

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

CONSENT AGENDA REQUEST

TO: Jefferson County Board of Commissioners

FROM: Carolyn Gallaway, Clerk of the Board

DATE: October 27, 2025

SUBJECT: **AGREEMENT, Amendment No. 1** to the Grant Agreement by and between Jefferson County and Port of Port Townsend, for Public Infrastructure Fund (PIF) – Jefferson County International Airport Eco-Industrial Park (JCIA #2)

STATEMENT OF ISSUE:

On November 12, 2024, the Board of County Commissioners approved a Public Infrastructure Fund (PIF) grant for the above referenced project. The project remains viable but has encountered significant delays. An extension to the grant agreement term is necessary for the project to be completed.

ANALYSIS:

The Port of Port Townsend confirmed that an extension through December 31, 2026 is needed to complete the project.

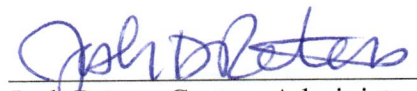
FISCAL IMPACT:

This request has no fiscal impact – it is only an extension of time to complete the project.

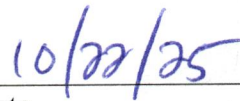
RECOMMENDATION:

Approve the attached amendment.

REVIEWED BY:



Josh Peters, County Administrator



Date

CONTRACT REVIEW FORM

Clear Form

(INSTRUCTIONS ARE ON THE NEXT PAGE)

CONTRACT WITH: Port of Port Townsend

Contract No: PIF-JCIA2-Amend1

Contract For: PIF Grant - JCIA #2

Term: Through 12/31/26

COUNTY DEPARTMENT: County Administrator

Contact Person: Josh Peters

Contact Phone: 360-385-9100

Contact email: jdpeters@co.jefferson.wa.us

AMOUNT: Time extension only

Revenue:

Expenditure:

Matching Funds Required:

Sources(s) of Matching Funds

Fund #

Munis Org/Obj

PROCESS:

- ☐ Exempt from Bid Process
- ☐ Cooperative Purchase
- ☐ Competitive Sealed Bid
- ☐ Small Works Roster
- ☐ Vendor List Bid
- ☒ RFP or RFQ
- ☐ Other: _____

APPROVAL STEPS:

STEP 1: DEPARTMENT CERTIFIES COMPLIANCE WITH JCC 3.55.080 AND CHAPTER 42.23 RCW.

CERTIFIED: ☒ N/A: ☐

Caugh Gollan
Signature

10/22/25
Date

STEP 2: DEPARTMENT CERTIFIES THE PERSON PROPOSED FOR CONTRACTING WITH THE COUNTY (CONTRACTOR) HAS NOT BEEN DEBARRED BY ANY FEDERAL, STATE, OR LOCAL AGENCY.

CERTIFIED: ☒ N/A: ☐

Caugh Gollan
Signature

10/22/25
Date

STEP 3: RISK MANAGEMENT REVIEW (will be added electronically through Laserfiche):

Electronically approved by Risk Management on 10/22/2025.

STEP 4: PROSECUTING ATTORNEY REVIEW (will be added electronically through Laserfiche):

Electronically approved as to form by PAO on 10/22/2025.
Standard county grant agreement language

STEP 5: DEPARTMENT MAKES REVISIONS & RESUBMITS TO RISK MANAGEMENT AND PROSECUTING ATTORNEY(IF REQUIRED).

STEP 6: CONTRACTOR SIGNS

STEP 7: SUBMIT TO BOCC FOR APPROVAL

**Amendment No. 1 to the Grant Agreement by and Between Jefferson County
and the Port of Port Townsend for the Jefferson County International Airport
Eco-Industrial Park (JCIA #2)**

This Amendment No. 1 to the Public Infrastructure Fund (PIF) Grant Agreement is made and entered into by and between the Port of Port Townsend (“Grantee”) and Jefferson County, a political subdivision under the laws of the State of Washington (“County”), (collectively “Parties”).

WHEREAS, the Parties want to amend the Grant Agreement entered into between them;

NOW, THEREFORE, the Parties agree as follows:

1. **Purpose.** The purpose of this Amendment is to extend the term of the grant term through December 31, 2026.
2. All other terms remain the same.

