

**PORT OF BREMERTON**  
**BOARD OF COMMISSIONERS**  
**REGULAR BUSINESS MEETING**

**A G E N D A**

April 14, 2020  
10:00 AM

**Remote Access Only**  
**Zoom Meeting ID: 335 903 0010**  
**Zoom Call-In: (253) 215-8782**  
**BKAT Live Stream**

**Call to Order**

**Pledge of Allegiance**

**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 March 24, 2020.
- B. Payment of checks #81047 through #81076 and #E00040 through #E00045 and #901140 through #901142 and #E00046 through #E00053 and #81081 through #81089 and #81090 through #81091 and #901143 and #901144 through #901145 and #81092 and #E00054 from the General Fund for \$103,611.55; #81040 through #81046 and #81077 through #81080 from the Construction Fund for \$60,349.10.

**Information Items**

1. Legislative Update – Dylan Doty, Doty & Associates

**Work Study Session**

1. Master Development Planning – Steve Rice, Rice Fergus Miller, Inc.

**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. Rent Relief Program due to financial hardship caused by COVID-19 outbreak

**Staff Reports**

**Commission Reports/New Business**

**Executive Session** *(if necessary)*

**Adjournment**

*Regular business and other meetings that may be attended by members of the Board*

<u><i>Date</i></u>	<u><i>Time</i></u>	<u><i>Meeting</i></u>
<i>04/14</i>	<i>10:00 am</i>	<i>*Commission Regular Meeting –via Zoom</i>
<i>04/17</i>	<i>10:00 am</i>	<i>Peninsula Regional Transportation Policy Organization</i>
<i>04/21</i>	<i>11:00 am</i>	<i>Kitsap Regional Coordinating Council (KRCC) Executive Committee</i>
<i>04/21</i>	<i>1:30 pm</i>	<i>KRCC PlanPOL</i>
<i>04/23</i>	<i>1:00 pm</i>	<i>Kitsap Aerospace &amp; Defense Alliance Steering Committee</i>
<i>04/28</i>	<i>6:00 pm</i>	<i>*Commission Regular Meeting –via Zoom</i>

**PLEASE NOTE: ALL MEETINGS ARE BEING HELD REMOTELY**

*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**

March 24, 2020  
10:00 AM

Bill Mahan Conference Room  
Port Administration Offices  
Bremerton Nat'l Airport Terminal Bldg  
8850 SW State Hwy 3, Bremerton

**Meeting held in-person and remote via teleconference**

**Commissioners and Staff Present**

Commissioners

Cary Bozeman - Remote  
Axel Strakeljahn  
Gary Anderson

Staff Members

Jim Rothlin  
Fred Salisbury  
Sherman Hu  
Arne Bakker  
James Weaver  
Warren Hendrickson  
Ginger Waye  
Anne Montgomery, Atty

**Call to Order**

Vice-President Strakeljahn called the meeting to order at 10:00 a.m., noting there was no members of the public physically present in the audience and Commissioner Bozeman was participating remotely. He then led the Pledge of Allegiance.

Commissioner Strakeljahn thanked CEO Rothlin and staff for their communication and hard work during this COVID-19 crisis and for ensuring our facilities remain open for essential functions. He asked everyone to follow the direction of the governor's office and stay safe.

**Approval of Agenda**

**It was moved by ANDERSON, seconded by BOZEMAN to:**

Approve the Agenda as presented.

**MOTION CARRIES, 3-0**

**Consent Items**

- A. Minutes of the regular business meeting of March 10, 2020.
- B. Payment of checks #901132 and #E00023 and #80991 through #81015 and #E00024 through #E00035 and #901133 through #901134 and #81017 through #81038 and

#E00036 through #E00039 and #81039 and #901135 and #901136 and #901137 and #901138 from the General Fund for \$229,111.77; #80988 through #80990 and #81016 from the Construction Fund for \$113,532.67.

**It was moved by BOZEMAN, seconded by ANDERSON to:**

Approve the Consent Items as presented.

**MOTION CARRIES, 3-0**

### **Work Study Session**

1. Port Orchard Marina Breakwater Replacement Alternatives – James Weaver, Director of Marine Facilities

Mr. Weaver indicated that in follow-up to the discussion at the January 14, 2020, commission meeting regarding alternatives for the essential replacement of the 46-year old Port Orchard Marina breakwater, the top three alternatives (2, 3, and 4) are being presented in more detail as requested by the Board.

Using PowerPoint slides, Mr. Weaver presented the following discussing in detail:

- Alternatives comparison matrix
- Comprehensive detail of each alternative
- Cost differentials of each alternative
- Trade-off analysis for each alternative with a weighted average
- Summarized the trade-off analysis with engineer and staff recommendation of Alternative 2 with the highest weighted sum average.
- Proposed project schedule with construction beginning in 2021 and ending in 2022.
- Next steps will be putting out a Breakwater Design RFQ and submitting grant/funding applications.

There was in-depth discussion with the Board as Mr. Weaver responded to various questions with each commissioner stating support of Alternative 2.

