

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

**A G E N D A**

December 13, 2016  
6:00 PM

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

**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 of November 22, 2016.
- B. Payment of checks #102005 through #102032 and #75011 through #75011 and #75032 through #75120 from the General Fund for \$142,981.51; #75013 through #75031 from the Construction Fund for \$289,663.83 and the payment of payroll taxes for \$15,783.93.

**Information Items**

- 1. Kitsap Economic Development Alliance Quarterly Update – John Powers, Executive Director

**Work Study Session**

**Citizen Comments:** *Open to the public for comment on subjects not listed on the agenda. Speakers are asked to keep their comments to less than 3 minutes. A Commissioner may request to waive the 3 minute time limit. Please feel free to submit further comments in writing to the Clerk of the Board.*

**Action Items**

- 1. Ground Lease Agreement with Nature's Caretaker of Washington LLC
- 2. Final Acceptance for Olympic View Industrial Park (OVIP) Building #1 Renovation Project with 3 Kings Environmental, Inc.
- 3. Final Acceptance for Olympic View Industrial Park (OVIP) Building #1 Renovation Project with Rivers Edge Environmental Services, Inc.

**New Business**

**Staff Reports**

**Commission Reports**

**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>12/13/16</i>	<i>10:30 am</i>	<i>Kitsap Regional Coordinating Council (KRCC) TransPol</i>
<i>12/13/16</i>	<i>6 pm</i>	<i>*Commission Regular Meeting – Bill Mahan Conference Room</i>
<i>12/15/16</i>	<i>9 am</i>	<i>Puget Sound Regional Council (PSRC) Operations Committee</i>
<i>12/15/16</i>	<i>10 am</i>	<i>PSRC Executive Board</i>
<i>12/16/16</i>	<i>10 am</i>	<i>SR16 Tacoma Narrows to SR3 Congestion Study Executive Committee</i>
<i>12/26/16</i>		<i>Port Offices closed for the Christmas Holiday</i>
<i>01/02/17</i>		<i>Port Offices closed for the New Year Holiday</i>
<i>01/03/17</i>	<i>10:15 am</i>	<i>KRCC Executive Board</i>
<i>01/14/17</i>	<i>2 pm</i>	<i>West Sound Alliance</i>
<i>01/10/17</i>	<i>6 pm</i>	<i>*Commission Regular Meeting – Bill Mahan Conference Room</i>

*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**

November 22, 2016  
6:00 PM

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

**Call to Order**

President Strakeljahn called the meeting to order at 6:00 p.m. and led the Pledge of Allegiance.

**Commissioners and Staff Present**

Commissioners

Axel Strakeljahn  
Larry Stokes  
Cary Bozeman

Staff Members

Jim Rothlin  
Sherman Hu  
Steven Sparks  
Ginger Waye  
Gordon Walgren, Atty  
Jim Ryan, Atty

**Approval of Agenda**

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

Approve the Agenda as presented.

**MOTION CARRIES, 3-0**

**Consent Items**

- A. Minutes of the regular business meeting of November 8, 2016.
- B. Payment of checks #101942 through #101972 and #74898 through #75003 from the General Fund for \$219,083.72; #74888 through #74897 from the Construction Fund for \$51,452.30 and the payment of payroll taxes for \$29,934.66.
- C. Fund Transfer Resolutions:
  - Resolution 2016-40 monthly transfer to the General Fund: \$54,662.52 from the Airport Fund; \$168,276.06 from the Harbor Fund; \$38,675.00 from the Airport-Industrial Development Fund.
  - Resolution 2016-41 transferring \$30,000.00 from the General Fund to the Airport Fund.

- Resolution 2016-42 transferring \$256,400.00 from the GO Bond Taxes Fund to the General Fund.

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

Approve the Consent Items as presented.

**MOTION CARRIES, 3-0**

### **Information Items**

1. 2017 Legislative Issues – Dylan Doty, Jensen Walgren Doty Governmental Consulting

Mr. Doty explained he is part of the Port's government affairs team in Olympia and discussed what can be anticipated during the 2017 105-day legislative session. He highlighted three main points the Port will focus on during the session:

- The Port has submitted a \$1.5M capital budget request for the Port Orchard Marina breakwater refurbishment to its 26<sup>th</sup> district legislators who will be sharing the request with their capital budget chairs.
- The Port hosted a well-received "day on the hill" event in Olympia last year and will be hosting another one this year with updated information and highlighting the breakwater refurbishment.
- Will be supporting Washington Public Ports Association (WPPA) in their efforts toward initiatives of significance to the Port of Bremerton.

There was discussion with the Board on transportation issues with the main focal point being on the Gorst transportation corridor. Mr. Doty stated he will remain in full contact with the Board and staff throughout the legislative session providing weekly/bi-weekly reports.