(SIGNATURES FOLLOW ON NEXT PAGE)

Jefferson County
Board of Commissioners

Port of Port Townsend

Signature

Date

Eron Berg, Director

Heidi Eisenhour, Chair

Date

SEAL:

ATTEST:

Carolyn Gallaway, CMC
Clerk of the Board

Date

Approved as to form only:



October 22, 2026

Philip C. Hunsucker
Chief Civil Deputy Prosecuting Attorney

Date

PIF Grant Agreement – Port of Port Townsend – Jefferson County International Airport Eco-Industrial Park, No. 2

Grant Agreement by and Between

Jefferson County
and
Port of Port Townsend (Grantee)

For Public Infrastructure Project Funding
Jefferson County International Airport (JCIA) Eco-Industrial Park

WHEREAS, RCW 82.14.370 authorizes a sales and use tax to provide funding of public infrastructure projects; and

WHEREAS, pursuant to RCW 82.14.370, Jefferson County has established the Public Infrastructure Fund and a program for its administration as codified in Jefferson County Code Chapters 3.28 and 3.36; and

WHEREAS, in response to a 2024 Public Infrastructure Fund Request for Proposals the Port of Port Townsend submitted a proposal for a JCIA Eco-Industrial Business Park; and

WHEREAS, the JCIA Eco-Industrial Park Project will support the acquisition of, and additional design, engineering, permitting and development of road and utility infrastructure on that portion of Tax Parcel 001334004 lying north of Four Corners Road. It will also extend a main (3-phase) PUD power line from the Four Corners substation to and through the 24-acre light industrial park (up to eleven (11) one-acre “pad-ready” sites) to attract new businesses and allow existing businesses in our community to expand. This project is important to the economic development of Jefferson County; and

WHEREAS, on October 29, 2024, the Public Infrastructure Fund Board recommended that the County approve a 100% grant to the Port of Port Townsend for the JCIA Eco-Industrial Park Project in the amount of \$486,641; and

WHEREAS, on November 4, 2024 the Jefferson County Board of Commissioners approved the Public Infrastructure Board’s recommendation:

NOW, THEREFORE, Jefferson County, a political subdivision of the State of Washington, (County), and the Grantee, in consideration of the mutual benefits, terms, and conditions hereinafter specified, do hereby agree as follows:

1. Grant Commitment. A 100% grant of Public Infrastructure Funds is hereby made to the JCIA Eco-Industrial Park Project. The approved maximum amount of the grant shall be \$486,641. The grant (\$486,641) shall be available based on submission of appropriate invoices pursuant to Section 3.

PIF Grant Agreement – Port of Port Townsend – Jefferson County International Airport Eco-Industrial Park, No. 2

2. Project Description and Schedule. the JCIA Eco-Industrial Park Project will support the acquisition of, and additional design, engineering, permitting and development of road and utility infrastructure on that portion of Tax Parcel 001334004 lying north of Four Corners Road. It will also extend a main (3-phase) PUD power line from the Four Corners substation to and through the 24-acre light industrial park (up to eleven (11) one-acre “pad-ready” sites). Project proposal is attached as Exhibit A.

The project begins in early 2025 and shall be completed no later than December 31, 2025.

3. Grantee Payment. Expenses incurred by the project’s consultants, contractors, suppliers, or Grantee’s staff for work performed on the JCIA Eco-Industrial Park Project, as described herein, shall be submitted to the PIF Administrator by the Grantee using a detailed invoice.

Each detailed invoice shall show individual items followed by the total amount incurred and the amount eligible for reimbursement under this grant for that particular reimbursement request. Grantee may submit such invoices to the County once per month during the course of the project for work completed. All invoices shall be submitted no later than 30 days after project completion.

The PIF Administrator shall review and approve payment invoices. Payments will be limited to the monies that are available under the grant as described in Section 1. Such invoices, once approved, will be paid using the County's normal bill paying process and cycle.

4. Compliance with Laws. Grantee shall, in completing its project under this Grant Agreement, faithfully observe and comply with all federal, state, and local laws, ordinances, and regulations, applicable to the work to be completed under this Grant Agreement.
5. Legal and Regulatory Compliance. While performing under this Agreement, Grantee, subcontractors, and their employees are required to comply with all applicable local, state and federal laws, codes, ordinances, and regulations, including but not limited to:
 - a. Applicable regulations of the Washington Department of Labor and Industries, including WA-DOSH Safety Regulations; and,
 - b. State and Federal Anti-Discrimination Laws.
6. Termination
 - c. Termination by the County.
 - i. Should the Grantee default in providing services under this Agreement or materially breach any of its provisions, the County may terminate this Agreement upon ten (10) days written notice to Grantee.
 - ii. Grantee shall have the right and opportunity to cure any such material breach within the ten (10) day period.

