

PORT OF BREMERTON
BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING

A G E N D A

October 9, 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 September 25, 2018.
- B. Payment of checks #103506 through #103537 and #78354 and #78355 through #78359 and #78360 through #78422 from the General Fund for \$182,548.28; and the payment of payroll taxes for \$18,999.00.

Information Items

1. Public Outreach Update – Victoria Peters, Marketing & Communications Coordinator

Work Study Session

1. 2019 Legislative Strategy – Dylan Doty, Doty & Associates, Inc.

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. Right of First Refusal Agreement with Waterman Investment Partners LLC

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><i>Date</i></u>	<u><i>Time</i></u>	<u><i>Meeting</i></u>
10/9	10:00 am	*Commission Regular Meeting – Bill Mahan Conference Rm
10/11	8:30 am	Kitsap Regional Coordinating Council (KRCC) PlanPOL
10/16	12:30 pm	KRCC Executive Committee
10/23	12:30 pm	Kitsap Aerospace & Defense Alliance (KADA) Steering Committee
10/23	2:00 pm	Kitsap Economic Development Alliance Fall Forum
10/25	9:00 am	Puget Sound Regional Council (PSRC) Operations Committee
10/25	10:00 am	PSRC Executive Board
10/25	10:00 am	SR16 Congestion Study Executive Committee
10/26	8:00 am	PSRC Washington State Space Economy Tour
10/30	6 pm	DATE CHANGE *Commission Regular Meeting – Bill Mahan Conf. 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

September 25, 2018
6:00 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	James Weaver
Fred Salisbury	Tim Mensonides
Sherman Hu	Ginger Waye
Arne Bakker	Jim Ryan, Atty

Call to Order

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

Approval of Agenda

It was moved by STRAKELJAHN, seconded by BOZEMAN to:

Approve the Agenda as presented.

MOTION CARRIES, 3-0

Consent Items

- A. Minutes of the regular business meeting of September 25, 2018.
- B. Payment of checks #103478 through #103505 and #78301 through #78304 and #78310 through #78353 from the General Fund for \$164,411.41; #78305 through #78309 from the Construction Fund for \$69,112.90 and the payment of payroll taxes for \$17,228.77.

It was moved by BOZEMAN, seconded by STRAKELJAHN to:

Approve the Consent Items as presented.

MOTION CARRIES, 3-0

Information Items

1. Bremerton Pilots Association (BPA) Scholarship Request – Jim Posner, Past President

Mr. Posner, speaking on behalf of President Doug Haughton who was unable to attend due to a prior church commitment, stated he was following up on BPA's written request for an additional \$3,500 scholarship funding to be included in the 2019 budget. He provided detail on the scholarship program and answered Board questions on BPA's fundraising efforts, the application review process, and the percentage of scholarship recipients that have completed the program which is high with approximately 80% going on to pursue a commercial pilot career.

Work Study Session

1. 2019 Budget – Allocation of Port Resources to Community Agencies/Groups

Mr. Hu presented the proposed 2019 allocation schedule which reflected proposed changes from 2018. Once review by the Board, the schedule will be incorporated into the overall budget that will be presented at an upcoming meeting.

Each line item of the schedule was reviewed by the Board. Following discussion which included input from Bremerton Rotary representative John Stockwell on the Blackberry Festival line item, the Board determined the following revisions to the schedule:

- Remove Foreign Trade Zone from allocation schedule due to its low \$25 amount
- Increase Blackberry Festival funding to \$2,500
- Increase BPA scholarship funding by \$1,750 for a total of \$5,250
- Remove Explore Port Orchard funding of \$1,000
- Keep Rock the Dock at \$2,500 level instead of requested \$10,000
- Remove West Sound Expo from the schedule
- Staff to research the need for funding Kitsap Economic Development Alliance (KEDA) Decision Makers I & II

There was discussion on percentage of contributions to overall budget and whether it is standard with what other ports do – there is a need to start thinking strategically about what the number should be and what the Port should concentrate on. Commissioner Stokes suggested asking WPPA to put out a survey on the contribution levels of other ports.

