION A</b>	66	51	-	36	11	22	56	1	1	-	1	-	245

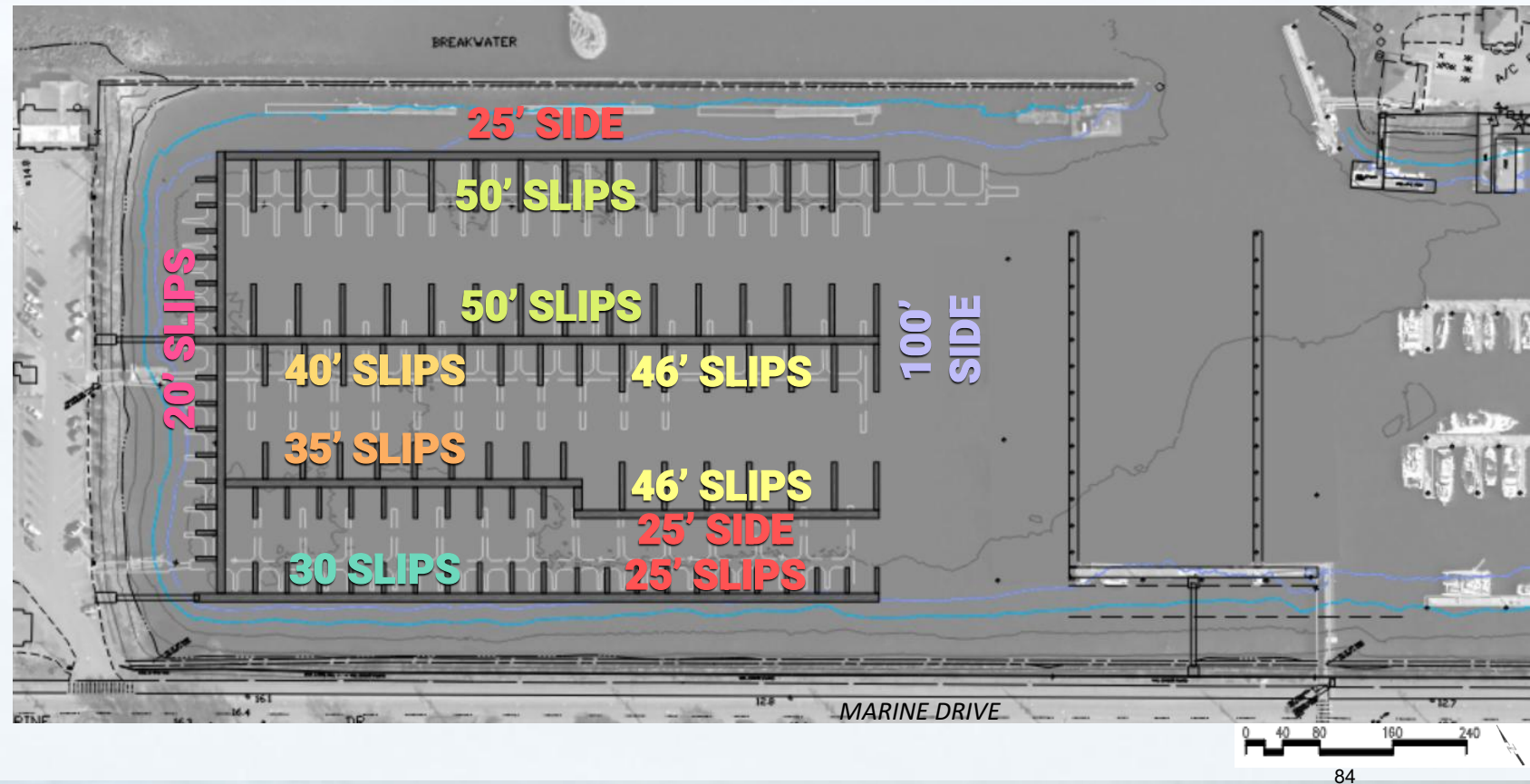


# Option A.1

## Overview

- Updated layout per Advisory Committee Comments
- Provides recommended number of slips in the 20', 25', 35', 40', 46', 50' and 100' range
- Lacks recommended number of slips in the 30' range.
- Fairway distances are less than recommended (~10%)
- Still N/S slip configuration

		WEST FLOATS												
CURRENT	Count	20'	25'	30'	35'	40'	46'	50'	60'	74'	80'	100'	BH	Tot
	Occupancy	33%	76%	86%		98%		96%	83%				-	-
	Recommended	25	41	75	19	17	22	58	-	-	2	1	-	260
OPTION A.1		30	43	52	19	19	27	59	-	-	-	1	-	251