PIF Grant Agreement – Port of Port Townsend – Jefferson County International Airport Eco-Industrial Park, No. 2

- iii. The County may terminate this Agreement upon immediate notice to the Grantee in the event that the funding for the project ceases or is reduced in amount. Grantee will be reimbursed for services expended up to the date of termination.
 - d. Termination by Grantee.
 - i. Should the County, its staff, employees, agents and/or representatives default in the performance of this Agreement or materially breach any of its provisions, Grantee, at their option, may terminate this Agreement by giving ten (10) days written notice to the County representative.
 - ii. The County shall have the right and opportunity to cure any such material breach within the ten (10) day period.
 - e. Termination Without Cause. This Agreement may be terminated without cause at any time by either party subject to a sixty (60) day advance written notice of such termination to the other party.
- 7. No Harassment or Discrimination. Grantee and any contractors/subcontractors will not discriminate against any person in the performance of work under this agreement or in the selection and retention of employees or procurement of materials or supplies on the basis of age, sex, marital status, sexual orientation, religion, creed, color, national origin, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained guide dog or service animal by a person with a disability, unless based upon a bonafide occupational qualification.
- 8. Contract Expiration. This contract shall run until the project is complete and until the County has made all payments required under this Grant Agreement, except that the project must be completed no later than December 31, 2025, unless extended by mutual agreement.
- 9. Failure to Appropriate. Grantee acknowledge that the County may only appropriate monies for this grant in the current year and in a manner consistent with Paragraph 1 above. The County agrees to appropriate monies to fund this grant unless emergency circumstances prevent the County from doing so. Any monies to be paid by the County to the Grantee for this grant are subject to appropriation by the County Commission.
- 10. Integrated Agreement. This Grant Agreement represents the entire and integrated agreement between the County and the Grantee and supersedes all prior negotiations, representations, or agreements written or oral.
- 11. Modification of this Agreement. This Agreement may be amended or supplemented only by a writing that is signed by duly authorized representatives of all parties.

PIF Grant Agreement – Port of Port Townsend – Jefferson County International Airport Eco-Industrial Park, No. 2

12. No Assignment. Grantee shall not sell, assign, or transfer any of rights obtained by this Agreement without the express written consent of the County.
13. Severability. Provided it does not result in a material change in the terms of this Agreement, if any provision of this Agreement or the application of this Agreement to any person or circumstance shall be invalid, illegal, or unenforceable to any extent, the remainder of this Agreement and the application this Agreement shall not be affected and shall be enforceable to the fullest extent permitted by law.
14. No Third-party Beneficiaries; Relationship of the Parties. The parties do not intend, and nothing in this Agreement shall be construed to mean, that any provision in this Agreement is for the benefit of any person or entity who is not a party. No agent, employee or representative of any party shall be deemed to be an agent, employee or representative of any other party for any purpose, and the employees of one party are not entitled to any of the benefits any other party provides to its employees.
15. Controlling Law. It is understood and agreed that this Agreement is entered into in the State of Washington. This Agreement shall be governed by and construed in accordance with the laws of the United States, the State of Washington and the County of Jefferson, as if applied to transactions entered into and to be performed wholly within Jefferson County, Washington between Jefferson County residents. No party shall argue or assert that any state law other than Washington law applies to the governance or construction of this Agreement.
16. Hold Harmless and Indemnification: Each party (the “Indemnitor”) shall hold the other (the “Indemnitee”), harmless, indemnify and defend the other its board or commission members, officers, officials, employees, agents, and marital communities from and against any and all claims, actions, suits, liability, loss, expenses, damages, and judgments of any nature whatsoever, including, but not limited to, reasonable costs and attorneys’ fees in defense thereof, for injury, sickness, disability or death to persons or damage to property or business, caused by or arising out of the performance of this contract, its employees, agents, subcontractors, marital communities or anyone for whose acts any of them may be liable, except for injuries and damages caused by the sole negligence of the Indemnitee. If the claim, suit or action involves concurrent negligence of the Parties, the indemnity provisions provided herein shall be applicable only to the extent of the percentage of each party’s negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes each party’s waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this Section shall survive the expiration or termination of this Contract.

SIGNATURES APPEAR ON THE FOLLOWING PAGE

PIF Grant Agreement – Port of Port Townsend – Jefferson County International Airport Eco-Industrial Park, No. 2

IN WITNESS WHEREOF, the parties have caused this Grant Agreement to be executed this 12th day of November, 2024.

**Jefferson County
Board of Commissioners**

KD
Kate Dean, Chair

11/12/24
Date

Port of Port Townsend

[Signature]
Eron Berg, Director

11/15/24
Date

ATTEST:

Carolyn Gallaway
Carolyn Gallaway, CMC
Clerk of the Board



11/12/24
Date

APPROVED AS TO FORM:

[Signature] for
Philip C. Hunsucker
Chief Civil Deputy Prosecuting Attorney

10/31/2024
Date

EXHIBIT A



Jefferson County, Washington
**Public Infrastructure Fund
Project Application**

**Return all Application Materials
as One Document to:**

carolyn@co.jefferson.wa.us by 4:30 p.m. on September 13, 2024

Project Title:	Acquisition & Development of Roadway Access & Utilities - JCIA Industrial Park		
Grant Request Amount:	\$600,000	Loan Request Amount:	\$0.00

Contact Information

Agency:	Port of Port Townsend		
Contact:	Eric Toews	Date:	September 13, 2024
Phone #:	360-385-0656	Email:	eric@portofpt.com
Address:	P.O. Box 1180	City, State, Zip:	Port Townsend, WA 98368

By signing you confirm you have authority to submit this application for PIF funds on behalf of your organization. I affirm that the information is correct to my knowledge.

