

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

**A G E N D A**

June 12, 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**

**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 May 22, 2018.
- B. Payment of checks #103263 through #103289 and #77809 through #77812 and #77816 through #77885 from the General Fund for \$300,728.95; #77813 through #77815 from the Construction Fund for \$10,912.85 and the payment of payroll taxes for \$16,491.58. Void Check #77784

**Information Items**

1. Visit Kitsap Update – Patricia Graf-Hoke, Director

**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. Purchase and Sale Agreement with Nordic Properties for property located along Bay Street in Port Orchard.
2. Consultant Agreement with Soundwest Engineering Associates for NE Campus Lot 2 Final Site Development and Building Design Services.
3. Lease Agreement with Kitsap Provisions, Inc. for property currently known as Manette Yacht Club.

4. Lease Amendment with Hagerman Pre-Cast LLC for property located in Olympic View Industrial Park.
5. Bid Award to Sabelhaus West for Olympic View Industrial Park Building #5 Exterior Painting Project
6. Bid Award for Olympic View Industrial Building #4 Roof Replacement Project

**Commission 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>  |
|-------------|-------------|---|
| 06/12/18    | 10 am       | *Commission Regular Meeting – Bill Mahan Conference Rm          |
| 6/12        | 12:30 pm    | Kitsap Regional Coordinating Council (KRCC)-Executive Committee |
| 6/16        | 12:00 pm    | *Airlift Northwest Open House                                   |
| 6/18-21     |             | *Collins Foundation – Wings of Freedom Tour at Airport          |
| 6/21        | 1:00 pm     | KRCC - TransPOL   |
| 06/26       | 12:30 pm    | Kitsap Aerospace & Defense Alliance (KADA) Steering Committee   |
| 06/26       | 6 pm        | *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**

May 22, 2018  
5:30 PM

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

**Commissioners and Staff Present**

Commissioners

Larry Stokes  
Cary Bozeman  
Axel Strakeljahn

Staff Members

Jim Rothlin  
Fred Salisbury  
Sherman Hu  
Arne Bakker  
Tim Mensonides  
Kathy Garcia  
Ginger Waye  
Jim Ryan, Atty

**Call to Order**

President Stokes called the meeting to order at 5:30 p.m. and invited the Fathoms O'Fun Royalty Court to lead the Pledge of Allegiance. Due to time constraints for the Court, President Stokes placed Information Items next on the agenda.

**Information Items**

1. Fathoms O'Fun Royalty Court – Helene Jensen, Pageant Royalty Program Director

Ms. Jensen provided background on the Fathoms O'Fun Royalty Pageant stating that Commissioner Stokes sponsors the Ms. Congeniality award and Commissioner Strakeljahn has been a judge in the past and Kathy Garcia was a 2018 judge.

Duchess Veronica Mihai; Senior Princess Paige Hoffsommer; Senior Princess Maria Hoyt; and Queen Tamara Medal introduced themselves and stated their age and campaign platforms.

Queen Tamara discussed the varied 2018 Fathoms O'Fun events and invited everyone to come celebrate Fathoms which brings the community together.

Ms. Jensen provided her history with the program which officially began in 2011. Commissioner Stokes thanked the Royalty for all they do for the community and stated the biggest investment we can make is in our youth.

## **Executive Session**

President Stokes recessed the meeting at 5:40 p.m. and reconvened into executive session for approximately 25 minutes regarding: real estate [RCW 42.30.110(1)(c)]. At 6:05 p.m., executive session was extended 10 minutes; at 6:15 p.m., it was extended 5 minutes, and at 6:20 p.m., it was extended 5 minutes.

At 6:25 the regular meeting was reconvened.

## **Approval of Agenda**

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

Approve the Agenda.

**MOTION CARRIES, 3-0**

## **Consent Items**

- A. Minutes of the regular business meeting and executive session of May 8, 2018.
- B. Payment of checks #103205 through #103232 and #77725 through #77728 and #77734 through #77803 from the General Fund for \$186,054.34; #77729 through #77733 from the Construction Fund for \$15,602.88 and the payment of payroll taxes for \$16,095.73.

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

Approve the Consent Items as presented.

**MOTION CARRIES, 3-0**

## **Citizen Comments**

Roger Gay, South Kitsap

- Spoke to his view that the Washington Avenue property sale has the potential to cost the Port money and he feels the Port is bending to outside influences.

## **Action Items**

1. Documentation leading to closing on the Real Property Purchase Agreement for 210/280/298 Washington Avenue  
*Presented by Jim Rothlin, Chief Executive Officer*

After presentation and in-depth discussion:

**1.1. It was moved by BOZEMAN, seconded by STRAKELJAHN to:**

Approve Addendum No. 5 to Real Property Purchase Agreement assigning the interest in the agreement from Sound West Holdings LLC to SW Marina Square LLC

**MOTION CARRIES, 3-0**

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

Approve the lease agreements for parking with Kitsap Credit Union and City of Bremerton

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

Amend the main motion to authorize the Port CEO to execute the agreements

**AMENDED MOTION CARRIES, 3-0**

**MAIN MOTION CARRIES, 2-0; STOKES opposed**

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

Approve the Agreement with SW Marina Square LLC for purchase of parking stalls and pre-construction parking rental

**MOTION CARRIES, 3-0**

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

Authorize the Port Commissioners to execute the final closing documents for the sale of real estate parcels at 210/230/298 Washington Avenue

**MOTION CARRIES, 3-0**

2. Turnfig Properties, LLC Land Lease Amendment No. 6  
*Presented by Arne Bakker, Director of Business Development*

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

Approve Land Lease Amendment No. 6 with Turnfig Properties, LLC

**MOTION CARRIES, 3-0**

**New Business** - None

**Staff Reports**

*Jim Rothlin, Chief Executive Officer*

- Reported on the recent Washington Public Ports Association (WPPA) Spring Conference.
- Staff met to prepare for the first strategic planning workshop with the Board.
- Met with the organizers of the Cruise-in Car Shows held on Wednesday evenings at the airport to make sure both parties are doing what is needed to keep it successful.
- Along with Commissioner Strakeljahn, met with a potential client needing rail access.

## **Commission Reports**

### *Commissioner Strakeljahn*

- Will be attending the Kitsap Regional Coordinating Council's upcoming retreat at Naval Base Kitsap – Bangor.

### *Commissioner Bozeman*

- Spoke at the recent NAIOP Washington breakfast in Seattle and have received many follow-up emails from people interested in touring the Kitsap area.

### *Commissioner Stokes*

- Just back from vacation in Utah where he attended the “Golden Spike” anniversary of the completion of the first transcontinental railroad. He noted the 150<sup>th</sup> anniversary will be held next year, May 10, 2019.

## **Adjournment**

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

Submitted,

Jim Rothlin  
Chief Executive Officer  
June 7, 2018

Approved,

Axel Strakeljahn  
Commission Secretary  
June 12, 2018

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

**MINUTES**

May 22, 2018  
5:40 PM

CEO Office  
Port Administration Offices  
Bremerton Nat'l Airport Terminal Bldg  
8850 SW State Hwy 3, Bremerton

**Call to Order**

President Stokes called the executive session to order at 5:40 p.m., May 22, 2018.

**Commissioners and Staff Present**

Commissioners

Larry Stokes  
Cary Bozeman  
Axel Strakeljahn

Staff Members

Jim Rothlin  
Fred Salisbury  
Jim Ryan, 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 6:25 p.m.

Submitted,

Approved,

Jim Rothlin  
Chief Executive Officer  
June 7, 2018

Axel Strakeljahn  
Commission Secretary  
June 12, 2018

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

Agenda Item No: Action Item #1  
Subject: Real Estate Purchase & Sale Agreement with Nordic Properties, Inc.  
Exhibits: Real Estate Purchase & Sale Agreement  
Prepared By: Arne Bakker, Director of Business Development  
Meeting Date: June 12, 2018

### Summary:

In 2017, Nordic Properties, Inc., has entered into an agreement to give the Port of Bremerton a first right of refusal for the Tax Parcels listed in the Purchase / Sale Agreement, totaling approximately 5.5 acres, more or less, in Port Orchard.

To establish “Fair Market Value”, The Port of Bremerton has received two brokers opinions by Cushman & Wakefield, Gary K. Anderson(licensed real estate brokers, and an appraisal by A.C.E PS Inc. (professional real estate appraisers), on the properties and the average opinions and appraisal was \$541,000, approximately \$120,000 above the purchasing price.

The Port has done their due diligence on the property as this property has been utilized as a gas station in the past. In 2004 eight (8) above ground storage tanks and ten (10) underground storage tanks were removed. In 2007 and 2008 soil borings were made to obtain confirmatory soil samples to ensure that the clean-up of the site has been sufficient and no further contamination was found on the site and further monitoring of the site after the clean up to maintain compliance with clean-up standards have been adhered to.

In 2013, Washington State Department of Ecology has issued a letter of “No further Action” that stated that no further remedial action is necessary to clean up contamination at the Site.

The negotiated purchase price: \$420,000.

Closing Date: Subject to all items to be delivered at closing; the closing shall take place on or before July 13, 2018.

The Port Attorney has reviewed the Real Property Purchase Agreement and approves its form.

### Fiscal Impact:

See attached purchase and sale agreement

### Recommendation:

Staff recommends the approval of the Real Property Purchase in Port Orchard of approximately 5.5 acres with listed tax parcel numbers in the Purchase and Sale Agreement.

Motion for Consideration:

**Move to approve the Real Estate Purchase & Sale Agreement for the Port Orchard Property and authorize the President of the Port of Bremerton Board of Commissioners to execute said agreement.**

**REAL ESTATE PURCHASE & SALE AGREEMENT**

**THIS CONTRACT CONTROLS THE TERMS OF THE SALE OF THE PROPERTY AND AFFECTS YOUR LEGAL RIGHTS. PLEASE READ CAREFULLY BEFORE SIGNING.**

Bremerton, Washington  
\_\_\_\_\_, 2018

NORDIC PROPERTIES, INC., a Washington corporation (hereinafter called "Seller"), and the PORT OF BREMERTON, a Washington political subdivision (hereinafter called "Purchaser"), hereby agree to sell and purchase that property, located in Kitsap County, Washington, legally described as follows:

FOR LEGAL DESCRIPTIONS SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

Tax Parcel Nos. 262401-3-028-2009  
262401-3-029-2008  
4623-000-011-0006  
4623-000-005-0004  
4623-000-004-0500  
4623-000-008-0001

(Purchaser and Seller authorize Escrow Agent to insert or correct the legal description over their signatures.)

1. PURCHASE PRICE: FOUR HUNDRED TWENTY and 00/100 Dollars (\$420,000.00).

2. PAYABLE AS FOLLOWS: Purchaser will pay all cash upon closing.

3. ADDITIONAL PROVISIONS: The portion of the Property described as Tax Parcel No. 4623-000-005-0004 is subject to the provisions of Environmental Covenant recorded under Kitsap County Auditor's File No. 201307030382. Seller agrees to and shall comply with all applicable provisions of such Environmental Covenant, including Notice to the Department of Ecology in connection with the conveyance of the Property, as a condition of Closing, provided that Purchaser shall comply with all provisions of the Environmental Covenant for any actions it takes on the Property or improvements it makes to the Property. This paragraph shall survive the closing or the termination of this Agreement.

4. ADDENDUM/A: The following addendum/addenda is/are attached and is/are hereby part of this agreement: NONE.

5. TITLE: Title to the property shall be free and clear of liens, encumbrances and defects at closing. All standard form owner's title insurance policy exceptions, rights reserved in federal patents or state deeds, building or use restrictions general to the area, zoning, platting and subdivision requirements, utility and access easements, other easements not inconsistent with Purchaser's intended use, reserved oil or mineral rights,

shall be deemed not to be encumbrances or defects for this purpose. Title insurance shall be provided by: Land Title Company of Kitsap County.

6. SELLER'S REPRESENTATIONS: Seller represents that:

- a. The property is connected to a public water system and public sewer;
- b. There are no structures or other improvements on the property except for a pier;
- c. Seller will maintain property in present or better condition until agreed possession date;
- d. Ownership shares in any associations are included in the sale; and
- e. Seller has no notice from any governmental agency of any violation of laws relating to subject property.