# Option B

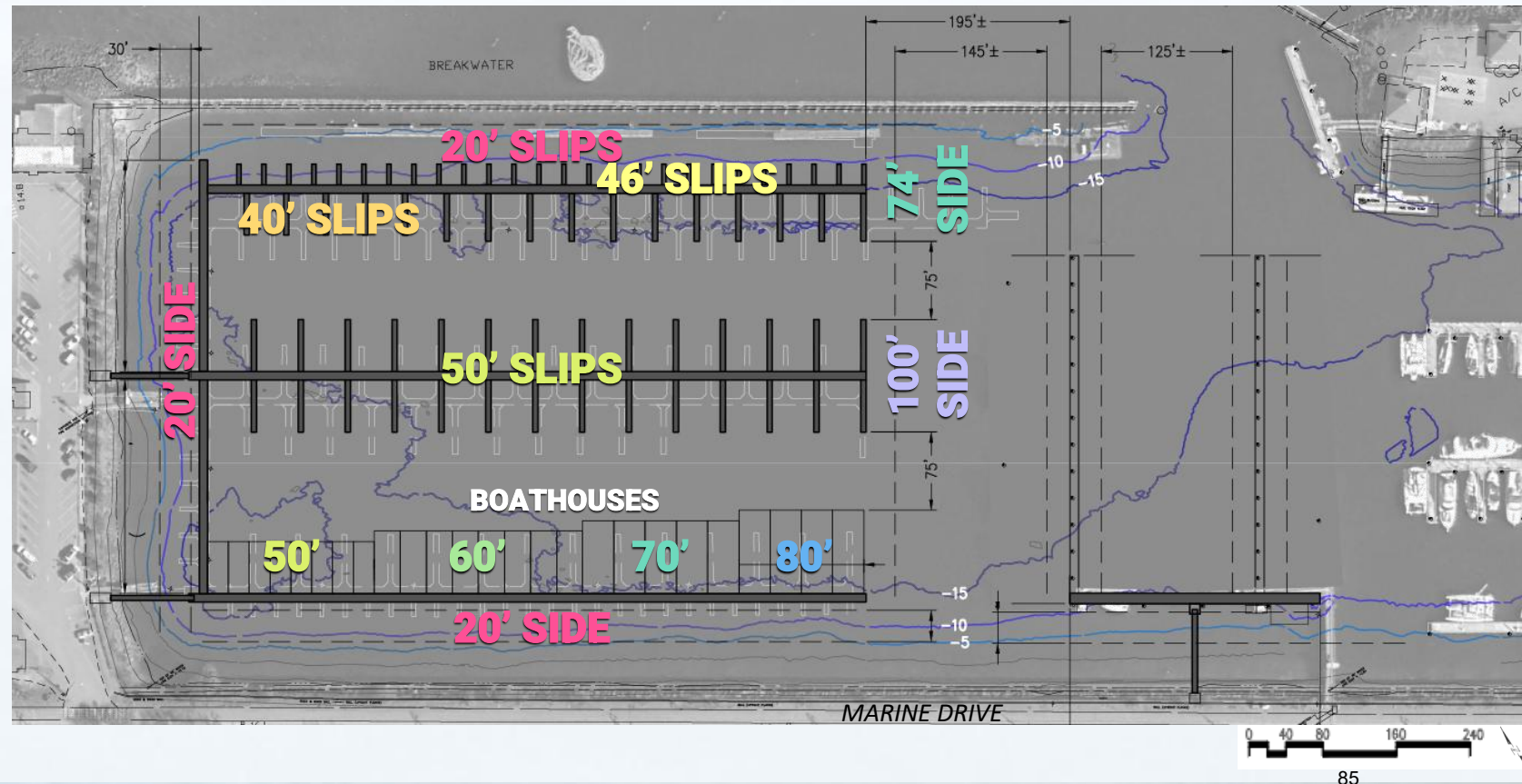
## Overview

- Similar to Option A with boathouses on south end
- N/S Configuration

## Advisory Committee Feedback

- Concerned with the costs and environmental impacts of the boathouses
- Poor slip distribution
- N/S configuration not preferred with winds
- Not a preferred option

		WEST FLOATS												
CURRENT		20'	25'	30'	35'	40'	46'	50'	60'	74'	80'	100'	BH	Tot
	Count	70	24	81	7	-	23	60	-	-	2	1	7	275
	Occupancy	33%	76%	86%		98%		96%	83%				-	-
	Recommended	25	41	75	19	17	22	58	-	-	2	1	-	260
OPTION B		94	-	-	-	11	22	56	-	1	6	1	-	216



# Option C

## Overview

- E/W Configuration
- Layout meets industry recommendations
- Provides greater variety of dedicated slip sizes
- Connects floats to uplands via a single gangway
- Provides flexibility for optional boathouse planning

## Advisory Committee Feedback

- Liked E/W configuration for wind
- Suggested adding a side-tie float adjacent and parallel to the breakwater

		WEST FLOATS												
CURRENT	Count	20'	25'	30'	35'	40'	46'	50'	60'	74'	80'	100'	BH	Tot
	Occupancy	33%	76%	86%		98%		96%	83%				-	-
	Recommended	25	41	75	19	17	22	58	-	-	2	1	-	260
OPTION C.1		29	31	67	19	15	15	52	-	-	-	-	-	228





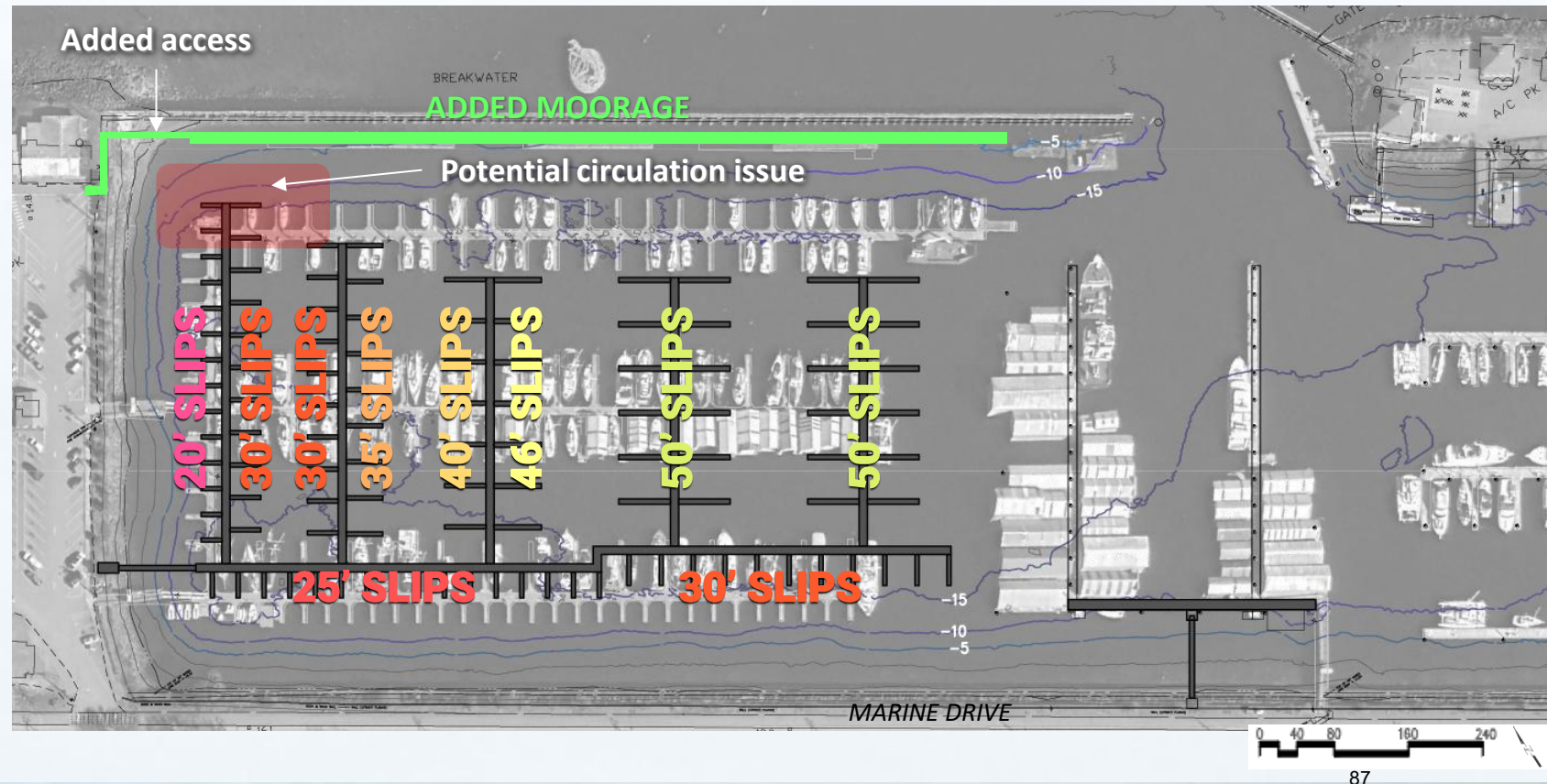
# Option C.1

## Overview

- Same as Option C, but with added breakwater float
- Adds ~700 ft of single, side-tie moorage for small vessels
- Added float provides additional moorage for low-draft, small craft vessels (dinghies, small boats, etc.)
- Potential benefit to Sea Scouts and other community organizations
- Includes a new elevated platform and gangway to access
- May require additional modifications to accommodate

WEST FLOATS														
		20'	25'	30'	35'	40'	46'	50'	60'	74'	80'	100'	BH	Tot
CURRENT	Count	70	24	81	7	-	23	60	-	-	2	1	7	275
	Occupancy	33%	76%	86%		98%		96%	83%				-	-
	Recommended	25	41	75	19	17	22	58	-	-	2	1	-	260
	OPTION C	29	31	67	19	15	15	52	-	-	-	-	-	228*