Signature:

A handwritten signature in blue ink, appearing to be "Eric Toews", written over a horizontal line.

Printed
Name:

Eric Toews

Title:

Deputy Director

YOUR PROJECT

What is your "Public Facilities" project?

Please provide a brief description of your project in the box below.

Description: The Port proposes to acquire and develop an approximately 3.4-acre property linking the 24-acre Light Industrial Park site at the JCIA to Four Corners Road. Specifically, PIF grant assistance would support the acquisition of, and additional design, engineering, permitting and development of road and utility infrastructure on that portion of Tax Parcel 001334004 lying north of Four Corners Road. The project will also extend a main (3-phase) PUD power line from the Four Corners substation to and through the 24-acre Light Industrial Park, which will also ensure more reliable and redundant power service to Kala Point and surrounding areas.

Acquisition and development of Tax Parcel 001334004 is essential to access the JCIA Light Industrial Park, which, upon completion, will provide up to eleven (11) one-acre "pad-ready" sites and supporting infrastructure to attract new businesses and to allow existing businesses in our community to expand. This access acquisition and utility development project is directly linked to the Port's 2024 PIF-funded project, which is currently advancing the design, engineering and permitting for the 24-acre Light Industrial Park itself.

In 2002, having identified the need for more industrial land provided with adequate infrastructure to further its economic development and job creation mission, the Port acquired 24 acres of undeveloped land adjacent to the Jefferson County International Airport (JCIA). Also in 2002, the FAA amended the boundary of the Airport Layout Plan to include this Port-owned property. In turn, this amendment to the FAA-approved Airport Master Plan opened a pathway to rezone the property from rural residential to Airport Essential Public Facility (AEPF) and Airport Overlay III in 2009. The 2009 zoning changes allow for rural-scale non-aviation-related light industrial development compatible with surrounding rural uses and densities. Notably, access to the proposed Light Industrial Park site from Four Corners Road has not yet been acquired by the Port.

This proposed PIF project builds upon substantial prior work. In 2010, the Port of Port Townsend obtained a Financial Assistance Award from the U.S. Department of Commerce, Economic Development Administration (EDA) (under its Economic Adjustment Assistance Program) to fund a study to assess the economic and design feasibility of developing a light industrial park on the site. The key purposes of the study were to:

- Assess the demand for use of a light industrial facility at this location;
- Develop profiles of likely facility users; and
- Formulate a conceptual design for future site development.

With assistance from an Industrial Park Advisory Committee consisting of local government and industry stakeholders, the Port completed the Feasibility Study in August of 2011. A central finding of the study was that the Industrial Park project was feasible, but only with grant funding and a long break-even period. The 2011 study assessed several options to provide road access the site, with a road constructed on Tax Parcel 001334004 being identified as the lowest cost, lowest impact alternative. Accordingly, the project proposed in this PIF application is to assist the Port and PUD in funding the acquisition, design, engineering, permitting and development of road access and utilities to the 24-acre Industrial Park site.

Where is your project located?

Description/Address: The project is located on an approximately 3.4-acre portion of Tax Parcel 001334004 lying north of Four Corners Road, with a site address of 714 Four Corners Road, Port Townsend, WA 98368. This property abuts Four Corners Road to the south, and the JCIA/AEPF to the north.

Also, please attach to the end of your application:

- A location map, and
- A site map (if applicable).

Which type of Public Facility Is Your Project?

The public facility must be specifically listed under RCW 82.14.370. Please select the category(ies) which correspond to your project.

☐ Bridges	☐ Sanitary sewer facilities	☒ Electrical facilities	☐ Telecommunications infrastructure
☒ Roads	☐ Earth stabilization	☐ Natural gas facilities	☒ Transportation infrastructure
☐ Domestic water facilities	☐ Storm sewer facilities	☐ Buildings	☐ Commercial infrastructure
☒ Industrial water facilities	☐ Railroads	☐ Structures	☒ Port facilities
☐ Research, testing, training, or incubation facilities in an innovation partnership zone designated under RCW 43.330.270			
☐ Other – describe:			

What will be the cost of this project?

The County Commissioners may disburse funds as both grants and loans. The County negotiates the terms of each award.