7. PRO-RATED ITEMS: Taxes and assessments for the current year, rents, interest, insurance premiums, association fees, utilities which may constitute liens (recorded or unrecorded) and other customary items shall be pro-rated between Purchaser and Seller. Unless stated otherwise herein, all pro-rations and payments are to be made as of date of closing.

8. POSSESSION: Purchaser shall be entitled to possession on: Closing.

9. INCLUDED ITEMS: The following personal property shall remain as part of the sale at no additional cost to Purchaser: All parts and accessories to the dock.

The following personal property is excluded: N/A.

10. LEASED OR ENCUMBERED ITEMS: The property contains the following leased or encumbered fixtures: None.

11. DEFAULT/TERMINATION: THIS SECTION INTENTIONALLY DELETED.

12. CLOSING: This transaction shall be closed on or before: **JULY 13, 2018**, in the offices of Land Title Company (escrow agent) or such other escrow office as the parties may mutually agree upon hereafter. For the purpose of this agreement, closing is defined as the date that the sale proceeds are available to the Seller. Purchaser and Seller will, on demand of either, deposit with closing agent all documents and monies requested to complete the transaction. Purchaser and Seller herein authorize escrow agent to disburse funds from money on deposit for payment of credit report, appraisal and/or title report cancellation fees and other items as may be mutually agreed by Seller and Purchaser. It is understood that there are no verbal or other agreements which modify or affect this agreement and that escrow agent is not responsible for delivery of title or possession of the property. Seller and Purchaser shall each pay one-half of the escrow fee (or escrow cancellation fee). If, prior to closing, any

improvements on the property shall be destroyed or materially damaged by fire or other casualty, this agreement, at option of Purchaser, shall become null and void.

13. LEGAL REPRESENTATION: JAMES E. RYAN and the law firm of Ryan, Montgomery & Armstrong, Inc. P.S., have prepared this document at the request of Purchaser and are representing the Purchaser. Seller understand that they have the absolute right to review this document with independent legal counsel prior to signing the same. It is further understood and acknowledged that Seller has been provided ample time and opportunity to review this document with independent legal counsel and that, evidenced by their signature(s) below, they have either reviewed the same with independent legal counsel or waive their legal right and opportunity to do so.

14. TITLE INSURANCE: Seller will make available and authorizes escrow agent to apply for a preliminary commitment for a standard form owner's policy of title insurance. The title policy to be issued shall contain no exceptions other than those provided for in said form plus encumbrances and defects noted herein. If title is not so insurable and cannot be made insurable within the time specified in paragraph 12 above, earnest money shall be refunded to Purchaser and all rights of Purchaser shall be terminated; provided that Purchaser may waive defects and elect to purchase.

15. CONVEYANCE: This agreement is for conveyance of fee title and title shall be conveyed by Statutory Warranty Deed free of encumbrances or defects except those noted herein.

16. AS IS CLAUSE/INSPECTION REPORT: The property is being purchased in its present condition, as is. Purchaser has the right, at Purchaser's expense, to have the property inspected and to obtain the report(s) of licensed inspector(s) of Purchaser's choice within ten (10) days of the acceptance by Seller hereof. In the event, in Purchaser's opinion, the report(s) show(s) the necessity for curing defects, Purchaser may give notice of intent to terminate this agreement by delivering to Seller a written notice, together with cop(ies) of said report(s), within ten (10) business days from Seller's acceptance of this Purchase and Sale Agreement. Unless Seller notifies Purchaser within four (4) business days thereafter that Seller will pay for the cure recommended in said report(s), this agreement may automatically be terminated at Purchaser's option.

17. CLOSING COSTS: Purchaser and Seller acknowledge that the payment of closing costs is required of them in conjunction with this transaction, including, but not necessarily limited to, the following:

(a) Seller shall pay for real estate excise tax, premium for owner's policy of title insurance, one-half of escrow fee, and recording fees for documents benefiting Seller.

(b) Purchaser shall pay for one-half of escrow fee and recording fees for documents benefiting Purchaser.

18. ASSIGNMENT: Purchaser's right under this agreement may not be assigned by Purchaser without Seller's prior written consent, which shall not be unreasonably withheld.

19. REPRESENTATIONS: All representations of Seller set forth in this agreement are limited to the best of Seller's knowledge.

20. HAZARDOUS SUBSTANCES: Seller represents that the Property has been the site of remediation of hazardous substances and that it has received a "no further action" letter from the Washington State Department of Ecology and has made all records and information relating thereto available to Purchaser for review. Seller will hold Purchaser harmless from and indemnify Purchaser against and from any damages, loss, expenses, or liability, resulting from hazardous substances previously located or maintained on the Property. This hold harmless and indemnification shall survive the closing or the termination of this Agreement. For purposes of this Agreement, "hazardous substances" shall be interpreted broadly and shall include any substances included by definition in any legislation, ordinance, or regulation dealing with hazardous waste/materials which was enacted by the local, state, or federal government and which was in effect at the time of closing, specifically including, but not limited to, petroleum products.

21. AGREEMENT TO PURCHASE: Purchaser agrees to purchase and Seller shall sell the subject matter property pursuant to the terms and conditions of this agreement.

22. BROKERAGE COMMISSION: It is understood and agreed that there is not a real estate brokerage commission involved in this transaction.

23. DISPUTES/ATTORNEY'S FEES: In the event of any dispute between the parties arising out of or in connection with this agreement, the prevailing party therein shall be entitled to recover from the other their costs and expenses incurred in resolving the dispute, including reasonable attorney's fees.

24. FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT. The Foreign Investment in real Property Tax Act (FIRPTA), IRC 1445, requires that every purchaser of U.S. real property must, unless an exemption applies, deduct and withhold from Seller's proceeds ten percent (10%) of the gross sales price. The primary exemptions which might be applicable are (a) Seller provides Purchaser with an affidavit under penalty of perjury, that Seller is not a "foreign person", as defined in FIRPTA, or (b) Seller provides Purchaser with a "qualifying statement", as defined in FIRPTA, issued by the Internal Revenue Service. Seller and Purchaser understand and acknowledge that it is their responsibility to carry out the provisions of FIRPTA and regulations promulgated thereunder.

DATED: \_\_\_\_\_, 2018

PURCHASERS:

PORT OF BREMERTON

By: \_\_\_\_\_  
LARRY STOKES, Commission President

By: \_\_\_\_\_  
CARY BOZEMAN, Commission Vice President

By: \_\_\_\_\_  
AXEL STRAKELJAHN, Commission Secretary

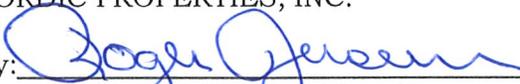
Address: 8850 SW State Hwy 3  
Bremerton, WA 98312  
Phone: (360) 674-2381  
Fax: (360) 674-2807

ACCEPTANCE

We accept this sale agreement. We acknowledge receipt of a true copy of this agreement, signed by both parties. Should this transaction be subject to a real estate excise tax (or sales tax on brokerage fees), Seller agrees to pay the same and authorizes closing agent to deduct such tax from the proceeds of the sale.

SELLERS:

NORDIC PROPERTIES, INC.

By:   
ROGER JENSEN, President/Secretary

By:   
THELMA HOVDE, Vice President/Treasurer

Address: P.O. Box 418  
Manchester, WA 98353

Phone: (360) 981-1339

Email: rijjensen@wawecable.com

Fax: X

EXHIBIT "A"  
Legal Descriptions

Tax Parcel Descriptions for the following parcels in Port Orchard, Kitsap County, Washington, attached:

262401-3-028-2009  
262401-3-029-2008  
4623-000-011-0006  
4623-000-005-0004  
4623-000-004-0500  
4623-000-008-0001

## Tax Description

Parcel #: 262401-3-028-2009

2011807

\*\*NO SITUS ADDRESS \*\*

\*\*NO SITUS ADE

\*\*NO SITUS ADE

LOT B OF SHORT PLAT 3671R-1 RECORDED UNDER AUDITOR'S FILE NO. 8510170104 AMENDED UNDER AUDITOR'S FILE NO 9203230016; THE SOUTH 165 FEET, AS MEASURED ALONG THE EAST LINE, OF THE FOLLOWING DESCRIBED TRACT: THAT PORTION OF GOVERNMENT LOT 1, SECTION 26, TOWNSHIP 24 NORTH, RANGE 1 EAST, W.M., IN KITSAP COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 26; THENCE SOUTH 89\*56'46 EAST ALONG THE SOUTH LINE OF SAID SECTION 26, A DISTANCE OF 700 FEET; THENCE NORTH 0\*24'06 EAST ALONG THE WEST LINE OF THE PLAT OF PORT ORCHARD BAY WATERFRONT TRACTS, AS RECORDED IN VOLUME 4 OF PLATS, PAGE 75, RECORDS OF KITSAP COUNTY, WASHINGTON, THE WEST LINE OF SAID PLAT ALSO BEING PARALLEL WITH THE WEST LINE OF SAID SECTION 26, A DISTANCE OF 485.76 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUE NORTH 0\*24'06 EAST 363.19 FEET TO THE SOUTH MARGIN OF SOUTHWEST WILKINS DRIVE; THENCE NORTH 70\*01'54 WEST ALONG SAID SOUTH MARGIN 50.00 FEET; THENCE LEAVING SAID MARGIN RUN SOUTHWESTERLY ALONG THE CENTERLINE OF AN EXISTING ROADWAY ON THE FOLLOWING COURSES; SOUTH 10\*15'06 WEST 116.96 FEET; THENCE SOUTH 29\*17'36 WEST 240.78 FEET; THENCE SOUTH 33\*43'06 WEST 30.11 FEET; THENCE LEAVING SAID ROAD CENTERLINE RUN SOUTH 0\*24'06 WEST 29.31 FEET; THENCE SOUTH 89\*45'54 EAST 200 FEET TO THE TRUE POINT OF BEGINNING. SUBJECT TO AND TOGETHER WITH A NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND UTILITIES OVER THE ABOVE DESCRIBED ROADWAY WHICH IS THE WEST LINE OF THE ABOVE DESCRIBED TRACT; SAID EASEMENT DISCLOSED BY INSTRUMENT RECORDED UNDER AUDITOR'S FILE NO. 1122076 AND NUMEROUS OTHER INSTRUMENTS OF RECORD.

## Tax Description

Parcel #: 262401-3-029-2008

2011815

**\*\*NO SITUS ADDRESS \*\***

**\*\*NO SITUS ADC**

**\*\*NO SITUS ADC**

LOT C OF SHORT PLAT 3671R-1 RECORDED UNDER AUDITOR'S FILE NO. 8510170104 AMENDED UNDER AUDITOR'S FILE NO 9203230016; THAT PORTION OF GOVERNMENT LOT 1, SECTION 26, TOWNSHIP 24 NORTH, RANGE 1 EAST, W.M., IN KITSAP COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 26; THENCE SOUTH 89°56'46 EAST ALONG THE SOUTH LINE OF SAID SECTION 26, A DISTANCE OF 700 FEET; THENCE NORTH 0°24'06 EAST ALONG THE WEST LINE OF THE PLAT OF PORT ORCHARD BAY WATERFRONT TRACTS, AS RECORDED IN VOLUME 4 OF PLATS, PAGE 75, RECORDS OF KITSAP COUNTY, WASHINGTON, THE WEST LINE OF SAID PLAT ALSO BEING PARALLEL WITH THE WEST LINE OF SAID SECTION 26, A DISTANCE OF 485.76 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUE NORTH 0°24'06 EAST 363.19 FEET TO THE SOUTH MARGIN OF SOUTHWEST WILKINS DRIVE; THENCE NORTH 70°01'54 WEST ALONG SAID SOUTH MARGIN 50.00 FEET; THENCE LEAVING SAID MARGIN RUN SOUTHWESTERLY ALONG THE CENTERLINE OF AN EXISTING ROADWAY ON THE FOLLOWING COURSES; SOUTH 10°15'06 WEST 116.96 FEET; THENCE SOUTH 29°17'36 WEST 240.78 FEET; THENCE SOUTH 33°43'06 WEST 30.11 FEET; THENCE LEAVING SAID ROAD CENTERLINE RUN SOUTH 0°24'06 WEST 29.31 FEET; THENCE SOUTH 89°45'54 EAST 200 FEET TO THE TRUE POINT OF BEGINNING; EXCEPT SOUTH 165 FEET, AS MEASURED ALONG THE EAST LINE THEREOF. SUBJECT TO AND TOGETHER WITH A NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND UTILITIES OVER THE ABOVE DESCRIBED ROADWAY WHICH IS THE WEST LINE OF THE ABOVE DESCRIBED TRACT; SAID EASEMENT DISCLOSED BY INSTRUMENT RECORDED UNDER AUDITOR'S FILE NO. 1122076 AND NUMEROUS OTHER INSTRUMENTS OF RECORD.