### **Work Study Session**

1. Washington Avenue Real Property Purchase Agreement

CEO Jim Rothlin stated the intent of the Port purchasing the Washington Avenue property several years ago was to provide parking for Bremerton Marina tenants and he discussed the priorities for now selling the property: 1) retain adequate parking; 2) receive enough income to pay off the bond debt; and 3) provide an economic development opportunity for the community. He discussed the site development plans and displayed a conceptual drawing of the building plans. He provided financial detail on the purchase and sale offer and potential parking costs. There was detailed discussion on parking especially related to parking during construction. It was determined that Gary Sexton, project manager, would follow-through on the interim parking issue.

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

Approve the Real Property Purchase Agreement with Sound West Holdings with the contingency that parking is secured during project construction.

**MOTION CARRIES, 3-0**

Public Comment:

*Jerry McDonald, Bremerton Council Member*

- Questioned whether the amount of allocated parking spots was enough and suggested interim parking could be found in several different locations instead of just one.
- Want to make sure that the contract abides by the Harborside Condominium easement allowing ingress/egress and garbage collection for the condos.
- Would like to see part of the new construction be a hotel.

*Roger Gay, South Kitsap resident*

- Requested the Port come up with a plausible plan to present at the Seattle Boat Show so potential tenants understand what is happening with the parking.
- Wants to make sure taxpayers do not pick up the cost of parking.
- Would like to see drop-off/pick-up area remain available during construction.

**Citizen Comments - None**

### **Action Items**

1. Final Budget for Calendar Year 2017

*Presented by Sherman Hu, Chief Financial Officer*

a. Public Hearing

President Strakeljahn opened the public hearing at 6:55 p.m.

CFO Hu presented the 2017 final budget stating there were no changes from the 2<sup>nd</sup> preliminary budget draft that was presented at the previous meeting.

No public comments were received and the public hearing was closed at 6:57 p.m.

b. Resolution 2016-43 providing for a regular property tax levy and all allowable levies for calendar year 2016.

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

Approve Resolution 2016-43 with no tax increase in the general tax levy.

**MOTION CARRIES, 3-0**

- c. Resolution 2016-44 providing a limit factor for the regular levy for the 2017 calendar year to determine future years' levies and to enable the Port to bank excess levy capacity.

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

Approve Resolution 2016-44 providing a limit factor for the regular levy for the 2017 calendar year to determine future years' levies and to enable the Port to bank excess levy capacity.

**MOTION CARRIES, 3-0**

- d. Resolution 2016-45 adopting the final budget for calendar year 2017.

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

Approve Resolution 2016-45 approving and adopting the Final 2017 Budget.

Following discussion;

**MOTION CARRIES, 3-0**

- e. Resolution 2016-46 filing the final budget and submitting request for tax levies for calendar year 2017 with the Clerk of the Board of County Commissioners.

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

Approve Resolution 2016-46 filing the final 2017 budget documents and submitting request for tax levies in the amounts indicated with the County Clerk of the Board and the Kitsap County Assessor's Office.

**MOTION CARRIES, 3-0**

- 2. Change Order to 3 Kings Environmental, Inc., for Olympic View Industrial Park (OVIP) Building #1 Restoration Project  
*Presented by Steven Sparks, Director of Facilities & Planning*

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

Approve Change Order #3 for 3 Kings Environmental, Inc. for the OVIP #1 Restoration Project in the amount of \$17,152.01.

Following discussion;

**MOTION CARRIES, 3-0**

- 3. Change Order to Rivers Edge Environmental Services, Inc.

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

Approve Change Order #1 to Rivers Edge Environmental Services, Inc. for the OVIP #1 Restoration Project in the amount of \$18,597.22

**MOTION CARRIES, 3-0**

## **New Business - None**

## **Staff Reports**

### *Jim Rothlin, Chief Executive Officer*

- Reported on the recently attended Washington Public Ports Association (WPPA) annual conference noting that all three Commissioners also attended. He provided additional detail on the Economic Development Committee meeting that he chairs. He announced that Port Attorney Gordon Walgren received WPPA's Outstanding Service to the Industry Award during the awards breakfast on the last day of the conference. Mr. Walgren was recognized for his significant and meaningful contribution to the success of the public ports of Washington State. Mr. Rothlin provided some history of Gordon's involvement with the Port of Bremerton and WPPA.
- He stated that historically the Port has held only one meeting during the month of December and he recommended cancelling the second meeting of the month due to its close proximity to the holidays. The Board concurred with his recommendation and directed that the meeting scheduled for December 27, 2016 be cancelled.

## **Commission Reports**

### *Commissioner Stokes*

- Discussed Mr. Walgren's award stating he was on the Board of Commissioners when Mr. Walgren was hired as port attorney 30 years ago and he has done a tremendous service to the Port.
- Attended the Port Orchard Soroptimist comedy night fundraiser in which they raised over \$6,000. He discussed their great partnership and community involvement; they have done great things for the Port Orchard Marina Park and the Airport Playground.