Total Project Cost:	\$2,300,000	Total PIF Request:	\$600,000
		☐ Loan Request:	\$
		☒ Grant Request:	\$600,000

What other funding will you use for this project: What source, how much, & what status?

Funding Source	Amount	Status (spent, secured, applied for, or future request)
Jefferson PUD Funded/Directly Performed	\$925,000	Secured
Port Industrial Development District (IDD) Levy Monies	\$775,000	Secured

Is the project ready to proceed? If not ready, what work on this project has already been completed, such as planning, engineering reports, feasibility studies, permitting, etc., have been prepared, and when? Describe what must be completed before the project is ready to proceed.

Description: Yes, the project is ready to proceed immediately. On September 3, 2024, the Port executed a Purchase and Sale Agreement with Ms. April Owen to acquire that portion of Tax Parcel No. 001334004 lying north of Four Corners Road to secure fee title access to the proposed Industrial Park. The sale is expected to close before the end of 2024. The Port has also been collaborating with the PUD regarding extending the main (3-phase) PUD power line from the Four Corners substation across Tax Parcel 001334004, to and through the 24-acre Light Industrial Park, which will also improve system reliability and redundancy to Kala Point and surrounding areas.

In addition to the foregoing, throughout 2024, work has progressed on the design, engineering and permitting for the 24-acre Light Industrial Park, partially funded via a 2024 PIF agreement. A consultant submittal for the Industrial Park is expected to be completed before the end of this year, which will include site access planning and engineering to a 60% level of design. This 2025 PIF request seeks funding to support acquisition of fee title access to the Industrial Park, together with funding assistance to complete the design and construction of the road and for the PUD to extend utilities to the site (i.e., power, fiber and water).

The work outlined above builds the 2011 Feasibility Study referenced previously. A central recommendation of the study was to identify and secure grant funding to advance design, engineering and construction.

How does the project satisfy, in whole or in part, the jurisdiction's economic development strategy?

Description: The project is consistent with, and helps to implement, the North Olympic Peninsula Comprehensive Economic Development Strategy (CEDS), as well as Jefferson County's Comprehensive Plan. Upon completion, the JCIA Eco-Industrial Park will build on strong natural and intellectual capital and provide opportunities for local innovators to create and expand existing businesses and provide living wage jobs. It is expected that the JCIA Light Industrial Park will attract businesses that support higher wage jobs through value-added processing and manufacturing.

Moreover, the zoning for the 24-acre subject site was changed by Jefferson County (the Airport Overlay III Zone applied within the AEPF Zone) in 2009 with the express intent of facilitating rural-scale light industrial development compatible with surrounding rural uses and densities. Policy ED-P-3.1 of Jefferson County's Comprehensive Plan states:

"Support the efforts of the Port of Port Townsend in diversifying the Jefferson County International Airport (JCIA) to provide for a broader number of trades, manufacturing, and services, this may include, but is not limited to, the siting of appropriately scaled aviation and non-aviation-related industrial/manufacturing activities in the Airport Essential Public Facilities District."

In sum, the project directly supports the Port's economic development and job creation mission and helps to implement both the CEDS and the County's Comprehensive Plan.

Is this project a documented county-wide priority? If so, where does it rank?

Description: Yes. While not specifically ranked in a project array, Policy ED-P-3.1 documents clear support for diversifying trades, manufacturing and services at the JCIA as a priority for Jefferson County. The proposed project (property acquisition, design, engineering, permitting and construction of road and utility infrastructure to and through the 24-acre site) is a prerequisite to seeking future construction grant funding to bring the vision of the JCIA Light Industrial Park to reality.

What are the anticipated outcomes of this project in terms of the criteria identified below?

Quantify information where possible.

- **How many businesses do you plan on serving with this project?** The Port estimates that six (6) to fifteen (15) separate businesses could be served within the completed Light Industrial Park. With buildings of up to 10,000 square feet on eleven (11) one-acre lots within the park, it is possible that some tenants may wish to lease multiple lots within the park. Similarly, it is possible that some lots may play host to multiple lessees with smaller space requirements (e.g., a 10,000-sf building demised to accommodate two or three separate tenants).
- **How many full-time, permanent jobs will this project create or retain?**
 - **Retain:** Construction and lease up of lots within the completed Light Industrial Park could safeguard up to twenty (20) jobs in Jefferson County.
 - **Create in 1-3 years:** Assuming funding is secured, and all project phases are completed within the 2025-2027 timeframe (i.e., for the overall Light Industrial Project), it is expected that twenty (20) to sixty (60) jobs would be generated by the end of 2027 (i.e., with lots pre-leased prior to completion).
 - **Create in 3-5 years:** Final lease-up of sites within the Light Industrial Park over the period 2028-2030 would be anticipated to generate a further sixty (60) jobs (i.e., up to 140 total, retained, created in years 1-3, and created in years 3-5).
- **What is the size of the population that will benefit by these infrastructure improvements?** The infrastructure improvements to be facilitated by this project will support family-wage jobs in a community with a profound jobs/housing imbalance, and the proposed improvements would benefit the entire population of Jefferson County. At full build-out and lease-up, the 140 jobs created/retained would represent approximately 1.1% of Jefferson County's 2021 labor force of 12,850.
- **How many jobs during construction?** Six (6) to eight (8) individuals (i.e., construction crew + administrative staff) would be involved in the construction of road access and provision of utilities to the 24-acre Light Industrial Park. The overall project (i.e., construction of the 24-acre Light Industrial Park itself, would likely involve at least four (4) additional employees (i.e., up to twelve (12) total).
- **How will this project improve local infrastructure capacity?**