\*Includes ~700 feet of flexible single-sided side-tie moorage



## Option Summary

WEST FLOATS														Tot	COST (\$M)
	Count	20'	25'	30'	35'	40'	46'	50'	60'	74'	80'	100'	BH		
CURRENT	Count	70	24	81	7	-	23	60	-	-	2	1	7	275	
	Occupancy	33%	76%	86%		98%		96%	83%				-	-	
	Recommended	25	41	75	19	17	22	58	-	-	2	1	-	260	
	<b>OPTION A</b>	66	51	-	36	11	22	56	1	1	-	1	-	245	\$14.6-21.3
	<b>OPTION A.1</b>	30	43	52	19	19	27	59	-	-	-	1	-	251	\$20.3-29.6
	<b>OPTION B</b>	94	-	-	-	11	22	56	-	1	6	1	25	216	\$12.5-18.2
	<b>OPTION C</b>	29	31	67	19	15	15	52	-	-	-	-	-	228	\$13.3-19.4
	<b>OPTION C.1*</b>	29	31	67	19	15	15	52	-	-	-	-	-	228	\$14.5-21.1

\*Includes ~700 feet of flexible single-sided side-tie moorage

Costs in 2025 \$

Includes: demolition/disposal of West Basin Floats, Piles M-X and Y, float access gangways and support platforms; new west basin floats and piles

Excludes: breakwater, utilities, dock boxes, life-rings, safety ladders, slip signage, fire extinguishers, and professional services related to permitting, design, and construction





# Next Steps

# Next steps

## IMPORTANT DATES

- Advisory Committee Meeting #3 – November 13<sup>th</sup>
- Commission Briefing – December 9<sup>th</sup>

## UPCOMING TASKS

- Finalize market analysis report
- Incorporate feedback and progress preferred concept and draft recommendation



# Any questions?





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

**October 14, 2025**

**Subject: WILLIAM R. FAIRCHILD INTERNATIONAL AIRPORT – TAXIWAY  
RECONSTRUCTION/REHABILITATION - BID AWARD**

**Presenter: James Alton, Airport Manager**

**RCW & POLICY REQUIREMENTS**

Public works is defined within RCW 39.04.010 as “all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the state or of any municipality, or which is by law a lien or charge on any property therein.”

Additionally, the Port’s Delegation of Administrative Authority, Resolution 24-1290, Section III. A requires the Commission to award professional service contracts over \$50,000.

**BACKGROUND:**

The Port of Port Angeles is undertaking a project for the reconstruction and rehabilitation of approximately 3,800’ of Taxiway A at the William R. Fairchild International Airport. This project will also include crack seal and slurry seal of approximately 2,700’ of Taxiway A and connecting taxiways, taxiway pavement markings, and lighting and signage improvements.

On April 11, 2025, the Port released bid documents via the QuestCDN online bidding platform, with in-person sealed bid submissions scheduled to open on May 16, 2025. A non-mandatory pre-bid conference took place on April 22, 2025. During the bidding process, one addendum was issued (Addendum 01 – May 9, 2025), which revised the Davis Bacon Wage Rate Schedule and removed a keynote from an Electrical sheet to clarify a question raised at the pre-bid conference. No bids were received by the April 22 deadline. Following discussions with potential bidders who attended the pre-bid conference, it was determined that the original schedule was restrictive for the scope of work. Consequently, updated bid documents were prepared for a re-bid.

On May 30, 2025, the Port posted the revised bid documents for the project via the QuestCDN online bidding platform. The bidding method changed from in-person to online, with bids opening on June 25, 2025. A non-mandatory pre-bid conference took place on June 11, 2025. During the bidding process, one addendum was issued—Addendum 01 on June 17, 2025—which updated the Davis Bacon Wage Rate Schedule, removed a keynote on an Electrical sheet, and provided clarifications to the technical specifications.

The project is scheduled to begin in June 2026 and is expected to be completed by September 2026.

**ANALYSIS:**

The bid opening was held on June 25, 2025. A total of four bids were submitted with the following results:

Bidder	Base Bid	Additive Bid #1	Additive Bid #2	Additive Bid #3	Total Base + Add. Bids
Seton Construction, Inc.	\$4,563,412.00	\$265,700.00	\$153,020.00	\$62,060.00	\$5,044,192.00
Titan Earthwork, LLC	\$5,213,220.00	\$247,160.00	\$174,810.00	\$41,170.00	\$5,676,360.00
SRV Construction, Inc.	\$6,471,224.00	\$283,958.00	\$161,944.00	\$63,478.00	\$6,980,604.00
Vet Industrial, Inc.	\$6,956,083.00	\$311,990.00	\$201,100.00	\$71,200.00	\$7,540,373.00

Seton Construction, Inc. submitted the lowest apparent bid, which met all the requirements outlined in the bid documents. A bid analysis confirmed that all relevant information was accurately provided, ensuring Seton Construction's bid was responsive. Both Century West and the Port team verified that Seton Construction meets the necessary qualifications and requirements to perform the work as a responsible bidder. A bid protest was received by the second-lowest bidder, Titan Earthwork, LLC; however, after review by Port Counsel, it was determined to be invalid.

**ENVIRONMENTAL IMPACT:**

Executing a contract with the contractor has no direct environmental impact; however, rehabilitating the taxiway will enhance its durability and extend its lifespan, prolonging the need for complete demolition and reinstallation.

**FISCAL IMPACT:**

On August 26, 2025, and September 9, 2025, the Commission adopted Resolution 25-1328 and Resolution 25-1330, respectively, authorizing the Executive Director to execute and submit the relevant FAA AIP grant application in the amount of \$6,079,748.00 for the Taxiway Reconstruction/Rehabilitation (Construction) project. The Port is responsible for a total project contribution of \$227,577.34, which includes \$67,583.34 allocated for the rehabilitation of Taxiway B; this portion is not eligible for FAA funding.

	FAA	WSDOT	Port	Total
Taxiway Reconstruction/Rehab (Construction)	\$6,079,748.00	\$159,993.00	\$227,577.34	\$6,467,318.34

The total cost of the contract work, including the additive alternates with Seton Construction, Inc., is \$5,044,192.00. Below is a high-level breakdown of the costs associated with each task (the costs below do not include 8.9% sales tax).