## Tax Description

Parcel #: 4623-000-011-0006

2472165

**\*\*NO SITUS ADDRESS \*\***

\*\*NO SITUS ADE

\*\*NO SITUS ADE

LOTS 11 AND 12, PORT ORCHARD BAY WATERFRONT TRACTS AS PER PLAT  
RECORDED IN VOLUME 4 OF PLATS, PAGE 75, RECORDS OF KITSAP COUNTY,  
WASHINGTON; EXCEPT THE NORTH 30 FEET OF SAID LOT 11.

## Tax Description

Parcel #: 4623-000-005-0004

1728062

\*\*NO SITUS ADDRESS \*\*

\*\*NO SITUS ADC

\*\*NO SITUS ADC

THE WEST 50 FEET OF LOT 5, TOGETHER WITH ALL TIDELANDS FRONTING AND ABUTTING THEREON; AND ALSO THE EAST 30 FEET OF LOT 6 ALL IN PORT ORCHARD BAY WATERFRONT TRACTS, ACCORDING TO THE RECORDED PLAT THEREOF; AND ALSO: TRACT 6, PORT ORCHARD BAY WATERFRONT TRACTS, EXCEPT THE EAST 30 FEET THEREOF; LYING BETWEEN STATE HIGHWAY AND COUNTY ROAD. AND EXCEPT PORTION OF TRACT 6 LYING NORTH OF STATE HIGHWAY; AND EXCEPT PORTION THEREOF TAKEN FOR STATE HIGHWAY; EXCEPT ROADS; AS PER VOLUME 4, OF PLATS ON PAGE 75, RECORDS OF KITSAP COUNTY. ALSO TRACT 7, AND THE WEST 100 FEET OF THE NORTH 30 FEET OF TRACT 11, PORT ORCHARD BAY WATER FRONT TRACTS, AS PER PLAT RECORDED IN VOLUME 4 OF PLATS ON PAGE 75, RECORDS OF KITSAP COUNTY. EXCEPT THE FOLLOWING DESCRIBED PROPERTY: THAT PORTION OF LOT 6, PORT ORCHARD BAY WATERFRONT TRACTS, ACCORDING TO PLAT RECORDED IN VOLUME 4 OF PLATS, PAGE 75, RECORDS OF KITSAP COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 6; THENCE NORTH 0\*24'06 EAST ALONG THE WEST LINE THEREOF 8.83 FEET; THENCE SOUTH 89\*35'54 EAST 11.03 FEET TO THE CENTERPOINT OF AN EXISTING 3-INCH DIAMETER WELL; THENCE NORTH 89\*35'54 WEST 2.50 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 0\*24'06 WEST 2.50 FEET; THENCE SOUTH 89\*35'54 EAST 5.00 FEET; THENCE NORTH 0\*24'06 EAST 5.00 FEET; THENCE NORTH 89\*35'54 WEST 5.00 FEET; THENCE SOUTH 0\*24'06 WEST 2.50 FEET TO THE TRUE POINT OF BEGINNING; SUBJECT TO EASEMENTS, COVENANTS AND CONDITIONS OF RECORD; TOGETHER WITH AN ACCESS AND UTILITY EASEMENT OVER, UNDER AND ACROSS THE FOLLOWING DESCRIBED TRACT: BEGINNING AT THE SOUTHWEST CORNER OF THE HERETOFORE DESCRIBED TRACT; THENCE SOUTH 89\*35'54 EAST 5.00 FEET; THENCE SOUTH 0\*24'06 WEST TO THE NORTH MARGIN OF WILKINS DRIVE; THENCE WESTERLY ALONG SAID MARGIN TO A POINT SOUTH 0\*24'06 WEST OF THE POINT OF BEGINNING; THENCE NORTH 0\*24'06 EAST TO THE POINT OF BEGINNING. EXCEPT THAT PORTION OF LOT 6, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF PLAT OF PORT ORCHARD BAY WATERFRONT TRACTS AS RECORDED IN VOLUME 4 OF PLATS, PAGE 75, RECORDS OF THE AUDITOR OF KITSAP COUNTY, WASHINGTON; THENCE SOUTH 0\*24'32 WEST ALONG THE WEST LINE THEREOF 182.96 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 0\*24'32 EAST ALONG SAID WEST LINE 54.68 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY MARGIN OF STATE HIGHWAY NO. 14; THENCE SOUTH 69\*12'28 EAST ALONG SAID SOUTHERLY RIGHT OF WAY MARGIN 21.00 FEET; THENCE SOUTH 22\*58'28 WEST 51.30 FEET TO THE TRUE POINT OF BEGINNING. TOGETHER WITH THAT PORTION OF GOVERNMENT LOT 1, SECTION 26, TOWNSHIP 24 NORTH, RANGE 1 EAST, W.M., IN KITSAP COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF THE PLAT OF PORT ORCHARD BAY WATERFRONT TRACTS AS RECORDED IN VOLUME 4 OF PLATS, PAGE 75, RECORDS OF THE AUDITOR OF KITSAP COUNTY, WASHINGTON; THENCE SOUTH 0\*24'32 WEST ALONG THE WEST LINE THEREOF 237.64 FEET, MORE OR LESS, TO THE NORTH MARGIN OF COUNTY ROAD (ALSO KNOWN AS WILKINS DRIVE SW) AND BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 69\* 12'28 WEST ALONG SAID NORTH MARGIN 21.00 FEET; THENCE NORTH 22\*58'28 EAST 51.30 FEET TO A POINT ON THE WEST LINE OF THE AFOREMENTIONED PLAT OF PORT ORCHARD BAY TRACTS; THENCE SOUTH 0\*24'32 WEST ALONG SAID WEST LINE 54.68 FEET TO THE TRUE POINT OF BEGINNING. >> TOGETHER WITH THAT PORTION OF VACATED SW WILKINS DR AS RECORDED UNDER AUDITOR'S FILE NO. 200707260008.

## Tax Description

Parcel #: 4623-000-004-0500

1974484

**\*\*NO SITUS ADDRESS \*\***

**\*\*NO SITUS ADC**

**\*\*NO SITUS ADC**

PARCEL 1: THE EAST 50 FEET OF TRACT 5 AND THE WEST 25 FEET OF TRACT 4, PORT ORCHARD BAY WATERFRONT TRACTS, ACCORDING TO PLAT RECORDED IN VOLUME 4 OF PLATS, PAGE 75, IN KITSAP COUNTY, WASHINGTON; EXCEPT THAT PORTION CONVEYED UNDER AUDITOR'S FILE NOS. 206950, 206954 AND 206955 FOR STATE HIGHWAY NO. 14; TOGETHER WITH TIDELANDS AND UPLANDS ABUTTING AND ADJOINING. PARCEL 2: THE EAST 75 FEET OF TRACT 4, PORT ORCHARD BAY WATERFRONT TRACTS, ACCORDING TO PLAT RECORDED IN VOLUME 4 OF PLATS, PAGE 75, IN KITSAP COUNTY, WASHINGTON; EXCEPT THAT PORTION CONVEYED UNDER AUDITOR'S FILE NO. 206950, 206954 AND 206955 FOR STATE HIGHWAY NO. 14. >> TOGETHER WITH THAT PORTION OF VACATED SW WILKINS DR AS RECORDED UNDER AUDITOR'S FILE NO. 200707260008.

## Tax Description

Parcel #: 4623-000-008-0001

1728088

**\*\*NO SITUS ADDRESS \*\***

**\*\*NO SITUS ADC**

**\*\*NO SITUS ADC**

ALL OF LOTS 8 AND 9 AND THE NORTH 30 FEET EXCEPT THE WEST 100 FEET OF LOT 11, OF PORT ORCHARD BAY WATERFRONT TRACTS AS PER PLAT RECORDED IN VOLUME 4 OF PLATS, PAGE 75, RECORDS OF KITSAP COUNTY, WASHINGTON.  
>> TOGETHER WITH THAT PORTION OF VACATED SW WILKINS DR AS RECORDED UNDER AUDITOR'S FILE NO. 200707260008.

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

Agenda Item No: Action Item #2

Subject: Selection of engineering firm for Project No. 04-18-0267, NE Campus 2 Building

Exhibits: Consultant Agreement with Soundwest Engineering Associates, Inc.

Prepared By: Arne Bakker, Director of Business Development

Meeting Date: June 12, 2018

### **Summary:**

At the November 28, 2017, Commissions Meeting, the Board approved the Port of Bremerton Budget for 2018. This budget included a \$3,000,000 capital improvement for the construction of a Port owned building.

At the Commissions Meeting on March 27, 2018, the Board was presented with two (2) options for Port owned buildings and staff has asked the Board for direction on which way to go. Option one (1) was for the construction of a single 10,000 sq. ft. building for light industrial / manufacturing space on an 1.50 acre property in the Olympic View Industrial Park and option two (2) was for a single 16,000 sq. ft. building on a 1.77 acre lot in the Olympic View Industrial Park which could be devisable into two (2) separate 8,000 sq. ft. buildings to be utilized for light industrial / manufacturing use. The Board recommended to move forward with Option 2.

On March 28, 2018 the Port has put out a Request for Qualifications and a Scope of Work for the architectural and engineering services for the NE Campus 2 Building. Three companies have submitted qualifications and a scope of work for said project: Soundwest Engineering Associates, Inc., Exeltech Consulting, In., and The BJC Group, Inc. Each proposal was ranked and reviewed. Based on qualifications, scope of work, availability, and due diligence completed by Port staff, staff is recommending Soundwest Engineering Associates, Inc., based in Bremerton, WA, for design and engineering services.

### **Fiscal Impact:**

None. The design and engineering services are identified and funded in the 2018 Capital budget.

### **Recommendation:**

Staff recommends the selection of Soundwest Engineering Associates, Inc., for design and engineering services for \$263,610 for the NE Campus 2 Building project No. 04-18-0267.

Motion for Consideration:

**Move to approve the selection of Soundwest Engineering Associates, Inc for design and engineering services for \$263,610 for the NE Campus 2 Building and authorize the CEO to execute the consultant agreement.**

CONSULTANT AGREEMENT  
PROJECT NO. 04-18-0267  
NE Campus 2 Building

This agreement is made this \_\_\_\_\_ day of JUNE, 2018, between the PORT OF BREMERTON ("Port"), a municipal corporation and SOUNDWEST ENGINEERING ASSOCIATES, INC. ("Consultant"), for the furnishing of professional services for Project No. 04-18-0267, NE Campus 2 Building, hereinafter referred to as the "Project".

The Port and the Consultant agree as set forth below:

I. SCOPE:

The Consultant shall provide all necessary professional services for this project to accomplish the work specified in Attachment A hereto or which may hereafter be required by the Port.

II. COMPENSATION:

The Port shall compensate the Consultant for work described in Attachment A in accordance with the mutually agreed upon "Schedule of Rates" as set forth in Attachment C. Payment of compensation specified shall be made monthly. Consultant should forward requests for payment within 10 days after the end of the month. Payment shall be made 30 days from date invoice is received by the Port.

- A. Upon execution of this Agreement, the Consultant may submit requests for payment for professional services rendered from June 12, 2018 until the date of execution of this Agreement. Consultant will be compensated for these services in accordance with the terms of this Agreement. All sums paid by the Port in this regard are a part of the maximum authorized compensation for the project.
- B. Compensation will only be made to the extent to which the Consultant has documented evidence of fees earned and provides supporting documentation for expenses incurred during the period for which payment is requested. All billings shall be to the Port of Bremerton, 8850 SW State Hwy 3, Bremerton, WA 98312.
- C. Reimbursable expenses in connection with the Agreement include, but are not limited to postage, fax, long distance calls, mileage, travel, reproductions, plots, and other fees expended on behalf of the project, etc. All reimbursable expenses will be at cost.

III. MAXIMUM AUTHORIZED COMPENSATION:

The maximum authorized compensation for the services required to perform the work described in Attachment A is **\$263,610** and shall not be exceeded without the written authorization of the Port. Consultant shall insure that their services are allocated so as to complete all tasks of the work as described in Attachment A.