Citizen Comments

Roger Gay, South Kitsap

- Spoke to the budget discussion and reminded the Board the Port contributes a lot in the community already on parks, playgrounds, etc. Suggested reducing Kitsap Aerospace & Defense Alliance (KADA) to \$5,000 providing the remaining \$5,000 to KEDA and the BPA scholarship.

Jerry McDonald

- Provided information on the imminent Olympic College flight program which would include Avian providing the pilot training.

Action Items - None

Commission New Business - None

Staff Reports

James Weaver, Director of Marine Facilities

- Reported on the unexpected change of American Cruise Lines tour which added Bremerton Marina as a stop last weekend for its Puget Sound Cruise and their intention to potentially stay one more time this season and to discuss future visits. He thanked Marina Operations Manager Kathy Garcia and staff for handling all the necessary arrangements on such short notice. There was discussion with the Board on publicizing the cruise line visits; confirming the integrity of the breakwater for the size of ship; and having enough staff on shift to assist with line handling, etc.

Jim Rothlin, Chief Executive Officer

- Exciting to see the cruise line come in and noted that staff is preparing for their return on October 10.
- Reported on the Kitsap Public Facilities District (KPF) meeting which included discussion on the market study that was done for the Circuit of the Northwest racetrack facility and how KPF funding for the project would need to go through the public sector. Mr. Rothlin will meet with KPF executive director to discuss how funding could go through the Port and be used for infrastructure.
- Along with Commissioner Bozeman, met with Rice Fergus Miller to brainstorm possibilities on how the Port wants its industrial properties to look in the future.

Commission Reports

Commissioner Strakeljahn

- Discussed agenda for upcoming Puget Sound Regional Council Executive Board meeting that Commissioner Bozeman will be attending this week in which the Washington State Space Economy Report will be released. He noted he has been invited to a Space Economy tour at Blue Origin on October 26.
- Provided highlights from the Kitsap Regional Coordinating Council (KRCC) TransPOL meeting.
- Attended the KPF racetrack presentation and discussed why he was impressed with it.

Commissioner Stokes

- Acknowledged the efforts and complimented Marketing & Communications Coordinator Victoria Peters for her graciousness in photographing a friend he knew in the military when he came out to fly in the P-51 Mustang that was at the airport during the WWII Wings of Freedom tour. She sent the photos to his friend and made him extremely happy.

Executive Session

President Stokes recessed the meeting at 7:35 p.m. and reconvened into executive session at 7:40 p.m. for approximately 20 minutes regarding: real estate issues [RCW 42.30.110(1)(c)].

At 8:00 p.m. the regular meeting was reconvened.

Adjournment

There being no further business before the Board, the meeting was adjourned at 8:00 p.m.

Submitted,

Approved,

Jim Rothlin
Chief Executive Officer
October 4, 2018

Axel Strakeljahn
Commission Secretary
October 9, 2018

PORT OF BREMERTON
BOARD OF COMMISSIONERS
EXECUTIVE SESSION

MINUTES

September 25, 2018
7:40 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 7:40 p.m., September 25, 2018.

Commissioners and Staff Present

Commissioners

Larry Stokes
Cary Bozeman
Axel Strakeljahn

Staff Members

Jim Rothlin
Fred Salisbury
Arne Bakker
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 8:00 p.m.