Section Title	Line Item	Item Code	Item Description	UofM	Quantity	Unit Price	Seton Unit Prices	Seton Totals
<b>BID SCHEDULE A: TAXIWAY RECONSTRUCTION - BASE BID (AIP-ELIGIBLE)</b>								
	A-1	C-105	Mobilization	LS	1	\$387,000.00	\$400,000.00	\$400,000.00
	A-2	01300	Construction Safety and Phasing	LS	1	\$80,000.00	\$122,000.00	\$122,000.00
	A-3	01406	Construction Staking	LS	1	\$140,000.00	\$110,000.00	\$110,000.00
	A-4	C-100	Contractor Quality Control Program	LS	1	\$25,000.00	\$95,000.00	\$95,000.00
	A-5	C-102	Silt Fence	LF	3000	\$10.00	\$6.90	\$20,700.00
	A-6	C-102	Catch Basin Inserts	EA	14	\$105.00	\$120.00	\$1,680.00
	A-7	C-102	Gravel Access Road	EA	1	\$5,000.00	\$5,170.00	\$5,170.00
	A-8	C-102	Temporary Erosion Control Force Account	EA	1	\$5,000.00	\$5,000.00	\$5,000.00
	A-9	P-101	Removal of Pipe and Other Buried Structures	LS	1	\$20,000.00	\$118,000.00	\$118,000.00
	A-10	P-101	HMA Pavement Removal	SY	19260	\$8.00	\$5.60	\$107,856.00
	A-11	P-101	Salvage and Reinstall Unlighted Sign	EA	1	\$300.00	\$1,950.00	\$1,950.00
	A-12	P-401	Asphalt Surface Course	TON	4100	\$300.00	\$230.00	\$943,000.00
	A-13	P-603	Emulsified Asphalt Tack Coat	TON	5.2	\$1,200.00	\$1,490.00	\$7,748.00
	A-14	P-209	Crushed Aggregate Base Course	CY	3120	\$65.00	\$89.75	\$280,020.00
	A-15	P-154	Subbase Course	CY	6240	\$40.00	\$71.40	\$445,536.00
	A-16	P-152	Unclassified Excavation	CY	9900	\$12.00	\$21.50	\$212,850.00
	A-17	P-152	Embankment in Place	CY	8300	\$10.00	\$10.00	\$83,000.00
	A-18	P-152	Import Borrow	TON	2000	\$40.00	\$34.00	\$68,000.00
	A-19	P-152	Unsuitable Excavation	CY	9300	\$12.00	\$31.00	\$288,300.00
	A-20	P-156	Cement Treated Subgrade	SY	18700	\$7.00	\$2.35	\$43,945.00
	A-21	P-156	Cement	TON	570	\$150.00	\$257.00	\$146,490.00
	A-22	P-620	Pavement Marking	SF	2380	\$2.00	\$3.50	\$8,330.00
	A-23	D-705	Underdrain Cleanout	EA	57	\$1,200.00	\$985.00	\$56,145.00
	A-24	D-705	6-Inch Perforated Underdrain, Complete	LF	7000	\$40.00	\$39.20	\$274,400.00
	A-25	D-701	6-Inch HDPE Pipe	LF	400	\$25.00	\$50.50	\$20,200.00
	A-26	D-701	18-Inch HDPE Pipe	LF	18	\$200.00	\$113.00	\$2,034.00
	A-27	D-751	Type I Catch Basin	EA	1	\$5,000.00	\$1,825.00	\$1,825.00
	A-28	D-751	Type II Catch Basin, Aircraft Rated	EA	1	\$6,000.00	\$8,350.00	\$8,350.00
	A-29	D-751	Underdrain Connection to Existing Pipe	EA	15	\$1,000.00	\$880.00	\$13,200.00
	A-30	D-751	Connection of New Pipe to Existing Structure	EA	2	\$2,000.00	\$995.00	\$1,990.00
	A-31	D-751	Connection of Existing Pipe to New Structure	EA	2	\$2,000.00	\$920.00	\$1,840.00
	A-32	D-751	Connection of New Pipe to New Structure	EA	3	\$2,000.00	\$995.00	\$2,985.00
	A-33	L-108	L-824C 5kV Cable Demolition	LS	1	\$14,000.00	\$9,300.00	\$9,300.00
	A-34	L-108	L-824C 5kV Cable Construction	LF	9270	\$3.00	\$2.50	\$23,175.00
	A-35	L-110	One 2" PVC Sch 40, Concrete Encased	LF	106	\$55.00	\$68.00	\$7,208.00
	A-36	L-110	Two 2" PVC Sch 40, Concrete Encased	LF	50	\$65.00	\$75.00	\$3,750.00
	A-37	L-110	One 2" PVC Sch 40, Direct Bury	LF	8010	\$30.00	\$29.00	\$232,290.00

	A-38	L-110	Unsuitable Excavation Disposal	LS	1	\$5,000.00	\$10,550.00	\$10,550.00
	A-39	L-110	Connection to Existing Handhole	EA	1	\$1,500.00	\$805.00	\$805.00
	A-40	L-115	Convert Basecan to Handhole	EA	1	\$150.00	\$415.00	\$415.00
	A-41	L-115	Precast Handhole, H-20 Load Rated	EA	2	\$12,000.00	\$7,200.00	\$14,400.00
	A-42	L-125	Basecan - Demolition	EA	114	\$700.00	\$520.00	\$59,280.00
	A-43	L-125	Taxiway Edge Light Salvage	EA	115	\$300.00	\$85.00	\$9,775.00
	A-44	L-125	Basecan - Construction	EA	87	\$1,400.00	\$1,800.00	\$156,600.00
	A-45	L-125	L-858 Sign - Salvage	EA	1	\$600.00	\$1,000.00	\$1,000.00
	A-46	L-125	Sign Pad - Demolition	EA	2	\$1,200.00	\$1,950.00	\$3,900.00
	A-47	L-125	L-858 Sign - Installation	EA	1	\$2,400.00	\$1,900.00	\$1,900.00
	A-48	L-125	Sign Pad - Construction	EA	1	\$4,500.00	\$6,450.00	\$6,450.00
	A-49	T-905	Topsoil	SY	25000	\$5.00	\$4.35	\$108,750.00
	A-50	T-901	Seeding	AC	5.1	\$4,000.00	\$3,200.00	\$16,320.00
						<b>TOTAL</b>		<b>\$4,563,412.00</b>
<b>BID SCHEDULE B: SLURRY SEAL TAXIWAY A, C, and D - ADDITIVE BID 1 (AIP-ELIGIBLE)</b>								
	B-1	C-105	Mobilization	LS	1	\$8,500.00	\$9,500.00	\$9,500.00
	B-2	01300	Construction Safety and Phasing	LS	1	\$10,000.00	\$3,000.00	\$3,000.00
	B-3	01406	Construction Staking	LS	1	\$5,000.00	\$1,950.00	\$1,950.00
	B-4	P-101	Crack Route and Seal	LF	500	\$5.00	\$27.25	\$13,625.00
	B-5	P-626	Type I Slurry Seal	SY	15300	\$6.00	\$14.00	\$214,200.00
	B-6	P-620	Pavement Marking Removal	SF	2520	\$3.00	\$3.50	\$8,820.00
	B-7	P-620	Pavement Marking	SF	2540	\$2.00	\$5.75	\$14,605.00
						<b>TOTAL</b>		<b>\$265,700.00</b>
<b>BID SCHEDULE C: SLURRY SEAL TAXIWAYS E, F,G, and H - ADDITIVE BID 2 (AIP-ELIGIBLE)</b>								
	C-1	C-105	Mobilization	LS	1	\$8,500.00	\$5,500.00	\$5,500.00
	C-2	01300	Construction Safety and Phasing	LS	1	\$10,000.00	\$2,500.00	\$2,500.00
	C-3	01406	Construction Staking	LS	1	\$5,000.00	\$1,950.00	\$1,950.00
	C-4	P-101	Crack Route and Seal	LF	1500	\$5.00	\$11.00	\$16,500.00
	C-5	P-101	Wide Crack Repair	LF	40	\$30.00	\$200.00	\$8,000.00
	C-6	P-626	Type I Slurry Seal	SY	7300	\$6.00	\$14.00	\$102,200.00
	C-7	P-620	Pavement Marking Removal	SF	1340	\$3.00	\$4.60	\$6,164.00
	C-8	P-620	Pavement Marking	SF	1620	\$2.00	\$6.30	\$10,206.00
						<b>TOTAL</b>		<b>\$153,020.00</b>
<b>BID SCHEDULE D: SLURRY SEAL TAXIWAY B - ADDITIVE BID 3 (AIP-INELIGIBLE)</b>								
	D-1	01406	Construction Staking	LS	1	\$1,500.00	\$1,950.00	\$1,950.00
	D-2	P-101	Crack Route and Seal	LF	500	\$5.00	\$24.00	\$12,000.00
	D-3	P-626	Type I Slurry Seal	SY	1900	\$6.00	\$18.40	\$34,960.00
	D-4	P-620	Pavement Marking Removal	SF	1160	\$3.00	\$3.50	\$4,060.00
	D-5	P-620	Pavement Marking	SF	1010	\$2.00	\$9.00	\$9,090.00
						<b>TOTAL</b>		<b>\$62,060.00</b>

**RECOMMENDED ACTION:**

Authorize the Executive Director to execute a public works contract with Seton Construction, Inc. for the William R. Fairchild International Airport – Taxiway Reconstruction/Rehabilitation project for a total amount of Five Million Forty-Four Thousand One Hundred Ninety-Two Dollars and No Cents (\$5,044,192.00) plus applicable Washington State Sales Tax, and to make minor modifications as may be necessary.