**Citizen Comments** - None

### **Action Items**

1. Port Orchard Marina Breakwater Replacement Preferred Alternative (moved from Action Item 4)

*Presented by James Weaver, Director of Marine Facilities*

Following work study session discussion and presentation;

**It was moved by STRAKELJAHN, seconded by ANDERSON to:**

Approve the selection of Alternative #2 as the preferred alternative for the preparation of the Port Orchard Marina breakwater replacement design RFQ documents and grant applications.

**MOTION CARRIES, 3-0**

2. Resolution 2020-02 authorizing emergency powers and delegating authority to the Chief Executive Officer in response to the outbreak of COVID-19.

*Presented by Jim Rothlin, Chief Executive Officer*

Following presentation and full discussion including Port Attorney comments;

**It was moved by BOZEMAN, seconded by ANDERSON to:**

Approve Resolution 2020-02 authorizing emergency powers and delegating authority to the Chief Executive Officer in response to the COVID-19 outbreak.

**MOTION CARRIES, 3-0**

3. Resolution 2020-03 supporting the Puget Sound Regional Council (PSRC) and Kitsap County-wide funding application for Airport Way Phase 2-2 construction.

*Presented by Fred Salisbury, Chief Operations Officer*

Following presentation and full discussion;

**It was moved by STRAKELJAHN, seconded by ANDERSON to:**

Approve Resolution 2020-03 supporting the PSRC and Kitsap County-wide funding application for the Airport Way Phase 2-2 construction project and assuring the availability of Port matching funds.

**MOTION CARRIES, 3-0**

4. Bid Award to Colvico, Inc., for Lighting Signage, NAVAIDS, and Electrical Improvements; AIP 3-53-0007-033-2019 Project.

*Presented by Warren Hendrickson, Airport Manager*

Following PowerPoint presentation and full discussion;

**It was moved by STRAKELJAHN, seconded by ANDERSON to:**

Approve the Schedule A and, if required, Schedule B bid awards to Colvico, Inc., and authorize the CEO to execute the contract and issue a Notice to Proceed.

**MOTION CARRIES, 3-0**

**Commission New Business**

Commissioner Anderson

- Cautioned that the Port may have a bigger role to play in COVID-19 than realized as we have a large area and warehouses and suggested putting an action plan together and work with Department of Emergency Management (DEM) to offer a location where people

could come to gain additional medical attention or gather supplies, etc. He noted the Boy Scouts have a good action plan for preparing for emergency situations and maybe some of their processes and procedures could be incorporated into how we play our part. Commissioner Bozeman discussed the financial impacts on people and agreed the Port should be part of the answer.

## **Staff Reports**

### *Jim Rothlin, Chief Executive Officer*

- Discussed the steps the Port has and will be taking related to COVID-19 and the Governor's 'Stay Home, Stay Healthy' order. He thanked staff for pitching in during this time of uncertainty; unease is certainly felt with it affecting everyone differently. He noted that starting tomorrow, critical essential staff will be on-site at our facilities, but others will be working remotely, and video conferencing will be in place by the next commission meeting.

## **Commission Reports**

### *Commissioner Bozeman*

- Asked staff and everyone to stay safe; working from home is best option. These are extraordinary times; please take care of yourselves.

### *Commissioner Strakeljahn*

- Thanked staff for diligence, safety and concern. He remarked the impact being seen in Europe is quite impactful and we are blessed to be in the northwest.

## **Executive Session**

Vice-President Strakeljahn recessed the meeting at 11:35 a.m. and reconvened into executive session at 11:40 a.m. for approximately 15 minutes regarding: real estate [RCW 42.30.110(1)(c)]. At 11:55 a.m. executive session was extended 20 minutes.

At 12:15 p.m. the regular meeting was reconvened.

## **Adjournment**

There being no further business before the Board, the meeting was adjourned at 12:15 p.m.

Submitted,

Approved,

Jim Rothlin  
Chief Executive Officer  
April 9, 2020

Gary Anderson  
Commission Secretary  
April 14, 2020

**PORT OF BREMERTON**  
**BOARD OF COMMISSIONERS**  
**EXECUTIVE SESSION**

**MINUTES**

March 24, 2020  
10:00 AM

Bill Mahan Conference Room  
Port Administration Offices  
Bremerton Nat'l Airport Terminal Bldg  
8850 SW State Hwy 3, Bremerton

**Meeting held in-person and remote via teleconference Call to Order**

Vice-President Strakeljahn called the executive session to order at 11:40 a.m., March 24, 2020.

**Commissioners and Staff Present**

Commissioners

Cary Bozeman - Remote  
Axel Strakeljahn  
Gary Anderson

Staff Members

Jim Rothlin  
Fred Salisbury  
Anne Montgomery, Atty

**Item #1:** Real estate issues were discussed [RCW 42.30.110(1)(c)].

With no further business to come before the Board, the meeting was adjourned into regular session at 12:15 p.m.