Description: The proposed project will assist in the acquisition and development of road and utility infrastructure serving a master planned Light Industrial Park featuring eleven (11) 1-acre lots served with a full range of infrastructure necessary to support rural, non-aviation-related light industrial development. As such, this 2025 PIF project would extend an access road from Four Corners Road to the 24-acre Light Industrial site, as well as three-phase power, fiber and water to and through the site. The overall project (i.e., development of the 24-acre site itself) would also include: an internal loop road; native vegetation in both a central green space, together with perimeter buffering; pockets of shared on-street parking; shared driveways and truck maneuvering areas; an off-site stormwater detention pond; vegetated bioretention areas for stormwater treatment; and an off-site community septic drain field. The extension of the main PUD power line from the Four Corners substation across Tax Parcel 001334004 to and through the 24-acre Light Industrial Park will provide 3-phase power for any imagined future industrial use at the JCIA, as well as increased reliability for Kala Point and surrounding areas.

How many months will the work on this project take to complete?

Description: Property acquisition, completion of design, engineering, permitting and construction of the access road, together with 3-phase power, fiber and water utility extensions is expected to require up to 12 months, with construction completed by the end of 2025.

Are there other factors significant to this project that we should be aware of, such as health and safety, emergency declaration, "bird in hand" efforts, volunteer efforts, etc.?

Description: Yes. Rain Shadow Woodworks, Inc., and Pacific Northwest Timbers, Inc. are both supporters of the overall Light Industrial Park project, as well as this site access and utility project. These businesses work symbiotically from leased locations in the Glen Cove Industrial Park. Rain Shadow has added 11 new jobs in recent years and is severely space constrained at its current location. Moreover, a new landowner and expiring leases for both Rain Shadow and Pacific Northwest Timbers require both businesses to find new business locations in the near term. Both businesses are keenly interested in relocating to an industrial park within the community where long-term leases at competitive rates can be negotiated. The Port is also actively building other partnerships and identifying prospective tenants. The Port is seeking to develop access and utilities to the site, complete the design and permitting for the Light Industrial Park, aggressively seek funding support for project construction, and to pre-lease up to one-third of the sites in the park, with full lease up over the ensuing decade.

What Is the Project Phasing?

Articulate the major phases of this project, including the start and completion date, PIF Funds requested for each phase, the eligible PIF expenditure category(ies) for that phase, and if asking for PIF funds for more than one phase, whether PIF funds could be awarded for each phase, separate from PIF funding for the other phases.

Eligible PIF Expenditure Categories: The Washington State Attorney General 2001 No.5 opinion states that these funds may only be used for the following 6 eligible cost categories:

1. project design, including feasibility and marketing studies & plans, and debt & revenue impact analysis
2. costs of site planning & analysis
3. land use & permitting costs
4. project-specific environmental costs
5. capital facilities costs, including acquisition, construction, rehabilitation, alteration, expansion, or improvements of public facilities
6. costs of development & improvement for the public facilities

Phase [Please note: the phases described below relate to the acquisition of fee title access to the 24-acre Light Industrial Park site together with development of the access road and utilities to the site, not to infrastructure development within the Industrial Park itself.]	Start date	End date	PIF Grant Request (if any)	PIF Loan Request (if any)	PIF Expenditure Categories – write in number(s) from above.	Can This Phase be Funded with PIF, Separate from the Other PIF Phases?
1. Property acquisition (i.e., Port purchase of that portion of Tax Parcel No. 001334004 lying north of Four Corners Road) together with completion of design, engineering and permitting for road access and utility extensions	In process	Property acquisition by December 31, 2024; completion of design & permitting by April 25, 2025	\$125,000	\$0	1, 2, 3, 4 & 5	Yes
2. Road construction and utility installation	April 28, 2025	November 28, 2025	\$475,000	\$0	5 & 6	Yes