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

**October 14, 2025**

**SUBJECT: MEMORANDUM OF UNDERSTANDING WITH THE NORTH OLYMPIC PENINSULA RECOMPETE COALITION (NOPRC)**

**Presenter: Katharine Frazier, Grants & Government Affairs Manager**

**RCW & POLICY REQUIREMENTS:**

None. However, the Port Team wishes for the Commission to be involved, given this subject's relation to a federal grant and the Port's ongoing partnerships with other governmental agencies.

**BACKGROUND:**

In 2023, the Port collaborated with regional economic development, Tribal, educational, nonprofit, and governmental entities to form the North Olympic Peninsula Recompete Coalition (NOPRC). NOPRC is a public-private partnership led by Clallam County, but the organization spans agencies across both Clallam and Jefferson Counties. NOPRC partners share a common goal of expanding local economic opportunities and creating family-wage job opportunities.

In April 2024, NOPRC applied for the Economic Development Administration (EDA)'s Recompete Pilot Program (Recompete), which provided funding to economically distressed communities that have a higher Prime Age Employment Gap (PAEG) than the national average. The PAEG is the number of individuals aged 25 – 54 years who are unemployed. Both Clallam and Jefferson Counties have a higher-than-average PAEG.

The Port's part of the Recompete application focused on increasing waterborne transportation (barging) to address transportation barriers that hinder economic development in Clallam and Jefferson Counties. Funding was requested for the purchase of three barges to more efficiently move cargo within the region, as well as to connect our communities' products with markets in the I-5 corridor and beyond.

In August 2024, NOPRC was awarded \$35M, including \$6M for the Port's barging project. Clallam County, as the lead entity of NOPRC, is responsible for creating and executing a Memorandum of Understanding (MOU) that outlines how each NOPRC entity will participate in the successful execution of the grant-funded projects.

**ANALYSIS:**

In Summer 2025, Clallam County representatives met with NOPRC stakeholders to discuss the MOU and participation expectations. Input from these stakeholders, including the Port, was used to produce the MOU document.

The MOU outlines the Port's responsibilities as a grant recipient and project lead, which include:

- Executing our authorized Scope of Work
- Participating in NOPRC coalition meetings and meetings with EDA
- Providing metrics and progress updates for Clallam County to include in its reports to EDA

**ENVIRONMENTAL IMPACT:**

No environmental impact is expected to occur as a result of entering into the MOU with Clallam County and other NOPRC members.

**FISCAL IMPACT:**

No fiscal impact will result from entering into the MOU. The Recompete grant from EDA is 100% federally funded (no local cash match). The Port is contributing staff time toward the project's completion, including procurement, participation in NOPRC meetings, and grant management activities.

**RECOMMENDED ACTION:**

The Port Team recommends that the Commission authorize the Executive Director to enter into the Memorandum of Understanding (MOU) between the Port and NOPRC for the purpose of formalizing the Port's participation in the execution of the Recompete grant.



## Memorandum of Understanding

This Memorandum of Understanding ("MOU") is being executed by the undersigned for the purpose of articulating a shared intention to continue and expand the public-private partnership administered by the North Olympic Peninsula Recompete Coalition (NOPRC) formed in the Summer 2023 with intent to apply for the Economic Development Administration (EDA) Recompete Pilot Program, and since awarded in October 2024, to manage the program through the lifetime of the grant, as further described below.

### RECITALS

Whereas, the Distressed Area Recompete Pilot Program (Recompete Pilot Program) was created to invest in distressed communities to create and connect people in those communities to good jobs, using the Prime-Age Employment Gap (PAEG) as an indicator of economic distress, which accounts for prime-age workers who have stopped looking for jobs and left the labor force as well as those who are currently unemployed; and

Whereas, in 2023, Clallam and Jefferson Counties created a partnership called the North Olympic Peninsula Recompete Coalition to apply for the Recompete Pilot Program, and was subsequently awarded \$35.6 Million to invest in distressed communities on the North Olympic Peninsula to create and connect people in those communities to good jobs; and

Whereas, the purpose of NOPRC is to revitalize key industries while enhancing workforce development and social support services in order to reduce the PAEG in Clallam and Jefferson Counties; and

Whereas, NOPRC and its partners share a vision of leveraging local assets and addressing geographic challenges by strengthening the marine interface to create prosperity across our region, develop a local supply chain, and support value-added manufacturing in the natural resources and ship building and repair industries, in the hope that Recompete investments will ignite synergies between our communities and the maritime and natural resources industries to **"Connect People and Resources on Land and Sea;"** and



Whereas, NOPRC via the EDA Recompete Grant, has allocated \$35.6 million to 4 main strategic areas through a series of investments showing that public and private sector collaboration can provide the opportunity to address the needs of those seeking living wage jobs, in new and creative ways; and

Whereas, data from 2023 shows 2600 individuals in Clallam and Jefferson Counties, between the ages of 25 and 54 are in need of living wage jobs, but lack the skills or ability to overcome barriers; and

Whereas, NOPRC, along with regional organizations, have identified promising practices through partner organizations that can be implemented in the next five years, which will result in significant increases in our skilled workforce; and

Whereas, NOPRC seeks to expand opportunities for living wage jobs, by providing upskilling and removing barriers, which will help end joblessness in the future while serving individuals who are experiencing joblessness right now; and

Whereas, all the strategies and investments programmed by NOPRC were outlined in detail in our Recompete Plan, which serves as a Strategic Economic Development Plan for the North Olympic Peninsula, and is available on the Clallam County Recompete website.

Now therefore, the undersigned agree to the following:

## **GOALS**

The undersigned partners agree to pursue the following goals:

- 1) Enrolling 900 participants in the Recompete programs over the five-year grant period.
- 2) Ensuring 675 participants will report increased income to our anticipated \$26/hour wage, from participation in the Recompete program.
- 3) Exploring funding opportunities via public or private funders, to enhance programs within Recompete or leverage Recompete investments.



- 4) Working to increase the regional labor force participation rate (LFPR) by successfully recruiting members of the PAEG, connecting them to our programs and resources, and tracking job placement and job retention rates of our participants and programs.
- 5) Designing and coordinating an agreed upon workflow mechanism for use between Component Projects, which will clearly define parameters of data collection needed for the EDA Qualtrics Survey; creating procedures outlining how participants and employers will be connected between Component Projects within Recompete; and sharing additional agreed upon data and information which would be used to facilitate additional programming or extending the Recompete project beyond the end date set for September 2029.