Submitted,

Approved,

Jim Rothlin  
Chief Executive Officer  
April 9, 2020

Gary Anderson  
Commission Secretary  
April 14, 2020

## **PORT OF BREMERTON**

### **AGENDA SUMMARY**

Agenda Item No:     Action Item #1

Subject:             Rent relief program due to hardships caused by the COVID-19 outbreak

Exhibits:            None

Prepared By:         Jim Rothlin, CEO

Meeting Date:        April 14, 2020

#### Summary:

COVID-19, a respiratory disease that can result in serious illness or death to vulnerable or at-risk populations, is caused by the SARS-CoV-2 virus, which is a new strain of coronavirus that had not been previously identified in humans and can easily spread from person to person.

In response to COVID-19 spreading in the United States, on January 31, 2020, the United States Department of Health and Human Services Secretary declared a public health emergency for COVID-19, beginning on January 27, 2020. On March 6, 2020, Governor Inslee issue a special COVID-19 message to Washington State businesses and workers. This message acknowledged that COVID-19 has multiple economic impacts, including workers having to stay home, interruptions to supply chains, disruptions to small businesses and hourly workers, and export-dependent businesses struggling to deliver products to key international markets. On March 13, 2020, Governor Inslee announced statewide school closures and banned gatherings of 250 people or more in the State. On March 16, 2020, Governor Inslee announced at state-wide shutdown of restaurants and bars, and further limited gatherings of more than 50 people.

On March 23, 2020, Governor Inslee issued a “stay at home” order directing all people in Washington to “stay home” unless they are pursuing an “essential” activity. COVID-19 has had a significant chilling effect on the economies of the United States, Washington State, and Kitsap County.

On March 24, 2020, the Board of Commissioners of the Port of Bremerton adopted Resolution No. 2020-02 authorizing emergency powers and delegating authority to the CEO in response to the COVID-19 outbreak. The CEO has utilized this authority to develop a concept of operations that will extend rent relief to the specific Port tenants described in Section 10 below for any 3 month period between the months of April through December 2020.

The Port recognizes that COVID-19 has significantly impacted the lives of the community. In particular, it has caused some lines of business to scale back, while others have been forced to shut their doors, at least for a temporary period. The Port has received requests from some of their tenants for rent relief. The Port desires to work with its business tenants to provide them with a form of rent relief that will assist them in weathering the economic impacts of COVID-19. The concept of operations for the Port’s COVID-19 rent relief program is outlined below:



1. The Port uses the term “rent relief” to mean a sanctioned program of rent deferral without penalty through December 31, 2020.
2. Rent Relief is not automatic. A tenant wishing to participate must contact the Port and comply with the terms as set forth below.
3. The Port will allow up to 3 months of rent relief, with the tenant choosing which months during 2020. These months shall be considered a “Rent Relief Period.” Billing for the Rent Relief Period will continue to show base rent, leasehold tax, and utility charges, if applicable. Tenants shall continue to pay the leasehold taxes and utility charges on time as indicated on their statements. The balance for the Rent Relief Period will continue to accrue on their account until the Postponed Rent payments are made. For any other months, tenants shall pay their full monthly amount due.
4. All tenants must remain current on their leasehold excise taxes and utility charges, as those are direct costs to the Port if unpaid. The Port is unable to negotiate payment extensions on those taxes and charges. The remaining rental payments constitute the “Postponed Rent.”
5. So long as tenants pay the accrued balance of Postponed Rent in full by the earlier of December 31, 2020, or the last day of their lease term, all late fees and interest that would have normally accrued on such balance will be waived. If a tenant failed to pay the minimum leasehold tax plus utility payments for the Rent Relief Period or have an account balance from the Rent Relief Period remaining as of the earlier of January 1, 2021 or the last day of the lease term, then the tenant shall be responsible for all the accrued late fees and interest on the Postponed Rent as set forth in the tenant’s lease and/or Port policies.
6. Tenants wishing to participate will sign a rent relief lease amendment agreeing to the terms as set forth
7. Month-to-month tenants may participate in the rent relief program for the Rent Relief Period so long as they sign a lease amendment agreeing to pay the accrued balance in full by the earlier of the termination of the month-to-month lease, including any holdover period, or December 31, 2020.
8. There is no penalty for early payoff. Tenants are encouraged to continue to pay rent as usual if it becomes possible.
9. Reimbursement of the deferred rent: As long as the total is paid to the Port by December 31, 2020, (or the end of the lease term if earlier) it does not matter if it is paid in installments or in a lump sum.
10. This program applies to all tenants in the Port’s Industrial Park, Airport and Marina operations. Tenant’s account must be current as of March 1, 2020 in order to be considered for this program.

Fiscal Impact:

The Port's cash flow based upon rental rates for Q2 2020 that will be delayed until Q4 2020 is difficult to determine at this point as it will correlate to the tenants that will use this program. The CEO anticipates providing the Board a bimonthly list of Port tenants who have chosen to take advantage of the rent relief program and have signed lease amendments memorializing the arrangement.

Strategic Purpose:

Goal #2 of the Strategic plan – Operate all Port facilities efficiently and cost effectively with a high degree of customer service.

Recommendation:

Approve the rent relief program and authorize the CEO to enact the program.

Motion for Consideration:

**Approve the rent relief program and authorize the CEO to enact the proposed rent relief program for all tenants requiring assistance due to financial hardship during the COVID-19 outbreak**