RESOLUTION NO. 823-24

A Resolution of the Commission of the Port of Port Townsend

AUTHORIZING THE EXECUTIVE DIRECTOR OF THE PORT OF PORT TOWNSEND TO APPLY FOR A PUBLIC INFRASTRUCTURE FUND GRANT TO SUPPORT ACQUISITION AND DEVELOPMENT OF ROADWAY ACCESS AND UTILITIES TO SERVE THE JEFFERSON COUNTY INTERNATIONAL AIRPORT (JCIA) LIGHT INDUSTRIAL PARK PROJECT AND EXPRESSING ITS COMMITMENT TO PROVIDING GRANT MATCHING FUNDS.

WHEREAS, the Port of Port Townsend is a municipal corporation established in 1924 under Title 53 of the Revised Code of Washington; and

WHEREAS, under RCW 53, the Port of Port Townsend is responsible for developing and maintaining infrastructure that fosters economic development, providing transportation facilities and capital equipment that support commerce and communities within Jefferson County; and

WHEREAS, the Port wishes to partially fulfill its economic development and job creation mission by acquiring, permitting and developing road and utility access to the Light Industrial Park at the Jefferson County International Airport (JCIA); and

WHEREAS, the proposed project is consistent with, and helps to implement, the North Olympic Development Council's 2021-2025 Comprehensive Economic Development Strategy (CEDS) in that, it advances development of the Light Industrial Park which, upon completion, will build on strong natural and intellectual capital and provide opportunities for local innovators to create and expand existing businesses and provide living wage jobs; and

WHEREAS, the JCIA Light Industrial Park project is also reflected in the Port of Port Townsend's 2025-2029 Capital Improvement Program (CIP) within the Proposed 2025 Operating and Capital Budget; and

WHEREAS, under the provisions of the Public Infrastructure Fund program, funding assistance is requested by the Port of Port Townsend to aid in financing the cost of acquiring and developing an approximately 3.4-acre property linking the 24-acre Light Industrial Park to Four Corners Road and developing the road and utility infrastructure to the perimeter of the Industrial Park;

WHEREAS, the total cost to acquire, design and engineer, permit and develop road and utility infrastructure to the perimeter of the 24-acre Light Industrial Park is estimated to require \$2,300,000; and

WHEREAS, the project described hereinabove is eligible for Public Infrastructure Fund Grant support under RCW 82.14.370, with the PIF Board request comprising approximately 26% (\$600,000), a Port matching share of approximately 33.7% (\$775,000), and direct contributions made by the Jefferson County PLD of more than 40% (\$925,000), respectively, of the total anticipated project costs (\$2,300,000); and

WHEREAS, the Port has Industrial Development District levy funding available in excess of the amounts necessary to meet its proposed grant match share, and therefore, has the funding to proceed with this capital project if successful in obtaining PIF Grant support; and

WHEREAS, the Commission of the Port of Port Townsend considers it in the public interest to complete the project described in the Public Infrastructure Fund Project Application;

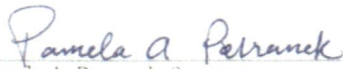
NOW, THEREFORE, BE IT RESOLVED that:

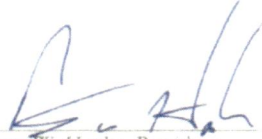
1. The Executive Director of the Port of Port Townsend is authorized to make formal application to the Jefferson County Public Infrastructure Fund Board for grant assistance and if awarded, to execute the resulting grant agreement.
2. Upon consultation with the Port's Director of Finance and Administration, the Commission has concluded, and assures the PIF Board, that Port matching funds of up to \$775,000 are available and have been authorized for the project referenced herein.

3. Any grant assistance received will be used for direct costs associated with implementation of the project referenced above, including, property acquisition, project design and engineering, project-specific land use and environmental permitting, and construction.
4. The Commission of the Port of Port Townsend acknowledges that the grant assistance, if approved, will be paid on a reimbursement basis, meaning that the Port will only request payment from the Jefferson County Administrator after eligible and allowable costs have been incurred and payment remitted to the Port's vendors.
5. The Commission of the Port of Port Townsend acknowledges the criteria to be used by the Public Infrastructure Fund Board in evaluating project applications, and expressly finds as follows:
 - a. The project has a high probability of helping to create and retain jobs within the Airport Overlay III zone (in the Airport Essential Public Facility (AEPF) zone at JCIA), with an estimated 20 existing jobs likely to be supported, and up to 120 new jobs likely to be created by advancing completion of the 24-acre Light Industrial Park Development; and
 - b. The project directly supports the local economy by developing the infrastructure needed for the light manufacturing sector of our local economy to flourish, while at the same time improving the financial performance of the Jefferson County International Airport (an essential public facility); and
 - c. Upon completion, the JCIA Light Industrial Park project will assist in retaining and creating jobs that sustain and enhance natural resource and value-added manufacturing, thereby enhancing an economic sector long identified by local policy plans as essential to preserving community character; and
 - d. The project is consistent with, and helps to implement, locally adopted project priorities; and
 - e. The proposed project will confer multiple benefits, including the following: expanding light industrial areas supported by adequate infrastructure, thereby providing new employment opportunities in unincorporated Jefferson County, and diversifying the range of trades, types of manufacturing, and services hosted at the JCIA, consistent with Plan Policy ED-P-3.1.
6. This resolution becomes part of a formal application to the Public Infrastructure Fund Board for grant assistance.
7. The public was provided with an appropriate opportunity to comment on this application.