## **AGREEMENT**

Now, therefore, in consideration of the respective agreements (Scopes of Work and Outcomes and Outputs Plans) set forth with EDA, the receipt and sufficiency of which is hereby acknowledged, the Recompete Coalition agree as follows:

### **SECTION 1: AREA OF INTEREST**

All areas covered with this MOU are within Clallam and Jefferson Counties, including Cities of Port Townsend, Port Angeles, Sequim, Forks; both the Port of Port Angeles and the Port of Port Townsend; regional tribal nations – Hoh, Makah, Quileute, Jamestown S'Klallam, Lower Elwha Klallam; Peninsula College; and other Distressed Rural and Remote Communities.

### **SECTION 2 – ROLES & RESPONSIBILITIES**

#### **2.1 Governance (Clallam County)**

Clallam County serves as the funded component project lead for the NOPRC Governance project. As such, the County is responsible for performing the following functions for the Coalition:



- a. Executing their Outcomes and Outputs Plan (OOP) and Scope of Work (SOW) to the best of their ability during the life of the grant, and if any changes are needed, communicating such changes with both EDA and the NOPRC Leadership Committee.
- b. Employing the Recompete Plan Coordinator and administrative staff to perform governance project functions.
- c. Coordinating efforts with Recompete component project leads to define and create systems to get participants into and through the Recompete program.
- d. Employing the Media and Communications specialist to coordinate the media and outreach for the overall Recompete program.
- e. Coordinating data sharing between Governance and other Project Leads for the purpose of the collection and sharing of relevant data for the EDA Recompete Qualtrics Survey and implementing long range planning around workforce development and living wage jobs.
- f. Coordinating a system to track employer data, open positions available, job placements and retentions.
- g. Report EDA Qualtrics survey results semi-annually on program outcomes including: The number of workers trained, recruited, placed in jobs, and retained; the types of jobs and range of compensation; the number and types of business that are served; and any other tangible benefits realized by the port, the workers, businesses, and the public.
- h. Creating a Recompete website with information for the public, links to component projects to direct participants into relevant services, and information for employers on how to participate and use Recompete programs to recruit and train employees.
- i. Planning and facilitation of Coalition and committee meetings.
- j. Planning and facilitation of public meetings and other outreach events.
- k. Sharing quarterly progress updates during Coalition meetings.
- l. Establishing work groups for collaboration to achieve specific goals or tasks necessary to the success of the grant.
- m. Finding additional funding sources to complement and leverage Recompete investments, determining the best entity within the coalition to apply for funding, and assisting in grant writing efforts when needed.

## 2.2 Component Project Leads

The NOPRC Recompete funded project leads include the following entities: Olympic Community of Health (OCH), Peninsula College (PC), Port of Port Angeles (PoPA), Composite Recycling Technology Center (CRTC), North Olympic Peninsula Resource





Conservation and Development Council (NODC), and Jamestown S’Klallam Tribal Capital, Inc. (JST). Each Component Project Lead is responsible for performing the following functions for the Coalition:

- a. Executing their Outcomes and Outputs Plan (OOP) and Scope of Work (SOW) to the best of their ability during the life of the grant, and if any significant program changes are needed, communicating such changes with both EDA, Governance and the Leadership Committee.
- b. Providing a representative to participate in the Coalition meetings, the Leadership Committee, and work groups as appropriate.
- c. Coordinating efforts with Governance and other Project Leads to define and create systems to get participants into and through the Recompete program.
- d. Participating in continued collaborative efforts to make improvements throughout the Recompete grant period of performance.
- e. Participating in the coordination of a data collection system between Governance and other Project Leads for the purpose of sharing relevant data for the EDA Recompete Qualtrics Survey and implementing long range planning around workforce development and living wage jobs.
- f. Providing Governance copies of the finalized Scopes of Work and Outputs and Outcomes Plan and providing updated copies of these documents if they are revised.
- g. Providing periodic updates on project progress, successes, and/or issues that need to be addressed by the Coalition, Governance, or the Leadership Committee.
- h. Reporting to Governance relevant metrics on projects for the EDA Recompete Qualtrics Survey and program outcomes including: The number of workers trained, recruited, placed in jobs, and retained; the types of jobs and range of compensation; the number and types of businesses that are served; and any other tangible benefits realized by the port, the workers, businesses, and the public. Reporting will be due to Governance by the 20<sup>th</sup> of October and April each year to meet the Qualtrics deadline of October 31<sup>st</sup> and April 30<sup>th</sup>.
- i. Engaging with and contributing to community understanding and knowledge to support the efforts laid out within the NOPRC Recompete Plan.

## 2.3 Coalition Members

NOPRC Coalition members are Component Project Leads, Sub-Awardees, and additional regional stakeholders who wish to participate and whose input and collaboration is



necessary to the success of the overall Recompete effort. Coalition members' purpose is to unite efforts to reduce the prime age employment gap, enhance workforce development, and improve the overall economy in Clallam and Jefferson counties. Coalition members are encouraged to:

- a. Participate in Coalition meetings.
- b. Add Recompete strategies and initiatives to their organization's strategic planning documents.
- c. Engage with and contribute to community understanding and knowledge to support the efforts laid out within the NOPRC Recompete Plan.

### **SECTION 3: COMMITTEES**

#### **3.1 Leadership Committee**

The Leadership Committee will include Governance (Clallam County), Component Project Leads (as listed in 2.2) and may include representatives as listed below:

- 1 Jefferson County
- 2 Port of Port Townsend
- 3 Clallam EDC & EDC Team Jefferson
- 4 Cities of Sequim, Port Townsend, Forks, and Port Angeles
- 5 Tribes: Jamestown S'Klallam, Makah, Lower Elwha Klallam, Quileute, Hoh
- 6 Sub-Awardees that have been awarded \$1MM or more
  1. Olympic Peninsula YMCA
  2. Northwest School of Wooden Boat Building
  3. Jefferson County Public Hospital District No. 2
  4. First Step Family Support Center

Members of the Leadership Committee must sign this MOU. Each organization shall designate one representative and an alternate to serve on the committee. Upon resignation of a committee member, it shall be filled with another representative of the organization.

#### **Leadership Committee Role and Responsibilities**



The Leadership Committee is intended to provide input and direction for Recompete initiatives including the following:

- a. Making improvements and/or resolve issues that affect the overall Recompete effort.
- b. Reviewing and approving major changes to programs that affect the overall Recompete effort.

The Leadership Committee shall meet quarterly to discuss updates and relevant topics. The Leadership Committee shall appoint an Executive Committee from among its members, as described in Section 3.2.

### **3.2 Executive Committee**

The Executive Committee will be composed of four members from the Leadership Committee: Chair, Vice-Chair, and two additional members. The Recompete Plan Coordinator (RPC) shall be an ex-officio non-voting member.

Executive Committee members are elected by the Leadership Committee for a two-year term and shall be eligible for re-election. The RPC shall email all Leadership Committee members and request suggested nominations for each office prior to the last quarterly Leadership Committee meeting of the year. A slate of nominees of each position will be presented to the Leadership Committee at the last quarterly meeting of the year. The RPC shall create and distribute ballots at the last meeting of the year or send them electronically prior to the meeting. The ballots shall list all candidate nominations for each position. Election results will be announced by the end of the year. Officers will take office at the start of the calendar year.