IV. CHANGES:

The Port may, at any time, make changes in the scope of the work specified in Attachment A. If, in the opinion of the Consultant, such changes will require the Consultant to exceed the maximum authorized compensation specified in paragraph III, the Consultant shall make a request, in writing, for an equitable adjustment in the maximum authorized compensation. Such requests shall be transmitted prior to incurring any item of fee or expense related to the change in scope. Retroactive requests for equitable adjustment shall not be considered by the Port. The amount of any equitable adjustment shall be negotiated by the parties, however, the inability of the parties to reach an agreement as to the amount of such equitable adjustment shall not delay the performance of work described by this Agreement or changes authorized by this paragraph.

V. ACCOUNTING RECORDS:

Records of fees or expenses incurred described in paragraphs II.A and B shall be kept on a generally recognized accounting basis acceptable to the Port. The Consultant agrees to make such records and supporting documentation available to authorized representatives of the Port and any Federal agency or agencies charged with the administration of grant money for this project, both during the project and for three (3) years following the final payment for services rendered or termination of Consultant's services under this Agreement.

VI. RESPONSIBILITIES OF THE PORT:

- A. The Port shall designate a project management team to coordinate and review the work of the Consultant and to coordinate the work of the Consultant with all agencies and individuals involved with the Project. Project Manager for the Port is **Arne Bakker**. The Consultant is expected to work closely with the Project Manager and team throughout the duration of this Agreement.
- B. All drawings for this project shall be made on Mylar with a sheet size of 24" by 36" using AutoCAD 14 or a higher version.
- C. As an accommodation to the Consultant, the Port will, upon request, furnish without charge such structural, mechanical, soils, chemical and other laboratory tests, inspections and reports as it may have in its possession or hereafter

obtain. Such information shall be for general guidance only, and the Port in no way warrants its sufficiency, adequacy or correctness, or any interpretations, deductions or conclusions derived therefrom. The use of such information for any purpose shall be at the sole risk and responsibility of the Consultant who shall, prior to such use, have satisfied itself that such information is adequate for such use.

- D. The Port shall furnish property and topographic surveys for this project. Prior to use of information contained in such surveys, the Consultant shall satisfy itself that such surveys are adequate and correct and shall immediately notify the Port of any errors, omissions, or inconsistencies found therein.

#### VII. DESIGNATION OF CONSULTANT PROJECT MANAGER:

The Consultant has designated **John Piccone** as Project Manager for this Project. This designation shall not be changed without the prior written approval of the Port.

#### VIII. OWNERSHIP OF DOCUMENTS:

The Consultant shall transmit to the Port the original of all final drawings, prints, plans, field notes, specifications, design computations, calculations and other project documents as requested by the Port. These documents will be maintained by the Port as a part of its contract file.

All drawings, prints, plans, field notes, specifications, design computations, calculations and other documents prepared or obtained for use in this project shall become the property of the Port and may be utilized by the Port, or its agents, for any purpose whatever without fee, royalty, or other payment to the Consultant.

No such document shall be the subject of any application or claim for copyright by or on behalf of the Consultant. Consultant shall not make any of the above documents available to any person, except as may be necessary to the performance of Consultant's services hereunder, without the prior written approval of the Port and shall take all necessary steps to keep secure those documents in their possession. All release of information to the public or news media will be the responsibility of the Port and Consultant shall not release any information to the public or news media without the prior written authorization from the Port.

#### IX. NON-DISCRIMINATION:

The Consultant covenants and agrees that in all matters pertaining to the performance or carrying out work under this Agreement, the Consultant shall at all times conduct its business in a manner which assures fair, equal, and non-discriminatory treatment of all persons without respect to race, color, religion, sex, national origin, age, handicap, or veteran status and, in particular:

- A. The Consultant will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified females and individuals who are members of racial or religious minorities. The following information shall be submitted according to project size.
  - 1. For agreements over \$10,000, the Consultant shall be prepared to submit, if requested by the Port:
    - a. A current personnel profile identifying all minority and female employees.
    - b. The company's Affirmative Action Officer's name and telephone number.
  - 2. For agreements less than \$10,000, the Consultant shall indicate their commitment to affirmative action and equal employment.
- B. The Consultant shall comply strictly with all requirements of applicable Federal, State, or local laws or regulations issued pursuant thereto relating to the establishment of non-discriminatory requirements in hiring and employment practices, and assuring the service of all patrons or customers without discrimination.
- C. The Consultant will act without discrimination when engaging subconsultants to perform work under this Agreement and will give equal consideration to minority and female owned firms.

X. TERMINATION:

The Port may, by written notice to the Consultant, terminate this Contract in whole or in part at any time, either for the convenience of the Port or because of the failure of the Consultant to fulfill its contract obligations. Upon receipt of such notice, the Consultant shall immediately discontinue all services and deliver to the Port all documents as described in paragraph VIII.

XI. PERSONNEL:

Where applicable, all personnel employed by the Consultant, and all subcontractors retained by the Consultant and engaged in the work, shall be fully qualified and shall be authorized under State and local law to perform such services.

XII. INTEREST OF CONSULTANT:

The Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. The Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

XIII. COMPLIANCE WITH APPLICABLE LAWS:

The Consultant agrees to conduct and execute the Project in compliance with all applicable local, state, or Federal laws.

XIV. EXTENT OF AGREEMENT:

This Agreement represents the entire and integrated agreement between the Port and the Consultant and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Consultant and Port.

XV. GOVERNING LAW:

This Agreement shall be governed by the law of the State of Washington. Venue for any action between the Port and the Consultant, which action arises out of or in connection with this Agreement shall be in Kitsap County.

XVI. INDEMNIFICATION:

A. General Liability

To the fullest extent provided by law and with the exception of paragraph B and subparagraphs thereto of this Section XVI, the Consultant agrees to defend, indemnify, and save the Port of Bremerton harmless from all liability arising out of the consultant or his staff's negligent performance of the services under this Agreement.

B. Errors and Omissions

The Consultant agrees to indemnify and save the Port harmless in the same manner and subject to the same conditions as provided in paragraph A of this Section XVI for any error or omission in design, maps, plans, reports, specifications, or in performing services under this Agreement, provided, however, that the Consultant shall not be required to indemnify any party for an amount exceeding \$1,000,000 on any one occurrence.

1. Neither the Port's review nor its approval of any service, design, maps, plans, reports, or specifications provided by Consultant under this Agreement shall in any way relieve Consultant of its obligations under this Section XVI.
2. Nothing contained in this Section XVI shall be construed as a waiver of, or any limitation upon, the right of any party to seek or employ any other remedy which may be available to it by law or under the terms of this Agreement.
3. In addition to any insurance coverage requirement recited in this Agreement or otherwise required by law, the Consultant shall provide insurance, or other coverage, which will protect against losses attributable to Consultant's errors or omissions in an amount of not less than \$1,000,000 on any one occurrence.
4. Neither review nor approval of the Consultant's work by the Port shall in any way relieve the Consultant from its duty to abide by the generally accepted standards of professional care in the performance of its duties nor will such review or approval in any way relieve the Consultant from liability to the Port.

DATED this \_\_\_\_\_ day of \_June\_, 2018\_.

PORT OF BREMERTON

SOUNDWEST ENGINEERING ASSOCIATES

By \_\_\_\_\_

By \_\_\_\_\_

Attachments:

"A" Scope of Work

"B" Schedule of Rates



## Attachment A - Scope of Work

### PORT OF BREMERTON NE CAMPUS – LOT 2 DEVELOPMENT

#### INTRODUCTION

The Soundwest Engineering Associates (SEA) scope of work that follows is associated with site development and building improvements at the Port of Bremerton (Port) Industrial Park, NE Campus – Lot 2 (Lot 2).

Primary site infrastructure was completed to the site in 2002 that included roads, stormwater, water, wastewater, power & communication improvements as well as some preliminary grading. The Port intends to further develop the Lot 2 site to include final site improvements and a “shell and core” building. The work anticipated by the Port generally includes building construction, site paving & landscaping, and connection to primary site infrastructure.

The anticipated building will be a 16,000 SF one-story “core and shell” pre-engineered metal building (PEMB) without Mezzanine(s) and designed for low-hazard storage or light manufacturing uses. The interior will be left unfinished for future tenant improvements which are anticipated to include up to 2500 SF of office space. The Port anticipates the need for two delivery docks to the warehouse space and would like to keep options open to potentially split the 16,000 SF between two tenants.

The anticipated site improvements consist of landscaping to the extent required by code, paving sufficient for delivery truck circulations, fire access, and parking required by code and minimal sidewalks at the building entrance. Wet and dry utility connections and stormwater drainage improvements are also anticipated as part of the development.

The following Tasks describe the specific objectives, activities, deliverables and assumptions associated with the Project.

#### TASK 01 – CONCEPTUAL DESIGN (15% DESIGN)

**Objective:**

The objective of this Task is to clearly define the project concept design.

Work under this Task includes review of previous work activities associated with Lot 2 including original site development design, reports, and previous permit submittals to the extent available. The current Lot 2 site will also be visually examined to identify current condition. A conceptual building and site design will be completed based on the project budget, direction from the Port and the results of the site review. The conceptual design will be used to initiate discussion, through a pre-submittal meeting, with the City of

Bremerton to discuss current code compliance relative to previously completed work and specifically determine submittal requirements and any potential issues that may affect design, schedule and/or site development permitting.

**Activities:**

This Task consists of the following activities:

- Meet with the Port's project manager to discuss project development goals and determine availability and applicability of record drawings and reports.
- Review available site design drawings, reports, and permits completed by others.
- Conduct visual site reconnaissance to become familiar with current conditions of the site.
- Develop a conceptual site layout and building concept based on the Port's needs, available project construction budget, and existing site infrastructure and setbacks.
- Attend a pre-submittal meeting with the City of Bremerton to discuss the conceptual plans and verify submittal requirements and applicability of previously completed site development work.
- Develop a memorandum that summarizes City land use requirements based on pre-submittal meeting, applicable components of geotechnical and stormwater reports previously completed by others for use in the current design, and any issues or potential alternatives that are discovered during concept development. The memorandum will also include a preliminary opinion of the owner's construction budget.

**Deliverables:**

The following deliverables are associated with this Task:

- One PDF and three hard copies of 11X17 conceptual design drawings including the following information:
  - Site location and existing conditions.
  - Building site plan, setbacks and general site dimensions.
  - Conceptual building floor plan and 4 exterior elevations.
  - Approximate proposed pavement and landscape areas.
  - Proposed site parking and traffic circulation.
  - Schematic layout of existing utility connections.
- Conceptual design memorandum summarizing the following items:
  - City of Bremerton land use permitting requirements based on pre-submittal meeting.
  - Applicable previously completed work items based on full review.
  - Summary of any issues or alternatives discovered that the Port may wish to consider.
  - Building and site use program summarizing building capacities, applicable code requirements, and design assumptions.
  - A conceptual level summary opinion of probable construction cost.

**Assumptions:**

The following assumptions are associated with this Task and with the full scope of services outlined herein (Tasks 1-4):

- The schedule for Task 1 will be completed within 5 weeks from NTP.
- The Task 1 budget has an allowance of up to 2 meetings (2 hours each assumed) at the Port of Bremerton. Both of these meetings may include architectural sub-consultants as needed.
- This scope of services is based in part on the Port's available construction budget for site work and building combined of \$2.6M.
- Changes to the anticipated schedule and/or changes in design after Owner acceptance at each Task review milestone may require additional effort beyond that anticipated in this scope of services.
- Building use is assumed to be typical low-hazard storage or light manufacturing with no hazardous material storage or extensive plumbing, HVAC, A/V & telecommunications, or electrical service needs. A design/build wet pipe fire suppression system specification will be provided for a NFPA-13 light or ordinary hazard classification.
- This scope of services does not include public presentations, 3-D modeling, or photo realistic renderings.

**TASK 02 – DESIGN DEVELOPMENT (60% DESIGN)****Objective:**

The objective of this Task is to develop the project design to a 60% level based on the outcome of the conceptual design Task. Following the Port's review and approval of the 60% design a site development review application with the City of Bremerton will be submitted.