Submitted,

Approved,

Jim Rothlin
Chief Executive Officer
October 4, 2018

Axel Strakeljahn
Commission Secretary
October 9, 2018

PORT OF BREMERTON **AGENDA SUMMARY**

Agenda Item No: Action Item #1
Subject: Right of First Refusal Agreement
Exhibits: Agreement document; properties map
Prepared By: Jim Rothlin, CEO
Meeting Date: October 9, 2018

Summary:

At the Port's September 11, 2018, Commission meeting, Waterman Investment Partners presented to the Commission its goals for redevelopment of the Port Orchard Waterfront. The mixed use project would help revitalize the area, adding multifamily housing, retail, business and public use facilities. While the plans are somewhat preliminary, the renovations would provide economic benefit to the City and surrounding areas which is a part of the Port's district. The project is adjacent to the Port's Port Orchard marina, so this enhancement would also expect to have a positive impact for the marina. It is possible that the development will include property currently owned by the Port. In order for Waterman Investment Partners, LLC to acquire funding for this project, it is necessary that they can show that they would have access to the Port's property if it were needed. Therefore, they have requested a right of first refusal in order to document this to interested investors, should this property become part of the project.

Fiscal Impact:

There is no fiscal impact at this time for the execution of the contract. This document only requires action should the Commission entertain and agree to an offer from a 3rd party, it would allow Waterman the first right to purchase the site at the same price. The amount is not specified at this time, but would be a fair market value at the time of sale.

Recommendation:

This goal of this project is to improve the surroundings of the Port of Bremerton's marina properties and enhance economic development in the Port's district, which is a vital component of the Port's mission. It does not commit the Port to anything unless they decide the sale of the property makes sense for the Port community. Staff recommends at this time for the Commission to approve the right of first refusal agreement.

Motion for Consideration:

Move to approve the right of first refusal agreement between the Port of Bremerton and Waterman Investment Partners, LLC for parcels as stated in the agreement.

Return Recorded Document To:

Port of Bremerton
Attn: CEO
8850 SW State Hwy 3
Bremerton, WA 98312

RIGHT OF FIRST REFUSAL TO PURCHASE

Grantor: Port of Bremerton
Grantee: Waterman Investment Partners LLC
Abbrev. Legal Description: REPLAT OF BLOCK 10 SIDNEY TIDELANDS
BLK 010 LOT 5 & 6 TL
For Full Legal Description see Exhibit A attached hereto
Tax Parcel No(s): **4055-010-005-0000**

AGREEMENT made and entered into by and between PORT OF BREMERTON, a political subdivision of the State of Washington (hereinafter "Grantor"), and WATERMAN INVESTMENT PARTNERS LLC, a Washington Corporation (hereinafter "Grantee").

WHEREAS, the Grantor owns certain real property in Kitsap County, Washington, that Grantee has an interest in acquiring if the Grantor desires to sell it.

WHEREAS, the parties hereto have determined it to be to their mutual benefit to enter into this agreement.

WHEREAS, development of the Port Orchard waterfront properties would improve the surroundings of the Port of Bremerton's marina properties and enhance economic development in the Port's district, which is a vital component of the Port's mission.

NOW, THEREFORE, in consideration of payment of \$10 and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Right of First Refusal. Grantor grants Grantee a right of first refusal to purchase the real property, improvements and appurtenances located in Kitsap County, Washington, that is legally described on Exhibit A attached hereto and made a part hereof (the "Property"). Grantor and Grantee agree that if Grantor receives a bona fide offer from a third party for the purchase of all or any part of the Property, which offer Grantor is willing to accept, Grantor will give Grantee written notice thereof, and will send Grantee a copy of the proposed contract of sale to such third party. Any such offer must express a purchase price that must be specified in dollars.

Grantee shall have the right for 30 days after the receipt of such notice to enter into an agreement for the sale of the Property at the same price and on the same terms as contained in the proposed contract of sale to the third party, which right of Grantee shall be paramount to the rights of the third party. If Grantee fails to exercise any such preemptive right within the time herein specified, Grantor shall be at liberty to enter into a contract for the sale of the Property with the third party at the same price and on the same terms as contained in the proposed contract of sale sent to Grantee. If the purchase price or any other terms of the proposed contract with the third party are changed, the notice and procedures of this right of first refusal shall be repeated.