Upon resignation of an executive committee member, the RPC will call for a special election with nominations from the Leadership Committee. Ballots will be sent electronically, and election results will be announced upon tabulation.

### **Executive Committees Roles and Responsibilities**

The Executive Committee will meet monthly (or as needed, determined by the Executive Committee) to provide the following to support the Recompete Coalition:



- a. Providing direction, guidance, priorities, and goals to the Recompete Plan Coordinator.
- b. Responding to issues, complaints, and other matters brought forth to the Executive Committee to be resolved.
- c. Hearing updates from Work Groups and if needed, making recommendations to the Leadership Committee.
- d. Assisting the RCP in setting agendas for Leadership Committee meetings and public meetings.

### **3.3 Work Groups**

Work groups will be created by the RPC and/or Leadership Committee as needed to collaboratively address specific tasks or projects.

Work groups will vary in size and duration depending on need. Participation in work groups shall be determined based on the subject matter, relevant programs, and other skills sets necessary.

## **SECTION 4: TERMS**

### **4.1 Duration and Termination**

This MOU will become effective upon execution by all Parties, indicated by the signatures and date on the signature page of this MOU, and shall remain in effect until January 31, 2030, or until the final grant closeout documentation has been completed.

If, however, the Coalition agrees to continue the Recompete Program beyond the initial 5-year program, this agreement may be amended to extend through the amendment process.

Any party hereto may terminate its own participation upon thirty days written notice to the Executive Committee. Component Project Leads will be responsible for communicating their withdrawal from the MOU to their EDA Program Manager.

### **4.2 Amendments**

No amendment or modification to the Agreement will be effective without the prior written consent of the authorized representatives of the parties.



### **4.3 Funding, Costs, and Liabilities**

Each public agency or other parties to this Agreement shall fund its own participation. No ownership of property will result from this MOU. Nothing in this MOU relieves any public agency or other parties of any obligation or responsibility imposed upon it by law.

Component Project Leads have direct agreements with the EDA for funding. All costs and expenditures accrued under these agreements are the sole responsibility of Component Project Leads. Nothing in this MOU replaces, relieves, or transfers any responsibilities and/or performance liabilities imposed in those agreements to any third party by their participation in this MOU.

### **4.4 Rights, Jurisdiction, Sovereign Immunity and Applicable Laws**

This MOU is for the sole benefit of the Parties hereto and confers no rights to third parties, and is not intended to modify, impair, or waive: (1) the jurisdiction of either government; (2) the sovereign immunity of the Tribes or its treaty rights; or (3) the applications of the applicable federal, tribal or state laws.

### **4.5 Non-Discrimination**

The parties to this MOU shall not discriminate against any person on the basis of race, creed, political ideology, color, national origin, sex, marital status, sexual orientation, age, or the presence of any sensory, mental or physical handicap.

### **4.6 Severability**

In the event that one or more provisions of this MOU shall be determined to be invalid by any court of competent jurisdiction or agency having jurisdiction thereof, the remainder of the Agreement shall remain in full force and effect, and the invalid provisions shall be deemed deleted.

### **4.7 Authority**

Each party signing below warrants to the other parties, that they have the full power and authority to execute this Agreement on behalf of the party for whom they sign.



Additional Leadership Committee members may be added to the MOU if they meet the requirements of Section 3.1 of this agreement.

IN WITNESS WHEREOF, the undersigned have signed and made effective this MOU on this \_\_\_\_\_ 2025.

Clallam County

Mike French

Mike French (Sep 11, 2025 11:19:34 PDT)

Mike French, Chair  
Clallam County Commissioners

Approved as to Form:

  
Jay Reno, Civil Deputy  
Clallam County Prosecutor's Office

Suzanne Ames

Suzanne Ames (Sep 4, 2025 11:39:44 PDT)

Peninsula College



Olympic Community of Health

North Olympic Peninsula Resource  
Conservation and Development Council

David Walter

David Walter (Sep 5, 2025 15:00:04 PDT)

Composite Recycling Technology Center

Port of Port Angeles


Johanna Bartee

Johanna Bartee (Sep 4, 2025 14:05:21 PDT)

Jamestown S'Klallam Tribal Capital, Inc.





  
 Heidi Eisenhour (Sep 26, 2025 08:49:28 PDT)

Jefferson County

  
 Eron Berg (Sep 18, 2025 11:55:29 PDT)

Port of Port Townsend



Clallam Economic Development Council

  
 David Ballif (Sep 5, 2025 14:56:58 PDT)

EDC Team Jefferson



City of Port Townsend

  
 Matthew Huish (Sep 18, 2025 11:08:43 PDT)

City of Sequim

City of Port Angeles

City of Forks

Jamestown S'Klallam Tribe

Lower Elwha Klallam Tribe

Makah Tribe

Quileute Tribe



*Wendy Bart*

Hoh Nation Tribe

Olympic Peninsula YMCA

*Mike Glenn*

Mike Glenn (Sep 5, 2025 16:21:30 PDT)

Northwest School of Wooden Boat  
Building

Jefferson County Public Hospital District  
No 2 (DBA Jefferson Healthcare)

*Elisia Anderson*

Elisia Anderson (Sep 4, 2025 11:32:51 PDT)

First Step Family Support Center

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

**October 14, 2025**

**SUBJECT: INTERLOCAL AGREEMENT FOR PROFESSIONAL GRANT WRITING  
& TECHNICAL SERVICES**

**Presenter: Jenna Riley, Procurement Manager**

**RCW & POLICY REQUIREMENTS:**

Interlocal Cooperation Act of 1967, RCW 39.34

**BACKGROUND:**

The purpose of this Interlocal Agreement is to support the efforts of the Port of Friday Harbor in preparing an application to the 2026 Port Infrastructure Development Program ("PIDP") through the Maritime Administration ("MARAD") ("PIDP Application"). The Port will provide necessary technical support and guidance as needed for the Port of Friday Harbor beginning November 1, 2025, through June 30, 2026.

The Port will provide professional grant writing and technical services to support and develop the PIDP Application, as led by the Port's Grants & Government Affairs Manager, Katharine Frazier. These services will include collaborating with the Port of Friday Harbor team members to develop and review materials and attending virtual meetings as necessary.

**ANALYSIS:**

As a leader in the region's maritime transportation planning efforts, including our role as the Marine Highway 5 (M-5) Route Sponsor, the Port is committed to supporting the success of waterborne transportation projects. This is particularly true for ports in other rural and geographically isolated communities, like the Port of Friday Harbor.

The Port Team is pleased to offer assistance to another Port with limited in-house capacity for grant writing. Supporting this effort will continue to strengthen our relationship with the Port of Friday Harbor, which provided the new boat launch float for John Wayne Marina in early 2025, helping the Port Team complete the project under budget.

While the Port Team also intends to apply for the 2026 PIDP opportunity, this arrangement will not result in any potential conflicts of interest. The Team will be careful to avoid any such event by maintaining clear communications between both Ports' leadership teams throughout the performance period.

**ENVIRONMENTAL IMPACT:**

No environmental impact is expected to occur as a result of executing the interlocal agreement for professional grant writing and technical services with the Port of Friday Harbor.

**FISCAL IMPACT:**

- Friday Harbor shall reimburse the Port for the professional grant writing and technical services of Katharine Frazier at the fully loaded rate of \$72.01 per hour.
- Total reimbursement for professional grant writing and technical services not to exceed \$10,000.
- The Port shall request reimbursement from Friday Harbor once a quarter.

