

PORT OF BREMERTON
BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING

A G E N D A

March 27, 2018
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 March 13, 2018.
- B. Payment of checks #103086 through #103113 and #77461 through #77465 and #77468 through #77532 from the General Fund for \$430,184.65; #77466 through #77467 from the Construction Fund for \$31,946.69 and the payment of payroll taxes for \$16,309.59. Void Check # 77385.

Information Items

- 1. Freedom Boat Club's Time Share Boating – Shawn Ottenbreit
- 2. 2018 Seattle Boat Show Report – Bob Wise, Marsh Andersen, LLC

Work Study Session

- 1. Port Building Options
- 2. Request for Qualifications (RFQ) Discussion – Marina Options

Citizen Comments: *Open to the public for comment. 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. Marina Rules and Regulations
2. Assignment of Lease from SuperCritical Technologies, Inc. to 5747 Imperial Way SW LLC

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>Date</u>	<u>Time</u>	<u>Meeting</u>
03/27/18	12:30 pm	CANCELLED Kitsap Aerospace & Defense Alliance Steering Committee
03/27/18	6 pm	*Commission Regular Meeting – Bill Mahan Conference Rm
03/30/18	11:30 am	Kitsap Economic Development Alliance (KEDA) Annual Meeting
03/03/18	10:15 am	Kitsap Regional Coordinating Council (KRCC) Executive Board
04/10/18	10 am	*Commission Regular Meeting – Bill Mahan Conference Rm

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 13, 2018
10:00 AM

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

Call to Order

President Stokes called the meeting to order at 10:00 a.m. and led the Pledge of Allegiance.

Commissioners and Staff Present

Commissioners

Larry Stokes
Axel Strakeljahn

Staff Members

Jim Rothlin
Fred Salisbury
Sherman Hu
Arne Bakker
Tim Mensonides
Ginger Wayne

Approval of Agenda

It was moved by STRAKELJAHN, seconded by STOKES to:

Approve the Agenda as presented.

MOTION CARRIES, 2-0

Consent Items

- A. Minutes of the regular business meeting of February 27, 2018.
- B. Payment of checks #103058 through #103085 and #77381 through #77384 and #77393 through #77460 from the General Fund for \$129,223.75; #77385 through #77392 from the Construction Fund for \$151,737.65 and the payment of payroll taxes for \$16,246.96. Void Checks #76656 & 77275.
- C. Excuse Commissioner Bozeman's absence due to out of state travel.

It was moved by STOKES, seconded by STRAKELJAHN to:

Approve the Consent Items as presented.

MOTION CARRIES, 2-0

Information Items

1. Legislative Update – J. Dylan Doty, Doty & Associates, Inc.

Mr. Doty provided the Board a detailed written report on the 60-day “short” legislative session that was adjourned on time on March 8. Highlights included:

- Carbon tax did not pass; however, there will be an initiative to the people on the ballot in November.
- Election year for all members of the house and half of the senate; it will be a very hard fought campaign season.
- \$1.019M for the Port Orchard Marina Breakwater Refurbishment was included in the capital budget along with money for Mason County’s study for a sewer extension.
- Belfair Bypass was renamed SR3 Freight Corridor.
- Several bills listed in the written report were discussed.
- Previewed 2019 and beyond; he encouraged the commissioners and staff to look at the capital facilities plan and put ideas together now for what to ask for next session.

In response to commissioner and staff questions, there was discussion on several topics including state versus local school district taxing; potential partnerships in other regional projects of interest; Tacoma Narrows Bridge toll cap; and Belfair sewer extension.

2. Human Resources Update – Larry Boone

Mr. Boone introduced himself and provided a brief overview of the human resource services he has been providing the Port. He reviewed his professional background that qualifies him to provide those services and described the projects he is currently working on such as updating the employee handbook and labor relations. He reported that labor negotiations are beginning for a new 3-year contract with a goal of reaching a mutually agreeable contract done in a manner that will strengthen and build trust and respect from represented employees.

Citizen Comments

Roger Gay, South Kitsap

- Spoke to his support of SB 6034 passing which authorizes public utility districts such as Kitsap Public Utility District (KPUD) to petition for retail telecommunications services. Suggested the Port look at partnering with KPUD.
- Spoke to the Puget Sound Regional Council (PSRC) competition for regional transportation funding in which there are two Kitsap County spots left open and suggested the Port look at what funds are available and have projects on the hotlist ready-to-go. Commissioner Strakeljahn responded that the Port is always tracking what may be eligible for that funding and we continue to stay on it.

