PORT OF BREMERTON board of commissioners regular business meeting

AGENDA

September 13, 2022 10:00 AM <u>Remote Access Only</u> <u>Zoom Meeting ID: 335 903 0010</u> Zoom Call-In: (253) 215-8782 <u>BKAT Live Stream</u>

Call to Order

Approval of Agenda

Consent Items

All matters listed under Consent Items have been distributed to each member of the Commission for reading and study, are considered to be routine, and will be enacted by one motion of the Commission with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Items and placed under Action Items by request.

- A. Minutes of the regular business meeting and executive session of August 23, 2022 and special meeting minutes of August 31, 2022.
- B. Payment of checks #E01125 and #84037 through #84063 and #E01126 through #E01137 and #901607 through #901610 from the General Fund for \$126,441.13; #901606 and #84036 from the Construction Fund for \$4,171.10.

Payment of checks #901611 and #E01138 and #84066 through #84105 and #E01139 through #E01148 from the General Fund for \$44,060.16; #901611 and #84064 through #84065 from the Construction Fund for \$77,781.97.

Payment of checks #E01149 and #901612 and #901613 through #901616 and #901617 and #84106 and #E01152 through #E01158 and #84112 through #84127 from the General Fund for \$113,631.28; #E01150 through #E01151 and #84107 through #84111 from the Construction Fund for \$694,841.66.

Payment of checks #901618 through #901621 and #901622 through #901621 and #E01159 and #E01161 through #E01170 and #84130 through #84145 from the General Fund for \$204,247.83; #E01160 and #84128 through #84129 from the Construction Fund for \$65,970.19.

Information Items

1. High Level Overview of City of Port Orchard Waterfront Development – Mayor Rob Putaansuu Agenda for September 13, 2022 Page 2

Work Study Session

- 1. Leadership Retreat Follow-Up
- **Citizen Comments:** Open to the public for comment. Speakers are asked to keep their comments to less than 3 minutes. Please feel free to submit further comments in writing to the Clerk of the Board.

Action Items

1. First Lease Amendment with Collins Investments LLC

Staff Reports

Commission Reports / New Business

Executive Session (*if necessary*)

Adjournment

<u>Regular business and other meetings that may be attended by members of the Board</u>

<u>Date</u>	<u>Time</u>	<u>Meeting</u>
09/13	10:00 am	*Commission Regular Meeting via ZOOM
09/15	9:00 am	Kitsap Economic Development Alliance Board Retreat
09/20	1:30 pm	Kitsap Regional Coordinating Council (KRCC) PlanPOL
09/22	10:00 am	Puget Sound Regional Council (PSRC) Executive Board
09/22	11:45 am	PSRC Executive Committee
09/27	6:00 pm	*Commission Regular Meeting via ZOOM

Meetings are subject to change or cancellation *Denotes events in which two (2) or more Commissioners may attend

PORT OF BREMERTON

BOARD OF COMMISSIONERS REGULAR BUSINESS MEETING

MINUTES

August 23, 2022 6:00 p.m. <u>Remote Access Only</u> Zoom Meeting ID: 335 903 0010 Zoom Call-In: (253) 215-8782 BKAT Live Stream

Commissioners and Staff Present

<u>Commissioners</u> Axel Strakeljahn Gary Anderson Cary Bozeman <u>Staff Members</u> Jim Rothlin Fred Salisbury Jeremiah Wiley Arne Bakker

James Weaver Ginger Waye Taylor Korizon Anne Montgomery, Atty

Call to Order

President Strakeljahn called the meeting to order at 6:00 p.m.

Approval of Agenda

It was moved by BOZEMAN, seconded by ANDERSON to:

Approve the Agenda as presented.

MOTION CARRIES, 3-0

Consent Items

- A. Minutes of the regular business meeting of August 9, 2022.
- B. Payment of checks #901588 through #901591 and #901592 through #901596 and #901597 through #901599 and #E01107 and #E01111 through #E01117 and #84001 through #84019 and #901600 through #901602 and #901603 and #901604 and #901605 and #E01119 through #E01124 and #84020 through #84035 from the General Fund for \$330,709.75; #E01108 through #E01110 and #83998 through #84000 and #E01118 from the Construction Fund for \$732,749.00.

It was moved by ANDERSON, seconded by BOZEMAN to:

Approve the Consent Items as presented.