ADOPTED this 11th day of September 2024 by the Commission of the Port of Port Townsend and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.

ATTEST:


Pamela A. Petranek, Secretary


Peter W. Hanke, President


Carol L. Hasse, Vice President

APPROVED AS TO FORM:


Port Attorney



**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

CONSENT AGENDA REQUEST

TO: Board of County Commissioners

FROM: Mark McCauley, County Administrator

DATE: November 12, 2024

RE: GRANT AGREEMENT re: Public Infrastructure Project Funding:
Jefferson County International Airport Eco-Industrial Park Project –
Property Acquisition and Infrastructure; Port of Port Townsend; \$486,641

STATEMENT OF ISSUE:

On November 11, 2024, the Board of County Commissioners approved the Public Infrastructure Fund Board's recommendation to fund three projects submitted for 2025 Public Infrastructure grant funding and directed staff to draft grant agreements with the submitting public agencies. This request is for BOCC approval of one of those grant agreements.

ANALYSIS:

The Port of Port Townsend submitted a proposal which will fund property acquisition and road and utility infrastructure for the Jefferson County International Airport Eco-Industrial Business Park.

This project is important to the economic development of Jefferson County.

The attached grant agreement will enable this project to proceed.

FISCAL IMPACT:

Adequate funds are available in fund balance in the Public Infrastructure Fund - Fund 306 to pay for the entire grant amount of \$486,641. Budget for this grant award will be included in the 2025 budget.

RECOMMENDATION: Approve the proposed attached Grant Agreement.

REVIEWED BY:


Mark McCauley, County Administrator

10/31/24
Date

CONTRACT REVIEW FORM

(INSTRUCTIONS ARE ON THE NEXT PAGE)

Clear Form

CONTRACT WITH: Port of Port Townsend

Contract No: S.Frederick 2024

Contract For: PIF Grant - Jefferson County Airport Business Park Term: Through 2025

COUNTY DEPARTMENT: County Administrator

Contact Person: Mark McCauley

Contact Phone: 360-385-9130

Contact email: mmccauley@co.jefferson.wa.us

AMOUNT: \$486,641

Revenue: N/A

Expenditure: \$486,641

Matching Funds Required: N/A

Sources(s) of Matching Funds: N/A

Fund #: 306

Munis Org/Obj: 306

PROCESS:

- ☐ Exempt from Bid Process
- ☐ Cooperative Purchase
- ☐ Competitive Sealed Bid
- ☐ Small Works Roster
- ☐ Vendor List Bid
- ☒ RFP or RFQ
- ☐ Other: competitive hire

APPROVAL STEPS:

STEP 1: DEPARTMENT CERTIFIES COMPLIANCE WITH JCC 3.55.080 AND CHAPTER 42.23 RCW.

CERTIFIED: ☐ N/A: ☒

Mark McCauley
Signature

10/31/24
Date

STEP 2: DEPARTMENT CERTIFIES THE PERSON PROPOSED FOR CONTRACTING WITH THE COUNTY (CONTRACTOR) HAS NOT BEEN DEBARRED BY ANY FEDERAL, STATE, OR LOCAL AGENCY.

CERTIFIED: ☐ N/A: ☒

Mark McCauley
Signature

10/31/24
Date

STEP 3: RISK MANAGEMENT REVIEW (will be added electronically through Laserfiche):

STEP 4: PROSECUTING ATTORNEY REVIEW (will be added electronically through Laserfiche):

Electronically approved by Risk Management on 10/31/2024.

STEP 5: DEPARTMENT MAKES REVISIONS & RESUBMITS TO RISK MANAGEMENT AND PROSECUTING ATTORNEY(IF REQUIRED).

STEP 6: CONTRACTOR SIGNS

STEP 7: SUBMIT TO BOCC FOR APPROVAL

Electronically approved as to form by PAO on 10/31/2024.
Standard language with date fix to page 3.