2. Term of Right of First Refusal. This right of first refusal to purchase shall continue in effect until December 31, 2020, or until the conveyance of the Property in fee simple to Grantee or to a third party pursuant to the right of first refusal described above, whichever is sooner. Upon the termination of this right of first refusal by expiration of time or a conveyance of the Property to a third party, Grantee shall deliver to Grantor upon request a signed and acknowledged document stating that this right of first refusal has terminated and that Grantee expressly relinquishes all rights under this right of first refusal agreement.

If Grantor does not close on the proposed contract with the third party pursuant to the contract, this right of first refusal shall remain in effect.

If Grantee exercises its right of first refusal to purchase, and thereafter fails to close the transaction, this right of first refusal shall terminate and be of no further force and effect.

3. Grantor's Right to Lease. Notwithstanding anything to the contrary contained in this Agreement, Grantor shall have the right during the term of this right of first refusal to rent or grant leases for all or parts of the Property, as Grantor sees fit.

4. Warranty of Title. Grantor warrants and represents that Grantor is the owner of good, fee simple, marketable title to the Property and has full authority to grant this right of first refusal.

5. Broker. The parties warrant and represent that no broker brought about or participated in this right of first refusal agreement.

6. Survival. The warranties, representations and agreements contained in this paragraph shall survive any conveyance of the Property pursuant to this right of first refusal agreement.

7. Recording. This agreement shall be executed in recordable form, and if Grantee elects, may be recorded at Grantee's expense with the Kitsap County Auditor.

8. Binding Effect. This right of first refusal to purchase shall be binding upon and inure to the benefit of the parties and their respective representatives, successors and assigns.

9. Headings. Headings in this agreement are for convenience only and shall not be used to interpret or construe its provisions.

10. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of Washington. Venue for any action or proceeding hereunder shall lie in Kitsap County, Washington.

11. Attorneys' Fees. In the event of any action brought to enforce or interpret this agreement, including appeals, the substantially prevailing party shall be entitled to recover its costs and expenses incurred, including reasonable attorney's fees.

12. Counterparts. This agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

13. Entire Agreement. This agreement supersedes all prior agreements between the parties with regard to the subject matter hereof, and there are no other understandings or agreements between them. This agreement can only be modified by a written instrument signed by both Grantor and Grantee.

14. Severability. Any provisions of this agreement which shall prove to be invalid, void or illegal in no way affects, impairs or invalidates any other provisions hereof, and such other provisions shall remain in full force and effect.

15. Notices and Correspondence. All notices and correspondence shall be sent by certified mail, return receipt requested, to the parties hereto at the following addresses:

If to Grantor, to: Port of Bremerton
Attn: CEO
8850 SW State Hwy 3
Bremerton, WA 98312

If to Grantee, to: Waterman Investment Partners LLC
Attn: Steve Segó
PO Box 376
Burley, WA 98322

Either party may change the above address from time to time by sending a certified letter, return receipt requested, to the other party setting forth such changed address.

The parties hereto have executed and delivered this agreement as of the ____ day of October 2018.

Grantor:

PORT OF BREMERTON

By: _____
Name: Larry Stokes
Title: Commission President

By: _____
Name: Cary Bozeman
Title: Commission Vice-President

By: _____
Name: Axel Strakeljahn
Title: Commission Secretary

Approved as to Form:

Name: _____
Port Attorney

Grantee:

WATERMAN INVESTMENT PARTNERS

By: _____
Name: Steve Segó
Title: Principal

STATE OF WASHINGTON)
)
COUNTY OF KITSAP)

On this ____ day of _____, 20__, before me personally appeared _____, to me known to be the Commissioners of the Port of Bremerton, the Washington political subdivision that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and that he/she is 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
Residing at _____
My commission expires: _____
Print Name: _____

STATE OF WASHINGTON)
)
COUNTY OF KITSAP)