MOTION CARRIES, 3-0

Work Study Session

1. 2023 Budget – Allocation of Port Resources to Community Agencies/Groups

CFO Jeremiah Wiley shared the 2023 Community Activities Preliminary Budget which provided the yearly allocations from 2019-2022 and funding requests for 2023. The Board discussed keeping the schedule at the same funding levels as 2022 *(except required dues)* with the following exceptions:

- Bremerton and Silverdale Chambers of Commerce combined to create the Greater Kitsap Chamber of Commerce which now includes Rock the Dock. Funding level set to \$5,000.
- Kitsap Small Business Development Center: there was discussion on whether Kitsap SBDC brought value to the Port and tabled funding until it is understood how it benefits the Port and/or its tenants. Funding level set to \$0.
- Leadership Kitsap: Funding level set to \$1,000.

The Board discussed the importance of all of the funding requests; however, the Port needs to be careful on the budget as there are so many big upcoming projects that need to be supported such as the Port Orchard Marina breakwater replacement and major airport improvements.

Citizen Comments

Executive Assistant Ginger Waye read the appended written comments into the record regarding Harper Pier 2023 budget allocations from the following citizens:

- Kinne Hawes on behalf of The Friends of Harper Pier
- Ashley Arnold, Jade Scuba Adventures

Kinne Hawes spoke to a request for consideration of a line item in the budget for Harper Pier maintenance.

Action Items

1. Resolution 2022-04 authorizing application for a CERB Planning Grant for Design and Engineering for Sewer Main Replacement in Olympic View Industrial Park. *Presented by Arne Bakker, Director of Business Development*

Following presentation and discussion;

It was moved by STRAKELJAHN, seconded by ANDERSON to:

Approve Resolution 2022-04 authorizing an application to the State of Washington CERB for financial assistance for design and engineering of the sewer replacement and roadway improvements along Imperial Way SW in Olympic View Industrial Park.

MOTION CARRIES, 3-0

Staff Reports

Jim Rothlin, Chief Executive Officer

- Explained that Kitsap Transit asked for a letter of support for their funding request to Department of Transportation for Transit's Passenger-Only Ferry maintenance facility. The Board was supportive of the request and would like to receive an overview from Kitsap Transit on the scope of the project.
- Toured the Marina Square building with Commissioner Anderson and Sound West Group. Provided an update on Port parking and availability.
- The tall ship Lady Washington arrived at Port Orchard Marina on August 10. They will be providing a sailing to Port commissioners and staff at 2:00 p.m. tomorrow, August 24.
- Shared a Saints Car Club letter thanking the Port for its support of the annual CRUZ car show in Port Orchard.
- Detailed all the activities that will be happening at the Bremerton Airport Fly-In and Car Show on Saturday, August 27. The airport maintenance crew will participate in the first annual valve cover race.

Commission Reports / New Business

Commissioner Bozeman

• At the upcoming retreat, would like to discuss what the Port's role should be in supporting any of our tenant's trying to buy capital. Do we allocate funding and staff time toward this?

Commissioner Anderson

• Attended the CRUZ and will also be attending the Bremerton Airport Fly-In and Car Show.

Commissioner Strakeljahn

• Also attend CRUZ and was honored to hand out trophies.

Executive Session

President Strakeljahn recessed the meeting at 6:50 p.m. and reconvened into executive session for approximately 15 minutes for the purpose of: discussing with legal counsel potential litigation [RCW 42.30.110(1)(i)].

At 7:05 p.m. the regular meeting was reconvened.

Adjournment

There being no further business before the Board, the meeting was adjourned at 7:05 p.m.

Submitted,

Approved,

Jim Rothlin Chief Executive Officer September 8, 2022 Cary Bozeman Commission Secretary September 13, 2022

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

FRIENDS OF HARPER PIER August 19, 2022

Dear Ginger,

Re: August 23, 2022 Meeting of Port of Bremerton Board of Directors 2023 Budget – Allocation of Port Resources to Community Agencies/Groups

This is a request that the Clerk of the Board convey this message to the Board in advance of the August 23 meeting, and include it in the citizen comments regarding this Agenda item at that meeting.