**Activities:**

This Task consists of the following activities:

- Topographic survey including site boundary lines and development of current CADD data.
- Development of 11X17 project design drawings to a 60% level of design.
- Meetings with the Port of Bremerton to refine design concepts and review the 60% design.
- Submittal of a site development review application to the City of Bremerton following Port approval of the 60% design.

**Deliverables:**

The following deliverables are associated with this Task:

- One PDF and three hard copies of 11X17 design drawings including the following information:
  - General project information.
  - Survey information and existing site conditions.
  - TESC plans for site and building construction.
  - Site grading and drainage plan and associated details.
  - Site utility plan for water and sewer and associated detail drawings.
  - Schematic of electrical and communications service extension to the building.
  - Architectural plans for the PEMB core and shell and associated detail drawings.
  - Structural, Mechanical, and Electrical plans for the PEMB core and shell and associated detail drawings.
- Site Plan Review Application to the City of Bremerton including:
  - Modified SEPA checklist.
  - Commercial site development review application.
  - Six hard copies of the project design drawings.
  - An abbreviated drainage report for site specific drainage improvements.
- Prepare a 60% estimate of probable construction cost.

**Assumptions:**

The following assumptions are associated with this Task and with the full scope of services outlined herein (Tasks 1-4):

- The schedule for Task 2 will be completed within 8 weeks from NTP.
- The Task 2 budget has an allowance of up to 2 meetings (2 hours each assumed) at the Port of Bremerton. One of these meetings may include architectural sub-consultants as needed.
- No legal survey work or subsurface investigation is included in this scope of services. Physical property corner markers can be found within close proximity to the Lot 2 development.
- The need for a traffic study or trip generation is not anticipated or included in this scope of services.
- It is anticipated that a new geotechnical report will not be required to complete the design and/or obtain permits and sufficient geotechnical information will be made available through previously completed work for project design and permitting needs.
- There are no critical areas or environmentally sensitive areas within the site.
- There are no hazardous materials present and HAZMAT surveys will not be required for development of the site.
- A basin level drainage study will not be required and sufficient drainage basin information for upstream and downstream analysis will be available through reports previously completed by others and made available to SEA.

- The drainage report and corresponding drainage design for this project will only be required to address on-site collection, conveyance, and treatment (through a bio-swale or similar BMP typical of the described site and building) within the limits of LOT 2. Flow control for the site has already been addressed through construction of a regional detention facility that will have sufficient permitted capacity for development of this project without additional flow control BMP's.
- In the event an LID feasibility study and/or on-site infiltration testing, modeling, and design becomes required it will be considered additional effort beyond what is anticipated in this scope of services. The Port may wish to establish a management reserve in the event on-site infiltration or flow control become required.
- Only a modified SEPA will be required by the City of Bremerton and the proposed project is within the planned action for the industrial center.
- There are no retaining walls over 4 feet in height anticipated in this scope.
- There is no site electrical or lighting anticipated in this scope beyond what is fixed to the building exterior.
- All permit fees are to be paid directly by the Port of Bremerton.
- Only one round of City review comments is anticipated in this scope and a maximum hourly allowance for associated response and revisions of 16 hours of combined consultant time has been allocated for this purpose if necessary.
- Foundation structural design will be completed under this scope of services for bidding purposes however, due to the sequence of design and public bidding the actual design loads for the PEMB will not be known until after the construction contract awarded. If the PEMB actual design loads differ from what was assumed during initial design a change order to the contractor may be required.
- FF&E design and/or energy modeling is not requested or included in this scope of services.
- Purchasing and/or installation support is not included in this scope of services.
- Phased project bidding and/or phased construction and/or preparation of bid alternates may require additional effort beyond that anticipated in this scope of services.
- Existing communications services will be extended from the existing street side vaults to a junction box within the PEMB in a manner suitable for connection and internal building routing during future tenant improvements. Extensive IT and/or communications provisions within the building are not anticipated in this scope of services.

## **TASK 03 – FINAL DESIGN (95% DESIGN)**

### **Objective:**

The objective of this Task is to develop the project design to the 95% level of design based on the outcome of the design development Task. Comments received from the City of Bremerton site plan review and comments received from the Port's review of the 60% deliverable will be incorporated in the 95% design. Technical specifications and project specific special provisions will also be developed as needed during this Task.

### **Activities:**

This Task consists of the following activities:

- Development of 11X17 project design drawings to a 95% level of design.
- Development of project technical specifications and project specific special provisions.
- Meetings and correspondence with the Port to address design, bidding, and construction of the project.
- Prepare an update to the estimate of probable construction cost prepared under Task 2.

### **Deliverables:**

The following deliverables are associated with this Task:

- One PDF and three hard copies of 11X17 design drawings.
- One PDF and three hard copies of 8.5X11 technical specifications and project specific special provisions.
- Updated estimate of probable construction cost completed under Task 2.

### **Assumptions:**

The following assumptions are associated with this Task and with the full scope of services outlined herein (Tasks 1-4):

- The schedule for Task 3 will be completed within 10 weeks from NTP.
- The Task 3 budget has an allowance of up to 2 meetings (2 hours each assumed) at the Port of Bremerton. One of these meetings may include architectural sub-consultants as needed.

## TASK 04 – BID DOCUMENTS & BIDDING

### **Objective:**

The objective of this Task is to incorporate 95% review comments from the Port, finalize consultant QA/QC of the design documents, and assemble complete contract documents stamped and ready for bidding. Division 1 and front-end bid documents will be based on WSDOT local agency or EJCDC standard templates or Port provided boilerplate documents. The design team will assist the Port in soliciting bids, answering bidder questions, and opening bids.

### **Activities:**

This Task consists of the following activities:

- Complete the project contract documents, including incorporating the Port's 95% review comments, for bidding.
- Assist the Port in soliciting bids, answering bidder questions, and opening bids.

### **Deliverables:**

The following deliverables are associated with this Task:

- 100% Project contract documents in 8.5X11 and 11X17 format. Deliverable will include a full PDF copy and 6 hard copies.

### **Assumptions:**

The following assumptions are associated with this Task and with the full scope of services outlined herein (Tasks 1-4):

- The schedule for Task 4 will be completed within 4 weeks from NTP.
- The Task 4 budget has an allowance of up to 2 meetings including bid opening (2 hours each assumed) at the Port of Bremerton.
- If additional hard copies of the contract documents or full-size plan sheets are requested by the Port the consultant will be entitled to bill additional direct expense and reasonable administration costs to complete the request.

## CONSTRUCTION ADMINISTRATION (NOT INCLUDED)

Construction administration services are anticipated as a future amendment to this scope of services. If authorized by the Port under a subsequent contract amendment the design team will assist the Port with construction administration including Contractor qualification and other pre-award services, award of the construction contract, services during construction, and construction project as-builts and/or closeout as requested.

Attachment B - Schedule of Esitmated Costs



Client: Port of Bremerton  
 Project Name: NE Campus - Lot 2 Development  
 Date: May 7, 2018

|  | Associate Project Role   | J. Piccone<br>Sr. Eng./PM | Sr.Designer<br>/PE | Designer   | CADD      | TOTAL                | Labor           | Direct          |
|--|--|---------------------------|--------------------|------------|-----------|----------------------|-----------------|-----------------|
|  | BILL RATES   | \$165.00                  | \$135.00           | \$100.00   | \$80.00   | HOURS                | Cost            | Expense         |
| <b>TASK 1; CONCEPTUAL DESIGN &amp; COMPLETION SCHEDULE</b> |  |                           |                    |            |           |                      |                 |                 |
| 1.1  | Project Management, Meetings, Coordination, and Correspondence       | 36                        |                    |            |           | 36                   | \$5,940         |                 |
| 1.2  | Site and Document Review   | 12                        |                    | 8          |           | 20                   | \$2,780         |                 |
| 1.3  | Development of Conceptual Site Design                                | 40                        | 8                  | 60         | 12        | 120                  | \$14,640        |                 |
| 1.4  | City Pre-submittal Meeting & Memorandum                              | 16                        |                    | 8          |           | 24                   | \$3,440         |                 |
| 1.5  | Development of Conceptual Building Design                            | 10                        |                    | 4          |           | 14                   | \$2,050         | 25,000          |
|  | <i>Direct Expense Budget (mileage, printing, field equip., etc.)</i> |                           |                    |            |           | 0                    | \$0             | \$600           |
|  | <b>Task Sub Totals</b>   | <b>114</b>                | <b>8</b>           | <b>80</b>  | <b>0</b>  | <b>202</b>           | <b>\$28,850</b> | <b>\$25,600</b> |
|  |  |                           |                    |            |           | <b>TASK 01 TOTAL</b> | <b>\$54,450</b> |                 |
| <b>TASK 2; DESIGN DEVELOPMENT (60%)</b>                    |  |                           |                    |            |           |                      |                 |                 |
| 2.1  | Project Management, Meetings, Coordination, and Correspondence       | 48                        |                    |            |           | 48                   | \$7,920         |                 |
| 2.2  | Topographic Survey   | 8                         |                    | 16         | 8         | 32                   | \$3,560         | \$5,000         |
| 2.3  | Site Desgin Development and Cost Estimate                            | 40                        | 24                 | 80         | 26        | 170                  | \$19,920        |                 |
| 2.4  | Building Design Development and Cost Estimate                        | 16                        |                    |            |           | 16                   | \$2,640         | \$35,000        |
| 2.5  | Abbreviated Drainage Report and Design, City Review Submittal        | 35                        | 35                 | 80         |           | 150                  | \$18,500        |                 |
|  | <i>Direct Expense Budget (mileage, printing, field equip., etc.)</i> |                           |                    |            |           | 0                    | \$0             | \$1,500         |
|  | <b>Task Sub Totals</b>   | <b>147</b>                | <b>59</b>          | <b>176</b> | <b>34</b> | <b>416</b>           | <b>\$52,540</b> | <b>\$41,500</b> |
|  |  |                           |                    |            |           | <b>TASK 02 TOTAL</b> | <b>\$94,040</b> |                 |
| <b>TASK 3; FINAL DESIGN (95%)</b>                          |  |                           |                    |            |           |                      |                 |                 |
| 3.1  | Project Management, Meetings, Coordination, and Correspondence       | 48                        |                    |            |           | 48                   | \$7,920         |                 |
| 3.2  | Site Final Design, CE Update, and Specificaitons                     | 55                        | 55                 | 120        | 30        | 260                  | \$30,900        |                 |
| 3.3  | Building Final Desgin, CE Update, and Specificaitons                 | 20                        |                    |            |           | 20                   | \$3,300         | \$42,000        |
|  | <i>Direct Expense Budget (mileage, printing, field equip., etc.)</i> |                           |                    |            |           | 0                    | \$0             | \$800           |
|  | <b>Task Sub Totals</b>   | <b>123</b>                | <b>55</b>          | <b>120</b> | <b>30</b> | <b>328</b>           | <b>\$42,120</b> | <b>\$42,800</b> |
|  |  |                           |                    |            |           | <b>TASK 03 TOTAL</b> | <b>\$84,920</b> |                 |
| <b>TASK 4; BID DOCUMENTS &amp; BIDDING</b>                 |  |                           |                    |            |           |                      |                 |                 |
| 4.1  | Project Management, Meetings, Coordination, and Correspondence       | 30                        |                    |            |           | 30                   | \$4,950         |                 |
| 4.2  | Bid Document Completion  | 30                        | 12                 | 60         |           | 102                  | \$12,570        | \$6,000         |
| 4.3  | Bidding Assistance   | 12                        |                    | 12         |           | 24                   | \$3,180         | \$2,000         |
|  | <i>Direct Expense Budget (mileage, printing, field equip., etc.)</i> |                           |                    |            |           | 0                    | \$0             | \$1,500         |
|  | <b>Task Sub Totals</b>   | <b>72</b>                 | <b>12</b>          | <b>72</b>  | <b>0</b>  | <b>156</b>           | <b>\$20,700</b> | <b>\$9,500</b>  |
|  |  |                           |                    |            |           | <b>TASK 04 TOTAL</b> | <b>\$30,200</b> |                 |

TOTAL TASK 1-4                      \$263,610

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

Agenda Item No:    Action Item #3  
Subject:            Lease Agreement with Kitsap Provision, Inc.  
Exhibits:           Lease Agreement  
Prepared By:       Arne Bakker, Dir. Of Business Development  
Meeting Date:      June 12, 2018

**Summary:**

On March 14, 2018, Rebecca D. Taylor and Kathy Davis-Hayfield, owners of the Manette Yacht Club, contacted the Port with their intent to sell the Manette Yacht Club to Kitsap Provision, Inc. Kitsap Provisions, Inc. also owns and operates The Loft Restaurant in Poulsbo. As such Kitsap Provision will enter into a five (5) year lease with The Port starting July 1, 2018 through June 30, 2023 with a single five (5) year option to extend their lease.