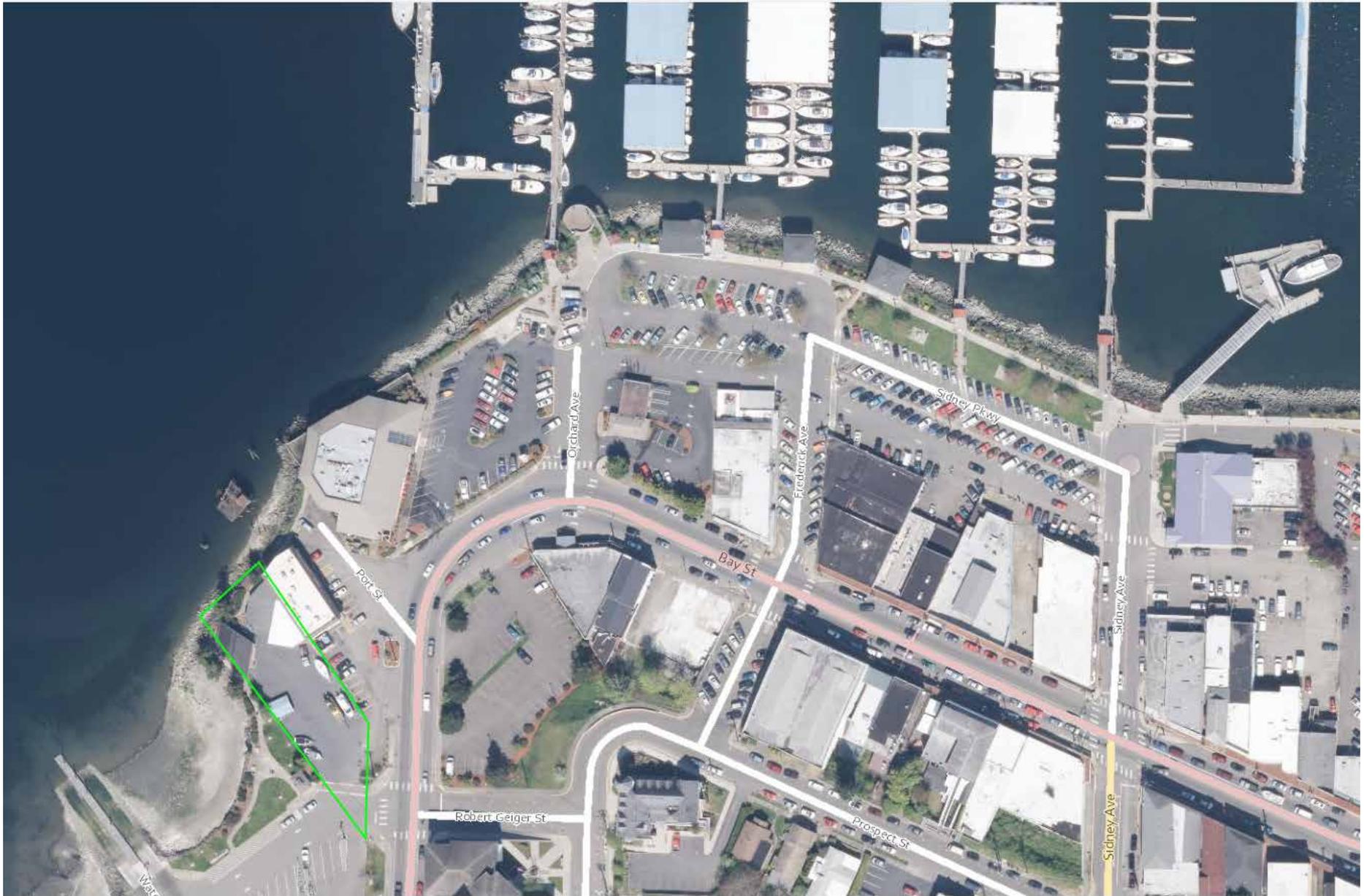
On this ____ day of _____, 20__, before me personally appeared _____, to me known to be the _____ of _____, the corporation/company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation/company, for the uses and purposes therein mentioned, and that he/she is 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
Residing at _____
My commission expires: _____
Print Name: _____

Exhibit A
Legal Description

Tax Parcel No(s): **4055-010-005-0000**



Property Location for Right of First Refusal