On behalf of the Friends of Harper Pier, we request that one or more line item allocations totaling \$30,000 for Harper Pier be included in the 2023 budget. That is a our estimate of the costs for the following work to be done at the Pier in 2023. If this estimate is inadequate to complete any item in 2023 we request that the estimate be amended accordingly so all these items can be budgeted for or completed, as appropriate, in 2023:

- 1. Install/provide signage for the Pier and the steps to the beach (as promised in the 2015 rebuild of the Pier) (line item every five years as needed).
- 2. Maintain and replace lights and electrical outlets on the Pier (annual line item).
- 3. Perform general maintenance of the Pier deck and amenities such as the fishing line receptacle (annual line item).
- 4. Funds to scrape, clean, and resurface the wooden railings on the Pier (line item every five years).

We understand that some of these items may be capital items that should be line items in the capital budget rather than line items in the operating budget. We leave those allocations to Port staff.

Please contact us if you have any questions.

For the Friends of Harper Pier (kinnehawes@msn.com)

Sent from Mail for Windows

From:	Jade Scuba Adventures	
То:	Ginger Waye	
Subject:	citizens comments. Harper Beach access;	
Date:	Tuesday, August 23, 2022 9:48:44 AM	

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Good morning,

Harper's Pier is used frequently by scuba divers and kayakers alike. It would be wonderful to have an easier entry and exit to/from the water. The float provides an excellent entry during the time it is in. However, it is not there year round. Also, there is not an easy exit from the water. Having a simple stairway to access the water would allow more to access the water at this location.

Sincerely,

Ashley Arnold Jade Scuba Adventures LLC (360) 233-6825 info@jadescubaadventures.com www.jadescubaadventures.com

PORT OF BREMERTON

BOARD OF COMMISSIONERS EXECUTIVE SESSION

MINUTES

August 23, 2022 6:50 p.m.

<u>Remote Access Only</u> Zoom Meeting ID: 335 903 0010 Zoom Call-In: (253) 215-8782

Call to Order

President Strakeljahn called the executive session to order at 6:50 p.m., August 23, 2022.

Commissioners and Staff Present

<u>Commissioners</u> Axel Strakeljahn Gary Anderson Cary Bozeman <u>Staff Members</u> Jim Rothlin Fred Salisbury Arne Bakker

James Weaver Anne Montgomery, Atty Seth Woolson, Atty

Item #1: Legal issues related to potential litigation were discussed [RCW 42.30.110(1)(i)].

With no further business to come before the Board, the meeting was adjourned into regular session at 7:05 p.m.

Submitted,

Approved,

Jim Rothlin Chief Executive Officer September 8, 2022 Cary Bozeman Commission Secretary September 13, 2022

PORT OF BREMERTON board of commissioners special meeting

MINUTES

August 31, 2022 9:00 AM

<u>Remote Access – Audio Only</u> Zoom Meeting ID: 335 903 0010 Zoom Call-In: (253) 215-8782

Commissioners and Staff Present

<u>Commissioners</u> Axel Strakeljahn Gary Anderson Cary Bozeman <u>Staff Members</u> Jim Rothlin Fred Salisbury Jeremiah Wiley Arne Bakker

James Weaver Erica Filler Ginger Waye Taylor Korizon Sophie Glass, Facilitator

Call to Order

The meeting was called to order at 9:00 a.m.

Welcome

Welcome by Sophie Glass, facilitator from Triangle Associates.

Strategic Plan Review

Reflection of the past few years and a review of the Port's mission and vision was provided by Jim Rothlin, Chief Executive Officer

Facility Spotlights

Updates on current plans for each Port line of business was received:

- Industrial Park Arne Bakker, Director of Business Development
- Marinas James Weaver, Director of Marine Facilities

Meeting was recessed at 10:40 a.m. and reconvened at 10:52 a.m.

- Airport Fred Salisbury, Chief Operations Officer
- Finance Jeremiah Wiley, Chief Financial Officer

Meeting was recessed for a lunch break at 12:05 p.m. and reconvened at 12:45 p.m.

Commissioner Reflections

Commissioners Anderson, Bozeman, and Strakeljahn each shared their long-term goals for the Port to reach its "full potential."

Review of Projects

CEO Rothlin provided an overview on the staff-prioritized list of upcoming capital projects. Commissioners will review the list and recommend changes to the priority order, removal of items, and/or additions at an upcoming work study session.

Meeting was recessed at 1:55 p.m. and reconvened at 2:10 p.m.