### *Commissioner Strakeljahn*

- Provided highlights of the sessions he attended at the WPPA annual meeting especially related to trade and transportation. Mentioned Mr. Walgren received a standing ovation for his award and the Port is very proud to have him as its attorney.

### *Commissioner Bozeman*

- Echoed previous sentiments about Gordon stating he is a quality person.
- Due to the passage of the passenger-only ferry measure, he requested staff provide Kitsap Transit's financial reimbursement obligation for the A-Float/B-Pontoon project. CEO Rothlin stated staff would review the agreement and supply the information.

## **Executive Session - None**

## **Adjournment**

There being no further business before the Board, the meeting was adjourned at 7:30 p.m.

Submitted,

Approved,

Jim Rothlin  
Chief Executive Officer  
December 8, 2016

Cary Bozeman  
Commission Secretary  
December 13, 2016



**PORT OF BREMERTON**  
**AGENDA SUMMARY**

Agenda Item No: Action Item 1  
Subject: Nature's Caretaker of Washington LLC Ground Lease  
Exhibits: Ground Lease Document  
Prepared By: Fred Salisbury DA&R  
Meeting Date: December 13, 2016

**Summary:**

Nature's Caretaker of Washington, LLC Corporate headquarters is located in an 8,000 sf building owned by G&J Properties in the NE Campus area. They are a large landscape/snow and ice removal company with operations in Western Washington (King, Pierce, Mason, Kitsap and Thurston Counties), Colorado Springs, Colorado, and South Carolina with 22 employees in the local area. Due to the growth of the company operations, Nature's Caretaker has requested to lease the adjacent 1.79 acre parcel. The parcel will be used as a secured, graveled parking area for company vehicles, equipment, and supplies. The lease allows the installation of a temporary clear span fabric storage structure. Port staff has completed its due-diligence and finds the company financially sound and well respected throughout the region and industry. The lease is for three years with 2 one year options, which is aligned with the building lease. The Port Attorney has reviewed the lease document.

**Fiscal Impact:**

Annual income is \$12,888 with annual CPI increases.

**Recommendation:**

Recommend approval of the ground lease with Nature's Caretaker of Washington, LLC.

**Motion for Consideration:**

**Move to approve the lease with Nature's Caretaker of Washington, LLC.**

**PORT OF BREMERTON**  
**AGENDA SUMMARY**

Agenda Item No: Action Item #2  
Subject: Final Acceptance to 3 Kings Environmental OVIP #1 Renovation  
Exhibits: None  
Prepared By: Steven Sparks, Director, Facilities & Planning  
Meeting Date: December 13, 2016

**Summary:**

On May 06, 2016 the Port gave Notice to Proceed to 3 Kings for OVIP #1 Renovation. This project helped mitigate the flooring hazardous material deficiencies in OVIP #1 high bay area, UST removal outside and Asbestos remediation in the office areas. 3 Kings has completed all work and conformance to specifications to the satisfaction of the Port with a final walk-through November 1, 2016. The initial contract was \$28,000 (\$30,436 with tax). There were four change orders on the project totaling \$22,327.01 including tax.

**Fiscal Impact:**

From the 2016 Capital Budget (OVIP / Site, Utility & Building Improvements) \$52,763.01

**Recommendation:**

Staff recommends accepting as final the construction contract with 3 Kings of \$48,936.22 plus applicable tax for a total of \$52,763.01.

**Motion for Consideration:**

Move to accept as final the construction contract with 3 Kings of \$52,763.01 including taxes.

**PORT OF BREMERTON**  
**AGENDA SUMMARY**

Agenda Item No: Action Item #3  
Subject: Final Acceptance to Rivers Edge Environmental OVIP #1 Renovation  
Exhibits: None  
Prepared By: Steven Sparks, Director, Facilities & Planning  
Meeting Date: December 13, 2016

**Summary:**

On August 23, the Commission approved construction award to Rivers Edge Environmental, Inc. of \$76,460.00 (\$83,112.20 including taxes). This project helped mitigate the walls, mezzanine and ceiling surfaces of hazardous material deficiencies in OVIP #1 high bay area, and all of the documentation and disposal of hazardous materials. Rivers Edge has completed all work and conformance to specifications to the satisfaction of the Port with a final walk-through November 1, 2016. There was one change order on the project totaling \$18,597.22 (\$20,215.18 including taxes) for a total contract of \$95,057.22 (\$103,327.20 including taxes).

**Fiscal Impact:**

2016 Capital Budget (OVIP, Building, Site & Utilities) \$103,327.20 with taxes

**Recommendation:**

Staff recommends accepting as final the construction contract with Rivers Edge Environmental for \$95,057.22 (\$103,327.20 including taxes)

**Motion for Consideration:**

Move to accept as final the construction contract with Rivers Edge Environmental Services for \$103,327.20 including taxes.