**Fiscal Impact:**

None

**Recommendation:**

The staff recommends approval of the lease with Kitsap Provisions, Inc.

**Motion for Consideration:**

**Move to approve the Lease Agreement with Kitsap Provision, Inc.**

LEASE AGREEMENT

BETWEEN

KITSAP PROVISIONS, Inc.

AND

PORT OF BREMERTON

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## **PORT OF BREMERTON LEASE AGREEMENT**

THIS AGREEMENT is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, **2018**, by and between the **PORT OF BREMERTON**, a Municipal Corporation organized under the laws of the State of Washington (hereinafter "Port"), and **KITSAP PROVISIONS, INC, A Washington State Corporation** (hereinafter "Lessee").

### **WITNESSETH:**

**WHEREAS**, the Port represents that it is the owner and operator of the Bremerton Marina and has the right to enter into this lease; and

**WHEREAS**, the Port desires to lease certain property to Lessee located on the City of Bremerton's Boardwalk and within the Port Management Agreement #22-080016 between the Port and Washington State Department of Natural Resources and Lessee desires to lease from the Port that property, all upon the terms, conditions, and provisions set forth below.

## **1. PREMISES**

### **1A. Property and Premises**

The real property subject matter of this Lease consists of approximately a 240 square feet building more or less and a 5" of boardwalk space around the building adjacent to the building, which is graphically depicted for illustrative purposes on the diagram attached hereto as **Exhibit "A"** 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". Lessee is also allowed use of one reserved parking space in the Bremerton Marina lower parking lot for use by Lessee employees.

## **2. TERM**

### **2A. Initial Term**

The Port leases the Premises to Lessee and Lessee leases the Premises from the Port for a term of **five (5) years** commencing on the **1st day of July, 2018**, and terminating on the **30th day of June, 2023**, unless sooner terminated as provided in this Lease.

## **2B. Option**

In addition, so long as Lessee is not in default, the Port grants Lessee an option to renew or extend this Lease upon the same terms and conditions, except as to rent, for **one (1)** successive terms of **five (5)** years each, upon prior written notice thereof to the Port prior to 180 days of the expiration of this Lease or any extended term hereof.

## **3. RENTAL**

### **3A. Base Rent**

Lessee shall pay the Port as "Base Rent" rental in the amount of **\$299.00** per month, in advance, commencing on the **1st day of July, 2018**, and adjusted as hereinafter provided. In the event that Lessee occupies the premises prior to the Term date, Lessee agrees to pay a pro-rata rate of **\$10.00** per day for the days occupied.

### **3B. Additional Rent**

As additional rent, Lessee shall pay any applicable leasehold tax (**currently 12.84% as of effective date**) and property taxes or assessments, general or special, or fees in lieu thereof, in connection with the Premises or any improvements on the Premises.

### **3C. Late Payments**

In the event any rental payment is not made within ten (10) days of its due date, Lessee shall also pay the Port a late payment charge in the amount of \$50.00 for each such delinquent rental payment, together with interest on the delinquent total at the rate of eighteen percent (18%) per annum (minimum \$20.00 per month) until the delinquency is cured. The acceptance of rent by the Port for any period or portions thereof after default by the Lessee shall not constitute a waiver of the default unless the Port so notifies Lessee in writing. The Lessee agrees that the Port shall have a lien against all assets of the Lessee located on the Premises or used in connection with the Lessee's occupation of the Premises for all rents, charges, interest and fees payable under this Lease, and the Lessee further agrees that it shall not remove any of said assets from its locations until all such charges and fees payable under this Lease are paid in full.

## **4. RENTAL ADJUSTMENTS**

The Base Rent shall be adjusted in accordance with the terms of this Section. Any date upon which the Base Rent is to be adjusted is referred to as an "Adjustment Date" in this Lease.

#### **4A. Periodic Adjustment**

All rental rates and other charges due hereunder shall be adjusted **annually** (hereinafter referred to as the "Adjustment Date") commencing on the **first day of July, 2019**, and applied each year thereafter. The adjustment shall be equal to the increase, if any, in the latest **April** Consumer Price Index (CPI-U), all items, Seattle-Tacoma-Bellevue Area, as published by the U.S. Department of Labor not to exceed 4%. In no event shall the Base Rent ever decrease from one year to the next.

### **5. USE OF THE PREMISES**

Lessee shall use the Premises for the following purposes(s): Related food preparation and vending and closely related activities including the sale of alcoholic beverages upon issuance of appropriate state liquor license. Future or potential water taxi and kayak rental operations will be under separate agreements with the Port. Lessee shall not use the Premises for any other purposes without the prior written consent of the Port. The Lessee shall observe, abide and comply with any and all applicable federal, state or local laws, rules or regulations that affect the Premises, as they are now formulated, or as they may be re-formulated in the future. Lessee shall not allow any illegal or unlawful activities on the Premises. Nothing herein shall be deemed or construed to grant Lessee any exclusive right or interest to conduct the type of business or activity permitted hereunder.

### **6. OBLIGATIONS OF LESSEE**

During the term of this Lease or any extensions thereof, the Lessee shall:

#### **6A. Expenses**

Pay all costs and expenses associated and in connection with the use of the Premises and the rights and privileges herein granted, including, but not limited to, leasehold and other taxes, permit fees, license fees, and assessments lawfully levied or assessed upon the Premises or the improvements and other property on the Premises. The Lessee may, however, at its sole expense and cost, contest any tax, fee, or assessment, but shall in no event allow the same to become a lien on the Premises.

#### **6B. Maintenance**

Keep and maintain the Premises in neat, clean, sanitary and safe condition and repair. The Port shall be the sole judge of the quality of maintenance and repair of the Premises and upon written notice by the Port to the Lessee, the Lessee shall be required to perform whatever maintenance and repair the Port deems reasonably required. If the maintenance and repair is not undertaken within ten

(10) days after receipt of written notice, the Port shall have the right to enter upon the Premises and perform such maintenance and repair, the cost of which shall be charged to and borne by the Lessee. Said amount(s) shall be paid by the Lessee as an additional rent on the next due date after receipt of notice as to the amount(s) thereof.

**6C. Rubbish**

Properly dispose of all rubbish, garbage, and waste in a clean and sanitary manner at reasonable and regular intervals and assume all costs of extermination and fumigation for any infestation caused by Lessee.

**6D. Use of Utilities**

Properly use and operate all electrical, gas, heating, plumbing, and other fixtures and appliances that are or may be available for use by the Lessee.

**6E. Damage**

Not intentionally or negligently destroy, deface, damage, impair, or remove a part of the Premises, its appurtenances, facilities, equipment, furniture, furnishings, appliances, or fixtures, nor permit any person, whether family, invitee, licensee, or otherwise, acting under control of the Lessee to do so.

**6F. Nuisance**

Not permit any nuisance or common waste on the Premises.

**6G. Parking**

Be allowed use of one parking space in the Bremerton Marina Parking Lot at no expense to the Lessee for employee or delivery truck use only. Lessee is not allowed to park vehicles on the boardwalk. Marina load/unload parking spaces at the end of Second Avenue are not to be used by Lessee at any time.

**7. IMPROVEMENTS/ALTERATIONS**

The Lessee shall not make any improvements or alterations to the Premises without the express, prior written consent of the Port, which consent shall not be unreasonably withheld. Any improvements or alterations shall become the property of the Port upon the termination of this Lease (except trade fixtures and equipment which may be removed by Lessee at its own cost and expense, and Lessee agrees to and shall make any repairs to the Premises necessitated by the removal). If the Lessee intends to make changes in the Premises, Lessee shall submit plans to the Port no less than thirty (30) days before the commencement of such changes. Upon completion, the Lessee shall provide the Port with "as built" diagrams and specifications for its records. The Lessee agrees that it is solely responsible for and shall secure all permits required in connection with any construction and improvements and pay the required fees therefore. The

Lessee agrees that all construction, improvements, and maintenance shall be paid for by the Lessee and be made in conformance with the provisions of applicable laws, rules, codes, and regulations. It is further agreed that all leasehold improvements shall be kept in condition so as to meet the requirements of applicable laws, rules, codes and regulations at all times. Upon receiving all necessary approvals of its plans and specifications, the Lessee shall engage one or more qualified contractors to construct said improvements. Other provisions: **Lessee will obtain and hold current all food and liquor vending licenses required in the use of the premises.** The Port does not assume any responsibility for compliance with the foregoing requirements or the improvements/alterations made.

## **8. SIGNS**

### **8A. Installation of Signs**

Lessee shall have the right, at its own expense, to place in or on the Premises a sign or signs identifying the Lessee. Said sign or signs shall be of a size, shape, and design, and at a location or locations, approved by the Port in writing and in conformance with any overall directional graphics or sign program, codes, rules or regulations established by the Port or any other governmental entity having jurisdiction over the Premises, including, but not limited to, City of Bremerton. Said sign or signs shall be kept presentable and in good repair. Notwithstanding any other provision of this Lease, said sign or signs shall remain the property of the Lessee.

### **8B. Removal of Signs**

The Lessee shall remove, at its expense, all lettering, signs, and placards so erected on the Premises at the expiration of the term of this Lease. If the Lessee violates this provision, the Port may remove the sign or signs without any liability, and may charge the expense incurred by such removal to the Lessee, which expense Lessee shall pay within ten (10) days of receipt of notice thereof. Provided, however, that the Port shall give the Lessee written notice of the Lessee's violation of this provision, and Lessee shall have forty-eight (48) hours after receiving said notice to comply before the Port removes said sign(s).

## **9. UTILITIES**

The Lessee, at its own expense, shall provide for and make connections to all phone, cable/satellite, or security systems that it requires to serve the Premises. Lessee shall be responsible for, and pay before delinquency, electrical, water, and/or gas utilities, billed by the Port at an average rate of \$150.00 per month. Any on-site utility improvements within the Premises shall be the sole responsibility of Lessee, including, but not limited to, all design and construction costs.

## **10. HAZARDOUS SUBSTANCES**

As used in this Lease, the term "Hazardous Substance" means any hazardous, toxic, dangerous or extremely dangerous substance, material or waste, which is or becomes regulated by the United States Government, the State of Washington, or any local governmental authority. The term includes, without limitation, any substance containing constituents regulated as specified above. The term "release" shall be defined as provided in 42 U.S.C. 9601 and RCW 70.105D.020, as amended. In the event a conflict exists between the two definitions, the broader definition shall apply. For purposes of this Lease, the term release shall also include a threatened release. During the term of this Lease, or any extended term:

### **10A. Storage and Use, etc.**

Lessee shall not use, store, treat, generate, sell or dispose of any Hazardous Substances on or in any manner that affects the Premises, improvements, common areas, or any areas adjacent thereto, without the prior written consent of the Port.

### **10B. Compliance**

The Lessee shall, at its sole cost and expense, comply with all laws, statutes, ordinances, regulations, rules, and other governmental requirements regarding the proper and lawful generation, use, sale, transportation, storage, treatment, and disposal of Hazardous Substances (hereinafter "Laws") on the Premises or in any manner that affects the Premises.

### **10C. Right of Entry**

The Port or its designated agents may, at the Port's sole discretion and at reasonable times, enter upon the Premises for the purpose of monitoring Lessee's activities or conducting environmental testing and sampling to determine compliance with applicable Laws and the terms of this Lease. If such monitoring discloses the presence or release of Hazardous Substances in violation of either applicable Laws or this Lease, the cost of such monitoring shall be paid by the Lessee. In addition, within five (5) days of the Port's written request, the Lessee shall provide the Port with a detailed written description of the Lessee's generation, use, sale, transportation, storage, treatment, and disposal of Hazardous Substances on the Premises or which may affect the Premises or adjacent property. The Port's discretionary actions pursuant to this paragraph shall not constitute a release, waiver or modification of the Lessee's obligations otherwise specified in this Lease.