Action Items

1. Lease Amendments with Miles Sand & Gravel Company
Presented by Fred Salisbury, Chief Operations Officer

It was moved by STOKES, seconded by STRAKELJAHN to:

Approve Miles Sand & Gravel Company Amendment #7 to Lease No. 402182

MOTION CARRIES, 2-0

It was moved by STOKES, seconded by STRAKELJAHN to:

Approve Miles Sand & Gravel Company Amendment #7 to Lease No. 402183

MOTION CARRIES, 2-0

It was moved by STOKES, seconded by STRAKELJAHN to:

Approve Miles Sand & Gravel Company Amendment #7 to Lease No. 402057

MOTION CARRIES, 2-0

It was moved by STOKES, seconded by STRAKELJAHN to:

Approve Miles Sand & Gravel Company Amendment #11 to Lease No. 402925

MOTION CARRIES, 2-0

2. Interlocal Agreement with Kitsap County concerning mutual support in the control and disposition of derelict vessels and vehicles
Presented by Tim Mensonides, Airport Manager

Following discussion;

It was moved by STRAKELJAHN, seconded by STOKES to:

Approve Interlocal Agreement #KC-040-18 with Kitsap County Concerning Mutual Support in the Control and Disposition of Derelict Vessels and Vehicles

MOTION CARRIES, 2-0

New Business - None

Staff Reports

Jim Rothlin, Chief Executive Officer

- He discussed the Navy's plan for expanding the scope of their special operations training in the region and provided detail on some of that training. It is estimated the Navy will make a decision on whether to proceed with the proposed training schedule sometime in late summer/early fall. The Port has extended an invitation to Naval Special Operations

to possibly include Port of Bremerton waterfront properties as an option for their training.

- Announced that April 7 will be the grand opening for new marina tenants, Freedom Boat Club. He described the club's time-share boating program and indicated the club will make a presentation on their program at the next board meeting.
- Along with Business Development Director, Arne Bakker, met with Bremerton Mayor Greg Wheeler and provided him a virtual tour of port properties and how the port benefits economic development goals. Was invited to make the presentation to city staff and council.
- Lease updates:
 - In process of finalizing a lease with Skookum for a short-term lease for a portion of Olympic View Industrial Park (OVIP) Building #1
 - Received two lease applications for the Avian building upper level
 - Working on a 30-year lease for a manufacturing facility with the expectation of up to 100 employees
- With continued demand for increased IT support, the Port has contracted with Kitsap Networking Services (KNS) allowing for more flexibility. This ends a long-term agreement with West Sound Utility District (WSUD) and their IT specialist, Michael Whitehead who spearheaded and was responsible for our growth of infrastructure at the Port over the last 12 years. He thanked Mr. Whitehead and WSUD for their services.
- Discussed previous meeting with regional director, Larry Phillips, of Washington State Fish & Wildlife regarding potential improvements for Misery Point boat launch. Received a phone call from Mr. Phillips regarding partnering and moving forward on this project.

Commission Reports

Commissioner Strakeljahn

- Reported on the recent Kitsap Regional Coordinating Council (KRCC) meeting during which it was discussed that PSRC's VISION 2050 plan was opened up for comments. He stated the Port has submitted comments and the KRCC Executive Committee will meet later this week to solidify all the regional comments.
- Attended a U.S. Global Leadership Coalition breakfast with a panel discussion that included Congressman Derek Kilmer. He reviewed detail of the discussion and the importance of being internationally aware.
- Called on Chief Operations Officer Fred Salisbury who provided more information on the PSRC transportation regional competition cycle and how the Port is preparing to apply for that funding.

Executive Session - None

Adjournment

There being no further business before the Board, the meeting was adjourned at 11:10 a.m.

Submitted,

Approved,

Jim Rothlin
Chief Executive Officer
March 22, 2018

Axel Strakeljahn
Commission Secretary
March 27, 2018

Draft

PORT OF BREMERTON
AGENDA SUMMARY

Agenda Item No: Action Item #1
Subject: Marina Rules and Regulations Revisions
Exhibits: None
Prepared By: Bob Wise, Marsh Andersen LLC
Kathy Garcia, Marina Operations Manager
Meeting Date: March 27, 2018

Summary:

The marina staff has been working on the revision of current Marina Rules and Regulations, which was last updated on February 23, 2011. The presentation will go into detail of the recommended changes.