**RECOMMENDED ACTION:**

The Port Team recommends that the Commission authorize the Executive Director to execute the Interlocal Agreement for professional grant writing and technical services with the Port of Friday Harbor, as provided by Katharine Frazier, and to make any necessary minor amendments to the agreement.

**ATTACHMENTS:** Draft Interlocal Agreement for Professional Grant Writing and Technical Services with the Port of Friday Harbor

## **INTERLOCAL AGREEMENT FOR PROFESSIONAL GRANT WRITING & TECHNICAL SERVICES**

This **INTERLOCAL AGREEMENT FOR PROFESSIONAL GRANT WRITING & TECHNICAL SERVICES** (the “Agreement”) is made pursuant to RCW 39.34 et seq. between the **PORT OF PORT ANGELES**, a Washington municipal corporation (“Port”), and the **PORT OF FRIDAY HARBOR**, a Washington municipal corporation (“Friday Harbor”) (collectively the “Parties”).

### **1. PURPOSE**

The purpose of this Agreement is to support the efforts of Friday Harbor in preparing an application to the 2026 Port Infrastructure Development Program (“PIDP”) through the Maritime Administration (“MARAD”) (“PIDP Application”). The Port will provide necessary technical support and guidance as needed for Friday Harbor.

### **2. SCOPE OF WORK**

The Port will provide professional grant writing and technical services to support and develop the PIDP Application, as led by the Port’s Grants & Government Affairs Manager, Katharine Frazier. These services will include collaborating with the Friday Harbor team members to develop and review materials, and attending virtual meetings as necessary.

### **3. PERIOD OF PERFORMANCE**

The beginning date of performance under the Agreement is November 1, 2025, and the Agreement shall end on June 30, 2026.

### **4. COMPENSATION**

- a. Friday Harbor shall reimburse the Port for the professional grant writing and technical services of Katharine Frazier at the fully loaded rate of \$72.01 per hour.
- b. Total reimbursement for professional grant writing and technical services not to exceed \$10,000.
- c. The Port shall request reimbursement from Friday Harbor once a quarter. Reimbursement requests should include all relevant timesheets and receipts/invoices to provide sufficient documentation of the work being performed.
- d. Reimbursement requests shall be paid by Friday Harbor within thirty (30) days of receipt.
- e. No payments in advance of or in anticipation of goods or services to be provided under this Agreement.

### **5. ADMINISTRATION**

The Executive Directors of the Parties shall administer this Agreement.

### **6. INDEPENDENT GOVERNMENTS – NO LIABILITY**

Each Party is and shall remain an independent government. This Agreement does not create a partnership, separate legal entity, administrative entity, or any other similar arrangement, nor does it impose any partnership obligation or liability upon any Party.

Further, no Party shall have any authority or undertaking for or on behalf of, or to act as or be an agent or representative of, or to bind any other Party otherwise. The Parties shall not be liable for the acts or omissions of the other Parties or their respective public officials, employees, or agents. This Agreement does not relieve either Party of any obligation or responsibility imposed upon it by law. Except as expressly provided herein above in Section 4, the Parties shall each be responsible for their costs incurred as a result of this Agreement.

**7. TERM OF AGREEMENT**

Except as may be otherwise stated herein, the term of this Agreement is October 1, 2025, through June 30, 2026, unless terminated sooner, as provided herein. As a condition of the effectiveness of this Agreement, a copy of the Agreement shall either be recorded with the Auditor of the counties where Friday Harbor and the Port are located, or a copy shall be posted on both Parties' websites.

Either Party may terminate this Agreement prior to its expiration date by providing not less than thirty (30) days' written notice to the other Party.

**8. AMENDMENT**

No modification or amendment of this Agreement may be made except by a written document signed by all of the Parties.

**9. COUNTERPARTS AND ELECTRONIC TRANSMISSION**

This Agreement may be signed in counterparts. Electronic transmission of any signed original document and retransmission of any signed electronic transmission shall be the same as delivery of an original document.

**10. GOVERNING LAW**

This Agreement and the rights of the Parties hereto shall be governed by and construed in accordance with the laws of the State of Washington.

**11. NO THIRD-PARTY BENEFICIARIES**

There are no third-party beneficiaries to this Agreement.

**12. INDEPENDENT CAPACITY**

The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

**13. DISPUTES**

Disputes arising under this Agreement shall be resolved by a panel consisting of one representative from the Port, one representative from Friday Harbor, and a mutually agreed-upon third party. The dispute panel shall thereafter decide the dispute with the majority prevailing. Neither party shall have recourse to the courts unless there is a showing of noncompliance or waiver of this section.



**14. ASSIGNMENT**

The Parties may not assign this Agreement, or any of its rights or obligations under this Agreement, without the prior written consent of both Parties. Any assignment or transfer without such written consent shall be null and void.

**15. 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 the Agreement unless stated to be such in a writing signed by an authorized representative of the party and attached to the original Agreement.

**16. NO PROPERTY INTERESTS.**

No property will be jointly acquired, held, or disposed of as a result of this Agreement.

**17. SEVERABILITY AND SURVIVAL**

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Interlocal Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. All express representations, waivers, warranties, and limitations of liability included in this Agreement will survive its completion or termination for any reason, subject to applicable statutes of limitation or repose.

**18. INTERPRETATION**

Each Party has participated in drafting this Agreement. Any language therein shall not be construed against any Party on the basis of which Party drafted the particular language.

**19. ENTIRE AGREEMENT**

This Agreement contains all of the understandings between the Parties. Each Party represents that no promises, representations, or commitments have been made by others as a basis for this Agreement which have not been reduced to writing herein. No oral promises or representations shall be binding upon any Party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a written modification to this Agreement, executed by the Parties.

**PORT OF PORT ANGELES**

By: \_\_\_\_\_  
Paul Jarkiewicz

Title: Executive Director

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

Authorized by Commission Vote on \_\_\_\_\_

**PORT OF FRIDAY HARBOR**

By: \_\_\_\_\_  
Todd Nicholson

Title: Executive Director

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

Authorized by Commission Vote on 10/10/2025

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

*10/14/2025*

### October 27, 2025 (Special Joint Meeting – BOCC)

### October 28, 2025 (Regular Commission Meeting)

- September Financial Report
- 3<sup>rd</sup> Quarter Operations Report
- Draft Final Capital Budget
- Presentation of Preliminary 2023 Operating Budget & Tax Levy

### November 11, 2025 (Regular Commission Meeting)

- Monthly Delegation of Authority Report
- Monthly Cash and Investment Report
- Harbor Site Update

### November 12, 2025 (Special Commission Meeting)

- Open Public Hearing on 2026 Budget

### November 17, 2025 (Special Commission Meeting)

- Close Public Hearing on 2026 Budget
- Adopt 2026 Budget & Tax Levy

### November 25, 2025 (Regular Commission Meeting) - **CANCELLED**

### December 9, 2025 (Regular Commission Meeting)

- Monthly Delegation of Authority Report
- Monthly Cash and Investment Report
- Harbor Site Update

### December 23, 2025 (Regular Commission Meeting)

### Upcoming Events

November 18, 2025 – Marine Hwy 5 Roundtable, Tacoma, WA

November 19-21 – WPPA Annual Meeting, Tacoma, WA

November 20-22 – Pacific Marine Expo, Seattle, WA

December 3-5 – International Workboat Show, New Orleans, LA

### Future

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