### **10D. Notification**

The Lessee shall notify the Port within twenty-four (24) hours of any release of Hazardous Substances that may affect the Premises or any adjacent property

and shall promptly provide the Port with a copy of any notifications given to any governmental entity regarding any such release. The Lessee shall promptly provide the Port with copies of any inspection report, order, fine, request, notice, or other correspondence from any governmental entity regarding the release of Hazardous Substances that may affect the Premises or any adjacent property. The Lessee shall provide the Port with a copy of all reports, manifest, material safety data sheets (MSDS), and identification numbers regarding Hazardous Substances at the same time they are submitted to the appropriate governmental authorities.

#### **10E. Environmental Assessment**

The Lessee shall, upon written request from the Port, based on a sufficient reason to believe there has been a release of Hazardous Substances, within sixty (60) days following expiration or other termination of this Lease, provide the Port with an environmental assessment prepared by a qualified professional approved in advance by the Port. The environmental assessment shall, at a minimum, certify that a diligent investigation of the Premises has been conducted, including a specific description of the work performed, and either (1) certify that diligent investigation of the Premises has revealed no evidence of a release of Hazardous Substances or violation of applicable Laws, or (2) if a release or violation of applicable Laws is detected, identify and describe: (i) the types and levels of Hazardous Substances detected; (ii) the physical boundaries of the release, including property other than the Premises; (iii) the actual and potential risks to the environment from such release or violation; and (iv) the procedures and actions necessary to remedy the release or violation in compliance with applicable Laws. The Lessee shall pay the expense of obtaining the environmental assessment and of performing all remediation.

#### **10F. Indemnification and Hold Harmless**

The Lessee shall defend (with attorneys approved in writing by the Port), indemnify and hold the Port, its Commissioners, employees and agents and representatives harmless from any loss, claim, fine, or penalty arising from the release of Hazardous Substances or any violation of applicable Laws affecting the Premises caused in whole or in part by the Lessee. Such obligation shall include, but shall not be limited to, environmental response and remedial costs, other cleanup costs, environmental consultants' fees, attorneys' fees, fines and penalties, laboratory testing fees, claims by third parties and governmental authorities for death, personal injuries, property damage, business disruption, lost profits, natural resource damages and any other costs, and the Port's expenses incurred under the foregoing provisions. The Lessee's obligation pursuant to this paragraph shall survive expiration or other termination of this Lease.

### **10G. Default**

Notwithstanding any other provision of this Lease, the Port may, in the event of a release of Hazardous Substances or a violation of applicable Laws affecting the Premises, elect to declare this Lease in default and terminate it. Such election by the Port, if made, shall be without prejudice to any other remedy provided in this Lease. Should the Port not elect to declare a default, it may cure any release of Hazardous Substances or any violation of applicable Laws by the Lessee, and impose a surcharge sufficient to recover such expenses together with interest at eighteen percent (18%) per annum, for such portion of the unexpired term of this Lease as the Port may deem proper.

### **10H. Rights and Remedies**

Notwithstanding any other provision of this Lease, and without prejudice to any other such remedy, the Port, in the event of a release of Hazardous Substances, a violation of applicable Laws or a breach of this Lease, shall be entitled to all rights and remedies provided by law or in equity, including, but not limited to the following, at the Port's option: (i) Terminate this Lease immediately; recover any and all damages associated with the default, including but not limited to cleanup costs and charges, civil and criminal penalties and fees, loss of business and sales by the Port and other tenants, and any and all damages and claims asserted by the parties' and the Port's attorneys' fees and costs; or (ii) to renegotiate the terms of this Lease to recover any return on expenditures made by the Port in order to insure that the Premises and the use of such Premises comply with all governmental rules, regulations and requirements. The Port, in pursuing any particular remedy, shall not be deemed to have made an election of remedies to the exclusion of any other remedies available to it.

## **11. RIGHTS RESERVED FOR PORT**

During the term or any extensions of this Lease, the Port shall:

### **11A. Use of Facilities**

Have the perpetual right and privilege to construct and maintain for the use of itself and its agents or tenants underground pipe, cable, ducts, and other necessary facilities to serve other users and tenants, together with the right to enter upon the Premises at any time with all necessary men, materials, and appliances for the purposes of constructing, inspecting, operating, repairing, and maintaining the same.

### **11B. Entry**

Have the right to enter upon the Premises at any reasonable time for the purpose of making any inspection it may deem expedient to the proper enforcement of any of the covenants or conditions of this Lease.

### **11C. No Improvements**

Not be required to make any improvements or repairs of any kind upon the Premises, except as may be specifically provided for in this Lease.

### **11D. Perform Agreements**

Have the right to make any changes to and perform any construction on the Premises required by any agreement or obligation to which it is subject with any other governmental agency or agencies having jurisdiction thereon upon prior written notice served upon the Lessee at least ninety (90) days in advance of such proposed work.

## **12. DEFAULT AND TERMINATION**

This Lease shall terminate at the option of the Port in the event of any one or more of the following events:

### **12A. Payment Default**

Lessee's default in the payment of the monthly rent or any additional rent for more than thirty (30) days after the time such payment becomes due.

### **12B. Failure to Perform**

Lessee's default in the performance of any of the terms, covenants, or conditions of this Lease, or in the event of its failure to comply with the reasonable instructions of the Port relative to default, and the failure of the Lessee to remedy, or undertake to remedy, to the Port's satisfaction, such default for the period of thirty (30) days after receipt of written notice from the Port.

### **12C. Abandonment**

Lessee's abandonment of the Premises.

### **12D. Insolvency**

If the Lessee files a voluntary petition in bankruptcy, makes a general or other assignment for the benefit of creditors, is adjudicated bankrupt, or if a receiver is appointed for the property or affairs of the Lessee. This Lease shall not be an asset of the Lessee in any bankruptcy proceeding.

### **12E. Assignment**

Lessee assigns this Lease without the Port's prior written consent.

Except as to bankruptcy proceedings, such termination shall be effective upon thirty (30) days prior written notice given to the Lessee. If this Lease is so terminated by the Port, all rights of the Lessee, or any person claiming through the Lessee, shall cease and terminate, and all payments made thereon shall belong to the Port. The Port

may, without notice, re-enter and take full possession of the Premises, including all leasehold improvements thereon. The Port shall be entitled to all leasehold improvements, and title thereto shall vest in the Port free and clear of any lien of claim of the Lessee or its successors. All property of the Lessee which is located on the Premises, whether exempt from execution or not, shall be bound by and subject to a lien for the payment of any amount(s) owing hereunder, and for any other damages arising from a breach by the Lessee of any portion of this Lease. Lessee agrees that the Port may take possession of said property, or any part or parts thereof, and sell or cause the same to be sold at a public or private sale, without notice, to the highest bidder for cash, and apply the proceeds of said sale toward the cost thereof and then toward the indebtedness or other damages. Subject to the Port's lien rights set forth above, upon termination of this Lease, the Lessee shall, at its sole cost and expense, remove all signs, trade fixtures, furnishings, personal property, equipment, and materials from the Premises which the Lessee was permitted to install or maintain under the rights granted herein. Lessee shall repair all damages caused by such removal. If the Lessee fails to do so within thirty (30) days, then the Port may effect such removal or restoration at the Lessee's expense, and the Lessee agrees to pay to the Port such expense promptly upon receipt of a proper invoice therefore.

### **13. LEASEHOLD IMPROVEMENTS AT TERMINATION**

Except as may otherwise be specifically provided in Section 14 above, leasehold improvements upon the Premises shall become the property of the Port upon expiration or termination of this Lease. Upon expiration of the term of this Lease or upon the sooner termination hereof pursuant to any of the provisions of this Lease, the Port shall take and have title to all improvements then located upon the Premises, and title to those improvements shall vest in the Port free and clear of any lien or claims of Lessee or its successors. Lessee shall deliver any and all keys to the Premises upon expiration or termination of this Lease. Provided, however, that upon the expiration of the term of this Lease or upon the sooner termination thereof, the Port shall be entitled, upon its specific written request given sixty (60) days in advance in the case of expiration of the Lease term, to have the Premises returned to it clear of all improvements, clean, and in good condition, in which event, title to all of said improvements shall remain in and with the Lessee.

If the Port requests such removal, the Lessee shall complete the same within sixty (60) days after the termination of this Lease. If the Lessee fails to so remove said improvements within the specified time, they may be removed by the Port and the Lessee shall pay the Port the cost thereof upon demand.

If, in the reasonable opinion of the Port, the Premises are left in an unclean condition or state of disrepair by the Lessee, the Port may cause the Premises to be repaired or cleaned to its satisfaction and Lessee shall pay the costs therefore.

## **14. ASSIGNMENT, SUBLETTING AND USE BY OTHERS**

### **14A. Restriction**

Neither this Lease, nor any part hereof, may be assigned, transferred, rented or sublet by the Lessee by process or operation of law or in any other manner whatsoever, without the prior written consent of the Port. Such consent shall not be unreasonably withheld. Copies of all proposed agreements between the Lessee and any prospective sublessee or other party relating in any way to the use of the Premises, shall be filed with the Port for review and consideration not less than thirty (30) days prior to the effective date of said documents. The Port reserves the right to require submission of additional detailed information concerning such other party including, but not limited to, financial records and statements, business background and references.

### **14B. Right to Sublease**

(1) Lessee will not permit any use or activity to be conducted upon the Premises that does not conform to all applicable zoning and construction regulations. Lessee will not enter into any sublease or other tenancy agreement when the proposed use of the Premises requires a Special Use Permit, rezone, variance of any kind, environmental impact statement, determination of non-significance, or any other use that requires special permission by a governing body, without the prior written consent of the Port.

(2) The Port reserves the right to adopt a policy or policies which specially exclude certain types of business activities that are inconsistent with the Port's planned development of the Olympic View Industrial Park. Lessee hereby agrees to comply with all such policy or policies, and further agrees to require that all of the Lessee's approved sublease or tenancy documents contain the following covenant:

"Sublessee shall perform all covenants and conditions contained in the Lease Agreement between the Port and Lessee, except for the covenant relating to the payment of rent. Sublessee also understands and agrees that the only activity authorized by this sublease document is that which is specifically addressed in the Lease Agreement between Port and Lessee and no other activity."

(3) The Port may withhold its consent to any assignment, sublease, other transfer, or tenancy if the proposed transferee's use of the Premises may involve the generation, storage, use, treatment, or disposal of Hazardous Substances, as defined in this Lease.

## **15. HOLD HARMLESS/INDEMNIFICATION**

The Lessee covenants and agrees to hold harmless, defend and indemnify the Port, its commissioners, employees, agents and representatives from and against any and all liability, damages, judgments, or claims therefore, which may arise from or are attributable to the Lessee's occupancy or use of the Premises or any of the Port facilities, whatsoever the nature, and whether authorized or unauthorized. The Lessee shall defray the expenses, including reasonable attorney's fees and costs, for the defense of any such claim, including but not limited to litigation in any court of competent jurisdiction or any other dispute resolution process or proceeding. The Lessee also agrees that the Port or its employees or agents shall not be held liable for any damage to property or persons caused by any defects now in said Premises or equipment, and hereafter occurring, and the Lessee shall defend, indemnify, and hold the Port harmless therefrom. The Port may, at its option, select the defense counsel of its choice in any such matters.

## **16. INSURANCE**

### **16A. Liability Insurance**

The Lessee shall obtain and keep in force during the term of this Lease, Comprehensive General Liability insurance, extended to cover the Premises and the Lessee's business operations in companies and in form to be approved by the Port. Coverage provided by the foregoing insurance policy shall be re-evaluated in accordance with the time schedule established for renegotiation of rental rates and shall include such areas of coverage as the Port deems reasonably required and appropriate to protect itself from claims of liability in light of the nature of Lessee's business operations and use of the Premises.

### **16B. Property Insurance**

In addition, Lessee shall keep and maintain in full force and effect during the term of this Lease All-Risk insurance on all fixed improvements located or situated on or in the Premises to the full replacement value thereof. Proceeds from such insurance shall be used to restore the Premises.

### **16C. Policy Requirements**

All such policies shall:

- (1)** Name the Port as an Additional Insured and Loss Payee and list the Premises as a covered site.
  
- (2)** Apply as primary insurance irrespective of any insurance which the Port may carry.