Port Orchard Redevelopment Updates

Mr. Weaver provided updates on:

- City of Port Orchard's Bay Street redevelopment project and the Port's waterfront property development. Commissioners discussed the importance of making sure that construction does not negatively impact access to the Port's building or the ability to refuel the Port's fuel tanks.
- Port's waterfront property development and upcoming environmental study on the property.

Community Engagement

Erica Filler, Marketing and Communications Coordinator gave a presentation on the Port's communication efforts. Commissioners discussed the importance of pushing out communications to the public and elected officials. Also discussed were potential community/legislative events.

Administrative Items

The following administrative items were discussed:

- Committee rotations
- Kitsap Aerospace & Defense Alliance (KADA)
- Succession planning
- Remote/hybrid/in-person meetings

Next Steps

Ms. Glass reviewed the next steps following the retreat.

Adjournment

The special meeting was adjourned at 4:05 p.m.

Submitted,

Approved,

Jim Rothlin Chief Executive Officer September 8, 2022 Cary Bozeman Commission Secretary September 13, 2022

PORT OF BREMERTON AGENDA SUMMARY

Agenda Item No:	Action Item #1
Subject:	Lease Amendment 1 Collins Investments LLC
Exhibits:	Lease Amendment 1
Prepared By:	Arne Bakker, Director of Business Development
Meeting Date:	September 13, 2022

<u>Summary</u>:

Collins Investments, LLC has been a tenant in good standing at the Port of Bremerton since 2014. With the purchase of 2 privately owned hangars, Collins Investments entered into a land lease for 42,024 sq ft. The initial lease is for the period of 30 years with 2 options to extend for 10 years each ending on August 31, 2064. In 2021, Collins Investments requested an additional 15,123 square feet to be able to construct a 6,400 sq ft hangar.

Lease Amendment 1 includes the following:

- Commencement date: September 1, 2022
- Term: Unchanged
- Area: increased from 42,024 sf to 57,147 sf
- New lease rate: \$1,564.47 per month excluding Leasehold Excise Tax. With approval of this lease amendment, Collins Investment will commence with site development work for the hangar.

Fiscal Impact:

Increased revenue for Bremerton National Airport of \$1,564.47 per month, a rate increase of \$414.01

Strategic Purpose:

This action conforms with the Port's strategic plan in Goal 4.a. to continually assess niche markets in the Port's Marina and Airfield lines of business for growth opportunities.

Recommendation:

Port staff recommends the approval of Lease Amendment 1 with Collins Investments as Presented.

Motion for Consideration:

Move to approve Lease Amendment 1 with Collins Investments, LLC as presented.

FIRST AMENDMENT TO LEASE

This **FIRST AMENDMENT TO LEASE** (the "First Amendment") is made and entered into this _____ day of _____, 2022, by and between the **PORT OF BREMERTON**, a Washington municipal corporation (hereinafter referred to as "Lessor"), and **COLLINS INVESTMENTS, LLC**, a Washington limited liability company (hereinafter referred to as "Lessee").

WHEREAS, the Lessor and Lessee entered into that certain lease dated July 22, 2014 (the "Lease"), wherein the Lessor leased property to Lessee defined as the "Premises" in the Lease; and

WHEREAS, Lessor and Lessee desire to amend the Lease on the terms and conditions set forth in this First Amendment.

NOW, THEREFORE, the Lease is hereby amended as follows:

A. Paragraph **1. PREMISES** of the Lease is deleted in its entirety and replaced as follows:

1. PREMISES

The said premises subject matter of this Lease is described in Exhibit "A" attached hereto and made a part hereof (hereinafter "Premises"). The Premises consist of a total 57,147 Square Feet, more or less, consisting of three parcels:

Parcel A: consisting of 22,475 Square Feet Parcel B: consisting of 17,137 Square Feet Parcel C: consisting of 17,535 Square Feet

which are graphically depicted for illustrative purposes on the diagram attached hereto as Exhibit "B" and made a part hereof. As used herein, the term "Premises" includes the real property and improvements now existing or hereafter constructed or installed on the property. Lessee has examined the Premises and accepts the same in their present condition, "as is".

B. Paragraph **3A. Base Rent** of the Lease is deleted in its entirety and replaced as follows:

3A. Base Rent

Lessee shall pay the Port as "Base Rent" rental in the amount of \$1,564.47 per month, in advance, commencing on the 1st day of September, 2022, and adjusted as hereinafter provided.