Fiscal Impact:

NONE

Recommendation:

Approve revisions to the Marina Rules and Regulation to go into effect June 1, 2018. This will allow time to revise other marina documents, including the moorage lease agreement, so that all are consistent with each other.

Motion for Consideration:

Move to approve the revised Marina Rules and Regulations effective June 1, 2018.

PORT OF BREMERTON
AGENDA SUMMARY

Agenda Item No: Action Item #2
Subject: Assignment of Lease from SuperCritical Technologies, Inc. to 5747 Imperial Way SW LLC
Exhibits: Assignment of Lease
Prepared By: Arne Bakker, Director of Business Development
Meeting Date: March 27, 2018

Summary:

SuperCritical Technologies, Inc. leases the property at 5747 Imperial Way SW in the Olympic View Industrial Park. The premises consist of approximately 6,000 square foot building on a .63 acre parcel. This lease currently runs through May 31, 2019, with nine (9) two (2) year options remaining on the lease.

SuperCritical Technologies, Inc. wish to convey and assign existing lease to Chal Davidson, and his company, 5747 Imperial Way SW LLC. Staff believes assigning the rights and control directly to Mr. Davidson will improve the overall opportunities at this site.

The Lessees are requesting consent to the assignment and transfer to 5747 Imperial Way SW, LLC of all the Lessee's interests in the leases and amendments.

The consent and assignment documents have been reviewed by the Port Attorney.

Fiscal Impact:

Since the lease is a direct assignment with no changes to the current lease payment schedule, there is no fiscal impact for this action. However, staff believes the likelihood that the options being acted upon is more favorable with this assignment. A financial review has been completed with the new lessee and approved by accounting staff.

Recommendation:

Staff recommends the approval of the consent to assignment of lease from SuperCritical Technologies, Inc., to 5747 Imperial Way SW LLC.

Motion for Consideration:

Move to approve the consent to assignment of lease from SuperCritical Technologies, Inc., to 5747 Imperial Way SW, LLC.

ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, SuperCritical Technologies, Inc., a Washington corporation (hereinafter "Assignor"), assigns that certain Lease dated the 1st day of June, 2015, between the Port of Bremerton, a Washington municipal corporation as Lessor and Assignor as Lessee, covering premises at 5747 Imperial Way SW, Bremerton, Washington (collectively hereinafter referred to as the "Lease"), to 5747 Imperial Way SW LLC, a Washington limited liability company ("5747 LLC").

EXECUTED effective as of the 1st day of April, 2018. Assignor acknowledges and agrees that such Assignment is not valid unless consented to in writing by Lessor.

SuperCritical Technologies, Inc.

By: _____
Print: _____
President

By: _____
Print: _____
VP Finance

ASSUMPTION OF LEASE

5747 LLC hereby accepts such Assignment and assumes all responsibility for and liability and obligations under the Lease and agrees to and shall perform the obligations and covenants of said Lease. 5747 LLC acknowledges receipt of a copy of the Lease. 5747 LLC acknowledges and agrees that such Assignment and its assumption thereof is not valid unless consented to in writing by Lessor.

5747 Imperial Way SW LLC

By: _____
Print: _____
Member

By: _____
Print: _____
Member

LESSOR CONSENT TO ASSIGNMENT AND ASSUMPTION:

PORT OF BREMERTON

By: _____
Print: _____
Commission President

By: _____
Print: _____
Commission Secretary

By: _____
Print: _____
Commission Vice President

STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

On this ____ day of _____, 2018, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ and _____ to me known to be the _____ and _____, respectively of SuperCritical Technologies, Inc., that they executed the foregoing instrument and acknowledged the said instrument to be their free and voluntary individual act and the free and voluntary act and deed of the said corporation, for the uses and purposes therein mentioned, and on oath stated that they are 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: _____
Print Name: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

On this ____ day of _____, 2018, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ and _____ to me known to be the Members of 5747 Imperial Way SW LLC, that they executed the foregoing instrument and acknowledged the said instrument to be their free and voluntary individual act and the free and voluntary act and deed of the said limited liability company, for the uses and purposes therein mentioned, and on oath stated that they are 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: _____
Print Name: _____