(3) In the case of the Comprehensive General Liability policy, it shall be in an amount not less than \$2,000,000 general aggregate, \$1,000,000 for single limit bodily injury/property damage. The policy shall also include similar coverage for site specific pollution for the Premises. The Lessee shall be responsible for notifying the Port in the event that the Lessee receives notice of cancellation of coverage. The Lessee shall provide this notice to the Port within 10 days of receiving notice of cancellation from its insurer. It will be considered a material breach of this Lease if the Port is not notified and given the opportunity to place coverage as it deems appropriate. The Lessee will be responsible for any premium costs that the Port incurs for replacing said coverage.

(4) A true copy of the insurance policy, including all of the aforementioned coverage and endorsements, shall be provided to the Port upon request. The insurance carrier must annually provide the Port with a complete and properly authenticated Certificate of Insurance as evidence of the coverage required herein, said Certificate to be subject to the approval of the Port.

#### **16D. Release and Waiver**

The Port and the Lessee herein 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 property insurance contracts, for all perils insured thereunder. Provided, that 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 the Lessee.

### **17. NONDISCRIMINATION**

Notwithstanding any other or inconsistent provision of this Lease, during the term hereof, or any extended term, the Lessee, for itself, its heirs, personal representatives, successors in interest, permitted assigns, and subtenants, does hereby covenant and agree that no person, on the grounds of race, color, religion, sex, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of the Premises or in the construction of any improvements on, over, or under the Premises, or the furnishing of services therein or thereon.

### **18. NOTICE**

Any notice given by one party to the other in connection with this Agreement shall be in writing and shall be personally delivered or mailed. If mailed, it shall be sent certified mail, return receipt requested, with postage and certification fees prepaid:

If to the Port, addressed to:

Port of Bremerton  
8850 SW State Hwy 3  
Bremerton, WA 98312

If to the Lessee, addressed to:

**Kitsap Provisions, Inc.**  
c/o Stefan Kolbeins  
2485 NE William E Sutton Rd  
Bremerton, WA 98311

Notice shall be deemed to have been received on the date of receipt as shown on the return receipt or three (3) days after mailing, whichever first occurs.

## **19. SECURITY**

Lessee shall deposit with the Port security for Lessee's full and faithful performance of all the terms, covenants, and conditions of this Lease in the amount of **\$3,588**. The Port shall return such sum, without interest, after the expiration hereof, if Lessee has fully and faithfully carried out all of such terms, covenants, and conditions. The Port may apply any part of such deposit to cure any of Lessee's defaults. In such event, Lessee shall, upon demand, deposit with the Port the amount so applied so that the Port shall have the full deposit on hand at all times during the term hereof. Lessee shall not mortgage, assign, or encumber the security deposited under this Lease without the Port's written consent, and any attempt to do so shall be void.

## **20. MISCELLANEOUS**

The following miscellaneous provisions apply to this Lease:

### **20A. Captions**

The captions used in this Lease are intended for convenience of reference only, and do not define or limit the scope or meaning of any provision of this Lease.

### **20B. Joint and Several Liability; Binding Effect**

Each party who signs this Lease (other than in a representative capacity) will be jointly and severally liable for the performance of the obligations under this Lease. This Lease is and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and permitted assigns.

### **20C. "Lessee" Includes Lessees**

It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease, regardless of the number, gender, or fact of incorporation

of the party who is, or of the parties who are, the actual Lessee or Lessees under this Lease.

#### **20D. Waiver**

The failure to enforce any provision concerning breach, violation, or default in or with respect to the performance or observance of the covenants and conditions contained herein shall not be taken to constitute a waiver of rights to enforce such provisions with respect to any such subsequent breach, violation, or default in or with respect to the same or any other covenant or condition hereof.

#### **20E. Governing Law**

The place of making of the Lease shall be deemed to be Kitsap County, Washington, and the legal rights and obligations of the Port and the Lessee shall be determined by the laws of the State of Washington.

#### **20F. Jurisdiction and Venue**

In the event any suit, action or other proceeding shall be brought in connection with any of the terms or conditions of this Lease, the Port and the Lessee hereby stipulate that jurisdiction and venue of each suit, action or other proceeding shall be in Kitsap County, Washington.

#### **20G. Attorney's Fees and Costs**

In the event that any suit, action or other proceeding shall be instituted to enforce compliance with any of the terms or conditions of this Lease, there shall be paid to the substantially prevailing party in such suit, action or proceeding reasonable attorneys' fees (including the allocated cost of in-house counsel) and costs, with the foregoing applicable to proceedings both in the trial and appellate court levels and arbitration proceedings.

#### **20H. Holding Over**

In the event that the Lessee, for any reason, shall hold over in possession of the Premises following the expiration of this Lease, or any extensions hereof, such holding over shall not be deemed to operate as a renewal or extension of this Lease, but shall only create a tenancy from month to month which may be terminated at will at any time by the Port.

#### **20I. Severability**

In the event that any section, or any part of any section, of this Lease shall be declared invalid by a court of competent jurisdiction, said holding shall have no effect upon the remaining sections of this Lease, which remain in full force and effect.

**20J. Entirety**

The Lease constitutes the entire agreement and understanding between the Port and the Lessee. There are no other agreements or representations, either written or oral, which modify or have any effect upon this Lease. This Lease is not effective in any manner until such time as formally approved and accepted by the Bremerton Port Commissioners as evidenced by their signatures below.

**IN WITNESS WHEREOF** the parties hereto have caused this Lease Agreement to be executed as of the day and year first above written.

**KITSAP PROVISIONS, Inc.**  
**A Washington State Corporation**

**PORT OF BREMERTON**  
**A Municipal Corporation**

\_\_\_\_\_  
Stefan Kolbeins

\_\_\_\_\_  
President and Commissioner

\_\_\_\_\_  
Vice President and Commissioner

\_\_\_\_\_  
Secretary and Commissioner

Approved As To Form:

\_\_\_\_\_  
Port Attorney  
Date: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 )ss  
County of \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_ before me personally appeared \_\_\_\_\_ to me known to be the \_\_\_\_\_ of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said 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 \_\_\_\_\_

\_\_\_\_\_  
Name Printed

residing at \_\_\_\_\_

My commission expires: \_\_\_\_\_

STATE OF WASHINGTON )  
 )ss  
County of KITSAP )

On this \_\_\_\_\_ day of \_\_\_\_\_ before me personally appeared \_\_\_\_\_ to me known to be the \_\_\_\_\_ 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: \_\_\_\_\_

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

Agenda Item No:    Action Item #4  
Subject:            Lease Amendment Hagerman Pre Cast, LLC  
Exhibits:           Lease Agreement Amendment #1  
Prepared By:       Arne Bakker, Dir. Of Business Development  
Meeting Date:       June 12, 2018

**Summary:**

Hagerman Pre Cast, LLC has leased property with the Port of Bremerton consisting of approximately 1.21 acres, more or less, since November 1, 2013, for a period of five (5) years with a an option to renew for a successive period of one (1) term of five (5) years. As such, Hagerman Pre Cast has opted execute their said extension.

Hagerman Pre Cast has no options remaining.

**Fiscal Impact:**

None

**Recommendation:**

The staff recommends approval of the lease with Hagerman Pre Cast, LLC.

**Motion for Consideration:**

**Move to approve Lease Amendment #1 with Hagerman Pre Cast, LLC**

## **AMENDMENT TO LEASE No. 1 HAGERMAN Pre Cast LLC**

**IT IS HEREBY AGREED** by and between the **PORT OF BREMERTON**, a municipal corporation organized under the laws of the State of Washington, hereinafter referred to as “Port” and **HAGERMAN PRE CAST**, a Limited Liability Company organized under the laws of the state of Washington, hereinafter referred to as “Lessee”, to amend that certain lease dated October 22, 2013, to read as follows (all other terms remain the same):

### **2. TERM**

#### **2A. Term**

The Port leases the Premises to Lessee and Lessee leases the Premises from the Port for a term of five (5) years commencing on the 1st day of November, 2018, and terminating on the 31<sup>st</sup> day of October, 2023, unless sooner terminated as provided in this Lease.

#### **2B. Option**

So long as Lessee is not in default, the Port grants Lessee an option to renew or extend this Lease upon the same terms and conditions, except as to rent, for One (1) successive term of five (5) years each, upon prior written notice thereof to the Port prior to 180 days of the expiration of this Lease or any extended term hereof.

### **4. RENTAL ADJUSTMENTS**

The Base Rent shall be adjusted in accordance with the terms of this Section. Any date upon which the Base Rent is to be adjusted is referred to as an “Adjustment Date” in this Lease.

#### **4A. Periodic Adjustment**

All rental rates and other charges due hereunder shall be adjusted annually as of the first day of November of each year (hereinafter referred to as the “Adjustment Date”) commencing on the first day of November, 2018 and applied each year thereafter. The adjustment shall be equal to the increase, if any, in the latest August Consumer Price Index (CPI-U), all items, Seattle, Tacoma, Bellevue Area, as published by the U.S. Department of Labor. In no event shall the Base Rent ever decrease from one year to the next.

Every five (5) years during the term of this lease or any extended term, all rental rates and other charges due hereunder shall be renegotiated by the parties prior to the expiration of the applicable five (5) year period.

**IN WITNESS WHEREOF** the parties hereto have caused this Lease Agreement to be executed as of the day and year first above written.

**HAGERMAN PRE CAST**  
**A Limited Liability Company**

**PORT OF BREMERTON**  
**A Municipal Corporation**

\_\_\_\_\_  
Robert Hagerman

\_\_\_\_\_  
President and Commissioner

\_\_\_\_\_  
Vice-President and Commissioner

\_\_\_\_\_  
Secretary and Commissioner

Approved As To Form:

\_\_\_\_\_  
Port Attorney

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

STATE OF \_\_\_\_\_ )  
 )ss  
County of \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_ before me personally appeared \_\_\_\_\_ to me known to be the \_\_\_\_\_ of the limited liability company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability 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 \_\_\_\_\_ day of \_\_\_\_\_ before me personally appeared \_\_\_\_\_ to me known to be the \_\_\_\_\_ 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: \_\_\_\_\_

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

Agenda Item No: Action Item #5  
Subject: Notice of Award, Sabelhaus West Inc, Exterior Painting OVIP 5  
Exhibits: None  
Prepared By: Tim Mensonides, Airport Manager  
Meeting Date: June 12, 2018

### Summary:

On May 30, 2018 bids were received and opened for the OVIP 5 Exterior Painting Project. This project involves painting the exterior of the 60,000 sqft Safe Boats building. Two bids were received (bids include tax):

|                                |   |
|--------------------------------|---|
| Sabelhaus West, Inc.           | \$54,439.64                                   |
| Pacific General Builders, LLC. | \$149,491.57* (bid with tax amount corrected) |

In 2018 \$50,000 was budgeted for the project, there are sufficient funds in the budget from savings on other projects to cover the overage. Port staff has completed its due diligence on Sabelhaus West Inc. with positive comments on quality of work, schedule, and ability to stay within budget. Sabelhaus West has completed similar projects for the Port in the past with favorable results.

### Fiscal Impact:

Funding provided in the 2018 Industrial Park Capital Budget

### Recommendation:

Recommend bid award to Sabelhaus West Inc.

### Motion for Consideration:

**Move to approve the bid award to Sabelhaus West, Inc. and authorize the CEO to execute the contract and issue a Notice to Proceed.**

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

Agenda Item No: Action Item #6  
Subject: Notice of Award, OVIP 4 Roof Project, (Contractor to be recommended at Commission Meeting)  
Exhibits: None  
Prepared By: Tim Mensonides, Airport Manager  
Meeting Date: June 12, 2018

**Summary:**

On June 11, 2018 bids will be received and opened for the OVIP 4 (Triton Marine) Roof Project. This project involves the replacement of roof siding and the current roofing system with a TPO (thermoplastic polyolefin membrane system – similar to what was installed on the Airport Terminal roof in 2017). A 15 year warranty will be included as part of the installation. The engineer’s estimate for project was \$82,250. In 2018 \$56,000 was budgeted for the project. The estimate is higher than the budgeted amount because the necessary siding work was added and prices have increased since obtaining the original estimate. There are sufficient funds in the budget to cover the increase.

Bid results will be presented at the June 12<sup>th</sup> commission meeting.

**Fiscal Impact:**

Funding provided in the 2018 Industrial Park Capital Budget.

**Recommendation:**

Recommend bid award to a contractor to be determined.

**Motion for Consideration:**

**Move to approve the bid award to (contractor to be determined) and authorize the CEO to execute the contract and issue a Notice to Proceed.**