C. Paragraph **7. IMPROVEMENTS/ALTERATIONS** of the Lease is deleted in its entirety and replaced as follows:

As part of the consideration for the privileges herein granted, the Lessee agrees to construct a 6,400 square foot hangar and other improvements to the Premises at its sole cost and expense, except those which may be otherwise agreed to in writing by the Lessor.

- D. **CLAIM WAIVER**: In partial consideration for the Lessor consenting to this First Amendment, the Lessee does hereby forever release, indemnify, and hold harmless the Lessor and its commissioners, employees, and agents from any and all Claims arising from, or connected with, the Lease or the Premises through the date of this First Amendment. For purposes of this paragraph, the term "Claims" means any and all claims, demands, lawsuits, judgments, demands, fines or penalties, whether known or unknown and whether liquidated or unliquidated on the date of this First Amendment.
- E. **LEASE TERMS**: All other terms and conditions of the Lease shall remain the same and in full force and effect.
- F. **VALIDATION**: IN WITNESS WHEREOF, Lessor has caused this instrument to be signed by its President, Vice President, and Secretary by authority of the Commission of the Port of Bremerton, and this instrument has been signed and executed by Lessee, the day and year first above written

LESSEE:

LESSOR:

COLLINS INVESTMENTS, LLC

PORT OF BREMERTON

By: Roger Collins	
Its: Manager	

By: Axel Strakeljahn

Its: Commission President

By: Gary Anderson Its: Commission Vice President

By: Cary Bozeman

Its: Commission Secretary

STATE OF)	
County of)ss)	
On this appeared	day of	before me personally
to me known to be	the	

of the corporation/company that executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said corporation/company, for the uses and purposes therein mentioned, and that they are authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Notary Public in and for the State of

Name Printed

residing at_____

My commission expires:

STATE OF WASHINGTON))ss County of KITSAP)

On this <u>day</u> of August before me personally appeared Axel Strakeljahn, Gary Anderson and Cary Bozeman to me known to be the Commissioners of the **Port of Bremerton**, the municipal corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and that they are authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Notary Public in and for the State of Washington

Name Printed

residing at

My commission expires:

Collins Investments LLC Port of Bremerton Amended Lease

9/8/2022

EXHIBIT A

Legal Description

LEASE AREA "A", "B" and "C" LEGAL DESCRIPTIONS FOR PORT OF BREMERTON

LEASE PARCEL "A"

That part of the SW ¼ of the SE ¼ of Section 11, Township 23 North, Range 1 West, W.M., in Kitsap County, Washington, more particularly described as follows:

Commencing at the West ½ corner of said Section 11, said corner monumented with a concrete filled section of red tile with a copper nail for the center point; thence S87°56'12"E, 2792.23 feet along the East West centerline of said Section 11 to the Center ¼ corner; thence continuing S87°56'12"E, 1433.06 feet to the Northwest corner (Center-East 1/16) of the Northeast ¾ of the Southeast ¼ of said Section; thence leaving said East-West centerline S0°43'20"E along the West boundary of said Northeast ¾ of the Southeast ¼, 1325.02 feet to the Northeast ¼ of the Southeast 1/16) of the Southeast corner (Southeast 1/16) of the Northeast ¼ of the Southeast ½ of the Southeast ¼ of the Southeast ½ o

LEASE PARCEL "B"

That part of the SW ¼ of the SE ¼ of Section 11, Township 23 North, Range 1 West, W.M., in Kitsap County, Washington, more particularly described as follows:

Commencing at the West ½ corner of said Section 11. said corner monumented with a concrete filled section of red tile with a copper nail for the center point; thence S87*56'12"E, 2792.23 feet along the East-West centerline of said Section 11 to the Center ½ corner; thence continuing S87*56'12"E, 1433.06 feet to the Northwest corner (Center-East 1/16) of the Northeast ¼ of the Southeast ½ of said Section; thence leaving said East-West centerline . S0*43'20"E along the West boundary of said Northeast ¼ of the Southeast ¼, 1325.02 feet to the Northeast ¼ of the Southeast 1/16) of the Southeast 1/16) of the Northeast corner (Southeast 1/16) of the Northeast ¼ of the Southeast ¼ of the Southeast 1/16) of the Northeast ¼ of the Southeast ¼ of the Southeast ¼ of the Southeast ½ of the Southeast ¼ of the Southeast 1/16) of the Northeast ¼ of the Southeast ¼ of the Southeast ½ of the Southeast ¼ of the Southeast 1/16) of the Northeast ¼ of the Southeast ¼, 401.97 feet; thence S46°01'37"W, and leaving said North Boundary 302.29 feet to the True Point of Beginning; thence continuing S46'01'37"W, 118.39 feet; thence S55*45'04"E, 160.19 feet to a point on the edge of an existing taxiway; thence N34*00'30"E, 115.90 feet along said taxiway; thence leaving said taxiway N55*45'04"W, 135.54 feet the Point of Beginning.

Containing 17,137 square feet

Collins Investments LLC Port of Bremerton Amended Lease

LEASE PARCEL "C"

That part of the SW ½ of the SE ½ of Section 11, Township 23 North, Range 1 West, W.M., in Kitsap County, Washington, more particularly described as follows:

Commencing at the West ¼ corner of said Section 11, said corner monumented with a concrete filled section of red tile with a copper nail for the center point; thence S87°56'12"E, 2792.23 feet along the East-West centerline of said Section 11 to the Center ¼ corner; thence continuing 587"56'12"E, 1433.06 feet to the Northwest corner (Center-East 1/16) of the Northeast ¼ of the Southeast ¼ of said Section; thence leaving said East-West centerline S0°43'20"E along the West boundary of said Northeast % of the Southeast %, 1325.02 feet to the Northeast corner (Southeast 1/16) of the Northeast ¼ of the Southwest ¼ of the Southeast ¼ of said Section; thence N87*21'56"W along the North boundary of said Northeast ¼ of the Southwest ¼ of the Southeast ¼, 401.97 feet; thence S46°01'37"W, and leaving said North Boundary 302.29 feet; thence continuing \$46°01'37"W, 118.39 feet; thence \$34°00'30"W, 100.28 feet; thence \$12°20'05"W, 30.74 feet; thence \$34°00'30"W, 9.36 feet to the Point of Beginning; ; thence continuing \$34°00'30"W, 54.62 feet; thence \$15°36'32"W, 43.84 feet; thence \$34"00'56"W, 30.54 feet; thence \$55"45'04"E, 135.00 feet to the edge of the existing. taxiway; thence N34°00'30"E along said taxiway, 117.96 feet; thence N55°45'04"W 65.71 feet; thence N10°26'15"W, 12.30 feet; thence N55°45'04"W, 74.52 feet to the Point of Beginning. Containing 17,535 square feet

2/11/22

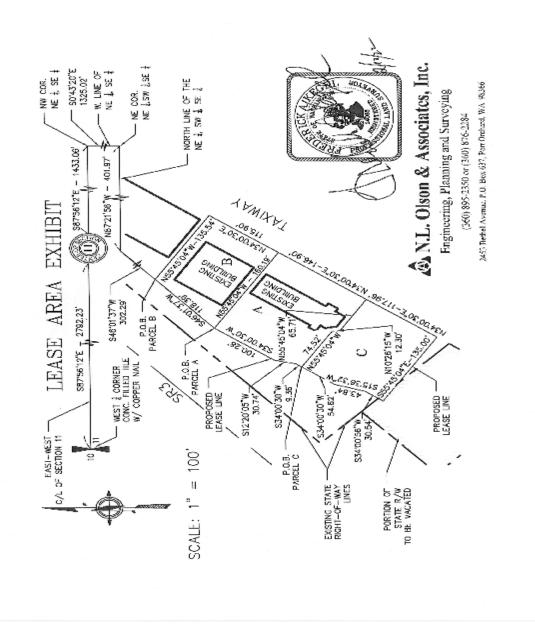


FREDERICK A. KEGEL, P.L.S. WASHINGTON STATE REGISTRATION NO. 14065

N.L. OLSON & ASSOCIATES 2453 BETHEL AVENUE PORT ORCHARD, WASHINGTON 98366 TELEPHONE: 360-876-2284

Collins Investments LLC Port of Bremerton Amended Lease

EXHIBIT B Legal Diagram



Collins Investments LLC Port of Bremerton Amended Lease